

# Farfetch's Chief Strategy Officer on Growth Opportunities

- Stephanie Phair talked scaling in China, Style.com and tech solutions.

BY KARI HAMANAKA

**China, monetizing** content and continuing to expand the Farfetch marketplace. There's no shortage of things to do at the London-based luxury online marketplace.

Farfetch chief strategy officer Stephanie Phair sat down with WWD while in town last week for the fourth annual Fashion Tech Forum, held for the first time in the Los Angeles area, to talk about the growth of the business, which is continuing with its multipronged strategy.

China-based e-commerce company JD.com pumped \$397 million into Farfetch in June for a minority stake to fuel the company's expansion in China.

"We're exploring a couple of areas, but one is to really leverage the amazing data that JD has gathered because we feel that in order to access that Chinese customer, you need to do it via a platform or an e-commerce destination like JD," Phair said. "The traditional rules of marketing in China that we do in the U.S. or Europe don't apply and so the way to do it is via JD's technology."

That technology, more specifically, is JD's BlackDragon digital marketing platform to help companies with automated marketing efforts.

"We'll look to leverage [BlackDragon]. We're also looking at their logistics solutions," Phair said. "So there's a lot of different areas we're exploring, but it's a huge strategic investment. The chief executive officer of JD [Richard Liu] sits on our board so there is absolutely a focus on Farfetch."

The vast amounts of data that marketplaces such as Farfetch have on their user base has spurred side businesses of sorts, plugging some into the realm of solution provider to assist other companies looking for greater insights on consumers. But Farfetch doesn't view endeavors such as its recently revealed Store of the Future or Black & White solutions for businesses as simply technology packaged in a box to sell.

"We don't really think of ourselves as solution providers because that would just entail us selling a technology and walking away," Phair said. "Really what we do is a part of our brand, joining our ecosystem and a part of our platform. What we do with our solutions, it's less discreet technologies and more tools that allow [companies]

to do what they do better by working with Farfetch.com. Gucci is a good example of a brand we work with completely 360, and so I think it's less about individual tech solutions and more about how all the dots connect to really engage a brand and its customer in a full solution."

On Farfetch's purchase of Condé Nast's Style.com this summer and broader partnership with the publishing house, work has already begun in earnest on monetization of product and shopping guides.

"We're also exploring other opportunities around content, ideas that will really leverage some of the most beautiful content from Condé Nast that, up until now, really hasn't been distributed or monetized," Phair said.

Even with growth plans for China, providing a broader suite of tech solutions to brand partners or helping publishing houses monetize, there's still plenty of opportunity to continue growing out the actual Farfetch marketplace, Phair said.

"The marketplace is still growing very, very well and our new business is as well, whether it's Black & White, Store of the Future or some of the other incubated initiatives," Phair said. "We have to move on both fronts, but certainly our marketplace

opportunity is far from over. We've got a lot there, whether it's expanding through territories or growing our customer base."

How companies do that no doubt will evolve and change as the customer changes with no one business or executive privy to a crystal ball. But does Phair see how people shop a few years from now drastically different than today?

"I don't think it's going to be dramatically different in that I don't think something's going to come out of nowhere that is going to change things just in five years," Phair said. "That said, customer behavior moves quickly, so I think that what we're already seeing is if brands don't adapt to that, they will be left behind. The idea that a Millennial audience wants the brands to know who they are and they want to get personalized service, they want storytelling and they want to feel special, that is going to be key. And the only way to do that is through technology. There's no such thing as a digital customer or an online customer or an off-price customer or a full-priced customer. It's completely fluid, so we're seeing now a lot of the elements of what the industry will look like five years from now. And now is the time to act."