



## Key Partnerships

Farfetch's focuses on finding key partners around finance, fashion, distribution and technology

### **JD.com**

\$397million Strategic Partnership in 2017 with Chinese eComm retailer; Farfetch launched on JD in 2019

### **Chanel**

Strategic Partnership that included investment from Chanel to create futurized store model around AR

### **Kiva**

Partnerships with Kiva & other impact cos help maintain Farfetch's brand appeal with younger customers

## Key Resources

### **Technology, Brand, Exclusivity**

- Scalable technology platform to execute orders globally
- Brand appeals to luxury fashionistas
- Exclusive relationships with 98% of its retailers

## Key Activities

- Move Customer Acquisition to lower-cost channels
- Scale core business and maintain margins
- Commercialize 'future store' concepts, expand brand power into physical

## Value Proposition

**Future fashion retailer. Combines zero-inventory eCommerce model with distributed bricks-and-mortar warehousing and sales**

- More than 3,000 curated brands for consumers
- Boutique brands don't have to build their own eCommerce channel



## Customer Relationships

### **Personalized, both Online and Offline**

- Offer same-day delivery in 18 cities, ability to return item
- Wishlists and other data-driven features help drive customization

## Channels

### **Online and Offline**

- Platform and digital media channels for online customer acquisition
- Acquisition of Brown's franchise in London and other physical retail stores

## Customer Segments

### **Millennials, Gen Z and Women**

- Millennials have overtaken GenX (45% > 40%) as the leading Luxury segment
- GenZ is seen as an emergent segment in the luxury space that will demand more eco-conscious and sustainable options
- Women are the dominant consumer in luxury retail fashion, and one emerging trend in this segment is the second-hand market. SecondLife

## Cost Structure

**Technology** - Technology development and R&D is a major cost item for Farfetch, must continue to develop tech

**Customer Acquisition**- Reported a large increase in 'Demand Generation Expense' in 2019, putting pressure on margins. They must find lower-cost channels

## Revenue Streams

**Platform Revenues:** earn 25% commission on each sale of product for more than 3,000 brands on platform. Accounts for ~74% of total revenue

**Order Fulfillment and In-Store Revenues:** Earn revenues for additional order fulfillment (23%) and in-store sales (3%)