Chapter 3
La Vêtuse: A French E-Commerce Firm in the Apparel Sector

Matthew A Andrews
https://orcid.org/0000-0002-2669-3445
International School of Management, Paris, France

EXECUTIVE SUMMARY

In just eight years, La Vêtuse has grown from a startup founded by three young French entrepreneurs to become the dominant player in retail e-commerce services for French apparel brands. But now with a staff over 100 people, and three floors of open space in the city center, the company is facing a number of challenges. La Vêtuse is grappling with questions such as whether or not the founder’s original business model and vision are well aligned with current market conditions, and whether or not the informal, entrepreneurial management style and company culture have hidden costs which are preventing the company from further developing. Employees sometimes find themselves caught in impossible dilemmas. The e-commerce manager and the newly hired human resources manager are trying to chart a way forward.

ORGANIZATION BACKGROUND

La Vêtuse, a French e-commerce company which offers full-service e-commerce services to major French apparel brands was founded in 2009 by three young entrepreneurs: Marc Jesson, Gabriel Piatelli, and Manon de Gennes. All three of them, graduates of well-known French business schools, met in their mid-twenties while working in an e-commerce firm. Gabriel had studied entrepreneurship in
school; he was also well-versed in business models and how to seek financing for startups. Marc’s hobby was fashion photography and he had numerous friends and professional contacts in the fashion sector. Manon, in addition to having studied business, had substantial knowledge of and experience with online sales platforms and traffic analysis. All three were technically savvy and saw the potential of the Internet to revolutionize how people shopped for clothes. They recognized that many of the major French apparel brands had a poor understanding of how e-commerce worked, and of how younger consumers shopped, and were consequently not exploiting the full potential of e-commerce.

Through their personal contacts in the company, Gabriel and Marc managed to convince one of the major French apparel brands to outsource their e-commerce activity to them. Working out of Gabriel’s apartment, the trio started La Vêture, and things moved quickly from there. Their concept of the e-commerce site was much like a franchised boutique. Before the trio took charge of the brand’s e-commerce activity, the website’s primary purpose was to promote the image of the brand but its online buying functions were underdeveloped. One of the trio’s first objectives was to makes sure that the brand’s image was tastefully and intelligently integrated into a powerful and dynamic sales platform which allowed online shoppers to easily view, select and buy products. The revenue model depended on a 40% commission on sales, and the site was referred to as an e-store. La Vêture oversaw everything including how the site looked, its architecture, which products were displayed and available for order, the online marketing of the brand and its products, search engine optimization, order logistics and delivery, and after sales service. Within three years, La Vêture had eight serious clients, had moved into an office space and employed 15 full time staff. Six years after its creation, the company had 17 clients, had grown to 90 employees, and had already moved three more times to accommodate its rapidly growing needs.

In terms of quality and price range, their clients represented primarily mid-level, premium, and entry luxury brands such as Sandro, Claudie Pierlot, Comptoir des Cotonniers and Zadig & Voltaire. In 2015, Manon decided to step down from her management and operational role in the company. She remained a shareholder and kept a good relationship with both Gabriel and Marc, but opted to start her own consulting activity. Gabriel became president of the company while Marc moved to a role where he could focus primarily on photography and the visual aspects of the websites; he still frequently represented the company for interviews with the media, public talks, and trade fairs. Meanwhile, the company continued to grow. By 2017 La Vêture had taken over three floors of open space in a refurbished parking garage in the city center; it had 115 employees on staff and enjoyed a 30% annual increase in sales. La Vêture maintained 25 e-commerce sites which handled about 25 million visits a year and generated 40 to 50 million euro in sales revenue.