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Fashion Forward

STYLEPIT is venturing into new markets and categories as it consolidates and evolves its online fashion empire.

Images by Maciej Szymula

As one of the first businesses in Denmark to venture into the online market, STYLEPIT is a pioneer in its industry, forging the fast-paced online fashion market of today.

Thomas Wandahl, Group CEO of STYLEPIT, spoke to *The CEO Magazine* about the evolution of this ground-breaking online icon.

***The CEO Magazine:* What are the origins of STYLEPIT and what has been your role in its growth?**

Thomas: The company was founded back in 2000 in a classic offline retail basement by two guys. They started to sell clothes on the web and ship them from their basement. They were one of the first e-commerce businesses in Denmark. The growth started from there.

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When they first started, they focused on men’s clothing. Once that became a success, they moved into women’s clothing, kids’ clothing, and sportswear. After that, they decided to move into overseas markets and we’re now in 20 international markets, where we’re selling fashion goods online.

I actually haven’t been part of the company for that long. I took over last year. The initial founders wanted to take the company to the next level and one of them wanted to step down, so they wanted a new CEO.

I came in at a time when the company had already set up its operations in a number of countries so I wanted to move the company away from a purely entrepreneurial company and more into one that focused on business processes and growth.

We’re moving into a growth-orientated phase where we have to temper that growth with an intensified focus on branding, company culture, and business processes to ensure that we continue to make a sustainable profit. My role is to take STYLEPIT to the next level where they have a clear brand identity, an established company culture, and a focus on operational excellence.

Since joining STYLEPIT, how have you overcome any obstacles you’ve faced?

The biggest obstacle has been around marketing. We were initially called SmartGuy and then other brands were added like SmartGirl, SmartKids, SmartMen, SmartSport, and STYLEPIT, so we actually had a lot of different brands. My challenge was to, in an environment of increased competition, secure marketing >



efficiencies because it's quite expensive to have so many brands.

What I've done is consolidated all the brands and built them under one brand called STYLEPIT. We've put all the different domains in all the different markets together under STYLEPIT, which means that STYLEPIT is now the only company name that's listed on our website, on the stock exchange, and so forth. The brand name that we use towards customers is the one common brand of STYLEPIT where we try to establish a fashion destination covering women, men, and kids.

Another obstacle has been changing the location of the head office. The company has been based far outside Copenhagen in a local, classic offline retail office in a very small city. I'm now moving the head office of STYLEPIT to Copenhagen and building a new strong culture with new first-class talents and skills. We have to make sure that we have everything we need in one office in Copenhagen, not a lot of different things in different markets across the world. It's about centralising everything around the fashion mecca of Scandinavia: Copenhagen.

We also have to make sure that all of our operational processes are being moved towards Poland. It's a very cost-effective country and it's easy to distribute all of our goods across Europe from Poland. We can do it much cheaper than we did in the past when our warehouses were in Copenhagen. We have to make sure that we're really getting value for money.

When STYLEPIT first started in 2000, we were quite alone in terms of delivering fashion online. We were the first company in Denmark to sell fashion online. A lot of people said that it's impossible and customers wanted to feel and touch their goods. We were quite alone but as e-commerce grew and more and more customers bought clothes online the competition increased as well. A lot of international players joined the market and came into the



Scandinavian market. We had a lot of classic offline retailers also setting up their own websites and trying to distribute goods online.

As competition increased, we decided that we had to have the most cost-efficient platform in terms of production. One of the huge cost drivers is running a warehouse, distributing goods, returns of goods, and those types of things. The main driver for the move to Poland was cutting costs. When you're running a warehouse, there's very limited customer influence. It's important that the distribution to customers is very fast, but putting things together in a package is not necessarily core for us so it has to be done as cheaply as possible.

You've received numerous awards in recent years. What do you attribute STYLEPIT's success to?

I think one of the things that we've been very good at for a number of years is the web platform. Looking at the customers' ratings, they're always very satisfied with the way we handle customer service, in terms of how our website looks and feels, how easy it is to

navigate, and how fast it is. I would claim that our philosophy towards customer service has been the main driver for our success. It's why we've won these awards, and it's why customers have been willing to go online very early and buy fashion.

What are the key values or principles that define STYLEPIT?

I think one of the key values is a customer-first thinking in everything we do. We define the majority of our processes and procedures from a customer-first perspective. We're an e-commerce company and we have a lot of e-commerce people, but we have to make sure that these people are focusing not just on the IT components but on keeping the user experience in the front of our minds. It's probably one of the most important guidelines in the company.

We also have to make sure that we have the coolest brands, in terms of the best fashion brands from different vendors. That's a core principle for us as well. We have to make sure that the products we have are targeting mainstream

Europe. One of our aims is to be a cool fashion destination, but when we define cool it's important that we don't get too edgy or fashion-orientated because you risk losing a lot of customers.

We always have that balance between being fashion-orientated and targeting the mainstream market because that's where the majority of transactions are. Putting a lot of different brands together and making sure that we focus on both good prices and mainstream products is at the core of what we do.

How does the company work with key suppliers and partners to ensure you deliver these elements?

We call them partnerships and it is very critical for us to make sure that we have close relationships and partnerships. This impacts when you buy products, payment terms, returning goods that aren't

sold, and supporting each other. We have very strong relationships with key vendors to ensure that we get the right products in the right quantities at the right time. It is really a give and take, back and forth cooperation that we have with our key partners.

Looking ahead, what's the future for the company?

The future is about making sure that STYLEPIT becomes the company name and the brand name. We want it to be this cool fashion destination. We want to be able to cover the three main market segments: women, men, and kids, which is our biggest challenge at the moment.

We also want to keep growing. No doubt the competition is increasing in online fashion from all over the place, so we need to continue growing and being profitable. That's probably the hardest thing to achieve, given

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that you have online players coming in who are not focusing on profit but on getting a high market share. We've always been focused on growing together with profitability, not growing dramatically. There's a lot of pressure right now with players entering the Nordic market and trying to grab market share.

We need to be the preferred fashion destination in the Nordics. We will focus on that region a lot as we move forward. We'll still be in 20 markets in Europe but the main focus will be on the Nordic market because we can see that there's a lot of profitable growth to capture in this market. •

"SmartGuy (STYLEPIT) and Solid have good two-way communication, where both parties have backed each other up and helped each other out. Good business sense, with profits in mind, has always been an important factor in our cooperation." Peter Mazur, CEO, CNS Group, Solid



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