

Online Retailer Lamoda Poised to Expand

By [The Moscow Times](#)

September 29, 2013

The  Moscow Times

BERLIN — Russian online fashion retailer Lamoda is poised to expand to Ukraine and is considering offering its express delivery service to other brands, its chief executive said.

"It makes sense to go into additional markets. Ukraine is clearly on the map, and you will see us going there soon," chief executive officer Niels Tonsen said in an interview, adding that he was also looking at Azerbaijan and Belarus.

Russia's e-commerce industry, dominated by local players such as Ozon and KupiVIP, has boomed in recent years amid rapidly improving access to the Internet.

Billionaire American industrialist Leonard Blavatnik, born in Ukraine, led a \$130 million round of financing for Lamoda in June, which the company said was the largest investment ever made in Russian e-commerce.

Tonsen said Lamoda, launched in 2011 by Rocket Internet, the Berlin-based venture capital group behind booming European fashion e-tailer Zalando, is Russia's fastest growing e-

commerce firm with sales already in the hundreds of millions of euros, although he declined to comment on profitability.

Lamoda, also operating in Kazakhstan since 2012, has set up its own logistics and courier service, which employs two-thirds of its 1,500 staff. That allows it to offer next-day delivery of 900 brands of clothing, shoes and accessories to 25 cities.

"We even deliver next day to Yekaterinburg, 2,000 kilometers away from our distribution center outside Moscow," Tonsen said. "The existing infrastructure was very poor. If you want to build a leading e-commerce company you want to do it yourself."

Once a delivery arrives, shoppers have 15 minutes to try it on with the courier trained to offer style and size advice.

"This service level is really unique. You do not find that in the West," Tonsen said. "Fashion is a business where the average ticket and margins are good enough to provide this service. ... There are very attractive margins in Russia."

The 26-year-old German, who used to work for Rocket Internet, said Lamoda was inundated with requests from brands to use its couriers to execute their e-commerce distribution, something it might consider in future.

"It could be a next logical step, but with our current growth rates we are focusing on our core business," he said.

Tonsen dismissed speculation that Lamoda, which featured at a Morgan Stanley conference this week on potential initial public offerings, could be preparing for a sale or IPO.

"Given our growth and positioning, we're not concerned about any exit right now," he said.

Along with Blavatnik's Access Industries, other investors in Lamoda include Sweden's Kinnevik, JP Morgan and German retail group Tengelmann.

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