H&M trials e-marketplace model in Sweden, Germany

By Matthieu Guinebault - 15 March 2022

Since the beginning of the month, customers of H&M’s Swedish and German e-shops have found third-party brands featured among the products available for sale. This evolution in H&M’s commercial approach is by no means trivial: the shift to an e-marketplace model, which if successful could be extended to other countries, is likely to strengthen H&M’s position as one of the leading European fashion e-tailers.

In addition to other labels by the H&M group, such as &Other Stories, Arket, Weekday and Monki, the range of brands available on the site has grown to include 13 womenswear labels and 15 men’s ones. Among them, Lee, Wrangler, Fila, Superdry, Crocs, Eastpak, Aimn, Kangol, Chimi, Houdini, Ecoalk and Buffalo. This extended range is currently featured within an umbrella section of the site called ‘H&M with Friends’.

The choice of Sweden and Germany as test countries was not random. “Both Sweden and Germany have a long tradition of catalogue shopping, and in Sweden we launched our e-shop in 1998, while in Germany the e-shop has been operating for 15 years. This is why we started our test with these two markets, and we will gradually add more markets online,” H&M’s management told FashionNetwork.com.

In fiscal 2021, which closed at the end of November, 32% of the H&M group’s sales were generated online. Online sales increased by 30% over the course of the year, and by 24% in Swedish kronor, while in the fiscal year as a whole, the group generated a revenue of €18.9 billion. This was equivalent to a relatively modest 6% rise, which however came with a ninefold increase in net profit.

The H&M e-shop is already operational in 54 countries, and was launched since the start of 2022 also in Belarus, Colombia, Kazakhstan, Peru and Ukraine. It is set to be deployed by the end of the year in Ecuador, Kosovo and Northern Macedonia, and via franchising deals also in Costa Rica, Guatemala and Cambodia.

Contacted by FashionNetwork.com, H&M did not provide any indication as to when the marketplace model might
be extended to other countries. In France, the H&M e-shop ranked eighth last year among fashion e-tailers, according to Kantar, in the wake of Zalando, Amazon, Vinted, Shein, Veepee, ShowroomPrivé and La Redoute.

In China, the H&M group was hit by a boycott last year, following the position it took on the treatment of the Uighur Muslim minority, and its sales in the country fell by 40%. The current fiscal year is expected to be partly affected by the suspension of commercial activities in Russia, resulting in the closure of 168 H&M stores, in response to the invasion of Ukraine.

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