

CHANEL shows its new Web style with help from IBM.



Overview

■ **The Challenge**

Build an online retail environment that ensures brand continuity

■ **The Solution**

IBM Managed Hosting

■ **The Benefit**

Strengthened image and extended business reach

No. 5 is fashion's number one

CHANEL, the international luxury goods company, was founded in France by Gabrielle “Coco” Chanel in 1912 and remains one of the world’s preeminent fashion houses today. The company, which is privately owned, strictly controls all design and manufacturing, distribution and advertising to ensure the highest level of quality. CHANEL (www.chanel.com) offers a broad range of luxury products, including Ready-to-Wear, fragrance, cosmetics, leather goods, watches, accessories and costume jewelry through a current U.S. network of 17 boutiques and approximately 110 locations at select retailers. Haute Couture collections are presented exclusively in Paris.

CHANEL maintains 81 freestanding boutiques worldwide, including the famous House of Mademoiselle Chanel on the rue Cambon in Paris. In 1993, CHANEL launched the CHANEL Fine Jewelry Collection. Under the guidance of designer Karl Lagerfeld, the House of CHANEL remains dedicated to luxury, fashion, style and image.

CHANEL planned to make its products available for sale via the Internet—but maintaining the same control over its online sales as it has over the rest of its operations was a challenge. After considering its options, the company developed an “e-boutique” that allows its retail partners to simply “plug in” a brand-compliant CHANEL e-commerce module to their existing Web sites. The e-boutique module transparently routes users to a CHANEL-operated Web site, giving the company complete control over its image while allowing the retailers to profit from the sale.

With both consumers and retail partners depending on CHANEL’s e-boutique module, it was critical to keep operations running smoothly around the clock. To support that level of uptime, the company wanted to put the site in the hands of a dependable hosting provider.

Tailoring the hosting environment

IBM e-business Hosting™ provides CHANEL with managed hosting services from an IBM e-business Hosting Center™ in the U.S. By delegating hosting responsibility to IBM, CHANEL has been able to add new capabilities and resources without hiring more staff or overburdening its existing staff. "I think of IBM as the CHANEL of technology," says Libby Roney, CHANEL USA's Chief Information Officer. "Compared to the other hosting providers we evaluated, we felt IBM offered the most stable and credible solution."

Prior to hosting the retail module in the U.S., CHANEL had been using IBM hosting services in Germany for its information and branding site, CHANEL.com. IBM worked with CHANEL to migrate the CHANEL.com environment to the U.S. hosting facility and to consolidate CHANEL's total workload onto fewer servers, helping to reduce the company's operating costs. CHANEL has also taken advantage of the new technology in its e-boutique solution to improve the CHANEL.com site. For example, by capitalizing on the Akamai content caching tools in its retail-module environment, CHANEL has been able to increase the Web site's speed and accessibility. With this Managed Hosting content distribution service, the bandwidth-intensive graphics on CHANEL.com are distributed across multiple access points on the network for optimum Internet efficiency.

Luxuriating in the results

The IBM name makes CHANEL's retail partners feel comfortable with the company's e-boutique solution. "Using IBM e-business Hosting dismisses any doubts that our retail partners might have about the hosting side of our retail module," says Roney. "We've already signed up four partners and expect to add two more very soon."

The IBM team at the hosting facility has also been a real advantage for CHANEL. "The IBM team has worked very, very hard to keep this relationship moving forward," says Roney. "When my team comes to me and says that they like IBM and they're comfortable with IBM, that says everything to me."

"The hosting partnership we have with IBM is probably one of the best decisions I've made—IBM hasn't once let us down."

—Libby Roney, Chief Information Officer,
CHANEL USA

For more information

To learn more about this solution, please visit:

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ibm.com/e-business/hosting



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