

Zalando buys German etailer About You to broaden its appeal

Article



The news: Zalando agreed to pay €1.2 billion (\$1.26 billion) for etailer About You to help it expand its share of the fashion and lifestyle market.

About You works with more than 27,000 content creators to combine shopping with entertainment through live events, interactive formats, and social media.

Why is this happening? The deal should help Zalando make good on its goal to garner a 15% share of the European fashion market by 2028.

Zalando notes the two companies complement each other: Zalando's brand-led fashion business contrasts with About You's style-led approach that appeals to a younger audience. Zalando has 50 million customers, while About You has over 12 million.

It also sees significant synergies across the companies' B2B software offerings. About You's highly profitable **Scayle** software unit is one of the fastest-growing software-as-a-service commerce platforms in the world, and will complement Zalando's **Zeos** ecommerce operating system.

Zalando expects to save €100 million (\$104.84 million) annually through shared logistics, payment infrastructure, and commercial collaboration between the companies.

Our take: About You should help Zalando make inroads with younger, style-conscious consumers, a customer base it often failed to reach.

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