Launchmetrics acquires its main competitor DMR, strengthens data and analytical capabilities

By Triana Alonso  ·  30 March 2022

Launchmetrics, the company specializing in data analytics within the fashion, luxury, and beauty industries, has taken over its main competitor DMR, founded and chaired by Enzo di Sarli. The move follows a series of strategic acquisitions that began in 2017 with the buyout of influencer platform Style Coalition and Italian company Visual Box, with which Launchmetrics aims to strengthen its data and analytical capabilities, in order to become the undisputed industry leader in brand performance. The cost of this investment has not yet been disclosed.
"This acquisition provides many benefits to both companies. It's a win-win situation. We will combine the best of both worlds, bringing together Launchmetrics' advanced technology with DMR's historical data, which we will complement with social data and other data that our competitors do not have access to, such as from the Chinese market," announced CEO of Launchmetrics, Michael Jais, during an interview with FashionNetwork.com.

The transaction, which the two companies have been working on for six months and that will be finalized before the end of the year, marks Launchmetrics' fifth acquisition. Its other recent strategic moves following a €50 million funding round in September 2018 include the purchase of digital content creator IMAXtree in 2019 and Chinese platform Parklu, only a year later.

The investment in Italian company DMR with its 20-year track record in the industry, 200 employees and 400 clients worldwide, will enable Launchmetrics to propel its number of clients to 1,200 and its workforce to 400 across ten offices worldwide.

"We both want to keep the same level of services we have provided to our clients so far. In the long term, I believe the transaction will open up exciting opportunities for Launchmetrics. Not only will we have the best online media, print media and social data, but we will also be able to do what's most important and valuable for our clients: connect them with business data," said the CEO, about the prospects opened up by the DMR acquisition, stressing how: "We will no longer need to compete, we will simply have the best data in the world and the most augmented coverage, allowing us to then be able to invest all our resources in building connections between this data and the financial and business data."

A smooth transition towards consolidation

To ensure a "smooth transition" during 2022, Jais will rely on chairman and founder of the Italian company, Enzo di Sarli, as "special consultant".

The CEO keeps an open mind about the future of this collaboration.

"It will be a very smooth transition without the need for restructuring. It's not as if we were combining two technologies, but rather incorporating their data into ours. To my surprise, the overlap between the customers has been very limited, so we will keep the same teams and work on having them establish data interconnections."

"Our data background and established portfolio of major clients will enable us to offer our analytics to smaller brands," he continued, commenting further on how he aims to collaborate with 10,000 to 20,000 emerging brands potentially interested in the Launchmetrics' services.

Jais made himself clear on the possibility of further acquisitions in the future. "As of today, I think we have a solid positioning and I don't see other direct competitors that could add value to us," he said, while nevertheless expressing an interest in add-on tools and integrated solutions.

"We are just starting out our journey and there will be many consolidation strategies moving forward. Brands don't want to work with so many vendors, whether for financial reasons or because they want to work with a simple and well-rounded platform. The more tools or data we can integrate, the better it will be for our customers," he argued.

Goal: Surpass $100 million in revenue by 2025

The future is looking bright for Launchmetrics, with a revenue forecast of around $60 million in the current fiscal year.

"Our goal is to double this figure in the next two to three years, which will be the right scale for going public," revealed the French executive, foreseeing a great potential in terms of business. "Since Covid-19, we have seen
revealed the French executive, foreseeing a great potential in terms of business. "Since Covid-19, we have seen more progress in one year than over the last decade. In the last 10 years, there have been analysts or journalists who reckoned that the luxury industry was moving at a very slow pace in terms of digitization in comparison to other sectors. However, the industry has caught up. And the question is not what the digital landscape can bring to luxury, but what luxury know-how can bring to industries," he mentioned, stressing that fashion industry players are accustomed to "questioning themselves very quickly and changing the way they do business rapidly."

As an industry outsider, Jais describes the future of the fashion industry as "hybrid, a combination of both worlds" and "engaged."

"Customers are increasingly expecting more engagement. Worldwide crises have forced brands to focus on their values and the way they do business, and there will be an evolution of environmental and social approaches towards ethical issues over the next year."

When it comes to Launchmetrics, however, culture is far more important than values.

"As CEO, I can say that the company's values are X. It's a first step, but it doesn't necessarily mean that they will be followed by the employees. Culture permeates the company from the bottom up," he argued, insisting that humility is the fundamental quality needed for working in his company.

"You have to leave your ego at the door and that's the corporate culture we encourage among employees. If you want to be under the spotlight, you are better off working for Chanel, Dior or Louis Vuitton, for instance. Our focus is centred around the success of our customers," he said, confirming that he will maintain this approach even after the DMR acquisition.

His modest nature will be transferred to teams in Paris, London, New York, Shanghai, Milan and Madrid. Founded in 2016 after the merge of France's Augure and New York's Fashion GPS, Launchmetrics is first and foremost an international business.

"We are no longer a French company," said the former co-founder of Augure in 2002, proudly acknowledging how, "It was tough at first, but being global has changed our lives."

By Triana Alonso
Translated by Roberta Herrera

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