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spinning the web

ECOMMERCE WITH BOB SCHWARTZ

by Todd Klawin

Mention Manhattan Beach resident Bob Schwartz and eCommerce in one sentence and you might be accused of redundancy. As Founding Partner of The Schwartz Group, Bob has a 20-year track record of effectively leading consumer Internet and eCommerce companies to billion dollar plus revenues with creative consulting and executive leadership. His success stories include: USSearch.com, a public company he turned around into a leader in online content; the building and spinning-off of Nordstrom.com, a leading fashion apparel Internet company for Fortune 500 Nordstrom, Inc; and Packard Bell Computers, where he was the youngest VP and creator of two consumer direct divisions. Lately, he devotes his time to PORTERO, an impressive and ambitious venture into the authenticated online luxury market, as Board Member and interim CEO. A respected leader in the industry, Bob often speaks about the opportunities and challenges of eCommerce, especially in bringing luxury brands to consumers.

Luxury Life & Style Publisher Todd Klawin sat down with the South Bay resident, inviting him to share his experience, insight and exper-

tise on the evolving world of eCommerce.

Todd Klawin: You've built an impressive career as a leader in the eCommerce world. How did you first get involved in the space?

Bob Schwartz: It goes back to my fascination with direct marketing that started when I was growing up around our family kitchen table watching my father craft lead campaigns for his insurance company. Then I experienced the digital direct marketing evolution while at Packard Bell Computers. Next, before the Internet was commercial, I was building digital commerce while leading Packard Bell direct business where I started selling PC's on Prodigy. For your readers too young to remember Prodigy Online, you might want to tell them, "look it up on Wikipedia."

TK: Your current endeavor is very exciting. Tell us about PORTERO.

BS: PORTERO is the largest authenticated online luxury market. We offer exciting ways to buy and sell the world's best luxury brands, including pre-owned, vintage and new items from brands like Cartier, Panerai, Rolex, Hermes, Chanel, Louis Vuitton and the like. Rightly, con-

sumers worry about the authenticity of luxury goods, as they are prime targets for counterfeits and fakes being sold as real. PORTERO verifies and guarantees every item to be 100 percent authentic. Also, a consumer would have to hunt through hundreds of high-end consignment shops or dealers to find the assortment offered by shopping on our site. It's a respected and easy place for consumers, dealers and brands.

TK: The model strikes me as very timely in the current economic environment.

BS: In the last decade, the rising economy and easy credit allowed luxury items to be accessible to many consumer groups. With the economic downturn, many aspirational consumers no longer have the discretionary funds to purchase new luxury items. We also see more consumers and brands looking to liquidate and sell items they have collected to free up cash or to turn around and use the proceeds to buy something else. Both of these trends are very positive for PORTERO as we offer a place to sell and to buy luxury at a value price.

TK: So, the secondary luxury market is doing well in this economy. That makes

PEOPLE

sense. How are luxury brands doing in the traditional markets today?

BS: Most luxury brand are struggling with distribution as many of their best retail points of presence are having a very difficult time in this economy. Because of this, many brands are aggressively developing or expanding their Internet eCommerce presence because it allows them to more completely control the transaction, the proceeds and margins.

TK: We are all learning to consume and transact in new ways these days. What can we expect to see next with eCommerce?

BS: eCommerce needs to find its "eCommerce 2.0" position. To date, most sites are still one-dimensional, online catalogs and have yet to develop an approach beyond that. As a recent Entrepreneur-In-Residence at Clearstone Venture Partners I spent quite a bit of time on this. My original approach was to look at how community, content and commerce can together create a more compelling experience for the consumer and brands. Though I continue to see value in that approach, I now firmly believe that delivering multiple, fun and engaging ways to shop is the next power wave we will see from online sellers. For example, our new core PORTERO site will offer consumers a rich and well-merchandised eCommerce experience plus an exciting new auction event platform, allowing preview of items and multi-day auction events.

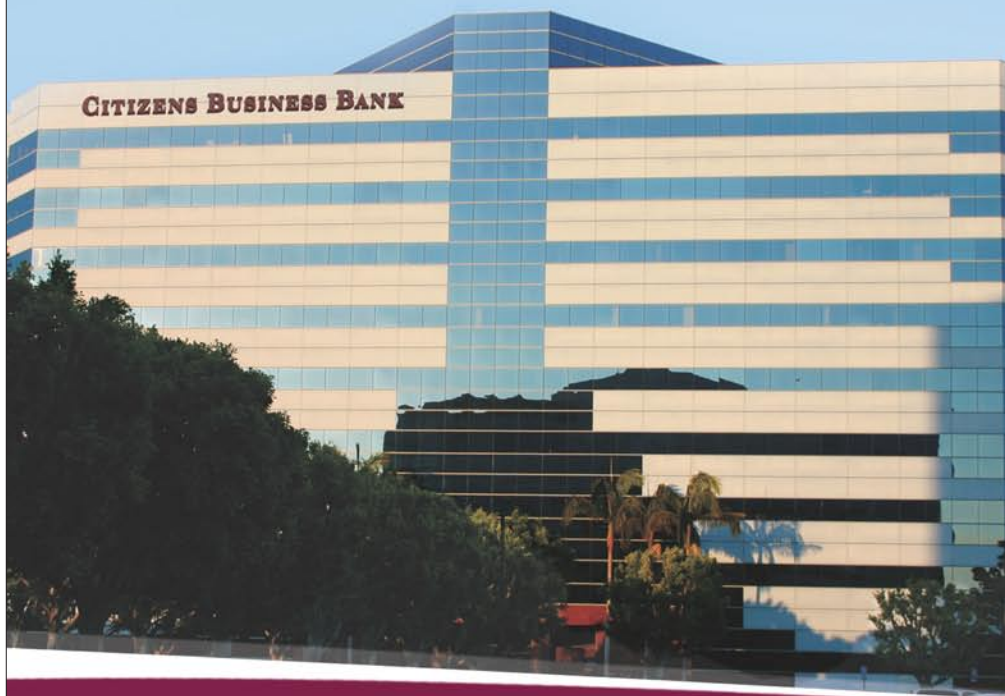
TK: What's next for you Bob?

BS: During my nine months as interim CEO of PORTERO, I closed almost \$7 million in venture funding, launched our new member only luxury sale site, PorteroPrivate.com and just this week launched our new core Portero.com market. We have just introduced our new CEO, Susan Engel, and I will shortly transition back to the Board. Next, personally, I'm looking forward to more time with my "bride" Amy and our boys and less time on airplanes. Next in business? Stay tuned! I see an opportunity with distressed companies that can be bought and revitalized online with a smaller capital structure. But overall I love building and fixing great consumer companies and I see strong demand from large companies and brands to grow and drive their online presence. •

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