

APPAREL AND ACCESSORIES

Rimowa CEO: Luxury needs to balance adaptation, staying true to roots

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Rimowa is the go-to luggage maker for the jet-set. Image credit: Rimowa

By SARAH JONES

VENICE, Italy According to the CEO of Rimowa, the term "luxury" is focused too much on price point, making "high-quality" a more accurate adjective.

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During the Financial Times Business of Luxury Summit on May 21, the executive noted that luxury gets used to describe everything from an entry-level tube of lipstick to an expensive bottle of Champagne. Now a part of LVMH, the luggage maker has transitioned to the conglomerate while retaining a level of independence, building upon more than a century of independent ownership.

"When you're family owned, you're able to make bold decisions that will impact you in the short-term but are right in the long-term," said Alexandre Arnault, CEO of **Rimowa**. "You can make strong investments.

"If I look at the way the company was structured before we purchased it, with the same family owning and running it for 118 years, they had overinvested in the factory, had spent way too much on machinery and tools, where any brand owned by private equity of publicly listed would have not been able to so because profits would have been problematic," he said. "However now we get all the benefits from there, because all this money invested now allows us to have the most powerful and strongest industrial tool than any other luggage company out there."

On a roll

Rimowa was acquired by LVMH in 2016 ([see story](#)). According to Mr. Arnault, he had been using the brand's suitcases for about a decade prior to his family company's purchase of Rimowa.

LVMH was attracted to the luggage brand for a combination of its quality and heritage. While some within Rimowa were worried after the acquisition that the company would cease its own operations and become a luggage supplier for LVMH brands such as Fendi and Louis Vuitton, the conglomerate has kept Rimowa as its own brand.

The group keeps its stable of brands fairly separate, looking to maintain their unique creativity. However, certain aspects are shared.

Before Rimowa was part of LVMH, Louis Vuitton used the brand's wheel patent for its Horizon luggage line.

Unlike many fashion houses, Rimowa has no star designer at the helm, which Mr. Arnault believes is a positive. Similarly to fellow LVMH label Loro Piana, Rimowa has an established set of products that are permanent.

Additionally, Rimowa's suitcases are a kind of canvas, affording the brand opportunities for collaborations. Since joining LVMH, the brand has teamed with Fendi and Supreme on limited-edition cases ([see story](#)).



Rimowa x Supreme luggage. Image credit: LVMH

The Supreme partnership was years in the making. The streetwear label had contacted Rimowa about five years ago, but the suitcase brand was not ready for the collaboration at the time.

Even though the collection was a challenge to produce, it was a sell-out success for the brand, with styles disappearing from stores in seconds. Many who lined up bought the suitcases to resell them online.

While Mr. Arnault says Rimowa does not embrace the reselling of its bags, this secondary market for the collection boosted the prices, and therefore the desirability of the products.

Rimowa is looking into future collaborations with designers and artists, but the brand tries not to do partnerships too frequently.

Experiential approach

Rimowa's potential is partly tied to the boom in the travel industry.

Allied Market Research's [Luxury Travel Market](#) report shows that luxury travel is increasing with a compound annual growth rate of 6.4 percent, eventually leading the industry to \$1.2 billion by 2020. While baby boomers aged 51 to 69 lead the pack, Gen X follows but is more known for preferring to travel with multiple generations of the family such as kids, parents and grandparents ([see story](#)).

Thinking about where the brand will go next, Mr. Arnault believes that the luggage maker may stretch into travel categories such as lounges or suitcase storage. The company could also provide services, such as expedited airport security.

As with "luxury," Mr. Arnault is not a fan of the word "lifestyle" since it applies to too many things.

While hard luxury goods may not be a part of the brand's strategy, the travel category has its own form of permanence.

"It's ephemeral but you'll remember it for sometimes a lifetime," Mr. Arnault said. "Experiences are at the center of everything we do."

"Even when we buy hard products, we buy them in order to wear them, sometime somewhere, which we'll remember just as much as what we're wearing."