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## With TAG Heuer play, Bernard Arnault moves another child to anchor his LVMH empire

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*Frdric Arnault is CEO of TAG Heuer*

By LUXURY DAILY NEWS SERVICE

French billionaire Bernard Arnault is moving all the chess pieces into place.

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With the elevation of son Frdric Arnault to the role of CEO of Swiss watchmaker TAG Heuer, Mr. Arnault now has all but one of his children in leading positions at key brands within the LVMH empire.



LVMH chairman/CEO Bernard Arnault and his daughter, group executive vice president Delphine Arnault at the LVMH Prize cocktail reception. Image courtesy of LVMH Prize. Photo Franois Goize

#### Child's play

Eldest child Delphine Arnault is executive vice president of LVMH flagship brand Louis Vuitton in charge of all product-related activities. She is also director on the LVMH board and member of its executive committee.



LVMH Group director and Berluti CEO Antoine Arnault signed an agreement with Sun Chenghai, representative of the Bureau of the China International Import Expo in Paris on March 25, 2019. Image credit: Gabriel de La Chapelle

Second child and eldest son Antoine Arnault is CEO of Italian leather goods maker and newly minted lifestyle brand Berluti and chairman of Loro Piana, arguably the maker of the finest cashmere apparel. He is also a director on the LVMH board.

Third child Alexandre Arnault is CEO of Rimowa, a German luggage brand.

With Frdric Arnault's elevation from strategy and digital director to brand leader, only his younger brother Jean is left to officially join an LVMH brand.

Bernard Arnault's niece, Stephanie Watine Arnault, is founder/CEO of Clos19, a French seller of wines and spirits products online.

What is clear from these appointments is the apprentice and training of the next generation of Arnaults to take leadership positions in the 75-brand LVMH that last year generated \$59.1 billion, up 15 percent from the prior year.

Go younger in leaders and audience

Of course, the COVID-19 coronavirus outbreak came at an inconvenient time for most luxury groups whose sales were going gangbusters. But the likelihood is that these companies will bounce back when jobs, travel and tourism, and consumer confidence are back. Stock markets worldwide have already resumed their steady pre-COVID-19 climb.

A common thread through the Arnault appointments is the mission mandated to them: contemporize the brand, possibly into a lifestyle entity such as Berluti's transition from purely leather footwear into apparel and accessories, or taking a sleepy brand and accelerating its growth, such as Rimowa.

While Louis Vuitton's sales run into multiple billions, TAG Heuer has crossed a billion dollars and Rimowa hovers around that mark.

Clos19's numbers are not known, but that category is not easy to crack online. Yet it has inside access to the prestigious stable of LVMH spirits brands such as Dom Perignon and Veuve Clicquot.

In all cases, the younger Arnaults are digitizing their brands, upgrading their social media presence, updating the merchandise and targeting the millennial and Gen Z markets where the spending is moving.

.@RIMOWA CEO @alexarnault discusses what makes him most excited about the future of the luggage brand: <https://t.co/oW0hIoRmMb> #TalksAtGS pic.twitter.com/ohc5dMN0hV

Goldman Sachs (@GoldmanSachs) February 29, 2020

Blood line

The top luxury groups are a family business.

François-Henri Pinault has been chairman/CEO of Paris-based Kering, the second-largest luxury conglomerate worldwide with brands such as Gucci, Saint Laurent, Alexander McQueen and Bottega Veneta.

Mr. Pinault inherited his title from his father, François-Henri Pinault, founder of the group that was then named PPR.

Chanel is in the hands of reclusive French billionaire brothers, Alain Wertheimer as chairman and Gerhard as head of the watch business. Their grandfather Pierre founded the company with Gabrielle "Coco" Chanel.

Equally press-shy is Johann Rupert, South Africa-based chairman of Richemont, a Swiss conglomerate with crown jewels such as Cartier, Montblanc and Piaget. No doubt he is training his son and daughter to take over after him.

And then there are two of the many members of the family who own stakes in that most protective of French luxury brands, Hermès: co-chairmen Axel Dumas and Pierre-Alexis Dumas, the former also CEO and the latter creative director.

There are other trading groups and investment funds from the Middle East such as the Qatar's Mayhoola Group and Lebanese-owned Chalhoub Group that are family owned and control several European luxury brands.

Add to that the many monobrand groups still in the founder's hands or two or three generations down, such as Prada Group, Giorgio Armani and, to some extent, Ralph Lauren.

But even as their companies are quoted on bourses worldwide, luxury groups place more stock in the family.