

APPAREL AND ACCESSORIES

## Moncler CEO Remo Ruffini talks digital domination in China

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*Moncler's livestream for the Moncler Fragment launch generated more than 33 million views by mid-July, ranking Moncler No. 1 among all luxury brands livestreaming on Weibo. Image courtesy of Moncler*

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COVID-19 has been bad for business almost any business in practically every country. This goes for the global luxury industry where some sectors such as travel and hospitality have been devastated, yet others, such as luxury retail which has been saved somewhat by online sales are hanging on. But everyone is hurting. It is just a question of how bad.

For **Moncler**, its first-half 2020 financial results could have been worse. It reported revenues of \$473 million (403.3 million), down 29 percent compared to first-half 2019, which is due to store closures and declining traffic in all regions from the ongoing crisis. A bright spot, however, was its double-digit growth in Mainland China.

With China reopening first and seemingly handling its reopening with aplomb all eyes remain focused on this market, which accounted for 90 percent of the luxury sector's **market growth** in 2019, and is expected to carry the weight of luxury spending for the rest of this challenging year and beyond.

But any semblance of a silver lining has been allocated to the few luxury brands that built themselves around disruption, reinvention and the ability to quickly pivot when necessary.

For these brands, **COVID-19** has been like adding fuel to the fire, accelerating their strategies, programs and collections that were already in the works pre-pandemic.

Moncler comes to mind as one of these brands, as its DNA of constant evolution and action is a perfect fit in today's world a world where transformation is not just needed, it is required.

Given the climate, Moncler is making a host of fascinating changes, from accelerating its digital approach to defining a new corporate structure and announcing the direct management of its ecommerce. It is all happening now.

"At Moncler, every project ranging from the definition of collections to product development and event concept definition should be digital-first' and, therefore, must be inspired and designed to fit digital platforms perfectly, as

it's the first touchpoint with the customer," said Remo Ruffini, **Moncler's chairman/CEO**, during the brand's first-half 2020 earnings call.

"With the acceleration of our digital strategy, Moncler aims to double the share of its online business over the next three years," he said.

That is an impressive ambition, but how can Moncler achieve it?

Below, Mr. Ruffini answered a series of questions for *Jing Daily* on how he plans to achieve this dramatic growth during the current global pandemic and afterward.

How has COVID-19 altered Moncler's digital strategy?

COVID-19 has accelerated a process we had already started. We were already investing a lot into digital, but due to the pandemic, we've sped up our efforts.

We're evolving our corporate organization with a new function and strong expertise, calling it "Digital Engagement and Transformation." It was created as a way to implement Moncler's brand strategy across all digital channels, and in the process, diffuse a digital culture across the entire Moncler organization.

Today's world is moving at such an incredible pace, and companies need to be ready to test and learn very quickly. This speed certainly comes with its own risks, but for me, the biggest risk is being slow to action and reaction.

With fewer people shopping in bricks-and-mortar stores, how will this digital approach make up for customers not being able to shop in a store?

During this emergency, shopping habits have changed, particularly the customer decision journey. I believe that online shopping will become a kind of habit.

More importantly, all Moncler customer journeys will always have a digital touch point. The journey can start online via ecommerce, e-tailers, or social platforms and finish in the store or the other way around by starting in the store and ending online.

One must have a strong identity as a brand online and offline because the consumer can be in any of these places or both places simultaneously.

Today, the experience is omnichannel. Digital and in-store will play off each other. Both channels are important for brand experience and conversion, and each should strongly reflect brand equity.

Also, we will soon manage our own ecommerce directly, and in 2021, we will go live with a new ecommerce platform.

How will all of this affect your customers?

Servicing Moncler's clients is increasingly becoming a relationship-driven experience supported by social tools like video messaging, digital appointments, distance sales and physical events to create unprecedented synergies between our physical stores and digital touch points.

We live in a fluid world, and Moncler's fully integrated omnichannel model is defined by a customer who interacts with the brand in the physical store and on digital channels intermittently. This approach ensures a consistent, seamless and personalized experience across all points of contact.

Leveraging the atmosphere and experience of the in-store environment, while using new technologies to showcase our products will become "the next normal."



*Remo Ruffini is chairman/CEO of Moncler. Image courtesy of Moncler*

Will your digital approach be different in China? If so, how?

China is one of the most dynamic and technologically advanced countries, and its consumers are very savvy with social media. It is also a country with strong local cultures and content.

Consumers in China are adapting to new technologies at record speeds and with great energy, and they use daily features that Europeans would describe as "futuristic."

Because of this, China is the perfect place for experimentation. On June 30, we did a livestream on Weibo to celebrate the launch of our new Moncler Fragment collection, and it was wildly successful, reaching 32 million views in one day.

Moreover, we are creating local, relevant content with local celebrities and **KOLs** to better and more closely engage with consumers there. And we're bolstering our China team to define a tailored strategy that's rooted in a deep knowledge of local trends and customs so we can spot and seize new opportunities, but most of all, experiment.

Will Moncler focus its marketing on China rather than Europe or the U.S. due to COVID-19?

Due to the current world scenario, we have reviewed our marketing plans to rebalance our spending across channels based on changing consumer behaviors and preferences.

Of course, we are taking China's relevance into account. Currently, our marketing expenses in 2020 are expected to be around 6 percent of revenues.

Which platforms will Moncler use in China?

In China, we'll continue investing in cross-channel customer experiences, but we'll keep experimenting so that we can offer a fully-customized experience across all channels and platforms.

Also, partnering with some of these social platforms allows us to collaborate and create experiences that are locally unique and distinctive.

The variety of social media platforms Weibo, **WeChat**, Douyin and Little Red Book allows us to increase our reach and brand awareness, while specifically targeting **Gen Zers and millennials**, for whom digital is fully-embedded in their daily lives.

Will Moncler do any livestreaming from stores in China?

Our livestream for the **Moncler Fragment launch** generated more than 33 million views by mid-July, ranking us No. 1 among all luxury brands **livestreaming** on Weibo.

As far as livestreaming from our stores, I think that represents a new phase of retail evolution by mixing human relations with technology.

Once again, I believe uniqueness is the key. We are defining the livestream formula to offer a distinctive experience that's in line with our brand equity and positioning.

But at the same time, we are training client advisors to manage this tool with the right capabilities and attitude.

And finally, what about fashion shows? How will this digital strategy alter the way Moncler presents its new collections?

It's an exciting time to reinvent, and digital is now contaminating all Moncler activities.

My vision is that every project from the definition of collections to product development and the design of events must be digital-born and, therefore, be inspired to perfectly fit various digital platforms, as this will be the first consumer touch point.

Will the next **Moncler Genius** be digital? We are still evaluating different options, but even if it's physical, it will be conceived and designed to have prominent digital features and content.

For Moncler, the real challenge is to create a strong brand experience, whether it's physical, digital, or both. It's the brand experience that builds a difference.

My vision for the future is a world with more of a blend of human warmth and technology that is always emotionally driven. Without an emotional element there, you cannot be relevant, and without relevance, there's no future.

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