

RETAIL

## Prada leverages pandemic as opportunity to contemplate, transform business

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*Prada is committed to its engagement with local customers. Image credit: Shutterstock*

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By ELLEN KELLEHER

Italian fashion label **Prada** is using the global pandemic as a period of self-reflection while it embraces ecommerce growth and recommits to the value of in-store shopping experiences.

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In a discussion with Lauren Indvik, fashion editor of the *Financial Times* at the FT Business of Luxury Summit on Nov. 24, a marketing executive from Prada explained how the dominance of ecommerce in these difficult times has upended the status quo at Prada and triggered a time of reinvention. The fashion house now have a much clearer view on which parts of its business to improve.

"It's very clear for brands where they need to work more," said Lorenzo Bertelli, head of marketing and corporate social responsibility at Prada. "Everyone is reinventing themselves."

Prada broadcasts message loudly

A former professional race car driver, Mr. Bertelli is also deeply committed to strategy at Prada as the son of the brand's head designer Miuccia Prada.

A lesson learned from the pandemic is that Prada does not have the same opportunities to sell its products in the way it once did. While ecommerce sales are soaring at the company, it remains difficult to use the internet as a way to deliver the same messages and the same experiences to customers as traditional retail allows.



*As of this year, Miuccia Prada shares creative responsibilities at Prada with former Calvin Klein chief creative officer Raf Simons. Image courtesy of Prada*

"The product itself is a kind of entertainment and a kind of experience for the customer," Mr. Bertelli said.

COVID-19 has forced Prada to attempt to broadcast its message about its products and its story more loudly.

The question remains whether digital storytelling will see exponential growth along with the ecommerce sales in the luxury industry, which have accelerated as a result of the coronavirus pandemic ([see story](#)).

Mr. Bertelli explained that the behavior of the consumer had also changed as a result of the pandemic.

"I see every consumer from my parents to anyone of any age having to learn to use the computer," he said.

"Everybody has been forced to learn how to use a digital platform."

Prada is admittedly starting from a small base, but Mr. Bertelli expects ecommerce will soon represent about 30 percent or more of its total sales.

Yet, he remains dedicated to ensuring the survival of Prada's network of stores, which reach Africa, Australia, the Middle East, Europe, Asia and the United States.

"I would like to keep the relevance of that physical experience because then you can do much more cross-selling and upselling," he said. "You cannot touch the leather and feel the experience online like you can in a store."



*Prada model Freja Beha plays a mysterious woman in "A Stranger Calls," a post-pandemic ad campaign. Image credit: Prada*

"If you sacrifice the retail store, in a way you surrender the advocacy of your customers," he said. "The customers are the best people you can get to talk about your brand."

At the moment, Prada executives are noticing a resurgence in the number of young people coming to its stores, particularly now. When more and more customers follow their example, they are likely to demand more from the experience.

"They will expect something more when they go back to the store because they will realize that they can make a lot of their purchases through e-commerce," Mr. Bertelli said. "When people go into the store now, they want to feel something different."

"We have to be ready to face this challenge," he said.

Similar to many rival luxury brands, Prada holds a particular interest in driving business forward in the densely-

populated Asian countries. During the last half decade, Prada has been experimenting with China's unique digital platforms ([see story](#)).

However, Mr. Bertelli says the brand is equally focused on winning back its local customers across Italy through discounting.

"We're trying to re-engage with local customers," he said. "If you engage the local customer, the travelers will follow when they come from China and want to see something different than what they see in stores there."

Previously, social causes were pushed quietly at Prada, but discussions about anti-racist causes such as Black Lives Matter and other social justice issues have been elevated to the front burner over the course of the pandemic.

"We have to become more active as a brand and promote the right values you know because in the end, people expect this," Mr. Bertelli said. "They expect that a good brand promotes good behavior."

Even before the pandemic hit last year, Prada was in the throes of what Mr. Bertelli described as a transformation. Now, the pandemic has allowed executives there to gain time for self-reflection.

"We just need to keep working harder and we believe we will come back stronger after the pandemic," he said. "The pandemic gave us the chance to look to ourselves and face our problems and then have a profound discussion of those problems."

#### Slight directional shift

As the chief of corporate social responsibility at Prada, Mr. Bertelli has zeroed in on the company's sustainability efforts, having pledged to phase out the use of nylon in favor of its recycled version Econyl by next year.

The company has not always been on the right side of social responsibility issues. Earlier this year, people for the Ethical Treatment of Animals, better known as PETA, put pressure on Prada to abandon accessories made with the skins of wild animals ([see story](#)).

However, the company has made improvements in recent years and opted to go animal fur-free, starting with its women's 2020 spring and summer collections ([see story](#)).

Last year, Prada also continued its partnership with the Yale School of Management and Politecnico di Milano School of Management by bringing its annual sustainability summit stateside ([see story](#)).

Prada is also part of a coalition of 32 fashion companies joined forces to tackle environmental issues such as climate change, biodiversity restoration and ocean protection, seeking to scale up their individual efforts with common objectives. Under the mandate of France's President Emmanuel Macron, the Fashion Pact launched during the G7 meeting in August 2019 ([see story](#)).

For Mr. Bertelli, sustainability is a mindset that extends to creating a more diverse company.

"To be more sustainable, you must also be a more diverse company and accept all the differences within a company," he said. "The vision that we have for the future is a more stable company, not just in terms of material but also in terms of people and supply chain and a lot of those kinds of things."