

WATCHES AND JEWELRY

Now part of LVMH, what's next for Tiffany & Co.?

January 8, 2021



Tiffany & Co.'s direction is likely to shift under LVMH's guidance. Image credit: LVMH

By ELLEN KELLEHER

French luxury conglomerate **LVMH Mot Hennessy Louis Vuitton** wasted no time making leadership changes at Tiffany & Co. following its acquisition of the U.S. jeweler, a sign that things are about to change for the iconic brand.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

A push into China, a more upscale approach and a dramatic change in Tiffany's product mix are thought to be on the agenda now that LVMH has tapped Louis Vuitton executive and Tiffany alumnus Anthony Ledru as the jeweler's new CEO. Mr. Ledru replaces Alessandro Bogliolo at the helm of the illustrious jeweler imminently alongside Alexandre Arnault, the son of LVMH chairman and CEO Bernard Arnault and former Rimowa CEO, who joins as executive vice president for product and communications.

"Ledru is a great choice as he previously worked at Tiffany and has extensive experience at top jewelry brands," said Milton Pedraza, CEO of **The Luxury Institute**, New York. "He and the younger Arnault will be really effective brand stewards for LVMH."

New horizons

As part of the transition, Mr. Bogliolo will leave Tiffany on Jan. 22. Reed Krakoff, chief artistic director, and Daniella Vitale, executive vice president and chief brand officer, will also depart after a short transition ([see story](#)).

Senior executives at LVMH enjoy a reputation for growing and developing talent at new acquisitions. Arguably, LVMH's specialty is taking in heritage brands, spiffing them up and then sprinkling their expertise on other LVMH businesses without damaging the overall equity.

Once the leadership team has assembled, the expectation is that the conglomerate will transform Tiffany, which joins LVMH's watches and jewelry division, into a critical piece of its empire just as it did Bulgari, which it acquired back in 2011.



Mr. Ledru was seen as a frontrunner for the top job at Tiffany. Image credit: LVMH

With the help of LVMH, Bulgari managed to double sales since 2011 and saw profits increasing fivefold, Mr. Arnault said in 2019 ([see story](#)).

It could also well be the case that Mr. Arnault sees Richemont's Cartier as a model for its newly acquired brand.

"It appears that Arnault has set Cartier as the benchmark for Tiffany, noting its stability and unrivaled product and scale," said Rebecca Miller, principal of [Miller & Company](#), New York. "I expect them to keep the best of the American brand, but not shy away from layering in a more diverse attitude."

Having served as Tiffany's senior vice president of North America from 2013 to 2014, Mr. Ledru is likely to maintain Tiffany's dominance in the United States and Canada while also expanding the brand in China and the rest of Asia, where the luxury market is recovering more quickly in the wake of the COVID-19 crisis.

"Being American is part of the Tiffany DNA that LVMH will leverage and it's also part of the attraction to Chinese consumers," said Chris Ramey, founder of [Affluent Insights](#), Palm Beach. "Millennials are a substantial part of the luxury mix in China, and Tiffany will be a hip brand."

Tiffany has an impressive market share in mainland China, and a recent UBS survey showed that Chinese buyers see Tiffany as a "go-to" jewelry brand, second only to Cartier.

However, the market is competitive and Tiffany will have to work to shift its focus from sophisticated Chinese consumers who know the brand through their international travels to younger Chinese customers making online purchases at Tiffany or at retail stores.

"As LVMH's new management takes over, they should have the advantage of insights gleaned from other brands in their portfolio to better understand China's relatively young consumer, which is fueling the growth of the global luxury market," said Renee Hartmann, cofounder of [China Luxury Advisors](#), Los Angeles. "Management will need to ensure that it stays true to Tiffany's heritage and history and reshapes the brand in a way that is still authentic and relatable for Chinese consumers."

Offering proof of its potential, Tiffany's operating earnings for August and September 2020 indicate that the Tiffany T1 line performed well in China, and outgoing CEO Mr. Bogliolo's ambitious China growth strategy was considered a success ([see story](#)).

"Ledru knows North America very well and I think he will make sure it remains Tiffany's center of gravity," Mr. Pedraza said. "But as was the case with Bulgari, you'll probably see Ledru accelerate Tiffany's expansion efforts in China."

Clear brand messaging and a strong point of view has been long overdue at Tiffany & Co., according to some industry watchers who also predict the new management team will rebrand significantly under Mr. Ledru.

"I'm excited to see new leadership focused on repositioning the brand to resonate with younger consumers," said Casey Golden, founder and CEO of [Luxlock](#), New York. "We'll quickly see the brand's visibility rise and new collections cultivated for personal purchases and statement gifts."

Mr. Ledru has more than 20 years of experience in the luxury sector, culminating in his stint as executive vice president of global commercial activities at Louis Vuitton since 2017.

Jewelry is his expertise and he got his start by working for Cartier between 1999 and 2011, first in Latin America and

then in the U.S. Later, he joined Harry Winston where he worked as global vice president of sales.

Joining Mr. Ledru in the C-suite is Alexandre Arnault, who has been in the top job at LVMH's Rimowa, the German luggage manufacturer, since 2017. Just 28, he first joined LVMH and Groupe Arnault to focus on digital innovation after working as a McKinsey consultant and in private equity at KKR.



Alexandre Arnault, former CEO of Rimowa, is Bernard Arnault's second-oldest son. Image credit: Twitter

The elder Mr. Arnault has elevated his children to significant leadership positions at LVMH in the past. Antoine Arnault currently serves as CEO of menswear brand Berluti, while Delphine Arnault is an executive vice-president of Louis Vuitton.

"Arnault has been diligent in each acquisition to put in place the talent that is required, and it is not unexpected to see Mr. Arnault move his son Alexandre into a new role having proven himself at Rimowa," Ms. Miller said. "He tends to create a nice balance of the more established executives with those earning their way through successful engagements."

LVMH's soft touch

LVMH already owns 75 iconic brands that range from cosmetics, retail, leather goods, ready-to-wear, to wines and spirits and hospitality, but the acquisition of Tiffany is the most expensive deal ever made by the group ([see story](#)).

The relationship between LVMH and Tiffany has had a complicated start, as the original agreement to acquire the 183-year-old jewelry company for \$16.2 billion in cash was struck back in November 2019 and derailed, prompting a legal spat between the two groups.

At the close of last year, shareholders of Tiffany & Co. approved a \$15.8 billion deal with LVMH, ending the dispute ([see story](#)).

The difficulties of the pandemic have reinforced the benefits of the acquisition, according to industry watchers.

"I think the LVMH system which allows brands to run independently and leverage the skills of their mother brand is a formula for success," The Luxury Institute's Mr. Pedraza said. "LVMH does know product development and it will nurture the brand globally."