

APPAREL AND ACCESSORIES

Luxury fashion is one of Italy's pillars: Moncler CEO

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Coastal inspired outerwear from Moncler. Image credit: Moncler

By SARAH RAMIREZ

Understanding the contemporary Chinese consumer is key to being prepared for the future, but luxury cannot forget its roots, argues Moncler CEO Remo Ruffini.

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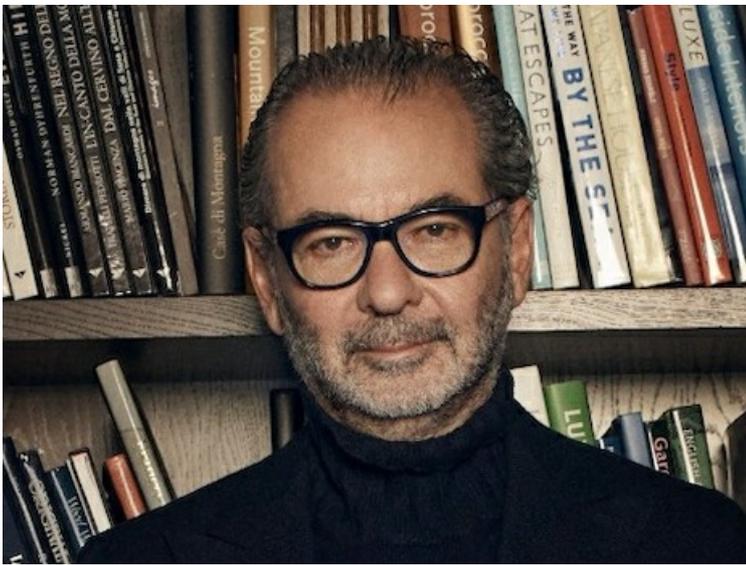
In a conversation with *Financial Times* Milan correspondent Silvia Sciorilli Borrelli at the [FT Business of Luxury Summit](#) on May 19, Mr. Ruffini discussed how **Moncler's** embrace of multichannel strategies, including in China, left the French-Italian outerwear label well-positioned at the onset of COVID-19. While Moncler was not immune to setbacks resulting from the pandemic, the brand's creativity and flexibility has Mr. Ruffini optimistic about the next chapter.

"The world is totally changed," Mr. Ruffini said. "This is a strong opportunity we have to live with, otherwise we cannot make the next step."

Multichannel moves

According to Mr. Ruffini, Moncler took the pandemic as an opportunity to accelerate projects and ideas already in development. Limited opportunities for travel and in-person experiences gave way for concentration, with Moncler specifically focusing on multichannel strategies.

Prior to the pandemic, the brand had already been expanding traditional channels of wholesale and retail to reach consumers.



Moncler CEO Remo Ruffini. Image credit: Moncler

"The world is one today," Mr. Ruffini said. "The platforms are many."

Each digital platform has its own benefits but, to Mr. Ruffini, controlling distribution and brand image is key.

For instance, Moncler has full ownership of its stores, which helps the brand reach consumers directly and maintain a set standard of quality.

To reach Chinese consumers, Moncler had established presences on Tmall's Luxury Pavilion, JD.com and WeChat mini programs. Having these channels in place years before COVID-19 helped the label improve its performance in mainland China by double-digits in the fourth quarter of 2020.

As China, as well as Korea, leads the luxury recovery, livestreaming is another area Moncler expects to further develop.

"You don't have to forget Europe, but we always say if you don't understand today's China, you will not understand the rest of the world tomorrow," Mr. Ruffini said. "This is a turning point."

Another way the label has innovated is with Moncler Genius, which established a revolving cast of designers and collaborators instead of a tenured creative director. Participants have included JW Anderson, Matthew Williams, Rimowa, Simone Rocha and more.

As part of the Genius concept, Moncler also moved away from runway shows and instead opted for regular collection drops. This helps the brand achieve a balance between novelty and flexibility.



Moncler created a series of online and offline events as a way to maximize exposure for a new product drop, and they garnered impressive results. Image courtesy of Moncler

"We decided to go from a seasonal business to into a monthly business," Mr. Ruffini said. "Every month we need something to give energy to our customer."

"I feel lucky because this is the way to work," he said. "You need to attract customers; you have to stay in tune with them."

Many of the new customers attracted to the House of Genius have been millennials, as a new era of luxury emerges.

Italian luxury

Financial pressures from the pandemic have renewed speculation about independent luxury houses being acquired by larger groups, which would mark another chapter for the industry.

As Ms. Borrelli pointed out, Italy's luxury fashion industry is dominated by family-owned and managed brands. Additionally, the market lacks the large conglomerates that can compete with France's Kering or LVMH.

Italy's most valuable brands include Gucci, Fendi and Bottega Veneta, according to rankings from Kantar's BrandZ. Kering and LVMH each had two fashion brands on the rankings, while the others, including Prada and Salvatore Ferragamo, are owned by independent holding companies ([see story](#)).

"Italy is the place of fashion, the place of food, the place of the beauty," Mr. Ruffini said. "Beauty is part of our DNA.

"I think the country needs luxury," he said. "Italy without fashion, without luxury, would not be the same it is one of our pillars."

Moncler surprised industry watchers in late 2020 by announcing the acquisition of Italian streetwear brand Stone Island. As Mr. Ruffini admitted, the label itself had been considered a potential target for an acquisition by a larger group.

The acquisition, completed this spring, reportedly values Stone Island at 1.15 billion euro, or \$1.4 billion at the current exchange rate ([see story](#)).

"We had courage to make this kind of acquisition," Mr. Ruffini said.