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Gucci CEO claims philanthropy gives meaning to luxury products

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By TRICIA CARR

VIENNA, Austria – The CEO of Gucci at the FT Business of Luxury Summit 2013 earlier this week said that the long-term goal of the Italian brand's philanthropic efforts is to enhance its reputation and meaning to consumers.

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The “Philanthropic power” session commenced with a keynote from Gucci's CEO and a panel moderated by Gillian de Bono, editor of FT's How to Spend It, with other participants from Salvatore Ferragamo, Fabergé and the Austrian Museum of Applied Arts/Contemporary Art. Luxury brands, such as those represented during this session, are supporting charitable causes now to do what executives feel is right, but there are likely to be long-term benefits.

“There is a marketing goal ultimately,” said Patrizio di Marco, president/CEO of Gucci. “Definitely the long-term goal, given our continuous and consistent commitment to responsibly, will enhance the brand reputation and, as such, the brand will have more meaning of craftsmanship.

“Consumers will buy more into the brand besides the tangible values,” he said.

“That's for the long term, but right now we are doing what we are doing because it's the

right thing to do.”

Do what's right

Kering-owned Gucci's CEO shared the brand's philanthropic strategy that includes environmental, cultural and human rights initiatives.

For example, the label has established many business practices with the goal of minimizing its effects on the environment.

Gucci is working towards the complete elimination of all environmentally-harmful chemical processes by 2020.

For its core business of leather goods – including its sought-after handbags – the brand plans to eliminate the use of polyvinyl chloride, or PVC, by 2016.

The brand is working toward the removal of all hazardous chemicals by 2030 as well.



Gucci logo bag

Also in 2016, Gucci will publish an environmental report for the company.

Gucci's cultural initiatives allow the company to preserve pieces of the past, much like it has preserved the brand's DNA since its establishment in 1921.

The brand announced its collaboration with The Recording Academy, best known for the Grammy Awards, back in 2010, which added to its existing cultural, philanthropic partnerships such as that with Martin Scorsese's The Film Foundation to restore movie masterpieces ([see story](#)).

Lastly, Gucci has been supporting people both inside and outside of its company with a number of initiatives over the past year.

For the 50,000 people employed by Gucci, there is a 100 percent certified labor process with full compliances of labor, health and safety laws.

Gucci's seven-year partnership with United Nations Children's Fund, or UNICEF, is among those that let the label support children who are less fortunate, per Mr. di Marco. UNICEF aids children in their health and education.

The brand recently began marketing a line of country-specific handbags, accessories and T-shirts for which a portion of the proceeds to go the organization ([see story](#)).

In February, Gucci launched one of its largest philanthropic efforts, a global movement called "[Chime for Change](#)."

Gucci is taking a stance on women's right to education, health and justice by establishing the new campaign with creative director Frida Giannini, actress Salma Hayek Pinault and singer-songwriter Beyoncé Knowles-Carter at the helm.

Strategic partners for Chime for Change include the Kering Foundation, the Bill & Melinda Gates Foundation, Facebook, Hearst Magazines and crowd-funding platform Catapult ([see story](#)).

Embedded Video: <http://www.youtube.com/embed/xpYqPCcvJe0>

Chime for Change video shown at the summit

Gucci held The Sound of Change Live concert June 1 with big-name performers such as Beyoncé and Ellie Goulding to generate awareness of Chime for Change ([see story](#)).

The Gucci brand is not only about fashion, but about taking responsibility for the impact of the business on the world, per Mr. di Marco.

"It is about respect – respect towards our environment, respect toward culture and respect toward people as well as our less fortunate neighbors," Mr. di Marco said.



Mr. di Marco

Benefits both ways

Aside from allowing luxury brands to play an active role in the world, philanthropic efforts can support long-term brand loyalty and give marketers other added benefits.

Ferragamo is tapping the growing interest in philanthropy among luxury consumers, particularly those in the United States and Florence, Italy, to propel the brand, per Massimo Ferragamo, vice president of the Ferragamo Foundation and chairman of [Ferragamo USA](#).

Earlier this year, the Italian label established the Ferragamo Foundation to protect its brand legacy, raise public awareness of its values and fuel future talent ([see story](#)).

“Our goal is to propel the brand always in the best way,” Mr. Ferragamo said.

For Fabergé, consumers are raising questions now about ethical brand practices, especially concerning gemstones, per Katharina Flohr, managing and creative director at Fabergé.

The product must be compelling, but the understanding of where it comes from makes it more valuable to luxury consumers.

Philanthropy helps to elevate craftspeople and give a sense of community to a brand.

“The human element has a very strong resonance with consumers today,” Ms. Flohr said.

Gucci’s Mr. di Marco has noticed that the younger the demographic, the more likely a consumer is interested in social responsibility.

Luxury brands should appeal to these conscious consumers to solidify their future.

“Now they may not be the majority, but eventually these kids will represent the actual majority in the future,” Mr. di Marco said.

“It is important for any company, not just luxury brands, to be more committed to this area of CSR,” he said.

Final Take

Tricia Carr, associate reporter on Luxury Daily, New York

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