



## **Fashion Forward: High-End Italian Brands Self-Promote on Madison Avenue**

Eleonora Mazzucchi (December 17, 2008)

This year Christmas shopping is hard on consumers and businesses alike. The American market seems hostile, at worst, depressed, so what are Italian luxury brands in the U.S. doing to stave off buyer's blues? The Italian Trade Commission helps them confront the issue head-on

In the midst of economic turmoil and the repetitive, droning terminology that accompanies it—"credit crunch", "layoffs", "consumer morale"—the Italian Trade Commission is taking a proactive stance. Collaborating with the Madison Avenue Business Improvement District, the Commission (ICE) has organized an event whose aim is to emphasize the quality and uniqueness of Italian trademarks on Madison Avenue. Timed with the holiday gift-giving season, a select group of attendees are given a tour through the fashion thoroughfare's Italian retailers and doted on by the stores' managers. The dual engagements, on December 13th and December 20th, are hosted in the lush Holiday Suite at the Hotel Plaza Athénée, at walking distance from all participating locations, including Armani, [Beretta](#) [1], Gucci, [Paul & Shark](#) [2] and Zanotti. [Maserati](#) [3] and [Piaggio](#). [4] maker of the signature Vespa moped, are also displaying some of their newest models outside the Italian fashion houses.

It is a bittersweet moment for buyers, one of financial concern but also willingness to restore hope during the holidays, and it is in this context that Aniello Musella, the [Italian Trade Commission](#) [5]'s director, hopes to reach out to them. He underlines the reliability of Italian products, saying "It is important to create an opportunity to communicate with the consumer on the excellence of 'Made in Italy' brands. Even in this time of economic recession, quality, research and innovation continue to be the strong suits of Italian production."

This couldn't have been clearer when we participated in the initiative last Saturday. Not only did it cheer the spirit to amble along Madison Avenue, with its lights and oversized wreaths, walking into stores like Beretta and Paul & Shark, in full view of Maserati's exquisitely curved cars and Vespa's pastel-colored mopeds, struck a note of deep aesthetic pleasure. There was something soothing, one may remark with a trace of guilt, of being in the presence of goods of the highest order. Indeed Beretta, the renowned gun manufacturer and outdoors wear label (founded in the 1500's, possibly the world's oldest family-owned business), exuded old-world opulence with a store filled with high mahogany shelves, soft lighting, stacks of cashmere apparel and display cases, one of which contained Ernest Hemingway's original Beretta rifle. Robert Booz, the International Director of Beretta Galleries, remarked that his company was able to weather the recession because of its base of highly loyal customers. He added, "With manufacturing now diversified across the globe, like in the Far East and other parts of Europe, the 'Made in Italy' label is more important than ever, because



customers know and trust that.”

We spoke with a few more of the event’s organizers and participants, beginning with Aniello Musella, to get a diagnosis on the state of Italian luxury brands. We got a glimpse into what the damage has been and how in many cases, major Italian industries are hopeful.

Mr. Musella, are Italian high-end industries suffering just as much as the rest?

“Everyone from Gucci to Louis Vuitton is suffering. The demand for mid to high-end products has decreased. The big handbag boom that fashion industries were enjoying in the last four of five years has come to a halt because buyers just aren’t able to sustain the same purchasing capability.”

This is obviously a moment of economic paralysis for the consumer. What’s needed to get people buying again, to help them feel motivated?

“Certainly in the U.S. the issue is credit availability. The American consumer has always done his or her buying with credit cards, with credit lines that had been made more and more open, and allowing for a diverse range of purchases. This credit is no longer available, and that’s the most critical element. The consumer also needs to have faith in the prospect of economic growth, the stability of the job market and of salaries.”

Do you think an Obama presidency will renew this faith?

“From a psychological standpoint, Obama’s election has generated many expectations for a better future. The government staff that the president-elect is putting together is of the highest level. There are plans for strong economic intervention and stimulus, and with these a way out of this negative economic cycle is in sight.”

Simonluca Dettori, ICE’s Deputy Trade Commissioner who was instrumental in the event’s organization, also weighed in.

How did this initiative come to fruition?

“It started through our contact with the Madison Avenue association, with whom we’ve worked in the past, in 2003 and 2004. We wanted to focus attention on sales during the Christmas period. After a quick discussion we involved Maserati and Piaggio so as to synergize our efforts, emphasize Italian brands and what in the U.S. is seen as ‘Italian lifestyle’. We managed to pull it off in a few weeks. ICE was not actually involved in the selection of which specific Italian stores to involve, that was an internal Madison Avenue question.”

So what have been the major difficulties for Italian brands in the U.S. during this time?

“More than anything, naturally, people are buying less than in the past. There was a slight purchase increase during Thanksgiving, which was unexpectedly positive, but in light of major discount sales that have been going on— of up to 60 or 70%—we’re afraid that doesn’t mean much in terms of revenue. We won’t really know how bad things are until a couple of months from now, when the whole season will be financially assessed, but in general we fear that profit margins have pretty much been slashed.”



What do you think is the ray of light in all this, the hopefulness in these difficult economic times?

“Recent actions taken on the American economy, and the upcoming Obama presidency, should have a positive psychological effect. These could really help with a certain group of consumers that quite frankly have the means to spend but are suffering from low morale and need to be psychologically uplifted.”

We also spoke with Andrea Soriani, the Director of Brand Marketing for Maserati in North America, to understand how his business is coping with tough times.

Why did Maserati feel it was important to partake in today’s event?

“For us it’s a great opportunity to take our products out of what is primarily a showroom context. Our clientele loves Italian products; they have a thorough appreciation of Italian design, so putting our cars on Madison Avenue, where a majority of the stores are Italian, is like having the perfect store window. This also a great application of—a concept that is often talked about but rarely practiced—an “Italian system”, a concrete marketing technique.”

Do you think consumers still have faith in the Italian product?

“They certainly do. The problem is really this economic crisis, and let’s call it what it is, this recession—a term we fear but that we have to confront. Even a buyer who’s in the market for one of our products delays his decisive purchasing moment, so our challenge is really in presenting the product, in making him fall in love with it.”

In some of the latest news, several Lamborghini dealerships have been forced to close in the Los Angeles area, so more specifically, the problem probably lies less with the Italian-made product than with the ultra-luxury product.

“I can’t really comment on my competitors’ affairs, but I think the issue in L.A. had more to do with the dealerships’ owners than with the brand as a whole. That being said, this crisis is widespread. Even low-end distributors like Target and Wal-Mart have seen some sharp sales declines. A niche product, like a Maserati, in a way adheres to different rules and standards. But many of our clients are people who worked in finance, in banks and insurance companies, and those are the sectors that have been hit the hardest. I also have to add though, that because a Maserati is such a specific item, a product that entails heavy customization in advance, we’ve done better than our competitors because our clients, so far, have ultimately not reneged on the purchase.”

What do you think will come about once the crisis clears?

“I think the consumer will be wiser, more mature. But also the products will have had the opportunity to improve in terms of quality and appeal, especially Italian products, which have never skimmed on quality. In the long-term I think this a strategy will be vindicated.”

Our final encounter was at Paul & Shark, the nautical brand we were frankly surprised to hear was of Italian origin. The Sales Associate we spoke with there, Jessica Capurro, emphatically said that if all the Italian stores on Madison Avenue were better organized and united in a common front, engaged in common advertising, they would all have a better chance of overcoming the economic crisis. So



perhaps the key to surviving a brutal American market is sticking together. ICE's one-of-a-kind effort to galvanize Italian industries is a good first step.

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#### Italian Stores in Madison Ave

Beretta 718 Madison Avenue fashion & accessories  
Bulgari 783 Madison Avenue jewelry & watches  
Cesare Paciotti 833 Madison Avenue shoes  
Claudia Ciuti 955 Madison Avenue shoes  
Damiani 796 Madison Avenue Jewelry & Watches  
Davide Cenci 801 Madison Avenue fashion & accessories  
Dolce & Gabbana 825 Madison Avenue fashion & accessories  
Domenico Vacca 702 Madison Avenue fashion & accessories  
Emilio Pucci 24 East 64th Street fashion & accessories  
Emporio Armani 601 Madison Avenue fashion & accessories  
Etro 720 Madison Avenue fashion & accessories  
Francesca Romana 957 Madison Avenue jewelry  
Fratelli Rossetti 625 Madison Avenue shoes  
Frette 799 Madison Avenue linens  
Furla 727 Madison Avenue leather goods  
Galo Shoes 895 Madison Avenue shoes  
Giorgio Armani 760 Madison Avenue fashion & accessories  
Giuseppe Zanotti 806 Madison Avenue Shoes  
Gucci 840 Madison Avenue fashion & accessories  
Krizia 769 Madison Avenue fashion & accessories  
La Perla 803 Madison Avenue lingerie & hosiery  
Loro Piana 821 Madison Avenue fashion & accessories  
Luca Luca 1011 Madison Avenue fashion & accessories  
Malo 814 Madison Avenue fashion & accessories  
Manrico Cashmere 922 Madison Avenue Fashion & Accessories  
Marina Rinaldi 800 Madison Avenue fashion & accessories



MaxMara 813 Madison Avenue fashion & accessories  
Michele Negri 1015 Madison Avenue fashion & accessories  
Missoni 1009 Madison Avenue fashion & accessories  
Paul & Shark 772 Madison Avenue fashion & accessories  
Pilar Rossi 784 Madison Avenue fashion & accessories  
Pomellato 741 Madison Avenue jewelry  
Prada 841 Madison Avenue fashion & accessories  
Prada 45 East 57th Street Fashion & Accessories  
Pratesi 829 Madison Avenue linens  
Santoni 864 Madison Avenue shoes  
Sermoneta Gloves 609 Madison Avenue Fashion & Accessories  
Signoria Firenze 764 Madison Avenue linens  
Silvio Lattazani 905 Madison Avenue Shoes  
Tanino Crisci 795 Madison Avenue Shoes  
Valentino 747 Madison Avenue fashion & accessories  
Varda 786 Madison Avenue shoes  
VBH 940 Madison Avenue jewelry



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### **Links**

[1] <http://www.berettausa.com>

[2] <http://www.paulandshark.com/%20>

[3] <http://www.maserati.us/>

[4] <http://www.piaggiousa.com/%20->

[5] <http://www.italtrade.com/countries/americas/usa/newyork.htm>