



Marcolin's rebranding

After Marcolin's loss of Dolce & Gabbana over two years ago, the company has repositioned itself and is now a stronger more solid outfit, as Maurizio Marcolin explained to **Rory Brogan**

There has seldom been a bigger story relating to the switching of brands between eyewear companies and the subsequent impact than the Marcolin loss of Dolce & Gabbana and D&G over two years ago.

Yet, since then, the Italian manufacturer has attracted major backing and new brands and is moving forward determined not to rely too heavily on one line again.

Speaking to *Optician* at Silmo, chief executive Maurizio Marcolin described the loss of the brands as 'a €90m hole that had to be covered up. That's a lot of coverage'. He admitted that it was an event that made the 45-year-old company question its future. 'We had to accept we didn't have a big part of our turnover. The family met to discuss how to stay in the business, and at which level. Once you have been among the leaders you can only stay there and we came up with a strategy to do something special. You need the brands. First, we had to give security and make the company solid.'

This was achieved by opening the capital to the Della Valle brothers Diego and Andrea who brought money and ideas to team up with other brands. The brothers own luxury leather goods company Tod's, among others, as well as the football club Fiorentina, with directorships at LMVH and Ferrari. As well as the obvious attraction of their backing, there is clearly also the likelihood of the Della Valle brands joining the company in the future. But the biggest challenge at the end of 2005 was to secure a big name immediately.

'They gave me the possibility and introduced me to Tom Ford,' says Marcolin, who describes how instead of having a year to 18 months to put together the collection, it needed to be completed in just eight months. That was achieved, not without difficulties, and Tom Ford is now one of the world's top sunglass brands. The company has subsequently recouped its losses and is much more solid, with a



Maurizio Marcolin: Emphasis will move to fashion, having been on luxury

more balanced portfolio.

'The Della Valle family brought knowledge of the luxury business and one day when we are ready, we may introduce their own collections. That was not a first objective as we had Tom Ford and Ferrari, but we are talking about some of their brands being introduced one day.'

Tods, for example is a rapidly-growing business, yet that has been achieved without any brand extension. 'It is a pure company,' says Marcolin.

Along with Tom Ford, the support of clients in the UK and Italy helped with the turnaround, for which he was thankful. 'They said, "come with something new and we'll buy from you", which gave us the confidence even if we were running late.

'They were sorry at what had happened, having done good business with us. It was our duty to give back something – products and brands, great things to sell.'

As well as Tom Ford and Ferrari,



The suave Tom Ford Bailey model

Web for Italy has been added, along with Kenneth Cole and the existing portfolio has also been revamped, improving the quality, design and distribution. Mont Blanc he describes as solid and consistent, so that it now meets the needs of its brand positioning, while the Replay, Timberland and Miss Sixty collections have all been broadened, with more attention to detail. This has been echoed in the results, with all the brands up by 20 per cent in September and Tom Ford ahead of the rest.

Continued investment will be made in quality, including Asia, where some of the diffusion product is made, with technical people based in Hong Kong to oversee. As a global company, Marcolin says it must understand different needs across its markets to increase sales. While the UK and Germany want quality and style equally, southern Europe is more driven by fashion and style, followed by quality.

With the diffusion lines, there is a need to find the right distribution, fitting the customer with the consumer. 'Sometimes the trade customers are not the same as those for the luxury lines, but the diffusion lines are good brands and should have support.'

One dilemma is that the advertising of luxury brands drives consumers to stores, but the diffusion lines which aren't premium have to be marketed without killing the margin that can be made. 'These are less of a fashion pull product, more of a push product,' he says. 'So we need more support from our customer, and to develop a good relationship at the trade level.'



The latest sunglass designs from Cavalli



He appreciates Marcolin is fighting for limited window space, but reiterates that practices can do well if they take more risks with product and listen to company recommendations. 'It is good for both of us. The problem would be if we made mistakes with seven out of 10 frames, but two out of 10 is good.'

There is a new emphasis on merchandising and marketing, with investment worldwide over the next three years. 'Our reps don't just go to sell, we want them to be marketing people, to listen and bring knowledge back. Supporting the trade is a big job. In future it will be important to merchandise as well as sell. If you do that well you will be successful the next time you go back.'

However, with 80 countries and thousands of accounts, it is impossible to merchandise every store 'without killing the company and the balance sheet', so resources have to be in line with expected results.

'We need people who can understand at every level, from headquarters down to the sales team, with feedback from the customer. The organisation is in place. There can always be improvements, with each subsidiary going through change, but the worst is over.'

He describes the UK set up as stronger, with Perry Moore managing director and Nick Boys as sales manager, but adds that there needs to be better coverage of representatives

and combinations of brands. 'If your collection is too strong and you don't have enough people to sell it, you kill the collection. If you have too many people and not enough of a collection you kill the company.'

Marcolin today is pushing in every market, some new, some established and is improving in the US and Asia. On the question of whether it would pursue retailing, he says there are no plans in the short term. 'I'm not saying we will never do it, we are concentrating on wholesale. If the opportunity came in retail I don't think we would turn it down. We're not interested in doing a test. If we do decide, we will do it in the proper way.'

The only area of concern in the recent financials was sports brand Cébé. The company is working on the line and while Marcolin says it is not content, conditions were against

the brand – a lack of snow making it impossible to sell winter sportswear product.

The goal going forward is to get stylish brands, with planned growth. In the case of Tom Ford, the launch was a 'revolution' because of the need to launch new product, but future growth would be by evolution. 'There was a goal and we did it. Now is the time to go back to good planned growth with the right sales forces.'

Recently, the emphasis has been on luxury, but that will move to fashion as new brands are brought out over the next two years. 'That's an area we're good at and should do more. It's not just new brands for the sake of it, but with better brands with great potential and product that does not overlap.'

The Tom Ford launch was an over-success in some styles leading to an under-performance in service, but that has changed and Marcolin UK now has a record low in back orders. This is happening while growth is at 25 per cent a year.

'The pressure is on to do more and be better, from product to distribution, merchandising to management,' says Marcolin, but it won't be achieved on price. He believes in incentives rather than discount. 'Price is the last option for me. It's about good design and quality, let's do it right and at a

Understated luxury from Montblanc





Silmo show review

reasonable price both in the luxury and casual area.'

Working with fashion places different demands than luxury, which tends to be more classical and without the dramatic changes. 'In fashion the present is already late, you have to look to the future.'

Designing the product involves more study and work than in the past, he says, and this involves closer relationships with licensees of the brands, the fruits of which can be seen in the Cavalli collection, for example.

While getting fashion right by reading the trends gives immediate rewards, the way the company introduces its collections with a second launch early in the year means that changes in fashion can also be made at that point.

Marcolin's marketing and design staff increasingly scout for inspiration from other industries, for example attending jewellery and car shows. This influence can be seen in some of the products, such as the jewellery pieces.

He describes the optical as a more



Model Alessandra from Tom Ford

difficult market than sunglasses, and having succeeded with Tom Ford on the sunglass front, the emphasis is now on developing the frames. 'We will get there. The approach has to be a little different. We are discussing with Tom how to conquer optics. It takes longer. Very few brands are very successful in both areas and that is what we want long-term,' says Marcolin.

With Tom Ford, you can't help but feel that everything came together at the right time. This extends to the fact that the correct people were

seen wearing the sunglasses – actors, celebrities and musicians – which Marcolin describes as happening in 'one shot'. This created publicity for the product, making the consumer look at it in a different way.

As a result of this success, the company is now being approached by new brands and designers wanting to follow in these footsteps, a much more positive place than two years ago.

'There is pressure for results, but I can breathe easier now. We're not sinking,' says Marcolin. ●

UK experience

Marcolin's UK operation has been based in Newbury, Berkshire for almost 20 years, with a loyal staff totalling 150 years of experience. Of these, 15 people are based at the headquarters and 10 on the road.

'Our staff have first-class experience. They understand the customer, the product and colourways, giving personal service while maintaining our family ethos,' says managing director Perry Moore, who adds that there is little or no staff turnover.

Sales manager Nick Boys explains that the company is re-invigorated thanks to Tom Ford, whose Italian-made sunglasses, all individually named after friends, are now top sellers at Harvey Nichols. Many of the new designs and shapes for 2008 take their influence from the 1960s and should benefit from the growth in the Tom Ford name with new stores and perfume launches.

Another highlight is the recent launch of Kenneth Cole eyewear. 'This is aimed at the discerning customer who appreciates luxury. It's an adventurous collection in interesting colours, with a heady mix of styles.'

Replay, on the other hand is aimed at 18- to 30-year-olds, particularly university students and he describes it as offering some of the best ophthalmic product, from vintage to contemporary, with sales up by 40 per cent and good growth predicted.

Miss Sixty is a range aimed at younger women, with sizes, colours and shapes to suit. Boys predicts good sales for the line



Ferrari's limited edition gold aviator

in 2008 on the back of advertising for the clothes.

Timberland by contrast is a masculine range, marketed to the 30-something age group who wants rugged styling in titanium that's easy to wear, at the same time maintaining 'fashion status'.

For very high-end fashion, Roberto Cavalli, as worn by Aishwarya Ray and many other A-listers, is giving year on year increases and Moore describes the sunglasses for 2008 as the best he has seen, this time with an emphasis on glamour and elegance.

'You immediately know they're Cavalli, with the signature serpent motif. We're also offering glazeable sunglass options for the first time in 2008,' says Moore. Look out for the limited edition Eva sunglass in January.

Supporting Roberto Cavalli is Just Cavalli – a youthful, dynamic kaleidoscopic range, which is street inspired, and says Moore, offers intricately modern frames for young people.

The high-end Mont Blanc line gives quality

and classic styling to the 35-plus market. The lifestyle brand has seen the opening of a number of new boutiques and, in optics, Boys describes the past six months as a resurgence.

Styles to look out for are a folding half eye and a large rimless design. Mont Blanc's snow-capped tip logo features on end tips and nose pads.

For those wanting eyewear at a higher price point, there is Ferrari, which was launched this summer and is aimed at people who 'really can afford it'. This is true of the limited edition solid gold aviator, which comes in at £6,500.

Moore echoes Maurizio Marcolin's promise of more names to come. 'We expect to sign at least one high-end brand for 2008 and we also have fashion brands in our sights. One of the beauties of Marcolin is that we can get to the brands before they have made it big,' he says, adding: 'The best years are ahead of us.' ●