

Gucci's fast-track approach for Demna's fashions shows early signs of success

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PARIS, Oct 6 (Reuters) - Gucci's "see now, buy now" approach for the first collection from new designer Demna, harnessing a buzz around the brand to draw shoppers back to its stores after years of lackluster sales, is showing some early success, data shows. Demna stole the show at Milan Fashion Week last month, dropping images of his first-ever Gucci collection on social media a day before the official debut in the style of a star-studded film premiere, an unusual move.

The day after the celebrity-packed event, Gucci again broke with industry conventions, making the new products from the Milan show immediately available in ten flagship stores until October 12.

Big luxury houses usually stick to a rigid calendar of fashion shows months before clothes hit the shops.

But Gucci's fast-track approach is showing some early improvements in store traffic in the United States, foot-traffic data compiled by Placer.ai and provided to Reuters by Colliers, shows.

At the Rodeo Drive store in Los Angeles, one of the boutiques stocked with the new products, traffic rose steadily in each of the four days following the Milan show on September 23, with weekly store visits up 53% from the previous week, the data showed. At Gucci's Wooster Street store in New York weekly traffic was up 19%.

Country-wide store visits in the U.S. reached their highest level in three weeks the weekend after the Demna launch, the data showed.

Gucci-owner Kering and Gucci declined to comment when asked about shopper appetite for the Demna collection.



DEMNA'S NEW DESIGNS KEY TO REVITALISING GUCCI BRAND

The success of the new collection from Demna, who only uses one name, would be a major step towards reviving the struggling Gucci brand, which makes up a majority of sales and profit at French conglomerate Kering (P RTP.PA) , opens new tab

Kering CEO Luca de Meo and Gucci's boss Francesca Bellettini, both recent appointments, are under pressure to reverse Gucci's two-year sales decline.

Gucci's revenue plummeted 25% year-on-year in the last reported quarter. Store traffic further slowed this year, Bellettini, then Kering's deputy CEO, said in July.

Gucci's new fashion show-to-store move is unusual in the business and has only been used occasionally, mostly by smaller labels including Jacquemus and Burberry .

But Gucci's instant commercial test makes sense, said Laure Anne Chansel, who teaches fashion marketing at the EIML business school in Paris. "What is the story the brand has told lately? There isn't much."

Gucci needs to bank on the window of newfound attention after a period of flux following the previous designer's departure in February, Chansel said, referring to [Sabato de Sarno](#).

LUXURY LABELS FIGHT TO WOO BACK SHOPPERS

On Paris's Avenue Montaigne, one of three boutiques selling the collection in Europe, sales assistants last week said they had not seen such interest in months.

"I ended up being there longer than I thought," said Gayle Deifel, a tourist from California, adding that she was surprised to discover Demna's new collection, including fur coats, a gold dress and new editions of Bamboo and Jackie handbags, already in the store.

She bought a pair of leather boots.

The new collection, which will be rolled out more broadly in January, also hints at the brand's commercial approach as it seeks to attract younger and less wealthy shoppers who turned away from luxury spending due to economic uncertainty.

The luxury industry, which is in a downturn, needs to win back these customers who were put off when companies aggressively raised prices to focus on the super-wealthy.

Gucci's new styles seen so far could widen the label's appeal, said luxury consultant LinLi Teh, a former buyer for London department store Liberty.

"I think he's hitting the angles of all the Gucci customers over the past decades," she said, referring to Demna, who comes from Georgia.

In the Paris store, the brand displayed a downsized and less expensive version of its classic Jackie bag near the checkout. At just under 2,000 euros (\$2,347.00), the price is well below 3,200 euros for other Gucci styles.



NEW DESIGNERS SEEK TO GRAB THE SPOTLIGHT

Demna has taken the reins at Gucci amid an industry-wide reshuffle, with new designers also at Chanel, Dior (DIOR.PA) , opens new tab and Loewe -- all seeking to make their mark.

Gucci's deep-pocketed rivals are staging elaborate events and campaigns, with LVMH (LVMH.PA) , opens new tab recently creating a Louis Vuitton boutique shaped like an ocean liner in downtown Shanghai.

Heavily-indebted Kering, meanwhile, is under pressure to balance marketing investments with a cost-cutting drive.

In China, Demna's Milan fashion week debut was broadcast at a VIP event with local celebrities in Beijing. This spurred a brief spike in online attention that faded within two days, said Alexis Bonhomme, who runs the luxury consulting firm Trinity Asia.

"The campaign has increased the talkability, but conversion into sales remains to be demonstrated," he said.

(\$1 = 0.8522 euros)

