



## **Il Ruggito Americano:**

Come vincere nel più importante mercato per il **Made in Italy**

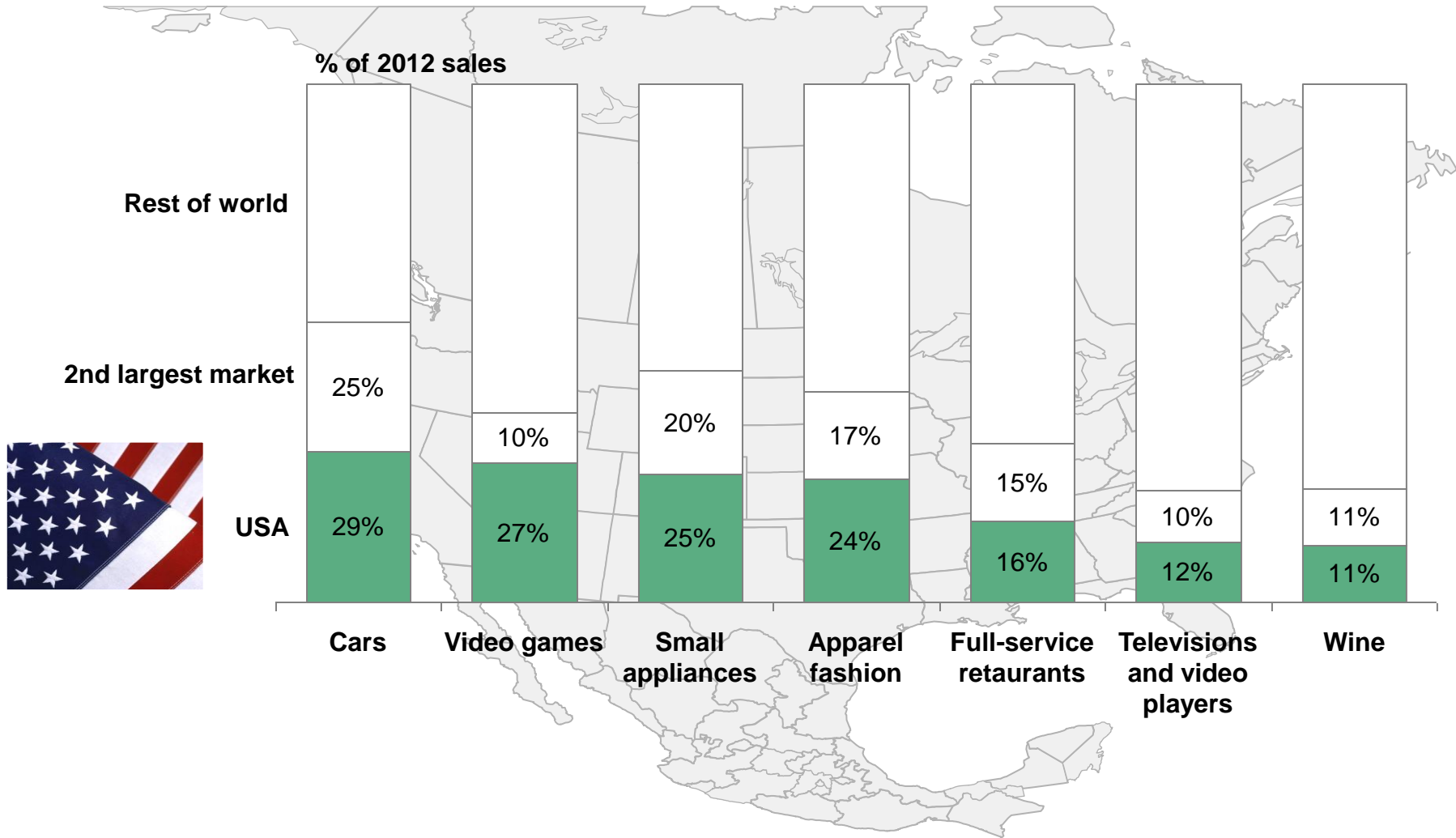
Antonio Achille, Partner and Managing Director

Milano, 11 Giugno 2014

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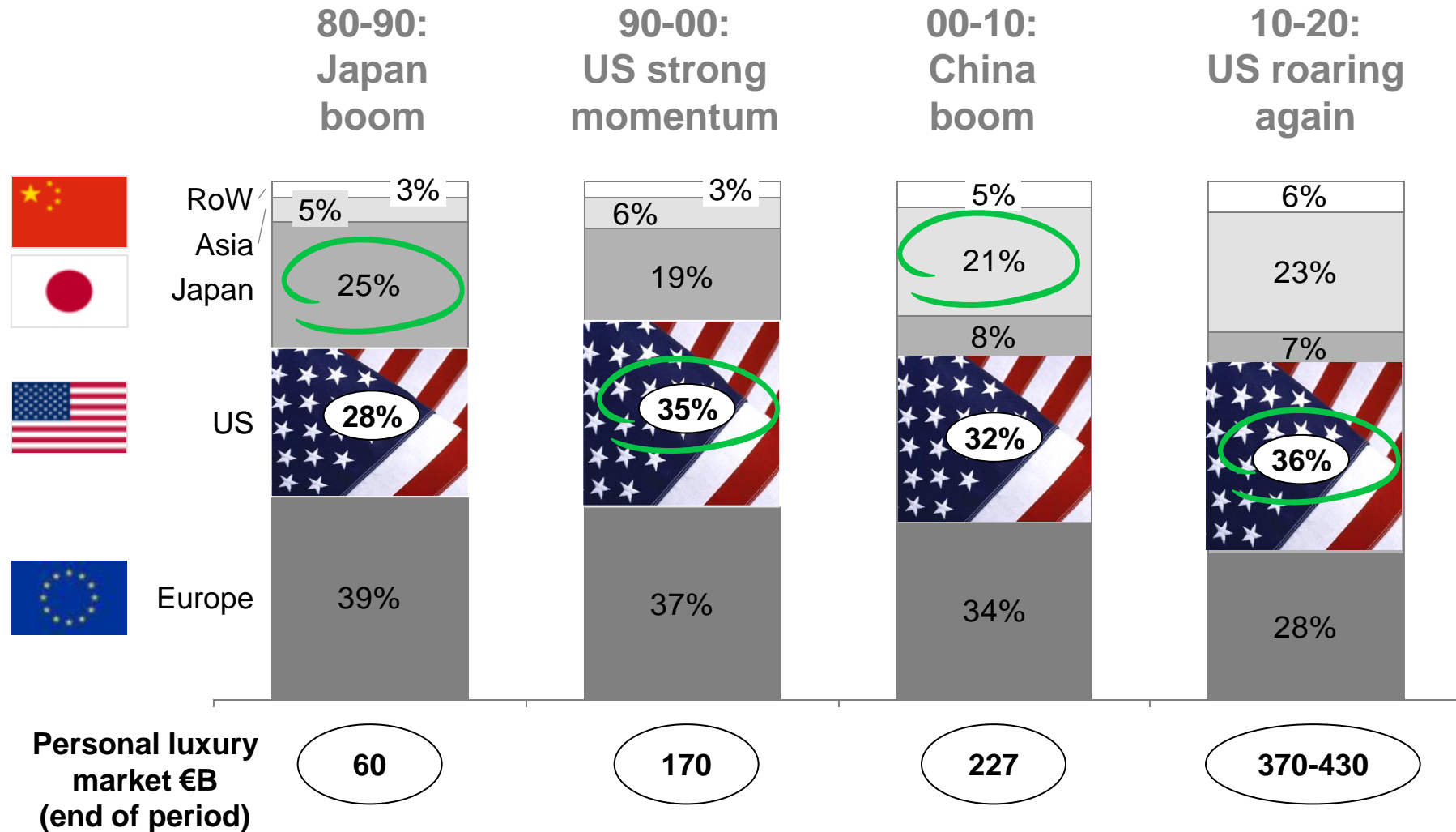


# US: the first market for consumer products



Source: Euromonitor, 2013

# US: a key market for luxury, which is expected to roar even louder in the future



# US Luxury: 7 key words

**1. Underdeveloped:** dominated by luxury cars, weak in personal luxury goods

**2. Rich and immune:** driven by HNWI, but with a relevant segment of them resistant to luxury penetration

**3. Tourism:** Spend increasingly driven by tourists, especially from Brazil and China

**4. Accessible:** promotion, bargain, factory outlets relevant also for wealthy buyers

**5. Guided:** Inclined to follow other's taste; Importance of Celebrities, bloggers and advocacy marketing

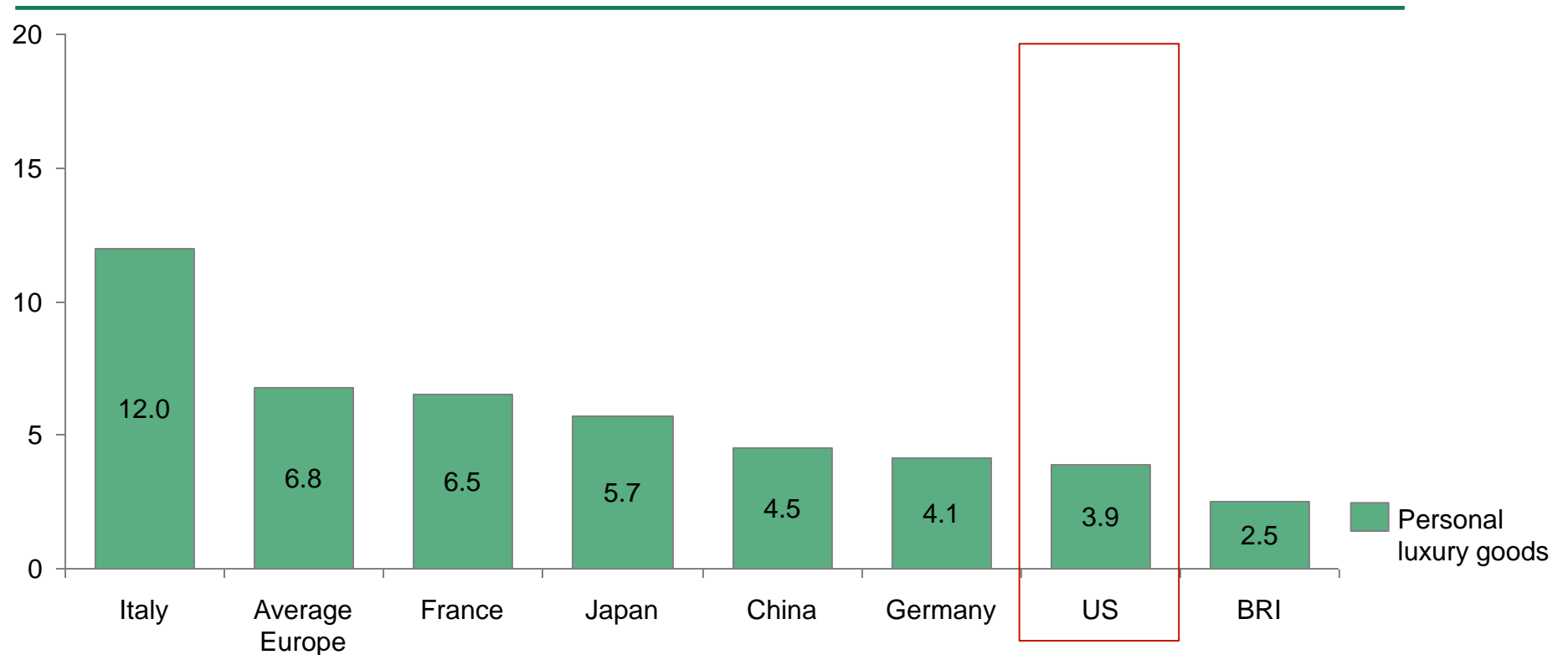
**6. Department stores and digital:** Still dominated by (eroding) department stores; online booming

**7. Different:** driven by US players, under-penetrated by European brands

# US weak in personal luxury

Underdeveloped

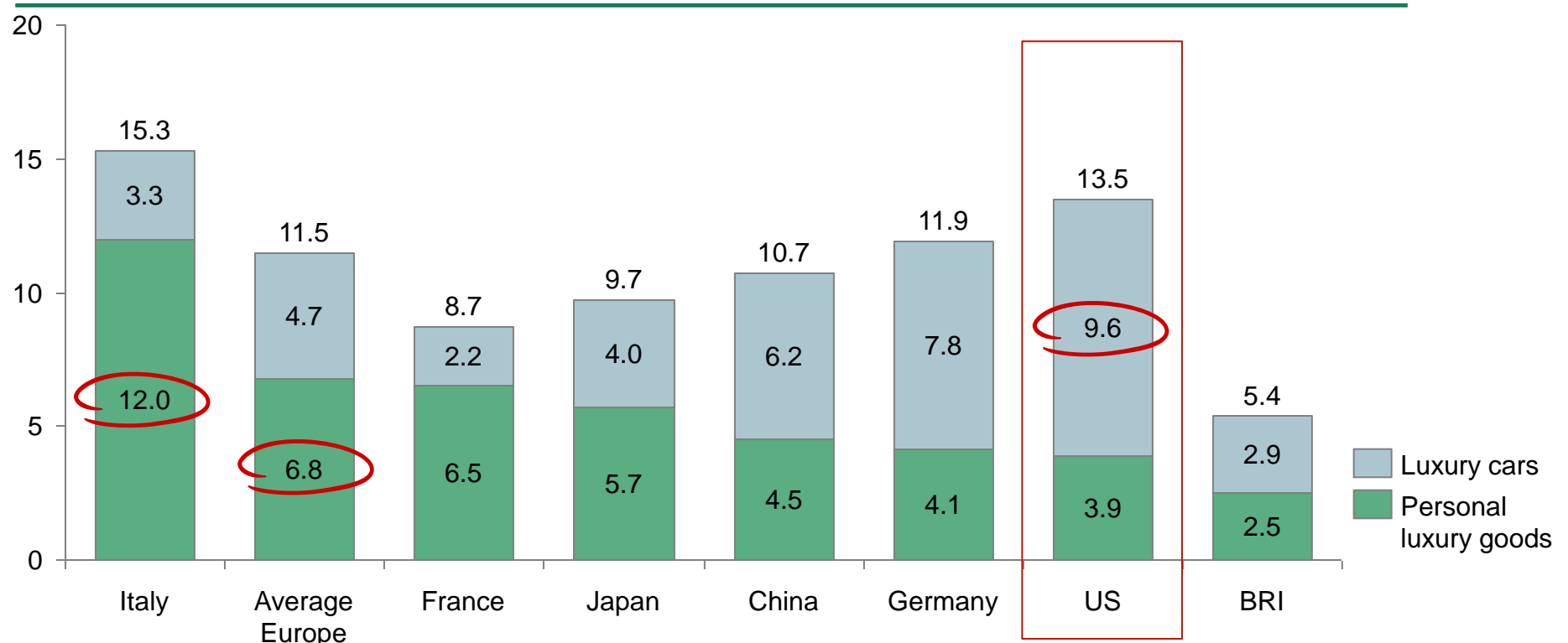
Total luxury spend € / 1.000€ GDP



# Overall spend in luxury comparable to Europe when **adding up luxury cars**

Underdeveloped

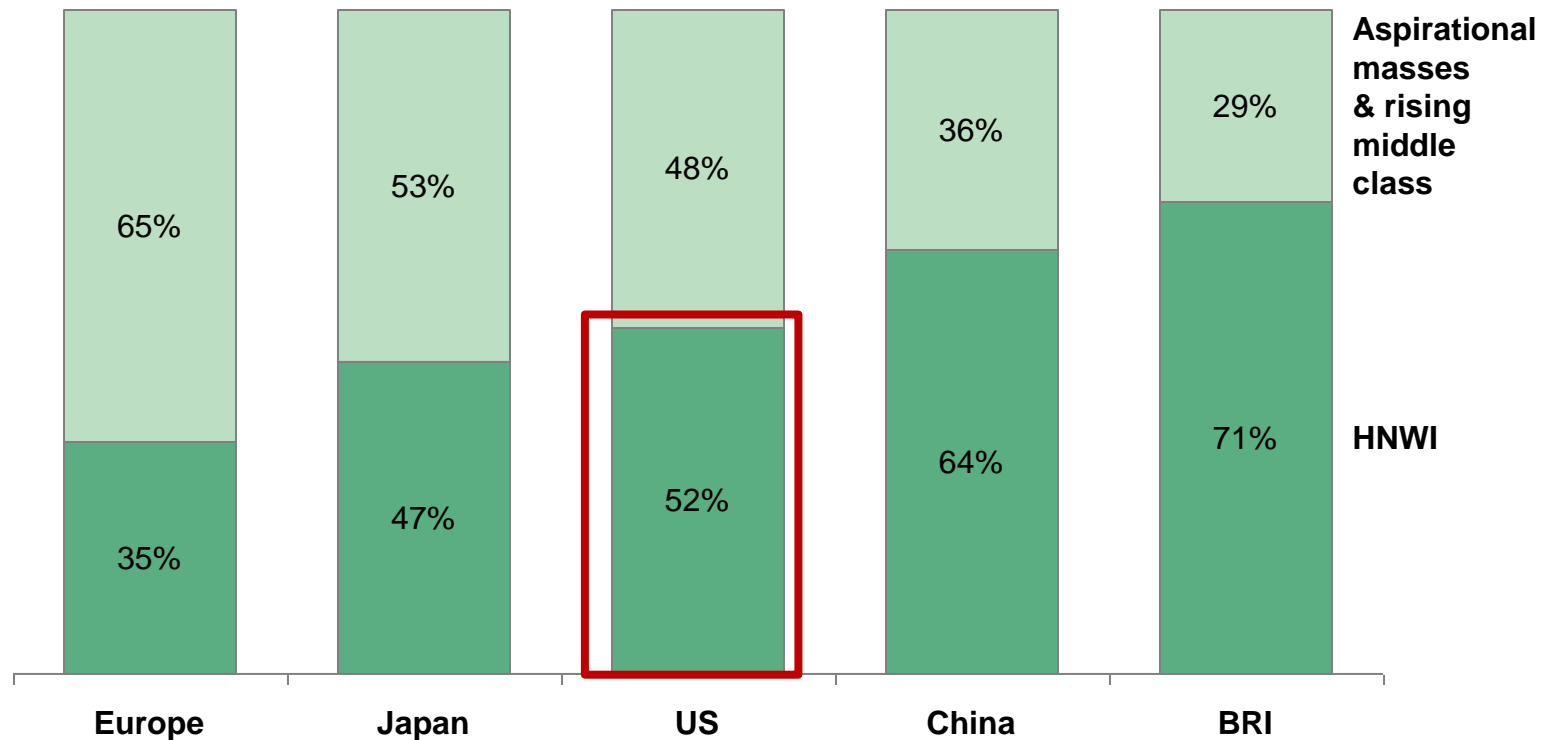
Total luxury spend € / 1.000€ GDP



# US luxury driven by millionaires

Rich, Immune

Percentage of total luxury spend made by aspirational vs. HNWI



Source: BCG analysis, Cap Gemini World Wealth Report 2011

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# Luxe-immune

Rich, Immune





# Luxe-immune

Rich, Immune

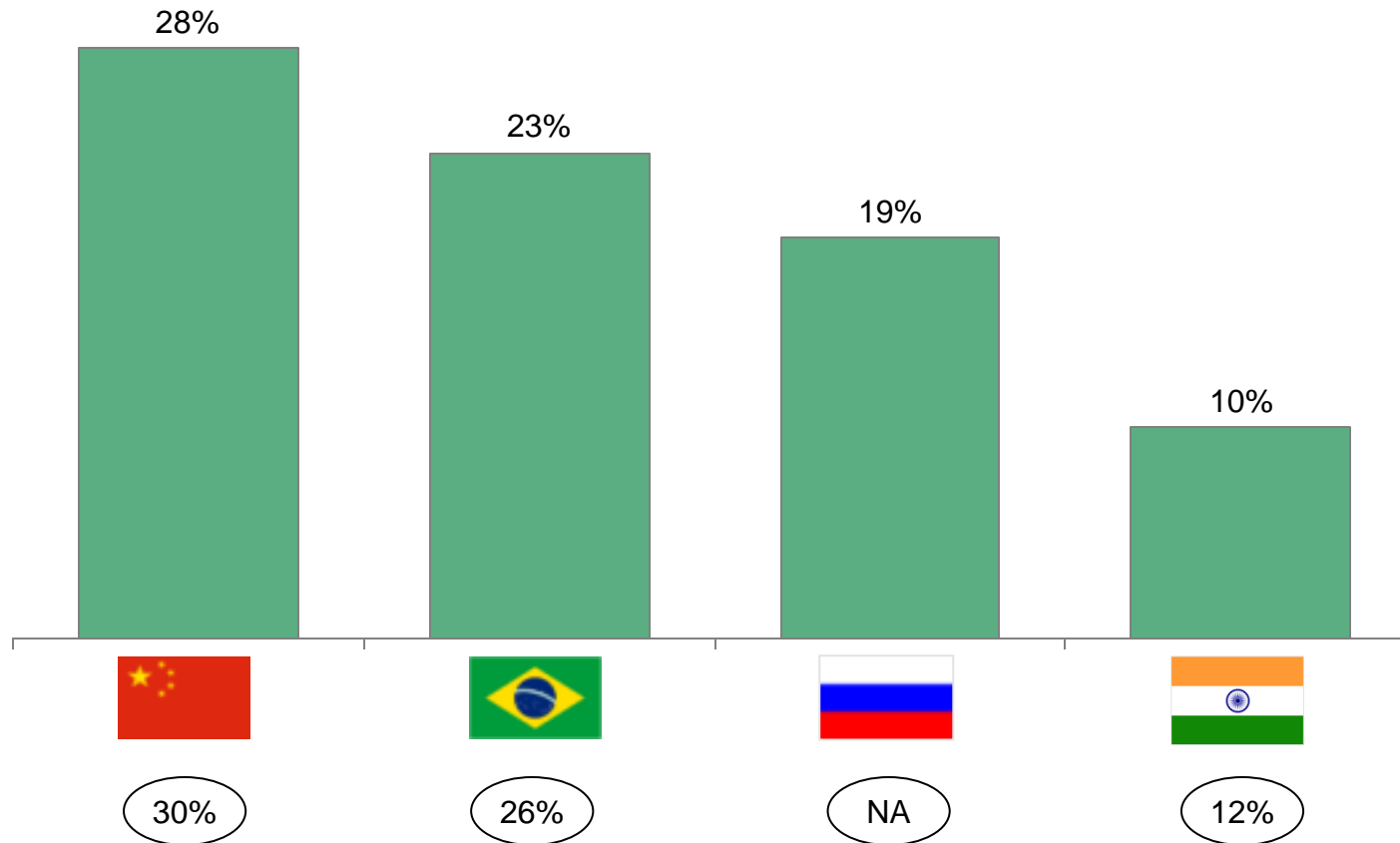


Luxe-Immune: belonging to the top 2% by income, with spending in luxury well below to their potential (4-8K€ yearly mostly for gifting)



# Global tourists increasingly important

## US visitors annual growth by country of origin (2006-2011 annual growth)



Annual US spend growth 2006-2011

1. Travel spend is the purchase of travel and tourism-related goods and services, to include food, lodging, recreation, gifts, entertainment, local transportation in the country of travel, and other items incidental to a foreign visit

Source: US Dept. of Commerce : Office of Travel and Tourism Industries (Russia travel spend unavailable)

# Specific initiative to target **Brazilian and Chinese** tourists

Tourism

## Macy's targeting Brazilians



Partnership with Brazilian entities and press conference in Brazil to explain the campaign to local media outlets

## Retailers and Brands targeting Chinese

BERGDORF  
GOODMAN

+ AFFINITY  
— CHINA —



TIFFANY & CO.

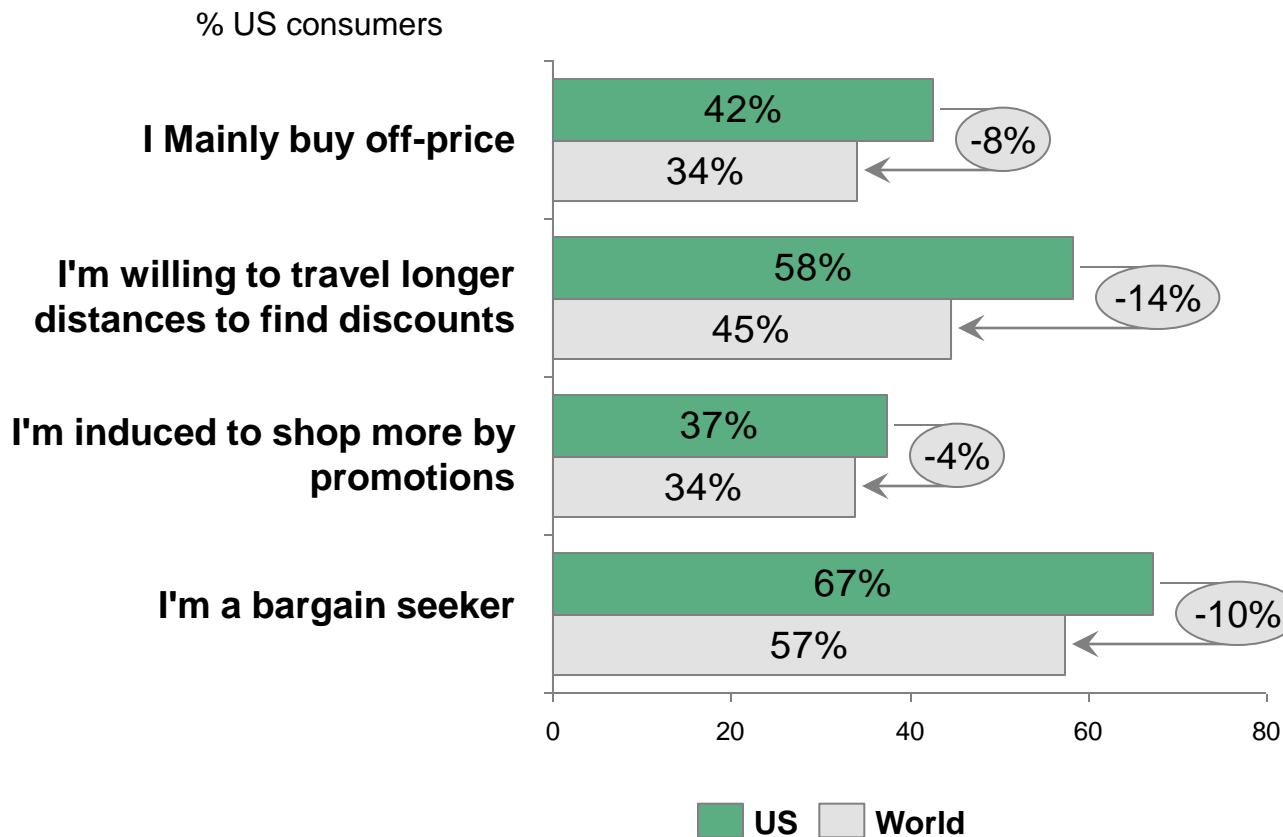
Partnership with tour operators and dedicated sales force Chinese speaking

1. Advertising Age "MACY'S BRINGS BRAZIL TO CUSTOMERS", May 08. 2012  
Source: Advertising Age "MACY'S BRINGS BRAZIL TO CUSTOMERS", May 08. 2012

# In spite of wealth, US luxury consumers pay attention to price

Accessible

*"How much do you agree with the following statement?" based on luxury consumer spending more than 10k euro per year*

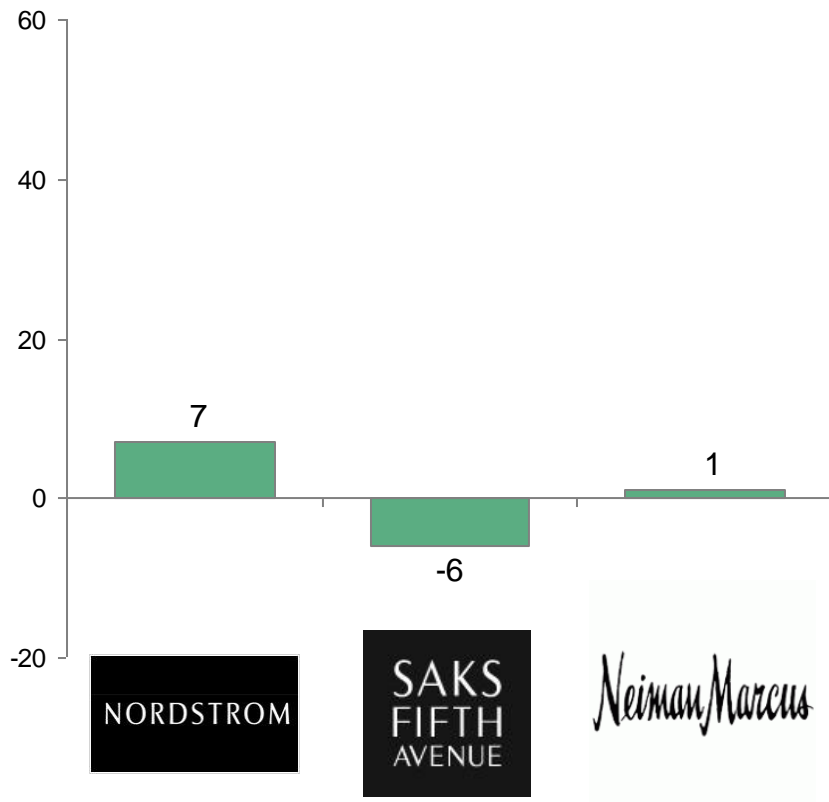


# Even luxury department stores are growing the outlet channel

Accessible

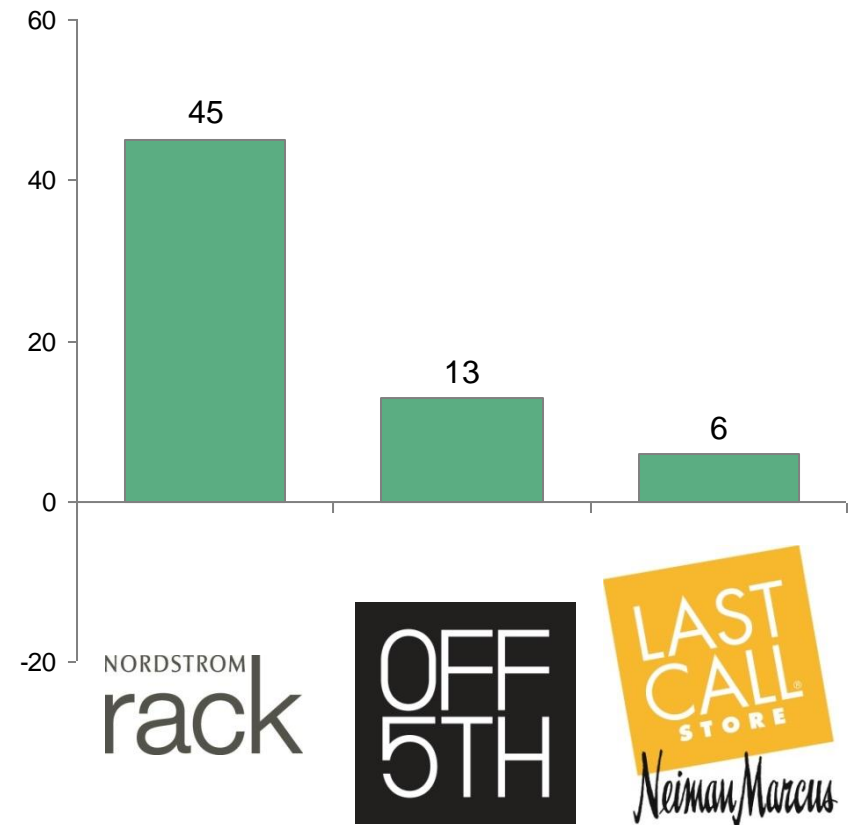
## Mainline stores

Store number net growth 2011 vs. 2008 (#)



## Outlet stores

Store number net growth 2011 vs. 2008 (#)



1. Includes 2 Bergdorf Goodman stores  
Source: Company reports



# US luxury consumers **willing to be guided**...especially by celebrities and bloggers

Guided

US luxury consumer willing to be guided...



... Especially by celebrities...



... And bloggers

## THE SARTORIALIST

HOME SEARCH ARCHIVED PRESS BIOGRAPHY CONTACT BOOKS

If You're Thinking About...Black Socks, Black Shoes

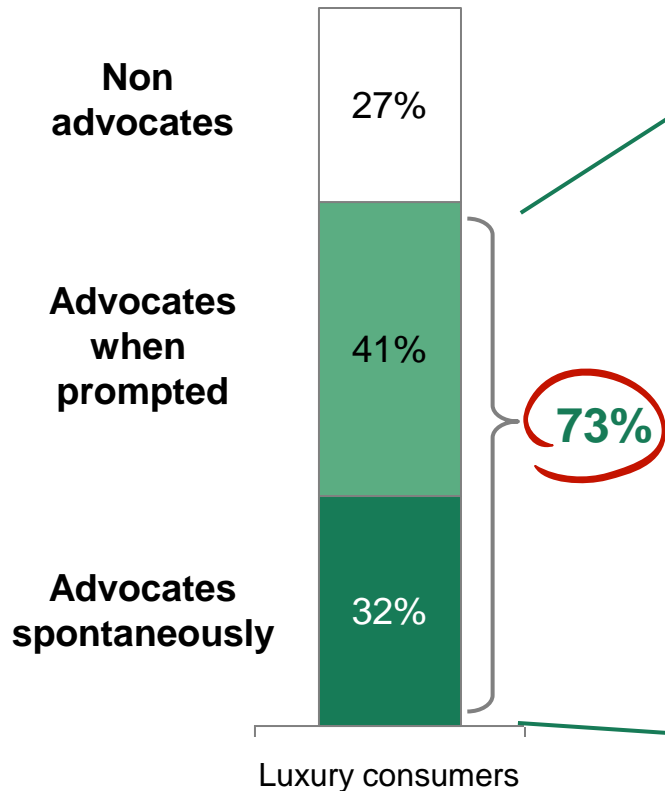


# 2 out of 3 US luxury Consumers are active advocates themselves

Guided

*"Have you recommended a Brand in the last 12 months?"*

Focus on Personal Luxury



Source: BCG 2013 specific survey (10,000 core luxury Consumers in 10 countries)

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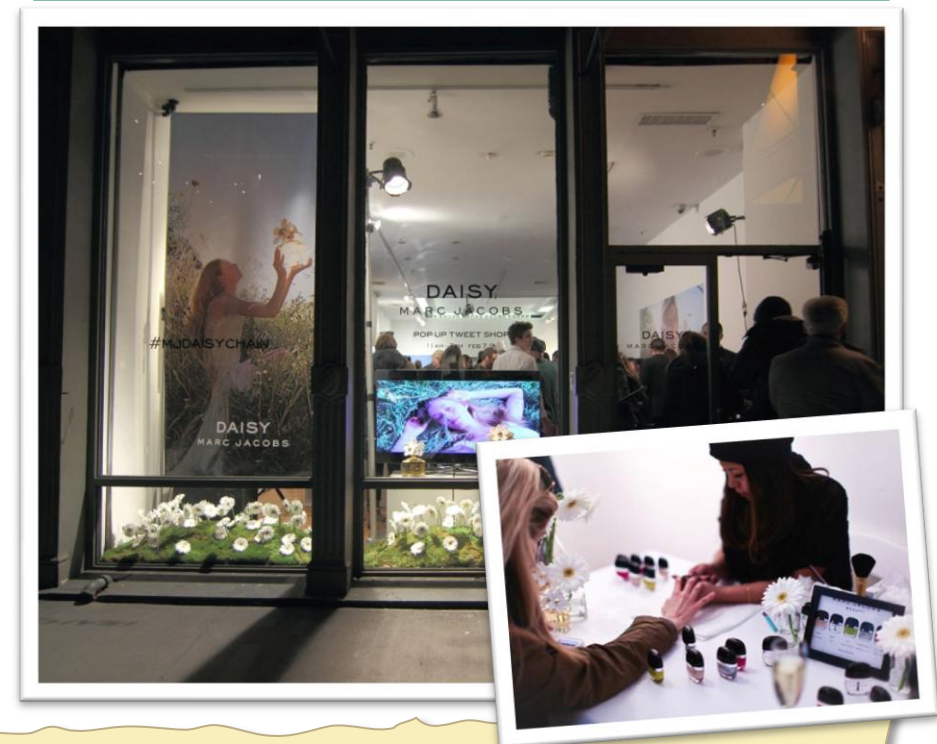
# Advocacy marketing increasingly used up to the "tweet" as hard currency



Guided

Official rules: Share, Show, Get!

Marc Jacobs NY pop-up in Soho

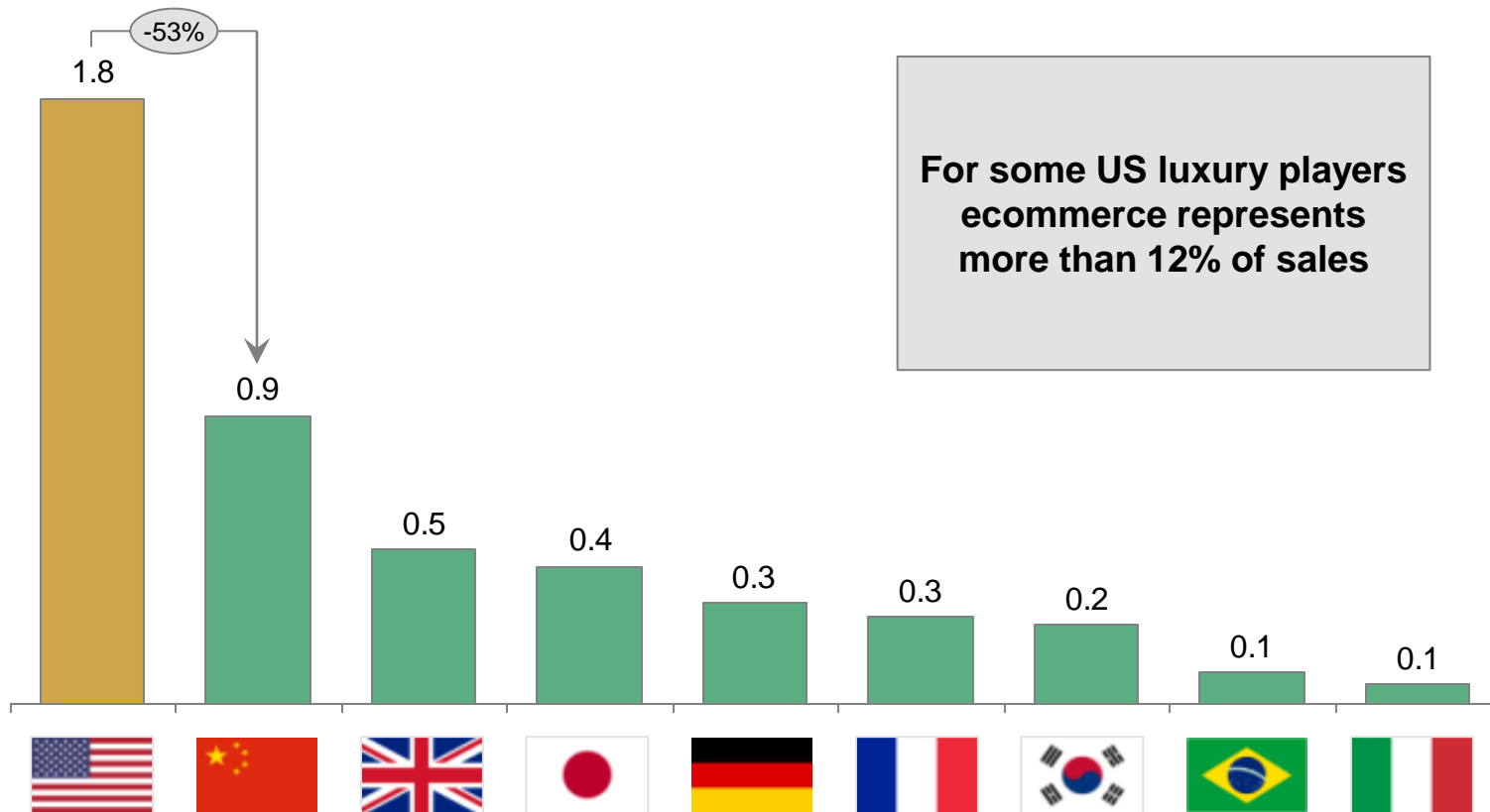


*"Consumers can "buy" Marc Jacobs **Daisy Fragrance** by simply sharing the product on their twitter account. The more followers the more credit they get!"*

# US is the largest luxury online market

Channel

Total 2013 Luxury online sales<sup>1</sup> (USD \$B)



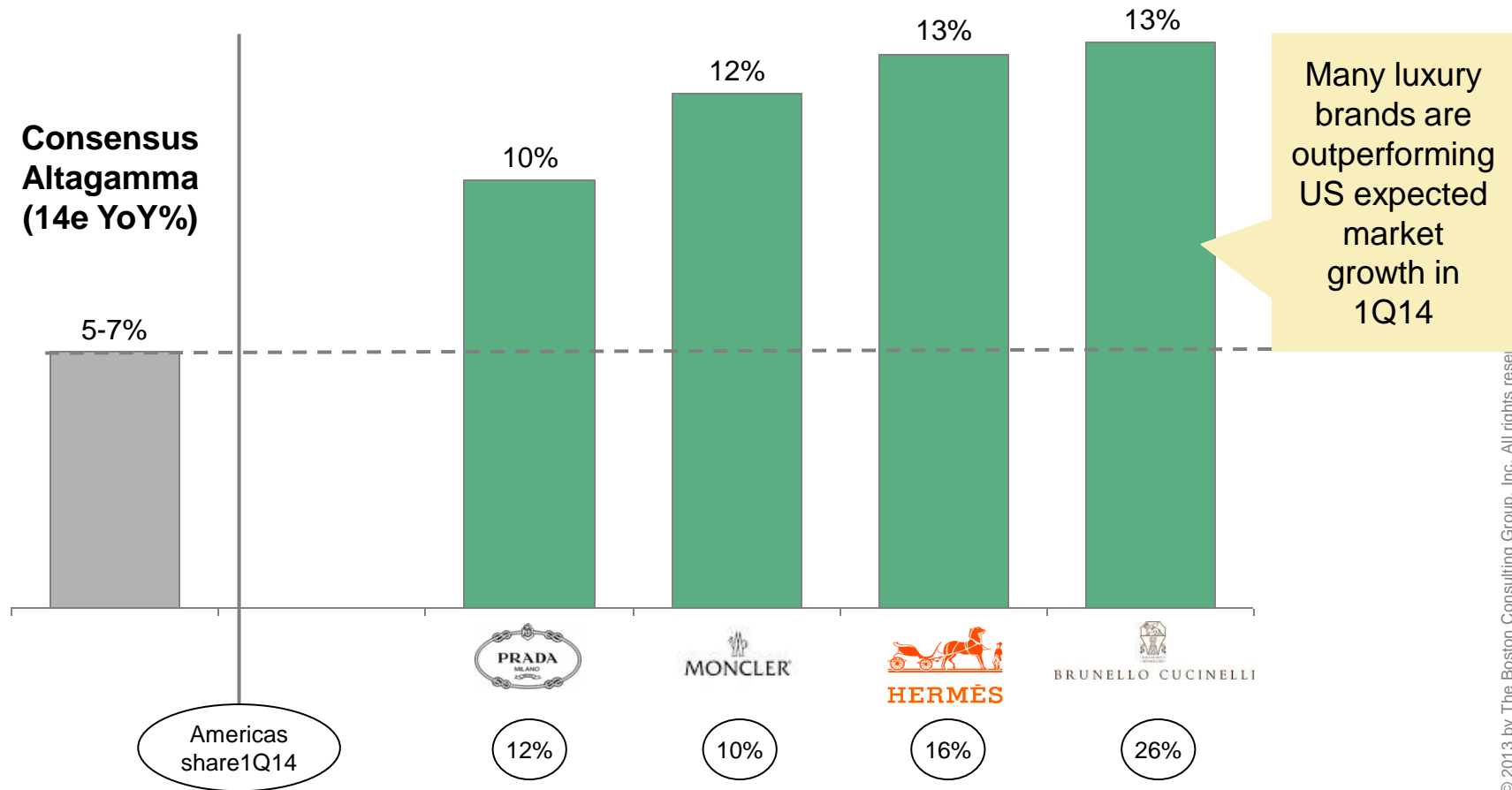
1. BCG estimates based on Euromonitor data. All the data were converted at YoY exchange rate. We have estimated the 2013 Global luxury online sales and applied the contribution to each country that comes from Euromonitor database

Source: Euromonitor, "Internet Retailing" 2014

# European luxury brands posting good performances in US

Different

Americas region growth 1Q 14 (YoY%)



Note: Kering luxury division

Fonti: BCG and Altgamma Consensus 2014, Annual reports, press release, analyst report

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# How to win the US Luxury market

**Advocacy marketing and CRM:** identify key influencers and build strong relationships with them, leverage active advocates

**Segmentation and targeting:** understand specific consumer segments needs (HNWI, luxe-immune,...) and how to respond

**Tourists opportunity:** setup collaboration with tour operators, adapt store and assortment

**Store expansion and assortment:** define ideal coverage beyond top US cities, adapt assortment and pricing at city level

**Partnership with Department Stores:** reinvent collaboration with US DS, rethink co-marketing online, leverage DS e-commerce business

**E-commerce and Omnichannel:** deliver seamless consumer experience online and offline, achieve operational excellence (service, logistics, organization)