Moncler unveils new strategic plan

By Dominique Muret - 10 May 2022

Moncler is keen to usher in a new era by adopting a more segmented multicultural approach, while also focusing more on footwear. The day after publishing its quarterly results, the Italian fashion group, which owns down jacket label Moncler and sportswear brand Stone Island, held an investors day during which it unveiled ambitious goals for the next three years, notably involving a plan to open over 150 new monobrand stores and to further energise its online sales.

With regards to the Moncler label, CEO Remo Ruffini underlined again the importance of the Genius project, launched in 2018 and consisting of a string of collaborations with different designers. Genius has become Moncler’s true “creativity hub,” the focus of the label's advertising campaigns in recent years. The project now accounts for between 5% and 10% of Moncler's revenue, and is set to extend its scope to embrace art, music, cinema, sports and more. In future, the project will be associated not only with fashion designers, but also with players and brands from other sectors.

The Moncler group, which generated a revenue in excess of €2 billion in 2021 and is listed on the Milan Stock Exchange, did not provide further details about its plans for the Genius project. An overview of the project’s future
evolution will undoubtedly be glimpsed in September, when Moncler will begin celebrating its 70th anniversary by staging a major event at Milan Fashion Week.

The Genius project is part of a broader segmentation strategy being deployed by Moncler, featuring three priority targets. With Moncler Genius, an ultra-creative range aimed at attracting new luxury consumers, the label is targeting an increasingly younger audience, notably Gen Z consumers aged 20-30 and below, through which to generate at least 30% of total sales.

The Genius range is complemented by the label’s main line, Moncler Collection, which targets both Gen X and Millennial consumers, in other words 30 to 50-year-olds, and is forecast to eventually account for 70% of revenue. Then there is Moncler Grenoble, a high-tech performance line designed for ‘active millennials’ (30 to 40-year-olds), available throughout the year and including a summer range.

In parallel, Moncler plans to place special emphasis on footwear, especially trainers, by buying stakes in Italian producers and specialist SMEs in order to acquire the necessary know-how.

The footwear category “is growing at Moncler, but it’s still well below its real potential,” said Ruffini, noting that “sneakers are a must in our communities and will help unlock the American market’s potential.” This “iconic” category is expected to account for 10% of total revenue in 2025.

At investors day, the group’s senior executives stated they do not expect to acquire other brands in the medium term. Moncler instead intends to strengthen its supply chain, aiming to foster Italian craftsmanship in the process, by buying specialised manufacturers and artisanal workshops. The group also indicated that it does not plan to diversify into the handbag category.

The implementation of Moncler’s new business strategy will go hand in hand with a further expansion of its direct retail footprint. The Moncler label plans to inaugurate 100 new stores by 2024, between new openings and store renovations or relocations, shifting towards a more experiential type of shop featuring an increased retail area. As of March 31, Moncler operated 238 monobrand stores.

Moncler also plans to focus on boosting online sales, which are expected to grow to 25% of total revenue within three years, generating 100 million site visits on moncler.com.

China and the USA will become Moncler’s main markets, “accounting for 50% of expected revenue growth in 2024.” Provided of course that the Covid-19 situation in China improves. In March, lockdowns were imposed in cities like Shanghai and Shenzhen, causing nearly 10% of Moncler’s stores to close down, while in April the lockdowns affected 30% of the label’s retail organisation.
Finally, Moncler announced two new partnerships. One with the creative agency led by Sir Jony Ive, Apple's former head of design, to explore new innovative solutions, and another with the Lebron James Foundation, to develop new opportunities for the African-American community under the aegis of the US basketball legend.

As for Stone Island, the sportswear brand bought by Moncler at the end of 2020, the group wants to apply the recipe that was so successful for Moncler, streamlining its wholesale distribution and accelerating the growth of its direct retail network. Stone Island operates 30 directly managed stores, but it still generates over 75% of its revenue through the wholesale channel (as opposed to 20% for Moncler).

Stone Island plans to have a network of 100 monobrand stores by 2024, the largest among which will feature a new interiors concept. Within three years, the goal is for the brand to generate 60% of revenue via its own stores, while online sales are forecast to account for 20% of revenue. Another objective for Stone Island is to strengthen its position on the Asian market, whose share of sales is expected to double in the period.

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