Benetton CEO Massimo Renon on reopening in Paris; building worldwide; and future growth

By Godfrey Deeny - May 19, 2022

Six months after a neighborhood fire scarred the center of Paris, destroying Benetton’s main French boutique, the Italian marque reopened its flagship this week, repainted in pink, expressing a newfound optimism for the brand’s future.

DJ Joséphine de la Baume spun disks; design giant Jean-Charles de Castelbajac enjoyed shooting selfies with pals; and scores of French hipsters quaffed on champagne and checked out the three-floor boutique. Like every brand in fashion, Benetton went through a couple of difficult years due to Covid, but the Venetian marque has been rebounding smartly.

Notably with the airy new revamp in the Paris store, which now boasts huge glass windows and doors in its particularly great location - overlooking the Palais Garnier, the famed neo-classical opera house of Paris. Which is where we caught up with Massimo Renon, the CEO of Benetton.

After several years of quotation on the Milan stock market, the Benetton family bought back control of the brand in 2012, and fully owns the marque today. It’s most famous scion and clan leader Luciano Benetton is the present chairman. However, Renon holds the management reins of Benetton, which scored double-digit growth last year to close to €900 million. Complete figures will be released later this month.

So, here is Renon’s vision of the future of Benetton, a brand that pretty much invented democratic fashion; building brand equity with its revolutionary ad campaigns, decades before fashion became rightly obsessed with inclusivity.

“It’s great to open this week as we are benefitting from a moment of incredible energy in Paris. I just landed in Charles de Gaulle and there were lots of flights; and the city is suddenly full of tourists. Of course, it’s not 100% back to normal, but people are willing to go out again and spend money. It’s great to have the brand back in this strategic location and to continue to grow.”
back, but the atmosphere is still great! After this very unfortunate accident it’s great to come back with enthusiasm and energy,” smiled Renon.

“We’ve opened all the windows on the ground floor, painted the walls pink, let in much more light, and you can see how beautiful is. It’s a great 800 square meters over three floors,” opined Renon, who oversees the group’s key three brands – United Colors of Benetton, Sisley and Undercolors of Benetton.

In France, Benetton has 73 retail doors, with 65 directly controlled, mostly based in department stores, especially with Galeries Lafayette. Worldwide, Benetton boasts nearly 4,000 sales points; 1,500 directly controlled; and then over 2,500 wholesale clients, albeit selling in mono-brand boutiques. In Korea, the brand is heavily weighted into local department stores, while in Holland they have partnered with the de Bijenkorf chain.

Hence, their retail business model is a mix, even if the brand is vertically integrated with its own factories, and a supply network spread across the Mediterranean, with plants in Tunisia, Serbia and Croatia, along with some knitting still in Italy.

“The hardest thing about the pandemic was having to close stores. Many of them for months, while you continued to pay salaries and rents. Fortunately, the family is very much committed to the brand. They regard it as a strategic asset, where they want to invest. So, we feel quite confident for the future,” insisted Renon.

At its height, Benetton had annual sales of some €2.5 billion back in 2005, but its revenues cooled throughout the following decade.

“It was a combination of things: The new actors - the Inditex group, Uniqlo and H&M - made big inroads into this market. They invested more and at a more aggressive price point. Before Benetton, the clothing business was very different. With Benetton, we saw people became more colorful and fashion conscious. Benetton democratized fashion! Especially for men,” argues Renon.

Asked to define the house’s DNA, he responds: “Made in Italy; creation; color; sustainability and inclusivity. That’s been true since Oliviero Toscani’s earliest campaigns.”

As Renon sees it, Benetton was one of the first companies to be serious about the environment; banning all plastic bottles 20 years ago; building all its parking lots underground 30 years ago, to disturb nature less. Way ahead of any idea of recycling, Luciano Benetton was posing naked in ads, asking clients to say “I want my clothes back,” in
possibly the first fashion recycling ad.

Plus, he promises that by the end of next year, all Benetton garments will carry QR codes with exact raw materials and manufacturing source. Respecting its engagement made when it joined the Sustainable Apparel Coalition (SAC).

He predicts Benetton will be 100% organic by 2025, guaranteeing a silky, eco-friendly finish. For 2021, Benetton will post a double-digit sales rise, and Renon expects that to continue into the future.

The brand is on the move worldwide. In China, it has struck a deal with T-Mall to open in July; created a new office in Singapore, and a new network in Australia. It's going back into the Middle East, where it has been absent for a decade. Beginning by opening stores in Qatar in time for the upcoming World Cup, and then in Abu Dhabi.

Finally, in December, it will create a pop-up for Art Basel in Miami, and then build out the network in America. Speaking of art, at the opening, de Castelbajac’s quirky T-shirts were prominent with his bold graphics. Though
after being the de-facto creative director of Benetton for a couple of years, he will scale that back to occasional capsules.

“The key point is that compared to our biggest competitors, we are outside the biggest markets – America and China. That will change now,” underlined the CEO.

These days, the family is far more invested in other areas. Their holding company Edizione is a 10-billion-euro-plus group with stakes in highways, connectivity and mobility. The next time you take a highway ride and use Telepass at a toll, you will be sending money to the Benettons. Renon does too.

Prior to joining Benetton, Renon worked for eyeglass giant Luxottica, a giant presence in the Veneto, and before that Ferrari. Even if like a serious father of two he drives now a BMW X5, handy going home to his home near tony Dolomite ski resort Cortina d’Ampezzo.

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