

GUCCI

Italian -style luxury

Specialised in leather goods, luggage and horse riding equipment, Gucci was born in Florence in 1921. The theme of horse riding, which the founder of the company, Guccio Gucci, holds particularly dear, is still evident today in the famous red-green horse bit, stirrup and bow motifs, derived from the saddle girth. These are the emblems of a company which has come to be a symbol of elegance and aesthetics, always at the avant-garde of fashion.

After opening a boutique in Rome's via Condotti in 1938, Gucci then went on to make a name for itself in the United States, in 1945. The bamboo bag, another icon of the Florence market, soon appeared, followed in 1953 by the first moccasin with buckle. In 1966, Rodolfo Gucci and Accornero designed the Flora scarf for Grace Kelly. It was then that the GG logo first appeared on Gucci bags. In 1982, the company, which had opened shops all over the world since the 60s, became a joint stock company.

Tom Ford arrived eight years later. He restated the brand's supremacy in the leather goods sector and gave the brand a new boost in the ready-to-wear market.

The current creative director is Frida Giannini. Gucci has become a group of ten brands (Gucci, Yves Saint Laurent,

Bottega, Veneta, Alexander McQueen, Balenciaga, Bédat & Co., Boucheron, Roger&Gallet, Sergio Rossi, Stella McCartney and YSL Beauté).

A successful “multi-brand strategy”

François Pinault, Chairman of the French giant, PPR, to which Gucci belongs, outlines the “*efficiency of the Group’s multi-brand strategy*”. During the first half of 2007, the Gucci Group’s turnover increased by 14.8% and its profitability by 55%. This performance is the result of new strategies adopted by Robert Polet, Chairman and Director of the Group since July 2004. The objectives are ambitious, notably to double the flagship brand’s turnover by 2011.

The “Polet method”

The “Polet method” focuses on creativity, combined with innovative marketing strategies. Robert Polet has managed to turn his plan into reality in a very short timeframe by adopting an avant-garde, centralised distribution system, concentrating logistic activities in Bioggio, near Lugano, in Switzerland.

In 2003, Gucci created the company, LGL (Luxury Goods Logistics), as a joint venture with Norbert Dentressangle, which has 49% of shares. This is how the Bioggio logistics platform came about (see boxed text).

The platform handles almost all of the Gucci Group’s products. Thanks to an extension last April, the platform’s capacity has increased from 7.5 to 14 million items per year, thus meeting the growth ambitions.

A luxurious joint venture

The collaboration between Norbert Dentressangle and the Gucci group began in the early 90s and was consolidated over the years, until the creation in November 2003 of the joint venture, Luxury Goods Logistics – LGL. The head office and logistics platform of LGL are in Bioggio, near Lugano, in Switzerland.

At the start, the platform covered 28,000 sq.m and was able to manage around 7 million items. In 2006, the useable surface area was increased to 42,000 sq.m and management capacity increased to 14 million items.

THE ENTIRE GLOBAL DISTRIBUTION

The Bioggio logistics platform takes care of worldwide distribution of practically all Gucci, Yves Saint Laurent, YSL Beauté, Bottega, Veneta, Alexander McQueen, Balenciaga and Stella McCartney products to all Gucci stores and multi-brand retailers.

Orders are prepared by innovative information systems and radiofrequencies are used; this makes for a flexible organisation and allows to manage numerous references and to handle seasonal peaks. As part of this partnership, Norbert Dentressangle also takes care of new activities such as quality control of hanging garments.

11,000 packages can be dispatched each day, and the average order takes 4 hours to handle.

LGL employs directly 75 people and 40 to 80 temporary staff.

EQAS CERTIFICATION

The close collaboration between Gucci - LGL and Norbert Dentressangle simplifies daily management of the activity and makes it possible to adapt logistic flows in line with market demand.

In 2006, LGL was awarded the EQAS (Ethics, Quality, Environment and Safety) “Integrated Management System” certificate. This certification is a solid base to meet the sector’s future challenges. It’s not by chance that LGL is the first distribution structure in the luxury ready-to-wear sector to have received all certifications for its management method.

