

WWD

Fashion. Beauty. Business.



Staying The Course

J.C. Penney laid out a plan in Texas bankruptcy court aiming to hit key milestones this month.

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Reopening On Rodeo

Younger men are discovering Bijan's classic if ever-so-slightly cheesy charms.

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A Look Back

André Leon Talley's Fire Island in the Seventies.

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Safe Shot

Every picture captures a moment. Some capture an extraordinary moment in time. The impact of COVID-19 resonates both universally and specifically, forcing our industry to rethink the often densely populated live fashion shoot. That's just fine with Valentino's Pierpaolo Piccioli, who enlisted his good friend Mariacarla Boscono to star in Valentino's resort 2021 campaign. "I want to deliver the feeling I had when I was drawing [the collection]," Piccioli said. "No filters, so no stylists, no hair, no makeup." No filters save one – an essential face mask for those up-close shots.

For a conversation with Piccioli, see pages 8 to 11.

PHOTOGRAPH BY VANNI BASSETTI

BUSINESS

Macy's Losses Deepen

- The retailer details its pandemic game plan as progress in reopening stores may be reversed due to COVID-19.

BY DAVID MOIN

Macy's Inc., transforming into a "smaller, more leveraged" company, warned Wednesday that stores are likely to re-close where coronavirus cases are increasing again.

Since temporarily closing all of its stores in mid-March, Macy's has been able to reopen all but six, but as its chairman and chief executive officer Jeff Gennette said Wednesday, "The COVID-19 pandemic is still in full swing in some parts of the country. And while we do not expect another national shutdown, we do anticipate a regional impact as consumers are encouraged to stay home. We do expect regional flare-ups that we don't know fully where they're going to go yet."

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BUSINESS

Patrizio Bertelli On Calendars, Asia Scenario

- The Prada executive was ahead of the times, questioning the timing of the women's shows back in 2015 and here he shares his current views.

BY LUISA ZARGANI

MILAN — Prada's chief executive officer Patrizio Bertelli is a man who knows his own mind.

This trait is serving him well, as global uncertainties continue to loom and the coronavirus pandemic interrupted what he has called "a year of strong progress" in 2019, which saw revenues gaining 2.7 percent to 3.22 billion euros. Bertelli stands by the soundness of the strategy implemented over the past few years, slashing the group's wholesale accounts, advocating full-price sales, investing in digital platforms and committing to quality and creativity. He believes these choices will fuel growth in a post-COVID-19 scenario.

And, as the industry comes to terms with the changes the pandemic has caused, disrupting production and deliveries as well as the calendar of global fashion weeks, Bertelli was ahead of the times when back in 2015 he was the first to question the timing of the women's shows.

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Patrizio Bertelli

Patrizio Bertelli on Calendars, Asia Scenario

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Here, he responds to questions about how that call was left unanswered, progress in Asia and the group's response to the health emergency.

WWD: You were a pioneer in suggesting Milan Fashion Week dates should be revisited and, in particular, you proposed years ago to reschedule them in July rather than in September. How do you see the calendars today? Do you think the sector is now in fact ready for significant change in this sense? There is also much talk about aligning the shows and presentations of the collections to the seasons. Do you agree?

Patrizio Bertelli: If you mean for the shows to be realized with products available in stores, the shows are not necessary: activities of digital promotion are enough. The show offers new trends and as such it cannot be realized with products that are already available in the commercial network.

The proposal in 2015 was aimed at advancing the women's shows in July – a month after men's wear – setting the conditions to deliver the collections the following January. But my proposal was not seen as acceptable because the timing between the men's and women's shows seemed too tight.

It is obvious that the COVID-19 emergency is forcing the fashion system to rethink the criteria and the timing of the collections' presentations; I hope that the Chambers of Fashion together with other institutions in various countries agree on the show calendars to optimize the presence of models, buyers and journalists. The brands agreeing on this issue is necessary.

WWD: Another issue of the moment is the extension of the collections' shelf-life in stores, which also allows to avoid early and "wild" discounting.

What is your opinion?

P.B.: We changed our strategy two years ago and we no longer endorse discounting, a decision that proved to be effective. In any case, I think that each brand follows different strategies. The Prada Group has always had new products and iconic products in its retail network. Wild discounting was fueled over the years by the wholesale network, and for this reason, we decided to cut back our distribution to independents and to focus on our own network of directly operated stores and on e-commerce.

WWD: A number of brands are increasing the quantity of seasonless and timeless products, partly responding to consumers' request and partly to limit the quantity of new products channeled into the market, in light of an increased attention to sustainability. How does this fit with Prada and the brand's constant creativity, research and innovation?

P.B.: I don't see how the two can be antithetical: creativity, research and innovation do not contradict sustainability, on the contrary. Creating new products with sustainability in mind can stimulate to find new solutions, the research of new material can lead to new techniques and sustainable technologies. Think of our re-nylon project: the introduction of Econyl in our collections, a nylon yarn obtained regenerating plastic waste that can be recycled infinitely is an example of how innovation and new products can be eco-sustainable.

WWD: How much did the COVID-19 pandemic influence your choices and strategies for the second half of the year?

P.B.: Although this health emergency has forced us to review a number of priorities in the short-term, our long-term strategy has not changed. We have not changed our

choice to forgo discounts nor to cut our wholesale channel, a path we had already started to tread before the COVID-19 crisis, focusing on the development of our direct retail network and on e-commerce.

The new scenario, with the deterioration of the solvency of many counterparts, accelerated this process.

WWD: Are you thinking of raising your prices?

P.B.: The recent logistical and manufacturing complexities have forced us to raise our prices to recover the increase of organizational costs as well as those of raw materials. In any case, it is a matter of contained, single-digit price increases.

WWD: Asia and China are very important markets for Prada. Are you seeing signs of improvement in those areas?

P.B.: Asia and China are important markets for the Prada Group. Since the health situation in those countries has normalized, we have seen a fast and sustained return to consumer spending. In the entire area, sales are growing at important – double digit – rates and we are confident that this trend can continue also in the months to come.

WWD: What can you tell us of the American market? How do you see the future of department stores? If you were asked for advice on this topic, what would you feel like saying?

P.B.: In the American market, the health emergency is still ongoing and it's difficult at the moment to make any forecasts. Many of our directly operated stores are still closed and some department stores were beginning to show their financial difficulties before the arrival of COVID-19.

In any case, I think that department stores remain an important point of reference for the American consumer and we as a group continue to have a relevant direct presence in the main locations. My advice to department stores would be to bank on price strategies that are less promotional and more in line with the exclusivity of their offer.

WWD: The group has been significantly investing in the digital channel. How

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PATRIZIO BERTELLI, PRADA

much did it help in these past months? What other projects do you have lined up in this sense?

P.B.: Our e-commerce in these months has been growing triple digit; surely COVID-19 contributed to change consumers' spending habits in that direction, but we were ready for this thanks to a very decisive and effective plan that we implemented over more than two years for the development of the platforms with the goal to guarantee an offer and a buying experience that is increasingly more appealing and in line with market expectations.

WWD: How are you planning to present the new collections? Do you think that a digital component is indispensable? Will you present men's and women's together in September? We see Prada is on the Milan Digital Fashion Week calendar.

P.B.: Prada will participate in Milan's Digital Fashion Week organized by Camera Nazionale della Moda on July 14. I am sure the opportunities provided by the digital platform for the presentation of the collections will remain a regular fixture also in the next editions, while bearing in mind the physical element of the presentation of a new collection will remain central.

For the September show, we are currently evaluating [the format], as the moment is certainly interesting but still extremely fluid.

WWD: Are you producing at full capacity? Are you forecasting a reduction in the production of the number of apparel pieces or accessories? Is there a category that you think could see a bigger contraction and how much so?

P.B.: Our plants were once again operative at the end of April, reopening after a closure of around five weeks [during Italy's lockdown].

Restarting took place by applying scrupulous precautions to safeguard the health of our employees, ranging from monitoring their temperature and distancing their work stations, to supplying safety protections and serological screenings for everyone.

This allowed us to restart quickly and, together with directly controlling our supply chain, it allowed the group to deliver the new products in stores in a timely manner, and to manage the stock without excess inventory.

The recovery we are seeing is quite homogeneous among the different product categories.

Our plants and those of our partners and suppliers are in full activity and so I do not see in the next months a risk of a decrease in the volume of products produced. I would like to underscore how the Prada Group has always been very attentive to the management of its stock and this represents for us a competitive asset as we can easily realize new projects and launch them on the market quickly.