

BUCCELLATI

MILANO DAL 1919

Luxury First Look Conference

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Alberto Milani – CEO Buccellati

BUCCELLATI BRAND POSITIONING

**Buccellati
is one of the most prestigious
Italian jewelers
established in Milan in 1919.**

Buccellati's unique style is inspired by the Italian Renaissance Art,
mixed with Oriental Art influence,
using white and yellow gold, platinum and silver,
combined with diamonds, precious and semiprecious stones.

Buccellati jewel, watch and silver products
share a superior level of craftsmanship and engraving techniques,
creating a delicate and distinctive aesthetic sensibility,
inspiring an elegant and delicate feminine beauty.

Buccellati is sold through a network of Monobrand stores
located in the most prestigious luxury shopping streets in the world
and distributed also through Shop-in-Shops, Corners and Specialized Retailers.

Buccellati communication and promotion activities aim
at enhancing the unique product style and timeless beauty.

BUCCELLATI EXHIBITIONS

Buccellati Jewelry and Silver masterpieces are recognized worldwide, and over the course of the brand's history they became protagonists of several exhibitions in the most prestigious museums of the world: Smithsonian Institution (Washington DC, 2000), Kremlin Museum (Moscow, 2008), Palazzo Pitti (Florence, 2014)



Smithsonian Exhibition – Washington - 2000



Kremlin Exhibition – Moscow - 2008



Palazzo Pitti Exhibition – Florence - 2014

STORE CONCEPT

Buccellati new store concept developed by Architects Vudafieri Saverino Partners, started with Chicago in 2013, has now been executed in several locations (Capri, Cala di Volpe, Bal Harbour, New York, San Francisco). Blending tradition and modernity, brown color nuances and soft tones invite the Buccellati clients to step in and relax while assisted to make their choices.



Chicago



Chicago



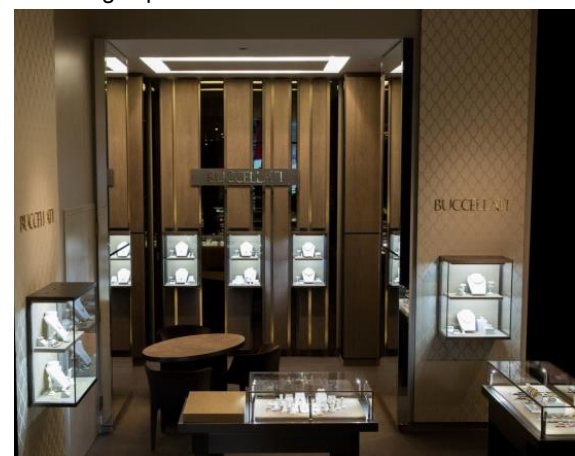
New York
Flagship



New York
Flagship



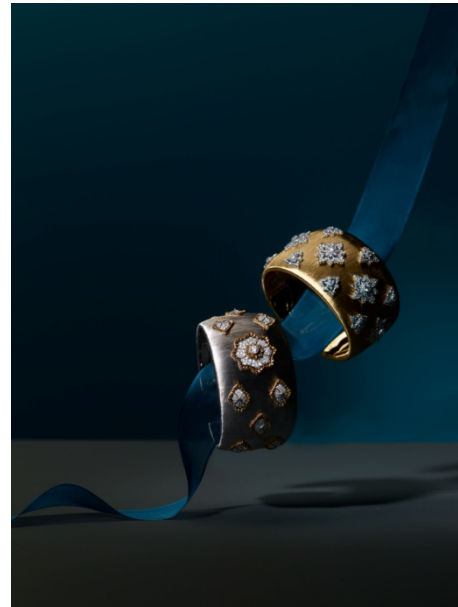
Bal Harbour



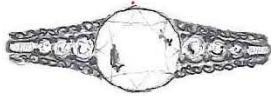
San Francisco

PLANS FOR THE YEAR AHEAD

- **DISTRIBUTION:**
 - Full expansion of New York Flagship and Bal Harbour potential
 - Opening of Palm Beach Shop-in-Shop at Neiman Marcus
- **PRODUCT:**
 - Bridal collection and Cuffs Collection expansion



ROMANZA COLLECTION



- Andrea Buccellati and Lucrezia Buccellati together designed and lead the creative direction for the collection late in the summer of 2013 at Lucrezia's New York home. Each piece in the collection was developed using Buccellati's traditionally signature techniques that date back to Renaissance - a combination of the stellar rigato engraving, tulle and lace
- Romanza by Buccellati introduces several **7 ring styles**, each embodying the unique spirit of iconic muses in the history of European literature, including Ginevra, of Lancelot and Ginevra, Antiope of Queen of the Amazons, Beatrice of Dante Alighieri, Carlotta of Elective Affinities, Titania from Midsummer Night's Dream of Shakespeare and Bradamante of Lodovico Ariosto.

ROMANZA

Romanza for the Engagement Ring Collection
inspired to the strength of famous women
of literature and the myth of love



Beatrice from la Divina Commedia

Antiope Queen of the Amazons



Titania from A Midnight summer's dream

Isotta from Tristano e Isotta



Bradamante from Orlando Innamorato

Carlotta from Elective Affinities



Ginevra from King Arthur

DREAM BRACELETS

Dream Bracelets epitomizes the iconic qualities of Buccellati in a single object. The fabric-like texture of hand-tooled metal offsets the sparkling gemstones and settings to exude a style that is classic and modern at the same time. Although the bracelets look minimal, they display an unbeatably complex craftsmanship that is only discernable to the eyes of a true expert.



2014 HOLIDAY RECAP*

- Disappointing Black Friday: promotions earlier in November took a toll on in-store sales during the Thanksgiving weekend, when total spending fell by 11% vs. YA
- Super Saturday weekend sales, the last pre-Christmas weekend, increased by 2.5% vs. YA both in store and online, but failed to make up for spotty performance this season
- Sales in specialty store and large footprint retailers dropped 8.9% over the weekend vs. YA, and store traffic dipped 10.2%
- The majority of retailers will be flat to negative in their bricks and mortar business but their online sales will show significant double-digit increases. This should boost the overall sales number

→ Importance of focusing on digital investments and seamless multichannel customer experience

SIX MUST DOS FOR SUCCESSFUL LUXURY GOODS MARKETING

- Luxury brands require a very specific approach to brand management and marketing
- In luxury brand management, experiences are essential
- Six steps for designing and marketing a true luxury customer experience:
 1. Advocate beliefs
 2. Be more than a logo
 3. Involve the customer in a ritual
 4. The store is a temple
 5. Pull customers into an exclusive circle
 6. Communicate legends to establish a myth

1. ADVOCATE BELIEFS

- Don't please everyone, but only customers whose beliefs align with the luxury brand ones
- Luxury brands' investments are focused on the specific beliefs of the brand, creating a very focused experience to the right customers

e.g. Buccellati – belief in craftsmanship

e.g. Ferrari – belief in high performance

- Heavy investments in Formula 1 events to reinforce high performance belief in consumers' minds

2. BE MORE THAN A LOGO

- Customers think of a true luxury brand as a whole set of visual icons, rather than just a single logo
- Visual icons include monograms, brand symbols, logos, colours, patterns, images and even concepts
- Luxury brands should actively choose their symbols and iconify them through constant repetition

e.g. Buccellati:

- Cuff bracelets, engraving, matte finish of gold

e.g. Bottega Veneta:

- No visible symbols or logo on their leather goods
- Easily recognizable by the weaved leather pattern of their products

e.g. Chanel:

- Black and white, number 5, camellias, pearls, little black dress

3. INVOLVE THE CUSTOMER IN A RITUAL

- A true luxury brand must offer not only a product but also unique services or rituals
- Go beyond attentive sales people and prompt customer service
- Create a consumption “ritual” that allows customers to experience the brand

e.g. Buccellati

- The customer has the possibility to customize a piece of jewelry or design his/her own together with Mr. Buccellati – delivery time is about 3 months and the piece is exclusively hand-crafted by experienced artisans in Italy

e.g. Le Labo perfumes

- Each perfume is hand-blended and individually prepared in front of the customer at the moment of purchase – this ritual is a truly personal experience

4. THE STORE IS A TEMPLE

- Luxury brands must pay extra special attention to the way they sell and innovate at the point of purchase
- Aim to design multifunctional, controlled spaces that create brand experiences and communicate brand beliefs
- The store is like a temple for discerning consumers

e.g. Buccellati

- New store concept developed by Architects Vudafieri Saverino Partners

e.g. Prada

- “epicenter” stores designed to provide a working laboratory for experimental shopping experiences

e.g. BMW World in Munich

- a temple-like showroom, where consumers can “experience” the brand rather than simply buy the product

5. PULL CUSTOMERS INTO AN EXCLUSIVE CIRCLE

- For luxury brands, the roles are reversed: consumers must be “pulled” towards the brand with the promise of belonging to an exclusive community
- Only a select few consumer who truly share the brand beliefs can really belong to this exclusive circle
- Luxury brands should create artificial barriers or initiation rituals to select which customers gain admittance
- This creates a sense of belonging to a special circle, customers stay loyal and are rewarded for it

e.g. Hermes:

- customers must form a long-term and intimate bond with the brand if they want to be offered the opportunity to buy one of the manufacturer’s “it” bags

6. COMMUNICATE LEGENDS TO ESTABLISH A MYTH

- True luxury brands should communicate the legends associated with the brand to establish a myth
- Myths should be conveyed indirectly and should be consistent in every point of delivery (products, stores and marketing)
- Luxury brands often achieve this by inducing a degree of mystery or by making a connection with art to communicate myths in an elevated way

e.g. Chanel:

- Myths associated with its creator Coco Chanel are still alive and feeding the brand to this day

e.g. Rolls Royce:

- Invites a select few customers to experience production process in person at their manufacturing facilities

NET WORTH ESTIMATE IN US

- \$500K - \$1MM (25 million individuals)
- \$1MM - \$5MM (20 million individuals)
- \$5MM - \$25MM (2 million individuals)
- \$25MM + (150K individuals)

WEALTHY POPULATION: 3 GROUPS

- **Millennials (21-34)**

- Browse online, Interact via social media, video chatting and texting. (two-way communication)
- Texting is the main way of communicating at 2.5 hours a week vs. Baby Boomers who spend 1 hour per week.
- Spend less time reading newspapers, magazines and watching TV

- **Generation X (35-49)**

- Fall in between the two other groups
- The time spent emailing remains the same throughout all generations

- **Baby Boomers (50+)**

- Spend twice as many hours reading than other generations and spend more time on TV

THE 3 FACES OF LUXURY

- **Trendsetters:**

- Constantly tuned into society and social media. They instigate the acceptance of change in the luxury development trends
- Impulsive buyers that need validation via many sources to assure themselves that the product and trend are “in”

- **Winners:**

- Triggered by the need to reward themselves or their inner circle for personal and professional accomplishments
- Purchases are well researched so hit and run marketing should not be utilized. On the opposite, the continuity of advertising method should be the main leverage

- **Connoisseurs:**

- Extremely knowledgeable and selective
- Researches based on factors as construction, quality, value and history
- They study so much that they will eventually become professionals and specialists in their purchase

CONSUMER INVOLVEMENT IN 2015

Brands should shape their communication according to the customer groups they want to target:

- Targeting Baby Boomers by talking to advertising magazines, newspapers and TV that are popular to older generations
- Millennials and Generation X spend double the time on social media, watching online videos, surfing the internet – should be targeted through ads on these online channels
- Emailing is a constant factor across all generations, but emails should be customized and personalized to target different audiences
- Connoisseurs are more interested in specific educational communication that enhances their knowledge of the brand
- Lifestyle brand communication rather than product advertising is more effective for Trendsetters and Winners

JEWELRY OUTLOOK FOR 2015

- Jewelry and watch sales expected to trend upward in the next 5 years in the US, driven by an optimistic look of younger and higher income consumers
- Most important factors considered for purchase decision: Quality, Craftsmanship, Customer Service, Design
- Branded Products will have a leading role in this growth (6 steps for luxury goods marketing)
- Favorable economic outlook: stronger US Dollar vs. Euro will spur growth for brands both inside and outside United States
- As the marketplace is becoming more digital and international, brands need to focus on consolidating their offer and customer experience across different channels, both online and offline
- Digital media as platform for conveying information, shaping brand identity and building customer relationships

Beauty will save the world

Fyodor Dostoyevsky



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