



Special Lecture\_Practical and Efficient Management Skills\_Mugunghwa Hall 1

Speaker: Robert Polet, Chairman of Gucci Group

Moderator: Mimma Gigliezio, Executive VP Global Communications of Gucci Group

Robert Polet, the Chairman of the Gucci Group, discussed the roots of the Gucci Group, dynamics in the changing luxury products markets, with emphasis on Asian and BRIC nations, and strategies for continued success in the market through branding.

Polet began by discussing the recent market performance of the Gucci Group, which has experienced four years of consecutive growth, driven by the acquisition of other established luxury brands, including Boucheron and Balenciaga. This has resulted in a product line with brand ages from 7 to 100 years.

With respect to the Asian market, Polet underscored its importance on multiple points. First of all, China accounted for approximately 23 percent of Gucci Group revenues in the fiscal year 2007.

According to Polet, market projection by Verdial Research had been particularly aggressive, from \$246 billion in 2007 to a projected \$450 billion in 2012. Due to the current economic situation, Polet stated that the Gucci Group still foresees growth albeit on more "cautious" level.

Polet expressed optimism by providing statistics in which the average length of an economic recession has been 11 months, with a high of 16 months and a low of 8 months. This was contrasted with a continuous expansion from "4Q 1970 to 4Q 2001, in which the market growth stretched 21 quarters.

Polet also added that the distribution of growth would shift from the BRIC markets of Brazil, Russia, India, and China, and N11 nations, to which Korea and Vietnam belong.

In addition, Polet took pride in the moniker coined by *Fortune* Magazine, in which the company executives were dubbed as the "Gucci Gang". "You know what gangs like to do," Polet stated. "We like to beat up on other gangs."

Three rules for branding success, as presented by Polet, were "Be Clear," "Be First," and "Be Yourself." With respect to the second rule of "Be First," Polet provided the example of Boucheron offering the first luxury e-commerce site from which prospective customers can purchase jewelry up to of \$2.2 million. "40 years from now, people will know who was first."

Polet remarked that key to success in the luxury products market is through the development and maintenance of exclusivity through brands.

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