

Upbeat Milan fashion summit talks of continued luxury sector growth

The fifth edition of the Milan Fashion Global Summit had an upbeat, even self-congratulatory mood Tuesday (November 21), with talk of continued growth, the aspirational power of the Made in Italy lifestyle abroad, strategies for multiple brand management and successful brand extension.

The annual conference brings together luxury industry heavyweights, with this year's speakers including Diego Della Valle, Giancarlo Di Risio, Norman Foster, Wichy Hassan, Tonino Perna and Francesco Trapani.

"We have many positives to talk of today," Camera Nazionale della Moda chairman Mario Boselli said. "The sector's recovery is the big news... we have had some casualties but the industry has survived and is doing well."

Merrill Lynch's Paola Durante forecast a positive outlook for the luxury goods industry for the next quarter and the start of 2007, despite negative trends in the US.

Companies were urged, however, to avoid complacency. Specialisation and innovation is key for SMEs to survive, and plans were announced for a training centre to open in 2007, in Milan's new Fashion City.

Boselli also called for a pan-Mediterranean union against competition from India and China – urging companies to delocalise in eastern Europe and Turkey.

Speakers advocated careful brand extension, despite provocative protests from Milan councillor Vittorio Sgarbi, who suggested the strategy dilutes the real value of the product.

China and India remain the industry's key emerging markets – China alone counts 130m "newly affluent" individuals, while India's GDP is growing 8% per year. Companies were urged to tread sensitively in uncharted markets: "think globally and act locally – pay attention to differences," said Sir Norman Foster, talking of the importance of retail spaces as a communication tool.

Other topics for discussion included the importance of brand autonomy and identity in a large portfolio, luxury as an experience, as well as Brazil and Russia's thirst for the Italian lifestyle ideal.

The event is organised by Class Editori in collaboration with The Wall Street Journal, Camera Nazionale della Moda Italiana and Merrill Lynch.

- A full report on the Milano Fashion Global Summit follows shortly in WGSN Business Resource.