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COMPANIES

## Lorenzo Bertelli of Prada on what's next

BY SARAH SHANNON 8 MARCH 2021

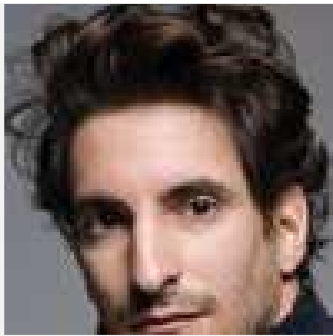
The son of co-CEOs Patrizio Bertelli and Miuccia Prada hints at plans to launch resale and explains that sustainable innovation should be profitable.

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He's the son of Miuccia Prada and Patrizio Bertelli — big shoes to fill. But Lorenzo Bertelli, 32, a former rally car driver, has learned as fast as the cars he once raced and has emerged in a central role running marketing and corporate social responsibility at Prada Group.

Bertelli, who came on board with his parents' business in 2017, has big plans for Prada. The current list includes a possible move into resale, making profitability and sustainability align, and meeting a broader consumer base with a new emphasis on open dialogue, led by Prada's new co-creative team of Miuccia Prada and Raf Simons.

“The strategy is to be ready to take the business [forward] when everybody comes back to normalise because we can see as soon as they open, they are hungry to spend their money,” Bertelli says, speaking to *Vogue Business* from his Milan home via Zoom.



He's seated in front of a wall of sailing memorabilia, watercolours and boat hull line drawings. Strict quarantine measures have kept him away from the 36th America's Cup in Auckland, where the Luna Rossa Prada Pirelli superyacht is challenging soon. That's frustrating, but Bertelli is upbeat about Prada, forecasting a stable second-half for luxury.

Bertelli is over three years into his tenure overseeing marketing, with sustainability added more recently. His remit includes Miu Miu and Church's and Car Shoe brands, reporting to his parents, who are co-CEOs.

Sustainability is core to his agenda — and sustainability, he believes, does not require a sacrifice of profitability. He is credited with pushing through a plan to phase out nylon by the end of this year in favour of recycled nylon. “I think Re-Nylon is the proof we can do something sustainable for our planet and make it relevant in terms of revenue,” he says. “The biggest message today is the business can be profitable and sustainable.”

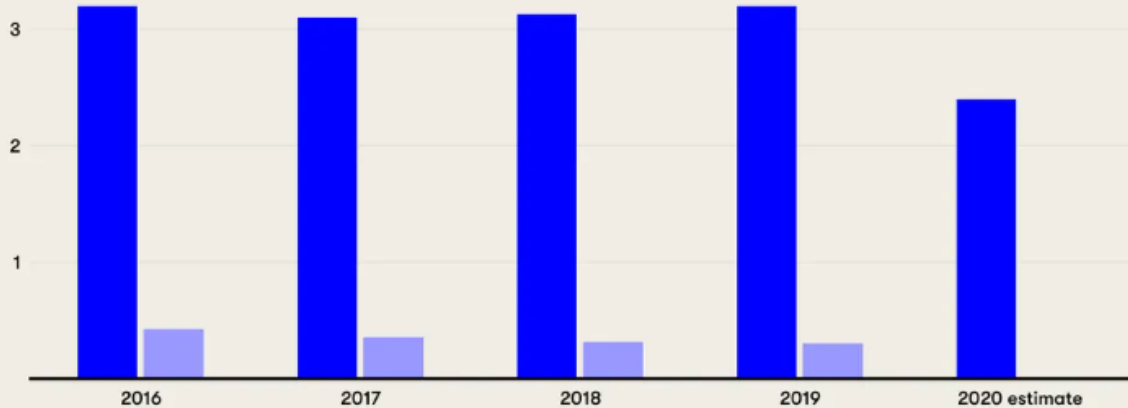
Upcycled by Miu Miu, a collection of vintage dresses reworked and transformed by Miu Miu, has been another success that will continue. Bertelli has also been working on a resale offering at Prada for over a year and a half, likely to be directly owned by the company. “You will see something relevant from us in the future,” he says. “It took us a lot to work on something that could work that’s not just a marketing message, something that’s relevant.”

In future, Bertelli says the “biggest sustainability challenge” is to reduce carbon emissions, particularly through the supply chain. Encouraging suppliers to change to sustainable materials and energy sources is the hardest task. More government support would help, he says, while acknowledging that “it’s fundamental big groups like us are the drivers of this change”.

## Prada sales recovered in the final quarter of 2020 despite the pandemic

Figures in billions (€)

■ Sales ■ EBIT



DATA SOURCE: PRADA © VOGUE BUSINESS

Prada is on a roll right now. In December, sales returned to pre-pandemic levels, ahead of the broader market. Despite enforced store closures, Prada Group is expected to report a profit of €10 million on €2.4 billion of revenues when its annual results are released this week, according to analyst estimates.

That performance has been boasted by a medley of strategic initiatives. They include a drive to reduce wholesale and to cut back on markdowns plus a focus on reaching local customers with a mix of newer sustainable products like Re-Edition bags. There's also been the launch of a high-profile new era of co-creative direction supported by Lorenzo's marketing acumen.

Foremost in the list of priorities of late for the young heir has been responding to the pandemic with a new digital fashion show format. That included influencer viewing parties and post-show conversations with Mrs Prada and

Simons talking frankly with students and creative industry figures such as Marc Jacobs, filmmaker Lee Daniels and DJ Richie Hawtin aka Plastikman.

Bertelli is delighted with the results. “People like being part of the conversation and the right balance is to make people part of the conversation but still keeping it relevant and enjoyable for people who are not so much involved in fashion,” he says. The emphasis on open dialogue has resonated in an age of transparency — Prada’s social media metrics outpaced rivals over fashion month, Bertelli says. The strategy will evolve to target a more general consumer interested in music, movies, culture and sport.

This empathetic response to the cultural mood has been noted by brand experts. “The brand is coming into its own again,” says Rebecca Robins, chief learning and culture officer at Interbrand. “Prada has been the maker of a series of moves that are deeply in tune with the context in which we are living, which we see reflected in the brand strength.”

Prada Autumn/Winter 2021.

© Prada



Analysts were also impressed by Prada’s focus on local customers across Western Europe and in China in 2020. Bertelli notes the high costs of marketing in China but applauds the “open-minded” attitude of Chinese consumers. In Western Europe, he adds, “the consumer is somehow more opinionated on what they want.” Among successes in Europe have been pop-up stores and new products like the Re-Edition bags. He’s betting gender-neutral wearables are back in — an American Express collaboration with architect Rem Koolhaas and artist Kehinde Wiley for a contactless bracelet is planned for later this year.

Bertelli has shown a willingness to experiment with digital, given the surprise launch of the Car Shoe brand on Amazon’s Luxury Stores. The luxury sector has been wary of this initiative, citing Amazon’s lack of luxury experience and the threat from counterfeits — and even alleging the platform might [use brands’ data](#) to make similar products priced cheaper. Bertelli explains that

Car Shoes, which sells driving footwear for around €360, has no US store presence. The test with Amazon's Luxury Stores, which is unlikely to be extended to other Prada Group brands, was simply viewed as a "good opportunity". Elsewhere, digital marketing is the focus. "We try to be more relevant with more digital content in the second half of the year when we expect the market will be more stable."

Lorenzo Bertelli represents the future of Prada Group. Just 20 per cent of Prada S.p.A. shares are listed, with the remaining 80 per cent held by family holding company Prada Holding S.p.A. — here is plenty at stake for the elder son (his brother, Giulio, is a year younger).

"For me it's just the beginning," he says, looking ahead to the next few years. "It's not just about the marketing but the whole (culture) and really being able to express this period... of our group to our consumer. And then at the end you want to do better in terms of revenue."

He's not phased by any of the challenges ahead. "I'm a very competitive person," he says, noting the pressures from competition in the luxury industry. "I think it's what makes things exciting."