

BUSINESS

Prada Group CEO Touts 'Cultural Point of View'

Andrea Guerra



● Andrea Guerra said the Italian firm "has always been wishing to expand the role of the brand in our lives."

BY MILES SOCHA

When Prada opened a Prada Caffè at Harrods in London earlier this year, it did not take this extension into hospitality lightly.

"We tried to be as credible as possible," Prada Group chief executive officer Andrea Guerra told the WWD Apparel & Retail CEO Summit in New York, noting it deployed historic Italian pastry shop Pasticceria Marchesi, founded in 1824 and now the group's food and beverage platform. "Yes, those places are Instagrammable places. But those places also have to be full of experiences and emotions. You go there and you eat well, and you eat the way Prada sees Italian food. So it's not just a gimmick — there is culture in it."

In his opinion, "you have to be credible in all the things you do. If those things are related to the DNA of the brand, nothing is impossible in 2023."

The Prada Caffè is slated to remain open on the ground floor of the London department store until Jan. 7, serving breakfast, light lunches, pastries and evening cocktails, as reported.

During a wide-ranging conversation with WWD's Milan bureau chief Luisa



Prada Caffè at Harrods.

Zargani, the executive extolled how he relates to the way Prada "has always crafted this industry from a cultural point of view...not just as a fashion and luxury brand."

"Its brands have always had a huge perspective on culture, from architecture, to music, to theater, to cinema, to food and beverage today as well," he explained.

Guerra noted this unique orientation

stretches back more than 20 years, when Prada established its first Epicenters, including one in a bespoke Herzog & de Meuron building in Tokyo's Aoyama district that looks as vividly new today as it did back then.

"The group has always been wishing to expand the role of the brand in our lives. It's not just a tag, it's being part of a community. It's being part of a club,"

he explained. "Everything starts with an intellectual base and I think this is the reason why everything is done with a different perspective."

As an example, he noted Prada's recent jewelry expansion hinges on recycled gold. "It's a progressive company. They are interested in culture," he said.

Prada recently reentered the beauty business with licensee L'Oréal, and Guerra has pointed to the addition of jewelry in stores, as well as art de la table and home collections, as future vectors of growth.

"Our main focus today is to keep up with expectations," he said, stressing the need to keep nurturing the desirability of its brands, which also include Miu Miu, Church's and Car Shoe. "But on the other side is a question of scale. I mean, we're not in a niche game, we are in a global game...so we need to continue to grow."

"And today our best way to grow is like-for-like, so that means working with our communities, expanding our communities, making sure that they find new things in our stores," he said.

Guerra allowed that 2023 will be an "awkward" year for luxury players as post-COVID-19 euphoria ebbs.

"We're living in a world of black swans; we're living in a world where anything can happen every day," he said. "Even if people talk about normalization, by default, something will happen, positive or negative...What is very critical is that your objective is very clear."

The executive declined to make specific projections about the group's business prospects amid slowdowns in China and the U.S., plus geopolitical turbulence. Instead, he stressed the critical role of emotions, experience and feel-good factors in making consumers reach for their wallets.

Before taking the helm of Prada Group last January, Guerra held a variety of roles, including CEO of LVMH Hospitality Excellence, executive chairman of high-end food emporium Eataly, and strategic adviser to former Italian Prime Minister Matteo Renzi.

Guerra's experience leading Eataly was formative. "What I loved about the Eataly experience in food is that every two meters there was something new, something that catches your eye...Unfortunately, we only have one stomach," he said to a round of laughter.

The lesson for fashion companies is to assure they offer "constant surprises and constant experiences. So you have to renew your [content] feeds; you have to upgrade your digital tools. It's really about surprising and allowing our consumers to really breathe experiences and emotions with us."

Guerra had long dealings with Prada when he was CEO of Luxottica, where he took the licensed Prada eyewear business from zero in 2003 to one billion euros at retail. When Lorenzo Bertelli, son of Patrizio Bertelli and Miuccia Prada, was confirmed as the future leader of the Italian fashion company, "that to me was the turning point," Guerra noted.

"We were saying similar things, we were thinking similar things," he said of the younger Bertelli. "So I said, 'I'm coming to help.' I love this idea of entrepreneurs. I love first-generation companies. Italy has a lot of those."

Referring to Miuccia Prada and Patrizio and Lorenzo Bertelli, Guerra enthused that "they have a huge energy today, a huge curiosity because that is the starting point."

Asked about widening speculation that Prada, which went public in Hong Kong in 2011, will seek a secondary listing, Guerra said, "There is no plan...We've got other things to be done first."

"It would make sense one day," he allowed, while stressing the group takes a long-term perspective on all things.