

Paris-based luxury group Kering decided in mid-December 2015 to sell the only one of its portfolio of brands to be devoted almost entirely to shoes, Sergio Rossi. Industry commentators wasted no time in wondering aloud if this says something about shoes failing to fit in properly with a wider group focused more on ready-to-wear luxury clothing.

Kering kicks off its shoes

At the end of 2015, luxury group Kering announced that it had reached an agreement to sell the Sergio Rossi brand to an investment group, Investindustrial. Kering had owned the Italian high-end footwear brand since the turn of the century.

It said in a statement that it believed the agreement will allow the Sergio Rossi brand to continue its path of development with "a strategic partner that can support the brand solidly and with prospects for long-term growth". At first glance, this is the fairly anodyne kind of phrase we are all-too-used to seeing in communications of this type, but veteran luxury industry commentators have read more into it. Does it imply, they have asked, that Kering no longer feels it can support "solidly" a footwear-devoted luxury brand such as Sergio Rossi? Does Kering now doubt that Sergio Rossi would have "prospects for long-term growth" under its large luxury umbrella?

Small-town start

Sergio Rossi's story starts in the small Emilia Romagna town of San Mauro Pascoli, a heritage it shares with several high-end footwear brands, including Baldinini, Fernando Pensato and, most famous of all, Giuseppe Zanotti. The eponymous Sergio Rossi learned his father's craft of shoemaking and inherited his workshop in the 1950s. As Italy slowly recovered from the devastation of World War II, talented young local craftsmen were able to make a living by making sandals and other shoes during the winter to sell to tourists at nearby resorts such as Rimini during the summer. Sergio Rossi spent several years working in this way before, in the 1960s, boutiques in Bologna began sourcing more formal shoes from him. His reputation grew and, in the 1970s, Sergio Rossi came to be a name on the lips of the new global fashion superstars of Milan, with Gianni Versace the first to spot the San Mauro man's genius. The 1980s was a period of international expansion for the now-established brand, with own-name boutiques opening first in Ancona, then elsewhere in Italy and soon expanding to Brussels, New York, Los Angeles, and London. Between 1980 and 1999, an average of two Sergio Rossi boutiques opened each year. The Gucci Group acquired it in 1999, at just the time it was negotiating its own strategic partnership with Kering (then called PPR) and thus began the Paris-based luxury group's 15-year relationship with Sergio Rossi, which has taken



Angelina Jolie sporting Sergio Rossi shoes. The brand has grown from a humble start in San Mauro Pascoli to become a genuine worldwide footwear phenomenon.

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the brand from humble beginnings in a small town in eastern Italy and establishing the brand as a genuine worldwide footwear phenomenon.



Kering's decision to sell the Sergio Rossi's brand has caused commentators to question the ease with which shoes fit into a wider luxury focus in which ready-to-wear dominates.

CREDIT: SERGIO ROSSI



Sergio Rossi has come a long way from its early days of selling sandals to tourists on the beach at Rimini.

CREDIT: SERGIO ROSSI

Under new ownership

Immediate comments in the Italian footwear industry appear to welcome Sergio Rossi's change of ownership. Investindustrial is a diverse group with its main offices in London, but it is run by Andrea Bonomi, who grew up in London but is a member of one of the most successful business dynasties in Italy's history (a status it shares with the Agnellis, the Pirellis, et cetera); its investment links to southern Europe in general and to Italy in particular have always been strong. Major Italian brands that are now part of the Investindustrial portfolio include furniture design company B&B Italia and high-end jewellery brand Strolli. At the time of the announcement in December, Andrea Bonomi said he was proud to have been "chosen" by Kering to take Sergio Rossi forward.

Footwear fairy tale

However, veteran luxury industry commentator, Vanessa Friedman (formerly fashion editor of the *Financial Times*, now carrying out the same role at the *New York Times*), was one of the first to raise an eyebrow. She says there is something about this move that appears to run counter to the fashion industry's faith in "the power of shoes to buoy profits". She contends that, despite its deep pockets, Kering has been unsuccessful in its attempts to raise the profile of Sergio Rossi to the same extent as it has done with "other small brands" such as Stella McCartney and Alexander McQueen.

For Ms Friedman, there are signals in the change of ownership of Sergio Rossi that, in 2016, a "pure-play" footwear

label may not fit quite as easily as many assumed into the wider "strategic mould" of a diverse luxury group whose main focus is ready-to-wear. She goes as far as to suggest that the footwear story that fashion has told for a number of years now may turn out to be no more than a "shoe fairy tale". Andrea Bonomi has other ideas and may yet prove her wrong. 🌟



Kering has decided to sell the Sergio Rossi brand after 15 years of ownership.

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