



End of an era

Stuart Weitzman is to step down as creative director of his eponymous brand as Coach begins to stamp its mark on the brand it purchased in 2015.

When US leathersgoods company Coach purchased Stuart Weitzman for \$574 million in January last year, it said the “continuity” of the luxury shoe brand’s management team would allow a “seamless transition to Coach ownership”. It is now seeking to move the brand in a new direction and has announced that Stuart Weitzman is to leave his role as creative director.

His replacement is Giovanni Morelli, a design veteran with an impressive CV of past employers. He will join Stuart Weitzman in May 2017 from Spanish brand Loewe, where he has been leathersgoods design director since March 2015. His 25-year design career includes stints at Prada, Burberry and Marc Jacobs.

Announcing the appointment of Mr Morelli this August, Victor Luis, CEO of Coach, said Mr Morelli’s “extensive luxury brand” experience makes him “ideally suited” to his new role. He added the shoe brand’s new creative director “has garnered worldwide recognition designing iconic accessories for several European and American fashion brands”.

Mr Weitzman, who had a hand in finding his successor, believes Mr Morelli ensures “the unique DNA of the brand will be preserved”, while his creative vision will help move the brand forward. He paid tribute to his “attention to detail and respect for quality and craftsmanship”, praising his “modern sensibility”, which Mr Weitzman says allows him to continually push design boundaries.

Coach is hoping the experience of the Stuart Weitzman brand will help it make an impact on the footwear market.

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Coach had previously named a new CEO for the footwear business following Wayne Kulkin's departure from the role after three years. In his place came Wendy Kahn, who arrived from Italian brand Valentino. She brought with her considerable experience garnered during time at LVMH, Marc Jacobs and Céline.

"Wendy's success in developing global luxury brands and extensive general management experience make her the ideal candidate to lead Stuart Weitzman, building on the brand's strong foundation," Mr Luis said.

Mr Weitzman echoed the sentiments of Coach's CEO, saying Ms Khan's understanding of luxury brands, leadership skills and management experience will be crucial to future success.

Shift in strategy

Coach beat off strong competition when it acquired the brand from private equity firm Sycamore Partners last January. The purchase coincided with a difficult period for Coach, as floundering leathersgoods sales (especially in North America) impacted its financial results. In October 2014 it outlined a plan to turn the business around, which included closing some stores and renovating others. It also bore the scars from a previous unsuccessful foray into the footwear market. Absorbing Stuart Weitzman seemed like the perfect solution as it gave Coach the opportunity to tap into the brand's ready-made customer base and footwear industry know-how.

"We look forward to benefiting from the Stuart Weitzman team's expertise in footwear development where they're proven leaders in fashion and fit," Mr Luis said at the time of the takeover.

The footwear team has established strong relationships with the Spanish factories responsible for manufacturing its shoes, ensuring more efficient and reliable production. Mr Weitzman can take much of the credit; he has put decades of time and effort into building these relationships and his frequent visits to the factories have helped keep them alive.

It has achieved consistently strong sales over the past decade, helped by celebrity endorsements and appearances on the red carpets of some of the biggest events in the entertainment world. This saw it grow from a mid-market brand to a world-renowned name, all the while remaining accessible to a large market. Coach hopes that the brand's strong reputation will bolster its own fashion credibility and improve consumer perception.

During the first full financial year after Coach purchased the company its sales rebounded significantly. For the twelve-month period to July 2 this



Celebrity endorsements have been crucial to the growth of the brand.

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Stuart Weitzman has maintained a hands-on role at the company that he founded 30 years ago.

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year, Coach's net sales increased 9% in currency-neutral terms to almost \$4.5 billion. This compared to respective declines in sales of 13% and 5% in the previous two financial years. The shoe brand was responsible for \$345 million of this revenue.

Mr Luis said the fourth quarter figures "capped a year where we returned the Coach brand to growth while elevating brand perception". He added that the company was delighted with the contribution of the footwear brand, which "outpaced our original expectations".

Moving forward

When his time as creative director ends in 2017, Mr Weitzman will take on the role of chairman of the brand he founded 30 years ago. This mostly ceremonial position will be a stark change for a man who has been the lead designer for every pair of shoes produced by his company. He will also have to get used to a hands-off role; he currently oversees all aspects of the business, from selecting materials to dictating brand message. His personal transition could prove much more difficult than that of the brand carrying his name.

For Coach, the aim is to maintain the momentum it has built up over the past 18 months; it continues to pursue a strategy to improve its status with customers. This includes withdrawing its handbags and leathersgoods from approximately 250 department stores in North America to prevent discounting from damaging its reputation.

During the presentation of its latest financial results in August, Mr Luis stated that Coach would also look to gain "an increasing share of the attractive and growing global footwear category". It is targeting annual growth of 7% in the sector over the next few years. The Stuart Weitzman brand will play a huge part in this endeavour, even if its founder does not. ☺