

# CEO Talks

## Isabel Marant's Deputy Chief, Managing Director

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business partners and managing directors.

Together, they are mapping out the future of the brand credited with inventing the bohemian Parisienne hipster-meets-tomboy look favored by celebrities such as Beyoncé, Gwyneth Paltrow and Kendall and Kylie Jenner.

In an interview in Marant's spacious new showroom on Place des Victoires, Duranteau-Loeper and Duruflé detailed the initiatives they are putting into place, which include launching an e-commerce site in June and bolstering the label's handbag assortment.

The brand is streamlining its operations by bringing retail and wholesale under the purview of Jean Keller, who has been named vice president of global distribution, a new position. Meanwhile, it has grouped accessories for Isabel Marant and its secondary line, Isabel Marant Étoile, into a single collection.

Duruflé noted that with 2016 wholesale revenues of around 150 million euros, or \$166 million at average exchange for the period, the house clearly needed a partner to grow, even if its founder was initially reluctant.

"We had been approached by quite a few people over the years and nobody had made a convincing enough case until then for us to consider a possible partnership. The idea was not to sell the house, but to continue moving forward with a strong partner by our side," she said.

"We wanted to preserve our distinctive, selective positioning. Our aim was not to open 250 stores over the next 10 years. That was often the kind of blueprint that people were presenting to us, and it didn't appeal to us at all," Duruflé added.

She felt that Montefiore understood the house's history. "I think they were really attracted to the personality, the product and everything done so far, without wanting to alter the DNA of the brand," she said. "We don't want to betray ourselves and our customers and fans. We want to remain an honest brand."

The deal marked the first investment in fashion for Montefiore, whose portfolio includes budget hotel chain B&B Hotels, car-hire broker Auto Escape and marketing and opinion research firm BVA.

"It's a fund that invests a lot in family-run firms, so I think they have a real respect and understanding for entrepreneurs," said Duranteau-Loeper.

"Their talent lies in being aware of, understanding and appreciating the specificities and flaws that go with that territory – because things are not as smooth as in a big, structured firm – and in supporting a gradual transition," she added.

She noted the company usually holds its assets for between five and seven years. "That is a time horizon that allows you to work in a qualitative way over time," she said.

Duranteau-Loeper had been Paco Rabanne's fashion general manager since 2013 and returned the iconic Sixties brand to the Paris retail scene after a 14-year absence, as well as launched online commerce.

She was drawn to Isabel Marant by its singular identity and the founder's strong personality. "It has a unique and very

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Sophie Duruflé and  
Anouck Duranteau-Loeper

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– SOPHIE DURUFLÉ, ISABEL MARANT



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precious positioning that must be protected against the general drive toward standardization. Isabel wants to dress sexy, feminine, independent, cool, modern women," she said.

Marant has a thriving business in shoes, with hits including wedge sneakers and chain-trimmed suede boots, but has in the past resisted diversifying into other categories beyond one-off efforts, including a limited-edition watch and an eyewear collaboration with Oliver Peoples.

Her collaboration with Swedish high-street retailer H&M in 2013 further boosted the label's global profile.

"Isabel has the legitimacy to be active in a number of segments. It has to be something she wants to do," said Duruflé. "I think she needs new challenges, and it's interesting to stretch yourself. The fact that we now have partners has brought these issues to the top of the agenda."

Handbags, especially, have been a sticking point as Marant is married to accessories designer Jérôme Dreyfuss and has said she does not want to step on his turf. That is about to change, as the brand introduced a permanent handbag line for fall and is looking at possible licenses, including eyewear and perfume.

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Duranteau-Loeper, who spent 10 years at luxury conglomerate LVMH Moët Hennessy Louis Vuitton, and was Céline's leather goods and accessories director before joining Paco Rabanne, also wants to reinforce Isabel Marant's ready-to-wear offering, including Étoile.

"Étoile is another important facet of the brand, since revenues are split fairly evenly between the main Isabel Marant collection, Étoile and accessories, representing a third each," she said. "It is not at all the poor parent. Isabel loves working on Étoile, as these are the pieces she wears on a daily basis."

Average retail prices for the main collection range between 350 euros and 1,000 euros, or \$375 and \$1,065 at current exchange rates, while the Étoile line is priced between 150 euros and 500 euros, or \$160 and \$535, said Duruflé.

A key challenge for Isabel Marant will be the launch of its e-commerce site, in partnership with Yoox Net-a-porter Group. Duranteau-Loeper said online sales should account for 5 percent of revenues within two years.

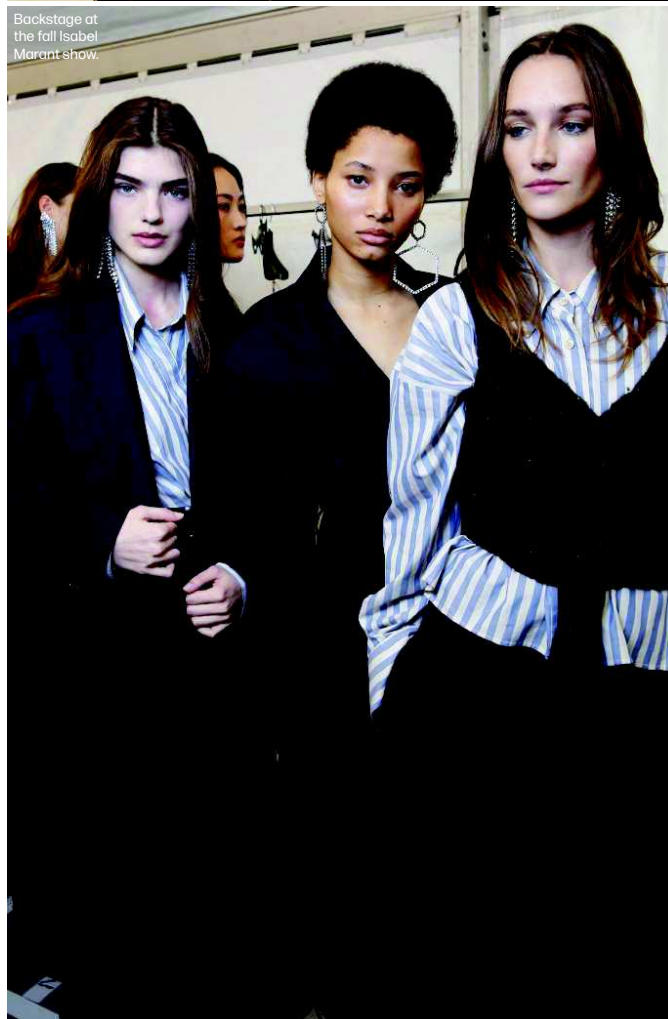
"Since our network is still small, our current approach to retail is very personalized. We know all our customers, so it's very tailored, whereas this will be on a larger scale. I think e-commerce is going to bring us a lot, because we will be exposed to a much bigger customer base," she said.

At the same time, the brand is being careful not to cannibalize its traditional e-commerce partners, whether pure players like Net-a-porter or department stores such as Barneys New York, by carefully tweaking its online offering.

"Our partners have done a great job of representing us for a long time, and they remain important to us. Now it's about finding our voice. I think the fact that we are launching late allows us to have a functioning ecosystem and carve out our own path. We are convinced the customers who



Backstage at the fall Isabel Marant show.



will buy on isabelmarant.com are not the same as those who will find us through our partners, even online," she said.

Marant also plans to expand its network of stores. It has some 800 points of sale worldwide and 23 freestanding boutiques, of which nine are directly operated. That number will rise to 10 with the imminent

opening of its store in Miami's Design District, which will be followed by a boutique in Oslo.

Previously home to Hermès, the 2,150-square-foot Miami boutique features a new concept designed by Laurent Deroy, the French architect best known for his store designs for A.P.C.

"I think that in the development strategy of the brand, we have always gone for cool locations that are slightly off the beaten track, but not totally. Going into a more established mall in Miami would not have been right for us," said Duranteau-Loeper.

Isabel Marant makes 80 percent of its revenues outside of France and the executive would like to open another five or six directly operated stores worldwide in the next two years, with a focus on its principal markets: Europe and the U.S. It has only one store in China, located in Shanghai's Reel mall.

"We are looking for other opportunities in China, but you will be able to count them on the fingers of one hand, for sure," she said.

Though their job-sharing set-up may be unusual, the two women said the process has been symbiotic, especially since they temporarily took over the management of retail and wholesale operations, pending Keller's arrival this month.

"We started by defining a budget, and then we each have our areas of responsibility. Our offices are right next to each other, so we spend our day talking to each other through the wall," Duranteau-Loeper said with a laugh.

"We exchange views about everything, in a very natural and informal way," added Duruflé. "It's interesting to have her point of view and input on key issues, so we work on almost everything simultaneously."

Marant, Duruflé and Chemouny together retain a 49 percent stake in the brand, founded in 1994, but Duruflé admitted the company culture is fast evolving. "I think we still have the same spirit, but this represents a new chapter. I'm not going to say that nothing has changed, because it has changed, of course," she said.

However, Duranteau-Loeper emphasized that the core values of the label remain the same.

"We approach things more rationally, perhaps less emotionally, but I am convinced that what makes this brand unique, and why people can clearly tell the difference between Isabel Marant and all the brands that try to copy us, is the culture of the house and the value of its designer. These are things we must absolutely keep, so the idea is not to revolutionize the house, but to make it evolve while preserving all its strengths and singularities," she concluded.