

## India and Brazil are the future for luxury, says Ferragamo chief

By **Hibah Noor** on April, 28 2015 | Industry News



Michele Norsa, CEO of Ferragamo, has singled out India and Brazil as the big luxury markets of the future.

Speaking at the Condé Nast International Luxury Conference in Florence on April 22, Norsa forecast that India and Brazil will become two of the biggest luxury markets in the future.

Norsa cited figures from IATA revealing that global airline passenger demand rose 5.9% last year with record carryings of 3.3 billion compared to 2013. “These numbers are interesting for Ferragamo. Ferragamo has always invested in the potential of airports – not just for brand visibility, but it’s a way to reach our rich target customers in a different way.”

Turning to China, the current powerhouse market, Norsa said that, despite the current economic slowdown, he remained optimistic about the future spending potential of the Chinese consumer, particularly the importance of Chinese travelers. The China luxury market will grow for the next 5-10 years, he said, noting that there had been a downturn in the Macau gambling sector, which had affected retail sales on the island.

Norsa mentioned the proposed casino project to be built near Seoul Incheon Airport, saying that it was in the Chinese DNA to gamble for pleasure and not just for money. “As time spent in airports becomes

longer, it makes sense [to locate a casino near an airport]. Our customers are spending more time at airports,” he stated.

He said the Occupy Central protests had affected Hong Kong in a “significant” way. However, he remains confident about Hong Kong’s future and that of the China market generally.

Norsa also observed the price gap between mainland China and Europe. This is currently a challenge for luxury brands, he added.

Norsa noted the huge number of Chinese travelers visiting Japan and Korea. He also urged the luxury market to “think positively about gifting”, as bringing home gifts to friends, relations and colleagues was very important among Asian travelers.

The Japanese are traveling much more than before, he added, with huge investment going into Tokyo’s upscale Ginza shopping district, for example.

Turning to the potential for travel retail sales in the Middle East, Norsa believes this region has grown at the fastest pace of all markets over the past 25 years, and now boasts top hotels and malls. “Dubai is a centre of tourism from all over the world, and millions of transit passengers pass through the airport for a short period of time,” he stated.

Speaking about the pace of change in today’s luxury sector, Norsa also mentioned the Russian and Ukraine crisis, observing that one minute the Russians were traveling around the world and spending a lot of money, and the next minute the rouble had collapsed and Russian travel numbers had significantly reduced.