LUCIANO BENETTON

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WE MAY AS WELL START with the guy who triggered the whole thing off with me. We'll examine him as a Dream Merchant and a HowBoy, and see where he lands in the long jump sandpit. We'll use him as a first mark, and see how the rest compare.

The first thing we need to digest is that he has done far, far more in the cause of definitive Nutterness than hang a semi-nude billboard up next to Miami's most conservative fish restaurant.[1] Not only a lot more, but for a lot longer. By my calculation, if we are talking about these guys seeing 'shapes' the rest of us don't see, he

[1] Er … it's the restaurant people who are conservative, not the fish

can make a case for having seen five of them, stretching over five decades.

You will see when you come to the next chapter (on James Dyson) that I don't know what solipsism means. I assume you are the same, so I won't bore you with much stuff about me. I do, however, want to go back in time to set a scene. This scene is going back long enough in time to be a black and white memory for me, but that does nothing to reduce its clarity and impact.

Post-war Europe was a battered, broken, dark cold place. At least that's my memory. As we entered the 1950s my dad had just endured a decade which would try the patience of a saint. Married just before the start of World War II, he was whisked off within days of his wedding to the Far East with the British army. My mother didn't see him again until 1945, when he arrived back in England after surviving Japan's gracious hospitality as a prisoner of war. He weighed, I think, less than ninety pounds. I was born in the first full year of peace, but fate then dealt him another crushing blow as my mother died when I was just three.

He had a job to keep up, so we sort of twinned up like the Ancient Mariner and the Albatross, and went about our collective lives. One thing he did to over-compensate was spoil me something rotten. Which is how I come to remember Barrys (or Barries – my memory is not *that* good), Manchester's high-end clothing retailer of the day. He bought *all* my clothes there.

It is difficult today to imagine post-war European clothes stores. Even if you were there, and experienced it, it now seems as though it was on another planet, in an entirely different space-time continuum. Now that we are used to bright department stores or GAP-like emporia, it seems positively Dickensian to those who do remember it – or to those who listen in acute boredom when somebody like me describes it with their eyes half closed.

There was always a big, dark, wood counter, clearly defining what was your approved space as a customer, and that of the shop assistants. Little or no clothing was on display. Shirts, woollen goods

and socks (etc.) were kept in drawers behind the counter. When you asked for such an item, the response would be: '… and which shade of grey would you like, sir? Mid-grey, dark-grey or (disapproving glance) light-grey?' Somewhere in the back would be a range of tweed sports jackets and long winter overcoats (maybe with a radical navy blue thrown in amongst the greys). You ordered suits from one of four rolls of cloth (grey or blue with pinstripe, grey or blue without pinstripe).

I never went there, but I have it on good authority that, at the same sort of time, post-war Italy was even bleaker. Clothes retailing was even more restricted – with a person's job and social status governing what was worn. To add to the gaiety of that nation at that time, the economy was shattered, with the vast majority of the population living hand-to-mouth and from day-to-day.

It was the world of a teenage Luciano Benetton. Forced into an early adulthood with the death of his father at the end of the war, Luciano strived to be the breadwinner for his sister Giuliani, and his two younger brothers Carlo and Gilberto. He became an apprentice in a grim store selling clothes, and was astute enough to notice that his sister, charged with making most of their own clothes, made rather cool-looking woollen sweaters.

As the first of his Dreams starts to take a loose shape, it is fair to add that there was some kind of a following wind. Italian knitwear had a strong fashion heritage, and by 1952 some of the top Italian designers – Aponte, Arditi, Galliani and Mariangelo – were giving Paris a run for its money. So there was a kind of latent cultural flair, hanging about post-war Italy, waiting for somebody to release it. (This sort of thing was not wildly evident in post-war Manchester.) Then the Marshal Plan and the UN reconstruction and rehabilitation administration began to prop up the Italian economy.

It was 1956 before the first Dream picture began to crystallize. The twenty-year-old apprentice clothes retailer began to feel frustrated on every front. In his imagination, clothes retailing was different. There was no big territory-defining counter. Young people

would shop without their parents. Clothes would be casual and colourful. They would be visible within the shop, and accessible in price. This sounds bora-bora-bora today, but in the 1950s it was an animal that simply did not exist.

I typed that last paragraph at my fastest speed.[2] I did that in the silly hope that some of that velocity would inflect itself into the way you read it, and you would pass it by quickly. By doing this you would not really digest its content and implications. So, now we will go back and take it a bit more slowly. That paragraph (beginning 'It was 1956' and ending 'did not exist') is pivotal – not just to Luciano, but to Nutterness in general.

What we had is an ordinary guy, working in a place and in a business not of his choosing. His family business was renting bicycles, but the death of his father, the ravages of war and the need for a steady income for his family had seen him grab a job in the clothes store. Then, to this young man comes a vision, which turns everything about the traditional and conventional ways of going about a clothes-retailing business inside out. Why him? Why then? Why there? Where did the inspiration come from? If you are like me, and if you were in those circumstances at that time, you would not have had that vision if it had been the only way for you to escape from a pack of wild dogs snapping at your genitals.

What we have is a *coming together.* I am going to liken it to a jigsaw, an analogy you will see develop as we look at more of these folk. By luck or judgement, circumstances or inspiration (or all of the above), a number of pieces come together. Only one specific person at one peculiar time has them all, and only he or she can fit the shapes into one picture. It is, therefore, unique.

Benetton worked in an environment where so many things were outdated; somebody was going to start making changes soon. That applied to many industries in the post-war period. The fact he was a bright guy and bored shitless helped him to take more ideas

[2] You don't want to know.

of change a lot further. At first, in his imagination, then for real. The economy was getting ready to provide the consumer world with the monetary weapons to break out of war-driven, rationing-driven austerity. There was a growing mood to end drabness in all its forms. And, at his home, Luciano had a trump card – a sister who was already making bright woollen clothes.

Although the shop-shape dream was in his mind from this time on, the product revolution came before the retailing revolution.

Around this time, Giuliani working at her old knitting machine, made a yellow jumper for one of Luciano's friends. The traditional colours for woollens at this time were grey,[3] blue and burgundy. It was the catalyst that the dreamer needed to start making it all real. With enormous personal sacrifice the family scraped enough money to buy a commercial knitting machine – the plan being that Giuliani would make 'em and Luciano would sell 'em. And sell them he did, culminating in an order from the shop in which he worked for several hundred jumpers. This marked the stage that moved them from amateurs to a family manufacturing business. All four siblings were soon joined together in the enterprise, and within eight years of the first yellow jumper, they were selling 20,000 of them a year.

By the mid-sixties, the next piece of the jigsaw was ready to go in place. One of Benetton's customers proposed a store *dedicated* to their products. Luciano was already showing early signs of another Nutter-calibre breakthrough shape – that of being an 'indirect' retailer, controlling the way his clothes were sold to the public while remaining as an upstream supplier. He latched onto the idea, and the first dedicated shop concept was born.

There was still a counter (the lease specified it had to stay – the world was not yet ready for its widespread death!) but it was painted in light colours. There were lots of pine shelves, and the enthusiastic supplier piled them high with red, blue, yellow, orange and green jumpers. The pitch was openly aimed generally at young shoppers,

[3] See? Manchester was right in line. . .

and specifically at females. It had the radical addition of a pretty girl assistant. It was a poor retail location, in Belluno in the hills of northern Italy. It was, nonetheless, a huge success. A second one followed rapidly, this time without the counter. Again, Luciano devolved responsibility for running the store, but kept creative control of it. Again it was a huge success. Soon after, these exclusive stores became branded as Benetton, and by the year 2000 there were 9000 of them.

There are two clear, independent Nutter-dreams here, and that's before we get to the interracial breastfeeding picture. To invent a completely new range of products and a completely new way of fashion retailing would be enough, for most people, for a couple of lifetimes. To invent a new corporate architecture in parallel, verges on being cheeky.

The development of franchising was not Benetton's breakthrough. By the 1960s many retail chains saw this as a way of rapidly growing brand distribution – notably the American fast-food giants. But there were to be, and to remain, important differences in these business models. With Benetton, there was no written contract. All clothes were supplied exclusively by Benetton on a no-return basis. The licensee paid no royalties – either as a brand fee or 'contribution' to marketing. A combination of the latter could add up to anything from 6–10% of sales annually – as it was in my old company, Burger King, and much more than that in some 'modern' franchised systems. Finally, a heavily weighted importance was put on the 'kind' of businessperson who wanted a license, as against those who could just come up with the money.

It was – is – a unique approach. It would cause problems in litigious America towards the end of the millennium, but there and then it provided Luciano with two things. First, a unique level of downstream control for somebody who was essentially just a supplier. Second, it meant he did not tie up cash by taking title to the goods in the retail store. Nor did Benetton tie up capital in owning the store itself. It meant, therefore, that capital would be left free to

invest in more and more advanced systems of production, system control, communications and advertising.

The first three of these produced another unique Nutter shape. Benetton linked leading-edge information technology with a breakthrough automated distribution facility in Italy. It enabled the company to respond to the fact it wasn't a fast-food joint, and that fashion comes and goes rapidly. The company could respond to subtle or profound changes in demand faster than any competition – and virtually on a store-by-store basis.

The corporate structure also had another implication – that Benetton, the company, bore the cost of brand advertising. It therefore had *de facto* creative control, but the fact that it had no contributing licensee marketing fund meant that it had – comparatively – scarce funds, particularly to penetrate the US market. It needed some low-cost/high-impact marketing. Which is where we came in.

It was not until 1982 that Luciano Benetton met Oliviero Toscani, and a further eighteen months until the company began using his work. The son of a famous Italian photographer, he was already celebrated in the same field, with studios in New York and Paris. Home was a farmhouse in Tuscany. His work had already graced *Elle, Vogue* and *Harpers*, and he already had a reputation for being controversial. It is clear that there was an early meeting of minds, and that a friendship developed before they worked together – work that would result in Benetton becoming one of the five most recognized brands in the world. It is also clear that Toscani became Luciano's alter ego. What is less obvious, and sometimes lost in the emotion of this whole story, is that what triggered the advent of this Nutterness was boring old economics. Toscani's soul was the vehicle, but Luciano's hands were always on the steering wheel. It was a calm, calculated road headed for optimized effectiveness and efficiency of limited advertising funds that they took. Benetton simply did not have the conventional advertising dollars to penetrate the US market, its big target of the 1980s.

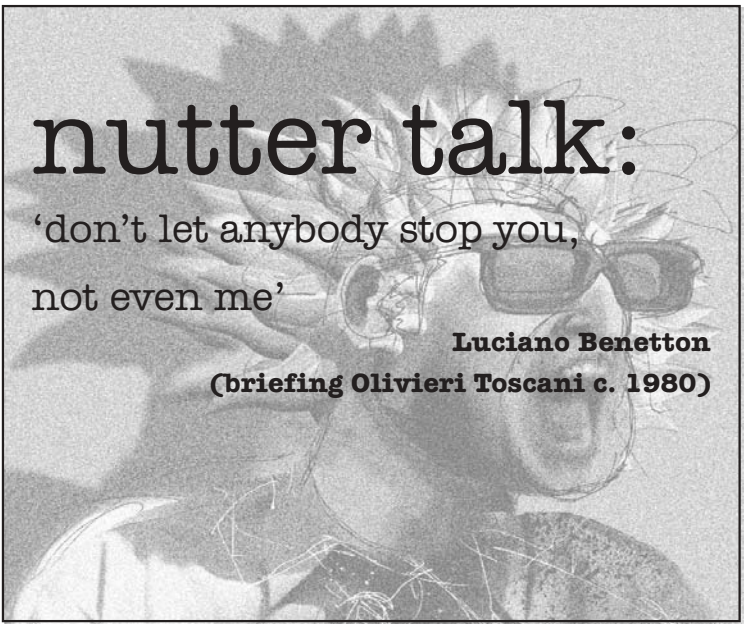
Toscani's first work gave only subtle hints of what was to come. In 1984 the 'All the Colours of the World' print and billboard campaign featured a group of smiling, ethnically diverse children, united by the colours of Benetton. He used real children, not models – again a foretaste of what was to come. The impact was immediate. With the exception of South Africa and some Neanderthal comments from a correspondent in Manchester, acclaim for the message of harmony was universal.

At this stage I would love to do no more than list the resultant sequence of Toscani's work for Benetton, throwing a few picture examples in as illustration. That would be much more than a page filler. Unless you had a heart of stone, it would warm your day and lighten your personal burdens, particularly if I limited the exercise to his 'golden period' of the late 1980s. But this is about Luciano Benetton, not Olivieri Toscani, and we need to note and register two things here.

We need to remind ourselves, first, that this was a cold, clinical commercial decision. Benetton knew that Toscani never was, and never would be, about advertising *clothes.* The closest Toscani got to that was to use Benetton as a vehicle to push the world to a new way of living and thinking. Benetton was astute enough to see the impact that this could have for his brand. Secondly, he was brave enough – Nuts enough – to realize there could be no halfway house. He had to let Toscani's genius take the brand with him on his journey. Years later, reflecting on this aspect in a BBC TV interview[4] Luciano remembered his briefing speech to Toscani: 'Don't let anybody stop you, *not even me*'.

The campaigns became increasingly controversial, and the US licensees (in particular), who began suffering from increased competition and some brand fatigue in the 1990s, began to see Toscani as one of Benetton's problems not solutions. In the early 1990s, the image of a (just) dead AIDS victim resulted in the beginning of a se-

[4] *Blood On The Carpet*, aired on 8th January 2001.



ries of international store-based protests. By the end of the decade, with the US reduced to less than 200 stores from a previous peak of 600, Toscani's images to support the heralded brand rebirth brought matters to a head.

Backed by his European distaste for the American practice of murdering its convicted murderers, he produced a $10.0 million campaign based on the faces of convicted criminals on Death Row. Seeing the face of the guy who had murdered their child plastered on billboards – ostensibly selling jumpers – upset an American man and wife so much they began a protest. As it can in America, it snowballed and Sears cancelled a contract that would have put Benetton inside 400 of their department stores. Luciano pulled the campaign, and fired his old friend and alter ego. In doing so he got rid of the man who – maybe more than anybody – had catalysed the explosion

in the growth of Benetton's brand awareness and positioning. I repeat: he fired him. What a Nutter.

There's one I have left out here – but you must be as bored as I am with this guy's ability to just go flat out in the face of received wisdom and convention time after time. It could be argued that he was instrumental in the 'store within a store' concept of retailing, whereby a brand will take a concession within a bigger department store. If he didn't invent it, he was a major player in developing it into the widespread practice we are all aware of today. But even if I skip that, we've done enough to establish a pattern. Time and time again, he saw and produced a shape, a game plan that nobody else saw. Time and time again, he looked in his personal jigsaw box, saw what pieces he had and pieced them together in a way that was unique to him and the world outside. Nobody else had pieces that were quite that shape, nobody else could make that picture.

He is a Dream Merchant of the highest calibre, of that I have no doubt.

It is also my observation that he is a HowBoy to be reckoned with, and this may be less obvious. Here we need to sow the seeds of a rather contentious theory – that Nutterness supporting what a company stands for – *how* it goes about doing what it does – is not just about touchy-feely people skills, empowerment, good communications and dress-down Fridays. It may not always be nice. What we are concerned about is whether it worked or not.

Luciano Benetton is a shadowy character. He spurns the personal limelight as do his siblings and, by now, numerous children, nephews and nieces. The structure of the (still) family-run group of companies would appear to be designed to confuse, to hide, to duck and to dive. There is an air of mystery about all the principal players and their inter-relationship. But if you look at how Luciano conducts himself, you see the company's personality mirrored. It is about emotion and lifestyle not product; it is about control without ownership, it is about a preparedness to offend the few to attract the many – but leave nobody with *no opinion* about the brand. It is about the

old being ruthlessly discarded for the new, even if that means saying goodbye to deep and synergistic friendship. Some Nutters are in this book for one crazy Dream, this guy had maybe five. Just as important, he was, is, and looks as though he will remain for some time, the *soul* of Benetton.

NUTTER SCORE:

Dream Merchant: Five stars (out of five)

HowBoy: Four stars (out of five)