

A Lifestyle Brand

An Interview with Giuseppe Aquila,
Chief Executive Officer, Elmo & Montegrappa S.p.A.



Quincy Jones Secret Garden Limited Edition Set (left);
Grand opening of Bassano del Grappa boutique (above)

EDITORS' NOTE A native of Naples, Italy, Giuseppe Aquila entered one of his family's businesses, the Lalex Pen Company, in 1988. While completing his college studies at the University of Naples, he oversaw export activities for the other family business, Montegrappa. In 1992, he became CEO of Montegrappa. In 2000, Aquila sold Montegrappa to Richemont and became International Marketing and Commercial Manager for the new division. In 2002, he and his father, Gianfranco, established the Aquila Group and, in 2004, acquired Tibaldi, which is Italy's oldest pen brand.



Giuseppe Aquila

COMPANY BRIEF Montegrappa (montegrappa.com), the first Italian pen manufacturer, has been producing quality writing instruments with an Italian flair since 1912. Among the many soldiers who used Montegrappa pens (then known as Elmo) to write letters home during World War I were renowned American writers Ernest Hemingway and John Dos Passos. Montegrappa was acquired in 2000 by Richemont and was reacquired by the Aquila family in June 2009. Along with Tibaldi, the business now operates as Elmo & Montegrappa S.p.A.

What is the condition of the luxury market today and how strong is Montegrappa's position within it?

The market is changing dramatically and it is significantly different this year than it has been over the past several years. Previously, we only had writing instruments. Now we have a variety of accessories including watches and cufflinks, as well as leather goods and fragrances, and more categories will be added in the coming years.

We're also now strongly focused on retail expansion. We have opened boutiques at different shopping destinations around the world. In May, we opened our 10th boutique and we will open three or four more this year.

Today, we're not only a pen brand but also a lifestyle brand. My ambition is to also have a global retail presence which will afford us the opportunity to showcase our full range of products in our boutiques.

Is your retail network primarily focused on specific markets?

We currently have our strongest presence in the Middle East. We also have a strong presence

in Russia, which has always been one of the best luxury markets in the world.

We have boutiques in Dubai; the United Arab Emirates; Doha, Qatar; and Riyadh, Saudi Arabia, and we are opening a boutique in Tehran, Iran.

We have a boutique in Baku, Azerbaijan and in Moldova, and we recently opened two boutiques in India – one in Mumbai and one in Delhi. This year, we're looking to open in Milan, London, and New York. We also have a flagship in Bassano del Grappa, which is where our headquarters is located.

With our product in the luxury segment, we are focusing on locations with high-net-worth and ultra-high-net-worth individuals who can afford to buy our products. With the writing instruments in particular, there are some limited edition items that are extremely expensive.

With the influence of technology today, is there still growth within the writing segment and how focused are you on continuing to build that core business?

There has always been strong growth for our writing instruments. Every year, we're experiencing it.

The growth is particularly strong at the top of the range in certain markets. We have also developed a division of the company just for bespoke, custom-made designs, and that's growing tremendously.

We also have different levels of bespoke. For some, we allow customers to engrave any design they choose on the body of the pens. They can choose the cap of the pen from a selection of 24 different colors of celluloid. The packaging will also be customized, based on existing pen design.

In addition, we offer pure bespoke, where the customer can have a pen made completely from scratch in the shape, design, color, and material of his choosing. This can be a single, one-of-a-kind commission or be produced in multiple numbers. This is ideal for many of our prominent clients who need State gifts. We work with a number of different governments that require our services. We're one of the few companies that can provide this kind of offering.

Are these principally collector pieces or daily-use pens?

At the bespoke level, these are extraordinary writing instruments – whatever we design is made to be functional. But in most cases,

these pens are made of precious metals like solid gold, and they are sometimes encrusted with precious stones and are hand-painted, so they're extraordinary pieces. I don't know that they are always used on a daily basis but more often for special occasions.

Is it challenging for the market to understand you can offer the same quality with your watch as you do with the writing instruments?

It's a challenge, especially in markets that are so specific like the United States where people looking to buy a watch prefer to go for a well-known watch brand.

Our marketing approach for watches is very soft and our goal is to create a lifestyle brand with our watches that is designed to match with our pens and other accessories – they become extensions. The DNA is common across the line, so our watch is more of a fashion accessory than something to compete with the higher end brands. We're in a totally different segment than the big watch brand names in terms of market positioning.

In some countries, especially in the Middle East or Europe, we have already achieved very good success. Our numbers have reached about 20,000 watches sold per year, which is significant in the watch industry.

The United States is starting to gain an appreciation for our watch, but we still don't have an ambition to become Rolex. We just want to offer good value and great design, which reflects the Montegrappa lifestyle.

Do you anticipate continued extensions and is there the need to guard against becoming too broad?

Our objective is to create a lifestyle brand. The first time a customer comes to our boutique, it's because he sees the Montegrappa name and is interested in a pen. But maybe the second time, the customer comes in with his wife, and they want to see something else.

Before year's end, we will be launching our first ladies' watch. We're expanding the line of ladies' pens as well. We have other accessories in our boutiques like ties and pocket squares for men, and scarves for ladies.

We offer products of superior Italian design so people who walk into the stores will find products they can use for gifts.

Quality is our main credo when we develop the products. The quality we put into our pens must be reflected in all of the products we make. ●