

MOSCHINO IN ITALY

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About Moschino (GEANNEL)

Moschino is an Italian fashion house that is known for its extravagant designs. The brand was created in 1983 by Franco Moschino. What made Moschino stand out from other fashion houses is its innovative and eccentric clothing which resulted in criticism that gained exposure for the brand. According to The New York Times, the company has prospered with a foundation of irreverence, fun and a surrealist frivolity that runs counter to the way slick, big-business fashion functions today (Mischault, 2018). Moschino always found a way to humor the fashion industry using bold and playful garments that caught the attention of many.

As of today, Moschino will continue to bring their best foot forward and keep the reputation of the exciting brand with the help of Jeremy Scott becoming Creative Director in 2013. This new change in direction resulted in positive significant feedback for the brand as Scott presented unexpected original

designs that paid homage to Franco Moschino's original concepts but were infused Scott's unique vision during the first show (Moschino, 2019). Moschino continues to be a successful fashion brand under Scott's influence.

Moschino is not only successful in its mainline but also its diffusion line, secondary line, accessories, helmets, watches, perfume and even recently opened a concept hotel. Although Moschino is known as an Italian luxury fashion house, the brand has been a part of the Aeffe Moschino S.p.A. since the brand debut and is the owner of all Moschino brands (Moschino,



Figure 1. Moschino Bear Logo (Farfetch, 2019).

2019). The brand is now sold in over 50 countries and has boutiques in every fashion capital in the world.

Geographics, Climate & Natural Resources (ELIEL)

Geographics

The United States had diplomatic relations with Italy in 1861, but things changed in 1941, when Italy and other World War II Axis powers, such as Germany and Japan, declared war on the United States (U.S. Relations, 2019). After the World War, the United States re-established its diplomatic relations with Italy in 1944. The relationship Italy has with the United States represents themselves on a global stance and how they are perceived by the world. Italy's interrelationships with its neighbors are neutral because just like the U.S, Italy is part of numerous International Organizations like the United Nations, North Atlantic Treaty Organization and many more, that maintain international peace and human rights.

Also, Italy's economy is fully diversified, it is the eighth largest economy and it is dominated by small and medium-sized firms (State, 2019). Italy came from a recession in 2015, which cost them to have a decrease of five percent in their country's GDP. However, since 2015, Italy's GDP began to grow by 0.9% in 2018 and expected to grow by 0.2% in 2019 (Overview, 2019). This means that the consumer behavior in Italy has increased, due to the positive outcome in the country's overall economy.

However, Italy's geography has always been an important role in the history and development of Italian trade. The Italian peninsula has a sector within its land called, "Central Italy". Northern and Central Italy is composed of many historic monuments, buildings, statues and sights that bring a lot of tourist attractions. Cities like Milan and Venice located in Northern



Figure 2. Map of Italy (InfoPlease, 2019)

Italy are known for their mountain range like Monte Rosa and Mont Blanc. Rome and Florence located in Central Italy, are known for their history and still having old city walls. Sicily and Naples in Southern Italy, known for their agriculture due to its fertile, volcanic soil (Road Scholar, 2019). All these cities have a mix between history and culture which attracts a lot of tourism and makes these sites more multicultural. In the twelfth century, Venice began manufacturing silk textiles based on imported Eastern

models (Steele, 2003). Silk, therefore, has been the only manufactured natural product that has been a source of trade. However, in Central Italy, they are made up of urban cities with a vast range of different geographic ecosystems that limit the production of certain natural resources, which need to be outsourced through trading in the past and imports in the present.

Climate

The climate projection over Italy may affect the way fashion brands decide to create their garments in the twenty-first century. Research states that there will be a maximum of warmer summers and colder winters, with a decrease of precipitation in the entire peninsula in the summer, meaning that during the winter, the entire peninsula will have a dipolar precipitation pattern resulting to the increase of the north and decrease of the south temperatures (Coppola &

Giorgi, 2009). Italy's geography is important to Italy's climate, because the mountain systems in Northern Italy will greatly affect the temperatures in Northern Italy than Southern Italy.

The temperature changing in each section of Italy, means that the modern pollen-climate relationships will change with seasonal temperature and summer precipitation (Finsinger, 2010). The temperature changes within all the regions of Italy will be greatly affected and lead to a decrease in crop yields (Ray, 2019). Since most of the land in Italy are mountain ranges, the little fertile land the country has left may be impacted with the drastic change. Most of the production of wine grapes and wine will also be affected by the climate changes (Mozell, M. R., & Thach, L, 2019). The adaptation of the weather is important to any industry within Italy. Being able to adapt to changes is crucial for any business to maneuver through, because any drastic changes to any sector of their business may greatly affect the production of a single or multiple products.

Natural Resources

Since Italy has always been poor in natural resources (Deserti, 2015), it depended on the ability to trade. Not only did they first start to trade then manufacture silk between the thirteenth and eighteenth centuries, they also traded an abundance of other useful information and tools that can still be seen in Italy today. Those included shoemakers and cobblers, tanners and leather workers, silk weavers, wool spinners, cotton and linen weavers, dyers, tailors, furriers, haberdashers, embroiderers, ribbon, and braid makers, button makers, and makers of spectacles (Steele, 2003). Just like successors of the past who took trading to their advantage, in the twentieth century, more for the success of brands operating in the contemporary market (Reinach & Segre, 2010). Most of the production of natural products made are transnational, meaning they

are mainly imported from a different country. Italy relies heavily on imports of natural goods from other countries.

Moschino is manufactured and distributed through Aeffe S.p.A. This company is located in San Giovanni In Marignano RN, Italy (Sedi, 2019). Italy is one of the best locations to get luxury garments crafted and manufactured. Italy has always granted fine quality, authenticity and a sense of style internationally praised (Girardi, 2019). Aeffe's revenue breakdown by region states that the Italian market makes up 46.2% of consolidated sales (Press, 2019). This means that Aeffe had positive performance for the retail brands they own in Italy.

Culture, Population & Demographics (Geannel)

Culture

Italy is known to be one of the top countries to produce the best fashion. The culture in Italy can be heavily infused with arts, architecture, music, and food. According to Zimmerman, 96 percent of the population of Italy is Italian even though many other ethnicities live in the country (Zimmerman, 2017). Since Italy is a peninsula, it is easy for the country to have people from all over to come into the country



Figure 3. Southern Italy (Travel, 2019).

whether to relocate or do business. Most importantly this would make Italy formerly known as a uni-cultural country where one culture dominates most of the population (Adomaitis, 2019). Italy is also known to be a mono religious country where Roman Catholicism is the religion that is

mostly practiced (Zimmerman, 2017). Although, Italy may also develop a European influence from neighboring countries like France or Austria. Since Italy is a mono religious country and formerly known to be a uni-cultural country, this will affect Moschino because they will have to give employees who work for the company off on the holidays that are celebrated in each religion that their employees practice.

Population

The population of Italy is not only made up of Italians but has many other ethnicities that live in the country. According to Zimmerman, North African Arab, Italo-Albanian, Albanian, German, Austrian and other European groups fill out the remainder of the population (Zimmerman, 2017). Most of these people come from bordering countries or are just immigrants from countries in Europe. Having multiple ethnicities can also affect language as Italian would be the most dominantly spoken language, the mixture of other ethnicities may affect different dialects of Italian. Since Italy has different ethnicities and languages that are spoken, this can affect the way of communication when it comes to directing timelines for manufacturing or shipping out products. Although Italy may have some other influences from immigrants, most will celebrate most Christian holidays that are traditional in the country like the celebration of the Epiphany, a holiday similar to Christmas, Pasquetta, a day that marks the springtime usually celebrated after Easter, and Saints Day where families will decorate graves of loved ones with flowers.

Demographics

Italians are known to be family-oriented when it comes to the way of living and way of working. Italians often share family businesses that are passed on to other generations and like to keep family traditions. Wagner stated that many families that immigrated from Italy are traditionalists by nature, with the parents holding traditional gender roles. This has become challenging for the younger generations, as gender roles have morphed into the American culture and today stand at odds with the father being the primary breadwinner and the undisputed head of the household and the mother being the primary caretaker of the home and children (Zimmerman, 2017). Italians have a shared understanding of society when it comes to gender roles and traditions that can affect the way they do business.

When families hold on to traditions that have been passed on from generation to generation this can result in a form of friendship patterns, a way people relate to one another illustrates cultural patterns (Adomaitis, 2019). An example of this could be that Italian people may only trust information from people that they know well instead of people they are not familiar with. This can also result in formal verbal contracts where Italians can follow up their word with someone they can trust. This cultural pattern can affect the business of Moschino because they will need to establish a trusted business partnership that way they can earn the trust of those who originate from the country, this will result in better communication between employees throughout the main headquarters of the brand to the manufacturing warehouses.

Technology (ZARI)

Italy has become one of the leading countries to specialize in manufacturing and machinery. It homes “Europe’s second-largest manufacturing economy, Europe’s third-largest

exporter of flexible manufacturing technologies, and a manufacturing trade surplus” (MIT, 2017). President Michele Scannavini of the Italian Trade Agency states that the country is transforming from “traditional manufacturing to advanced, flexible manufacturing” (MIT, 2017). About 40% of Italian manufacturing companies are using “3-D printers for fast prototyping and



Image 4. Made in Italy Label (eShopWorld, 2016).

about 25% for using robotics in the manufacturing process” (MIT, 2017).

Italy is also popular in industrial machinery. It is highly rated when compared worldwide in global competitiveness and is “among the

world’s top three producers of machined parts” (MIT, 2017). About more than half of Italian made machinery is delivered to worldwide markets such as Ford, Boeing, and NASA.

The Italian Ministry of Economic Development started the Industrial National Plan 4.0 in September 2016. The plan is supposed to “generate billions of dollars for technology research and innovation through tax breaks, venture capital support for startups, and other public and private sources” (MIT, 2017). Also, there is an educational aspect in which the government is supposed to open learning centers in Milan, Pisa, and other places. These centers are going to have a big impact on the community by giving a lot of people opportunities; 200,000 students will be trained alongside 3,000 managers and awarding 1,400 PhDs.

Labor & Employment Practices (ZARI)

Employment in Italy is taken very seriously and is quite strict. Some sources that help to describe the Italian Employment Law are European Union Law, Italian Law, labor agreements, company agreements, and the individual employment contract. Workers that are part-time, fixed-term, or temporary, are protected under Legislative Decree No. 81/2015. This means that employees are “entitled to economic and legal conditions no lower than the ones applied to comparable open-ended or full-time employees working within the same company” (d’Elci & Sartori, 2019).

Similar to the United States, Italian employees are to work a certain amount of hours a day and not exceed a certain amount of hours for a week. The old Act no.692 (Matteis & Accardo, 2019) states that a person is supposed to work 8 hours a day and Act no.196 states you can not surpass 40 hours a week (Matteis & Accardo, 2019). Anything over 40 hours is considered overtime. Employees who work overtime are owed more than 10% over their normal pay.

Women who are preparing to be mothers are allowed maternity leave under two main categories. The first one being compulsory maternity leave which lasts from the “beginning of the second month preceding the probable date of confinement until the end of the third month after such date” (d’Elci & Sartori, 2019). The second one is optional leave which could be either for the mother or father. The child can not be older than 12 years and the leave lasts for about 10

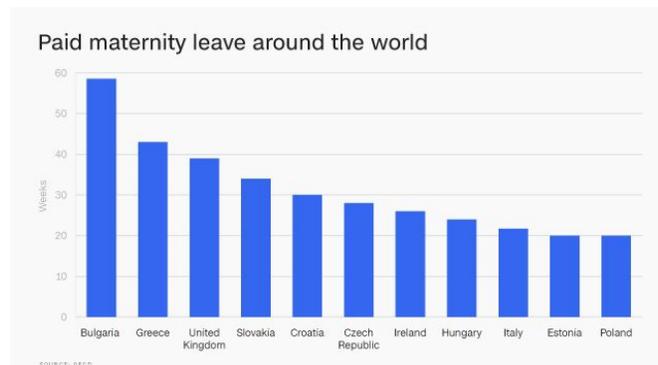


Figure 5. Countries Who Offer Maternity Leave (Toh, 2018).

months. During maternity leave, women who are on compulsory maternity leave are expected to get paid an “allowance equal to 80% of the average global daily salary” (d’Elci & Sartori, 2019) under the Italian Social Security Body. However, during optional leave, the parent will get an “allowance equal to 30% of the average global daily salary”(d’Elci & Sartori, 2019). Also, when the new moms return to work, they have a right to return to their jobs from before maternity leave, allowed the same job duties or opportunities, and the right to any pay increases which would have been asked when away on leave, and the right to not be fired within the first year of the child’s life. Along with maternity leave, men have a chance to take paternity leave but only under negative circumstances. Those circumstances being the mother of the child dying or being disabled, child abandonment, or the father obtaining child custody.

Current Event: Sustainability (Geannel)

In the global market of fashion, quality and craftsmanship are important for a brand. Brands that are Made in Italy usually guarantee and certify that products are made in ethical conditions, and from the best and most sustainable materials available (Hunt, 2019). Not only are these products offering ethical decision making when it comes to creating the garments but they promise quality to the consumer. Italian brands create authentic products, have exceptional value, and unmatched style. Products that have a Made in Italy label are recognized by customers all around the world across every industry. The expertise of creating these items are passed from generation to generation as the skill of creating and designing gets perfected every time the skill is passed down. Sustainable fashion continues to influence the industry through brands like Moschino who showcase a collection called ‘Cardboard-couture’(Phelps, 2017). Jeremy Scott created a full collection inspired by cardboard and packaging to portray a message about the



Figure 6. Look 7- MOSCHINO Fall 2017 RTW Collection (VOGUE, 2017).

importance of recycling. He highlighted this through his collection which included a paper bag top complete with a handle, cardboard box–inspired outfits and an evening bag resembling a roll of toilet paper.

Not only do Italian products offer exceptional value to customers, they are some challenges that appear when it comes to staying relevant in the fashion industry.

According to Hunt, there are times that fashion brands are forced to adopt new strategies to become suitable to the market (2019). This can result in cutting down on manufacturing costs, resourcing to lower quality materials, slashing down on prices, and even relocating

factories abroad to third world countries. However, these are practices with unwanted consequences, such as pollution, unnecessary waste, child labor, low wages, inferior quality products, but most importantly, the devaluing of the country brand, so precious to the Italian fashion industry. Even with the challenges of adopting new strategies to produce the best products, brands find a way to keep up their brand image and value when it comes to offering satisfactory disposal of products to increase life satisfaction and fulfill needs for their customers.

Current Event (Eliel)

In recent news, The Washington Post made an article, stating seven major Venice tourist sites damaged by a recent historic flood (Jones, 2019). Most sites that were greatly affected by

the flood are located in the Northern part of Italy, by the Gulf of Venice. These locations have the country's most famous tourist attractions and history embedded within their architecture.

The two major locations that were affected were the Rialto Bridge, Saint Mark's Square and the St. Mark's Basilica.

Historic buildings like these are affected by floods, because the sea salt enters the walls, and the salt crystallizes which expands in volume causing the material buildings to burst (DW News, 2019).



Figure 7. The Washington Post
Pedestrians walk past St. Mark's Basilica after an exceptional overnight "Alta Acque"
(Marco Bertorello / AFP via Getty Images)

The historic buildings are not the only structures greatly

affected, small stores and luxury brands surrounding the St. Mark's Basilica are mostly closed.

Italy's leaders were warned about the fact that Venice would eventually be flooded. However, due to Italy's corruption, money always comes in for big infrastructure development, but nothing ever barely changes (Bloomberg Politics, 2019). This means that for Italy to repair damages and prevent future floods, the retailers surrounding the affected areas must pay out of their company's pocket to repair their damages or relocate. Italy is currently repairing damages and also modifying their buildings for future floods.

Current Event (Zari)

Jeremy Scott loves a collaboration. Recently, Moschino has celebrated the launch of a new capsule collection with Budweiser in Shanghai. The collection consists of sweatpants,



Figure 8. Moschino x Budweiser

swimwear, and dresses; along with purses that are shaped like beer cans, earrings, and, of course, “Moschino’s much beloved iPhone cases” (Wang, 2019). Budweiser and Moschino have worked together in the past in 2014 when Scott released his debut collection. Fun fact: Both Scott and Budweiser are from Missouri. Scott has been stated saying that Budweiser is such a big part of America and a pop culture element. The capsule collection has generated “two limited edition beer bottles for the Chinese market” (Wang, 2019) alongside the clothes and accessories.

Author of the W magazine, Wang detailed Scott’s work as being “an American re-working something so intrinsically U.S. of A for an Italian fashion brand to debut in Shanghai.” It’s something completely unpredictable but screams Moschino.

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