# Gucci bets on bold designs and heritage to spark revival amid luxury slump



If rebirth is what you seek, then few places embody that theme as strongly as Florence, a city synonymous with the Renaissance. This historical backdrop set the stage for Gucci’s latest collection, which debuted against a dramatic tapestry of artistic heritage and modern ambition. Following a challenging period marked by significant financial declines—24% in the last quarter of 2024 and 25% in the initial quarter of 2025—Gucci showcased its collection in an eye-catching catwalk event starting at the 15th-century Palazzo Settimanni. Celebrities such as Paul Mescal and Viola Davis graced the front row, while locals and fashion aficionados observed from nearby bars and cafés, creating a vibrant atmosphere that transcended mere runway.

The decision to hold an outdoor event was fraught with risk; preceding thunderstorms had left the fashion house uneasy. Yet, as the clouds parted to reveal a quintessentially Tuscan sunset, it seemed fortune might smile upon Gucci, a brand striving to reclaim its former glory. The collection featured bold pieces that paid homage to Gucci’s historic identity—think jewel-toned brocade dresses and exaggerated faux-fur chubbies reminiscent of glamorous 1960s jet setters—while nodding to the contemporary influence of incoming creative director Demna Gvasalia, the controversial figure from Balenciaga.

Demna’s recent arrival at Gucci comes on the heels of Sabato De Sarno’s abrupt departure just weeks before Milan Fashion Week. Under De Sarno, Gucci had aimed for a minimalist aesthetic, but sales suffered amid a wider crisis in luxury consumption globally. According to Bain & Company, luxury goods sales are projected to decline between 2% and 5% in 2025, a significant downward adjustment from anticipated growth, driven by various factors including economic pressures and a fatigued consumer base. This turbulence reflects the broader context within which Gucci must navigate its revitalisation.

With the luxury sector facing mounting challenges, Kering, Gucci’s parent company, is also contending with declining demand in critical markets such as the United States and China. CEO François-Henri Pinault has noted that the downturn has persisted sharply, impacting overall financial performance. In the first quarter of 2025, Kering reported a steep 14% year-on-year decline in sales, with Gucci alone seeing a staggering 25% drop in revenue, rendering it increasingly urgent for the brand to rekindle interest among luxury shoppers.

Gucci’s pivot towards a more audacious aesthetic, reflected in the latest collection, signals a calculated risk designed to draw upon the successes of its past. Historical moments such as Tom Ford’s reinvention of the brand in the 1990s and Alessandro Michele’s innovative era highlighted the need for boldness to lead Gucci back into profitability. Demna has a reputation for disruption, known for his innovative, albeit polarising, approach to design, which has included unconventional marketing tactics and controversial product lines.

The atmosphere surrounding Gucci is one of cautious optimism. Kering’s deputy CEO, Francesca Bellettini, has expressed confidence in Demna's approach, asserting that his contributions will build upon the brand's existing legacy rather than overhaul it entirely. This shift has sparked renewed interest from other creatives eager to join the Gucci team, suggesting a reinvigoration of its internal culture alongside external brand rejuvenation.

Ultimately, Gucci's fortunes may hinge significantly on how well it can integrate its storied heritage with a contemporary vision that resonates with today’s consumer. As the sun set over Florence's iconic landscape, the brand finds itself at a crossroads, poised to either rekindle its lustre or face further challenges in an already turbulent luxury market.

### Reference Map

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Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.theguardian.com/fashion/2025/may/16/gucci-goes-alfresco-in-florence-as-it-awaits-buzzy-new-creative-boss> - Please view link - unable to able to access data
2. <https://www.reuters.com/world/china/luxury-sector-faces-more-gloom-bain-cuts-sales-forecast-2025-05-14/> - Bain & Co. forecasts a 2% to 5% decline in global luxury goods sales for 2025, a significant downgrade from its earlier projection of 0-4% growth. This revision follows a 1% decrease in 2024 and reflects challenges in the luxury sector, including economic pressures and consumer fatigue over high prices. The Chinese market remains constrained by a property crisis, while U.S. consumers are tightening their spending due to economic uncertainties. Efforts to reinvigorate demand through leadership changes at top brands like Gucci, Chanel, and Dior have yet to yield positive results. The revised sales forecast highlights the prolonged challenges and uncertainty facing the luxury goods industry.
3. <https://www.reuters.com/business/retail-consumer/kering-facing-drop-us-consumption-ceo-says-2025-05-13/> - Kering, the parent company of luxury brand Gucci, is experiencing a significant decline in consumer demand for its luxury and fashion products in the United States, according to CEO Francois-Henri Pinault. Pinault disclosed this during a parliamentary hearing with French senators, noting that the downturn in consumption has persisted for several weeks and is notably severe. This comes after Kering reported weak first-quarter sales, which were heavily impacted by a 25% drop in revenue from Gucci, its flagship brand. The decline reflects broader challenges in the U.S. luxury market, affecting the group's overall financial performance.
4. <https://www.ft.com/content/25e72f8a-6e37-4716-9ca1-20038ebcc7be> - Kering, the French luxury group, reported a sharp 14% year-on-year decline in first-quarter sales to €3.9 billion, primarily driven by a steep 25% drop in comparable sales at its flagship brand, Gucci. This downturn underscores the significant challenges faced by the brand's new creative director, Demna Gvasalia, formerly of Balenciaga. Gucci, once a major profit driver for Kering, has seen consistent declines in sales since its eclectic aesthetic fell out of fashion post-pandemic. The company's turnaround efforts, including design changes and a shift to direct-to-consumer sales, have yet to show progress, with expectations of further double-digit declines in the next quarter. The luxury sector’s broader slowdown, especially in key markets like the U.S. and China, is compounding recovery challenges. Kering has closed 25 Gucci stores this quarter and aims to cut costs without weakening sales further. Investors reacted negatively, with shares dropping over 4% and a total 45% loss in value over the past year. Analysts remain cautious, predicting that a successful revival of Gucci may take at least a year.
5. <https://www.reuters.com/business/retail-consumer/kerings-gucci-brand-ends-collaboration-with-designer-sabato-de-sarno-2025-02-06/> - Gucci's design chief Sabato De Sarno will be leaving the luxury fashion brand after a tenure of less than two years. This decision comes as the brand struggles with declining sales and aims to rejuvenate its appeal. The departure precedes Kering's scheduled release of its full-year financial results, with the company's shares down by almost 3%. De Sarno replaced Alessandro Michele in 2023 but his minimalist design style did not resonate with Gucci's historically flamboyant image. Analyst Luca Solca suggested that the decision was expected, while Barclays analyst Carole Madjo emphasized the brand's urgent need to regain popularity, especially among wealthier shoppers. Gucci has faced a 25% decline in revenue in the third quarter and a decrease in share price by a third over the past year. This shift marks a significant move by the newly appointed brand CEO, Stefano Cantino, who now must find a successor for the prestigious role amidst a broader industry slowdown impacted by factors such as weak Chinese demand and inflation.
6. <https://elpais.com/smoda/moda/2025-03-13/demna-es-el-inesperado-nuevo-director-creativo-de-gucci.html> - Demna, the former creative director of Balenciaga, has been appointed as the new creative director of Gucci, an unexpected decision that marks a strategic shift for the Italian brand. Gucci, owned by the French group Kering, experienced a 23% decline in sales in 2024 under the direction of Sabato De Sarno, who had followed a line of classic contemporary designs. The arrival of Demna, known for his disruptive approach and success at Balenciaga, aims to revitalize sales with his ironic style and skills in storytelling and marketing. Demna had previously collaborated with Gucci in 'The Hacker Project' in 2021. This appointment is seen as a significant advancement for Demna within the global fashion sector. Meanwhile, the position of creative director at Balenciaga remains vacant, generating speculation about its occupation.