

## **ASWGA Weaving a brand is a fine line, says Paolo Zegna**

The Australian  
22 September 2011



Count Paolo Zegna at the Ermenegildo Zegna boutique in Westfield shopping centre in the Sydney CBD. Picture: Alan Pryke Source: The Australian

**PAOLO Zegna freely admits that the company his grandfather Ermenegildo founded in 1910, in Treviso, grew out of a humble weaving firm.**

The company evolved into a clothing manufacturer, then a retailer, before its ascent in the 1960s to the peak of the luxury menswear market: today it boasts E963 million (\$1.28 billion) in consolidated revenue.

But it's not a path he recommends for a respected producer of ultra-fine wool, like Australia, despite our perennial debates about adding value to the product.

"There is a saying in Italy," says the family firm's president, "that you have to do your own job. If you are good at doing something, unfortunately it doesn't mean you can be good at doing other things."

The Zegna evolution from weaver to menswear icon suggests it's possible to move up the production chain. "I'm not saying Australia couldn't," he offers, "and in fact you

have some top designers. But it's hard to create a name. A brand today is extremely expensive. You need to create a story behind a brand.

"People today are looking for a brand that has meaning, has tradition, has values. Only then do they start to appreciate. It's not something that you can artificially create from scratch."

Count Zegna is in Australia to host the Zegna wool awards and to formally open the firm's flagship Sydney store. Zegna has since 1963 laurelled the grower of the world's finest fleece, and for the past 9 years has also awarded a special prize to growers of wool that is 13.9 microns (a micron is one thousandth of a millimetre) or finer. This year's winners, the Hundy family from the Windradeen farm in NSW, produced a fleece of 10.5 microns. But Zegna is not the only Italian textile firm cultivating good will along the supply chain and a major competitor, Loro Piana, also hosts an international wool award: it was won this year by the Triplett family in NSW for a fleece of 11.4 microns. While wool has been a mainstay of the local economy the super-fine end of the market only took off in the 1980s when manufacturers such as Zegna developed fine suiting material.

Italian manufacturers take 84 per cent of Australia's ultra-fine wool exports. The fine wool price dipped in the three years to 2010 but is now - fears of a European austerity drive notwithstanding - holding firm. The resilience of the fine wool market is not so much due to Italian interest, says Count Zegna, but rapidly rising demand from China.

"The Chinese are coming into the picture and becoming major buyers of superfine wool. China is on the one side a competitor and on the other an opportunity."