Capri Holdings was celebrating this week as it delivered sector-beating results in Q3, even though sales fell overall. And CEO John D Idol said on a post-results-announcement conference call that each of its three luxury brand attracted new consumers during the quarter.

But while he thinks Q4 will be challenging due to a Covid resurgence in parts of the world (in EMEA, around 50% of its stores are closed compared to about 40% at the end of Q3), the brands have plenty going on that should help them get closer to their parent company’s ambitious targets.
Take Versace. "Following the success of the Barocco V, Donatella has developed a unique signature pattern that will debut during our upcoming Milan Fashion Show," Idol said. That show may not be the usual live event, it emerged on Thursday, but Idol clearly thinks what will be on show digitally will be big news.

“When the new signature pattern launches at retail in the fall, it will be accompanied by a major marketing campaign to attract and engage new consumers," he said. "We believe this will significantly change the trajectory of Versace's revenues as it expands the brand's portfolio of recognisable, iconic products”.

That confidence comes after Versace had a good Q3 and beat expectations as sales in its retail channel increased in the low-double-digits globally. The positive trends in the Americas and Asia “more than offset” declines in EMEA, e-commerce sales (once again) increased in triple-digits year-on-year, and it saw strength across categories “as the brand emphasised the ultimate Versace look”. Accessories also performed well “with strong consumer response to existing and new styles”.

And despite the EMEA store restrictions during the quarter the brand still managed to open new luxury locations, especially in Europe. Idol said he believes “that physical retail will remain important for luxury fashion houses given consumers' emotional connections with the brands”.

As the forthcoming marketing plans for the new launch show, the company is heavily committed to supporting Versace, even at a time when many businesses have cut back on marketing spend.

But the 'new normal' means its approach is evolving and during the quarter, it embraced “innovative ways to connect with new and younger customers.

"Donatella made her digital debut as an avatar in December at ComplexLand, an immersive internet experience featuring fashion, art, musical performances and cultural conversations. There Versace also had a digital storefront and introduced a limited addition Trigreca sneaker,” Idol said. The five-day digital event generated approximately 6 million impressions.

In China, Versace partnered with GQ to produce a CGI animated short film “and encompassed a surreal space of Trigreca and described the creative concept and background story of the sneaker in ancient Greek visual style. The film featured celebrity key opinion leader Danny Lee and generated over 10 million impressions”. These initiatives helped to drive an 18% year-on-year increase in Versace's global database.

JIMMY CHOO AND MICHAEL KORS

And what of the other Capri brands? Jimmy Choo was somewhat more challenged during the last quarter and revenues “significantly decelerated relative to second quarter given the absence of a holiday collection this year”.

Due to the onset of the pandemic and an effort to “rigorously manage inventory”, Capri had cancelled Jimmy Choo's holiday delivery. But retail sales in Mainland China still increased in double-digits, while trends also improved in Japan resulting in double-digit sales growth in the Asia region overall. It also saw continued growth in e-commerce and a strong performance for its expanded accessories assortment with particular strength in totes. In footwear, trainers continued to outperform and increased in penetration.

“We believe Jimmy Choo has a significant opportunity to expand its casual footwear assortment beyond sneakers as demonstrated by strong sell-throughs of [such] products,” Idol said.

He added that soft shearling slippers embellished with pearls and crystals were “a holiday favourite”. And new casual collections featuring sneakers, flat and wedges “with novelty details and a Jimmy Choo twist are now arriving in stores and online. As a result, we have begun to see a significant improvement in sales trends”.

Idol also thinks the new JC signature collection “will help establish a more consistent product platform reinforcing Jimmy Choo's brand codes”. It will drop in-store during the second calendar quarter of the year.

And at Michael Kors, he remains “pleased with the continued progress of the recovery”. As elsewhere, it was a
And at Michael Kors, he remains pleased with the continued progress of the recovery. As elsewhere, it was a mixed picture with strength in the Americas and Asia but weakness in EMEA. But e-commerce trends accelerated relative to the prior quarter, rising as much as 70%.

In Mainland China, retail revenue increased in low-double-digits, which led to the growth in the Asia region. Helping drive these results were strong sales on Tmall during Singles' Day where Michael Kors was one of the top-performing accessories brands, as well as one of only three fashion brands to achieve sales of CNY100 million ($15.4m/€12.9m/£11.4m).

The brand delivered fresh product updates throughout the holiday season. Signature penetration increased to nearly 40% of accessory sales compared to 30%, boosting margins. Signature also performed well in footwear where penetration grew to over 25% of sales. Within footwear, it saw strong performance in booties in fashion active, "driven by iconic branding elements and luxe logo details".

Similarly, in women's ready-to-wear, signature logo styles were among the strongest performers. Men's is one of the growth drivers for Michael Kors and signature was key here too. Within men's, signature increased to 45% of sales compared to less than 30% last year.

By Sandra Halliday

Copyright © 2021 FashionNetwork.com All rights reserved.