Capri sees glamour, strong branding and athleisure as key to Versace, Choo and Kors success

By Sandra Halliday - November 5, 2021

The strong results that Versace, Jimmy Choo and Michael Kors owner Capri Holdings reported this week were driven by consumers globally buying into the brands’ glamour positioning as well as their Signature branding, plus the athleisure offer at the Kors label, company chief John D Idol said on a conference call.
Idol said that “as the world continues to recover from the pandemic”, all three labels are “resonating with consumers, as evidenced by the 11 million new customers added across our databases over the last year”.

And Q2 growth was strong with regions such as the Americas potentially stronger “if not for inventory constraints. Consumer demand for our brands was healthy and benefited from an increase in social gatherings”.

So what happened at the individual brands? Versace results significantly exceeded the group’s expectations “once again” as revenue increased 45%. And Idol thinks that the “bold and fearless design vision of Donatella Versace, based on unapologetic glamour”, was key.

This was seen across categories with Versace women's accessories sales rising in “strong double-digits”, women's footwear sales also advancing and “strength in men's and women's ready to wear” with retail sales for all of those categories up in double-digits.

The group is “confident in our ability to position Versace as a leading luxury leather house” and is “making significant progress in our goal to expand accessories revenue to $1 billion over time”.

And also crucial to this, as well as the glamour of the brand, is its new La Greca pattern that’s underlings the strength of Signature branding for the wider group at present.

Idol said La Greca is “off to a very strong start and is reflected across all product categories, including accessories, footwear, ready to wear and jewellery. We continue to believe the Signature pattern will accelerate the trajectory of Versace's revenue growth”.

Moving to Jimmy Choo, results were ahead of Capri’s expectations with revenues increasing 12%. Idol said that “at the core” of the brand is “the design vision of Sandra Choi, inspired by Jimmy Choo’s inherent glamour”.

![Versace - Fall-Winter2021 - Womenswear - Milan - © PixelFormula](image_url)
In Q2, this translated into strong sales for bags in “rich seasonal colours and lavish textiles” and the brand saw “a return to glamour with evening bags performing very well”. Footwear sales also increased in double-digits, “driven by a recovery in the formal footwear style as people are returning to work, attending events and enjoying special occasions”.

In fact, in both formal and casual footwear, Choo has been seeing “a shift to more embellished styles”.

And finally, Michael Kors revenues rose 11% as the label capitalised on its Signature range — again showing the appeal of strong branding — and also the growth of its MKGO daywear-to-athleisure offer.

Signature is a core focus for growth and the group plans to increase it to 50% across all product categories. Idol said it has “become an important foundation and driving force behind revenue growth in every region globally. As we have been building out the Signature classification, it has been generating a higher AUR [the average selling price of an item] and gross margin expansion.

In the quarter, overall Signature presented 39% of the assortment, compared to 32% last year and drove sales across all categories”. In accessories, Signature penetration was even greater and this helped accessories retail sales increase in double-digits globally.
As for MKGO, Idol said “consumers' reaction to the newest launch of MKGO has exceeded our expectations across all product categories”. And he added that the brand is “attracting new and younger consumers with the innovative product amplified by a powerful 360 degree communication strategy. We continue to believe that MKGO has an incremental $250 million revenue opportunity. That is a true product extension not cannibalising our existing businesses”.

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