

COMMERCE

## Marc Jacobs democratizes pricing for accessories line

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*Marc Jacobs, spring/summer 2016*

By STAFF REPORTS

U.S. fashion label Marc Jacobs is upping its focus on the leather goods and accessories category.

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Marc Jacobs' spring collection of handbags, available in a variety of sizes and colors fitted with new double-J hardware, will be the first released with the brand's democratized pricing strategy as it gears up for a future IPO offering. Modeling its strategy off Michael Kors, which has seen immense success in the category, Marc Jacobs handbags, ideally, will account for 70 percent of the brand's overall sales going forward.

### In the bag

Currently, Marc Jacobs' leather goods account for approximately 60 percent of its sales, around Michael Kors' numbers, who as of 2015 attributed 68.4 percent of its sales to accessories after a similar price restructuring ([see story](#)).

Marc Jacobs took the overhaul further than Michael Kors by merging its diffusion line, Marc by Marc Jacobs, into its primary label. This move is said to be linked to the future public offering of the LVMH-owned brand.

Now, the spring 2016 collection, equipped with a new brand logo, will be the first with Marc Jacobs' new pricing. Seventy percent of the collection's items are priced under \$500, per Sebastian Suhl, CEO of Marc Jacobs.



MARC JACOBS

*Marc Jacobs, spring/summer 2016*

Although the majority of pieces will be under \$500, special pieces using exotic skins and embroidery will be priced higher, around the \$5,000 mark.

In terms of retailing, Marc Jacobs will offer its varied price points wares alongside one another. Critics of the strategy have suggested that there may be no reason for affluent consumers to purchase the higher-end products when those of lesser value are on display as well.

To this point, Mr. Suhl told [WWD](#), "It's a totally different product. The bag we have at \$5,000 is crocodile and has all kinds of embroidery. In any industry, any brand will have different price points – like with cars you have one [model] for \$200,000 with one next to it priced at \$30,000. If you do it right, it should be obvious why one is more expensive than the other."

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