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COMMERCE

Kering's consolidated revenue up 4.6pc in 2015

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Gucci fall/winter 2015 campaign, Gucci Blossom motif

By STAFF REPORTS

In 2015, conglomerate Kering achieved 4.1 percent comparable growth in revenue from its luxury activities.

The group's revenue from its luxury division rose to 7.865 billion euro, or $8.75 billion at current exchange rates, a reported 16.4 percent increase from 2014. 2015 saw Gucci return to growth, fueled by new creative director Alessandro Michele's new vision for the brand, which was well received by both critics and consumers.

Gaining momentum

Kering has been focusing on tightening distribution of its luxury merchandise. In 2015, 71 percent of the group's luxury revenue came from its direct-owned retail channels, including its brand boutiques and ecommerce sites, up from 69 percent the previous year.

The conglomerate is also taking a very selective approach to retail expansion for its luxury houses, opening new locations at a slower pace.

Gucci saw a .4 percent comparable change in revenue, while the average luxury house achieved 3.1 percent comparable growth. Bottega Veneta and Yves Saint Laurent continue to see more marked acceleration than Gucci, but Gucci's 3.898 billion euro in revenue for 2015 is still far greater than that of its peers.

Italy's Gucci revealed a new look under creative director Alessandro Michele. Starting with collections and expanding to its stores and marketing, the label has traded its formerly overt sex appeal for romanticism.

Gucci introduced a new retail concept in 2015

While Mr. Michele worked with previous creative director Frida Giannini at Gucci for years, the two have very different aesthetics (see story).

Couture, leather goods and jewelry performed better than watches, which picked up quarter by quarter despite a challenging market.

Group revenue rose 4.6 on a comparable basis to 11.584 billion euro, or about $12.889 billion at current exchange rates.

"Kering's solid 2015 results reflect brisk sales and improved operating performances in the second half of the year," said Franois-Henri Pinault, chairman and CEO of Kering, in a group statement. "These results come amid a more complex economic and geopolitical environment, accentuating the shifts taking place in our sector.

"We are entering a new phase in our growth: we are perfectly positioned to leverage the strength of our brands and maximise value creation over the long term," he said. "We are closely monitoring resource and capital allocation in order to bolster returns. I am confident that the work of our creative teams and the commitment of all our associates will enable us to extend our growth trajectory in 2016 and beyond."