

COMMERCE

Tiffany & Co. year-over-year sales set standard in luxury world

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By RACHEL LAMB

Jewelry manufacturer Tiffany & Co. reported a 14 percent year-over-year increase in worldwide net sales, setting the standard for all American-owned luxury brands.

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The brand's revenue from last year was \$3.1 billion. Tiffany has been consistent with its print, online and direct mail marketing efforts, which could possibly have been the reason for its phenomenal year.

"These results are indicative of the future across all segments in the luxury industry," said Chris Ramey, president at Affluent Insights, Miami. "It's the platform for American luxury companies as well as all American companies.

"It could be said that Tiffany is growing into not just an iconic brand for consumers, but the iconic brand for other luxury marketers to learn how to grow and leverage an American brand throughout the world," he said.

Mr. Ramey is not associated with Tiffany. He agreed to comment as a third-party expert.

Tiffany did not respond by press deadline.

Ringling numbers

Tiffany's comparable store sales increased 12 percent, with net earnings from continuing operations increasing 39 percent.

In fiscal 2010, the company recorded nonrecurring items that reduced net earnings from continuing operations by \$0.06 per diluted share, a bump from 2009's \$0.08 per diluted share. Net earnings from continuing operations rose 47 percent.

The brand did well specifically in North and South America, Asia-Pacific, Japan and Europe.

According to the results, Tiffany's store sales increased 8 percent in the Americas. The brand's combined Internet and catalog sales increased 8 percent in the fourth quarter and the full year.

Tiffany's customers can sign up to receive catalogs and direct-mail brochures and can also look at PDF versions on the brand's Web site.

The company also sends out emails sharing new products and brand information and has a regularly updated ecommerce Web site where there are representatives available for consulting.

In addition, the brand's social networking is spot-on.

Tiffany has a branded Facebook and YouTube page, where it constantly updates its feeds with new products, videos, images and campaigns.

The brand's Facebook site also has a discussion board where customers can interact with the brand. Customers can ask questions and Tiffany representatives respond.

The brand was also able to open 15 new Tiffany stores in fiscal 2010.

On a constant-exchange-rate basis, sales increased 11 percent in the full year. Comparable store sales 8 percent in the United States.

Comparable store sales rose 14 percent full-year in Asia-Pacific, declined 4 percent in Japan and rose 18 percent in Europe.

These statistics are on-par with the rest of the world's market, per Mr. Ramey.

"Japan has been a stagnant market itself for many years," Mr. Ramey said. "A decline is a bit surprising, but shouldn't be disconcerting for Tiffany executives.

"What they should be focusing on are the opportunities for growth around the rest of the world," he said.

True blue

In addition to its multichannel brand marketing, Mr. Ramey said that Tiffany's brand management and iconic symbols are what set it apart from its competitors.

The brand's signature pieces, colors and story are what engage consumers and have helped it to grow as a brand. Other luxury brands can learn from it.

“Tiffany is a great brand and it’s managed well,” Mr. Ramey said. “Its growth is to be expected.

“It’s an illustration of how American countries can’t depend just on America,” he said.

“Tiffany has the brand equity that allows it to do things that other brands haven’t yet earned the right or privilege to do.

“They make sure that everyone in the world knows how special that little blue box is.”

Final Take

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