

APPAREL AND ACCESSORIES

Hugo Boss sales decline led by Europe, US markets

November 2, 2016



Hugo Boss Jet watch promotion

By STAFF REPORTS

German fashion label Hugo Boss is reconfirming its financial outlook for the 2016 fiscal year after the group's sales declined by 2 percent in the first nine months of the period.

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Hugo Boss, like many other high-end houses, has been impacted by the challenging market. The industry has been dampened by low sales numbers in Europe, but China's momentum has improved significantly. After posting poor results for the first half, German fashion label Hugo Boss expects a decrease of between zero and 3 percent for the entirety of 2016 ([see story](#)).

Reconfirmed

Hugo Boss' sales declined by 3 percent in the third quarter, after currency adjustment. The brand also posed a decrease of 6 percent to 703 million euros, or \$781 million at current exchange, due to the negative currency effects.

In Europe, Hugo Boss saw sales decline by 2 percent, but in the United Kingdom sales increased by 5 percent. Hugo Boss' home market of Germany had sales that trailed 2015 by 10 percent.

The Americas decreased by 9 percent, with the United States market on its own declining 14 percent.

Hugo Boss' Asian sales were down by 3 percent compared to the year-ago. This was the effect of sales decreases in Hong Kong and Macao in addition to store closures. China sales were 4 percent lower than the previous year, after currency adjustment.



Hugo Boss, fall/winter 2016

The German brand's situation did not improve online either, with its ecommerce business declining by 15 percent. Hugo Boss did relaunch its Web site in October, so the redesign may help the brand post better business in the future.

"The third quarter has not been an easy one," said Mark Langer, CEO of Hugo Boss. "However, we are on an upward trend in China now. I'm satisfied at how quickly and comprehensively we adjusted our cost structures to the changing business conditions.

"All the measures we have taken to protect profitability in the current year are on plan or even ahead," he said. "It's now about gearing Hugo Boss towards sustainable growth. This is what we're targeting in our realigned strategy, to be unveiled shortly."

Last week, Ms. Langer told a European business newspaper Handelsblat that he plans to return Hugo Boss back to its premium roots, following a challenging move upmarket into luxury.

Mr. Langer's predecessor Claus-Dietrich Laurs looked to build up Hugo Boss' luxury positioning, by opening high-end boutiques and expanding its women's line.

In the interview, Mr. Langer is quoted as saying, "The effort to make in-roads in the luxury market didn't prove to be particularly helpful for our business" ([see story](#)).

I thought on "Hugo Boss sales decline led by Europe, US markets"

1. Robin says:

November 2, 2016 at 4:14 pm

numbers and percents, but where are the actual consumer & customer insights as to WHY China up and rest of world (incl www) down?

which are the main contributors? Footfall, western world not getting out of sweatpants long enough to wear a suit, direct competition, stuffy/lux/mismatched brand image with consumers, direct competitors?

Headwinds & challenge economy is now called LIFE, for 1 and all. So there must be something deeper in product, price, ecosystem, consumer opinion, sizing, etc. THAT is the business. The above article is waste of costs info (unless a direct investor.)

Dropping women out of your customer base changes your business model & of course volumes will plummet. No man shops for a suit 24/7/366. Following suited career industries and employment cycles is a start, but hard to convince sloppy Americans to wear a suit unless a business write off. Experience= suit tailoring + localized financial advice (incl how to legally write off the cost of the suit & its depreciation & amortized wear value & donation value after wear)

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