

APPAREL AND ACCESSORIES

Tod's fiscal 2016 sales impacted by tourism slowdown

January 26, 2017



Saira Hunjan for Tod's

By STAFF REPORTS

Italian apparel and accessories label Tod's Group's consolidated sales for full-year 2016 totaled 1 billion, or \$1.1 billion, a decrease of 3.2 percent from the year-ago.

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Although the group, which owns Roger Vivier and others, saw sales decline from full-year 2015, Tod's Group's fall/winter collections fared well in the final quarter of 2016. As a standalone brand, Tod's sales totaled 559 million, or \$596 million for the fiscal 2016 year, a 6.7 percent decrease since fiscal 2015.

Tod's totals

Tod's 6.7 percent sales decreased for fiscal 2016 is attributed to the sharp decline in traffic to boutiques, especially from tourists. The brand's new collections performed well despite this, as they focused on iconic products and have received good feedback.

Roger Vivier was equally impacted by tourist traffic decline and low spending in important luxury goods markets. Sales for the brand totaled 166.3 million, or \$177.3 million, an increase of 6.6 percent from the previous year.

As a whole, Tod's Group saw footwear revenues reach 791.3 million, or \$843.9 million, down by a percentage of 2.5. The fourth quarter saw improvements compared to the rest of the year.



Roger Vivier holiday 2016

Leather goods and accessories sales, though, were down 9.4 percent from the year-ago for a total of 142.5 million, or \$151.9 million. In the last quarter, Tod's felt the collections "were more consistent with the brands' DNA," which aided sales.

For example, Tod's translated the aesthetics of Ferrari's vehicles into a fall/winter 2016 collection of footwear. The brands teamed up on a collection of driving shoes and sneakers for men that feature elements such as the prancing horse and Ferrari's iconic shade of red ([see story](#)).

Tod's Group's domestic sales were 311.5 million, or \$332.2 million, down 3.5 percent from 2015.



Tod's x Ferrari collection

Europe yielded positive sales results with the exception of France and the United Kingdom. In the Americas the group's sales amounted to 96.7 million, or \$103.1 million, a decline of 8.4 percent.

Sales in Greater China dropped 6.8 percent to a total of 210.3 million, or \$224.2 million. Mainland China and Macao saw positive results while Hong Kong remained weak.

"The improvement of the sales trend registered in the last quarter of the year confirmed the good reception from customers from the winter collections, thanks to their focus on iconic products, that reflect the brands' DNA and the Italian style, and well combine quality, craftsmanship and innovation," said Diego Della Valle, chairman and CEO of Tod's Group, in a statement.

"We remain highly focused on organic growth of the existing stores, which have great potential and on the opening of some new generation stores,' which will be able to attract clients through the totally new shopping experience," he said.

"The style department has undertaken some changes, necessary to implement the new strategic plan; the management team, partially renovated, will be soon completed with some new arrivals, enhancing all the necessary skills to manage the group, which will in this way be ready to face a market in strong and rapid change."

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