

APPAREL AND ACCESSORIES

Herms' "know-how control" leads to \$5.75B in sales for 2016

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Herms' Cape Cod watch

By STAFF REPORTS

French leather goods maker Herms' consolidated revenue passed the 5 billion euro mark despite the difficult retail climate of 2016.

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For the year, Herms' revenues amounted to 5.2 billion euros, or \$5.75 billion at current exchange rates, for an increase of 7.5 percent. During the fourth quarter of 2016, ended Dec. 31, the brand's sales recorded an 8 percent increase, driven by all of its geographies particularly Japan and Europe.

Solid orange

Throughout 2016, Herms continued to improve its distribution network by opening four new boutiques and renovating several others.

The Japanese market saw the highest growth by geography with an increase of 9 percent. Herms performed well thanks to a selective distribution network despite the strengthening of local currency.

Herms' dealings in the rest of Asia saw a 7 percent increase due to extensions and store openings in Singapore, Macau, the Hong Kong Airport and Chongqing, China. Although Herms continued to develop the Hong Kong and Macau markets, the brand acknowledges the current challenges.

The United States market also achieved solid growth for the year at a rate of 7 percent. During the year, Herms renovated and extended its boutiques in Hawaii and Philadelphia.

Also, in the U.S. market, Herms collaborated with department store chain Nordstrom on its first-ever temporary shop-in-shop to promote its silks and jewelry. Nordstrom's downtown Seattle flagship serves as the host to the pop-up shop host through the end of 2017 ([see story](#)).

Despite slowing tourism numbers, Herms posted 8 percent growth for the European market. Notably, Herms' home country of France, a market that has been greatly impacted by recent events, displayed growth of 5 percent.



Herms Apple Watch promotional image

Leather goods and saddlery product remain Herms' primary offerings seeing a growth of 14 percent for the year. Sales also benefited from Herms' silk and ready-to-wear and accessories divisions.

Other categories such as fragrance and jewelry performed well for the year, but watches decreased by 3 percent due to factors plaguing the timepiece industry.

Looking forward, Herms said in a statement it is "pursuing its long-term development strategy based on creativity, maintaining control over know-how and singular communication.

"In 2017, Herms will be celebrating the 'Meaning of objects.' Herms, by the radicality of its style and the richness of its creations, elegantly accompanies today's men and women in their everyday lives. And it is this ambition that gives meaning to our objects."

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