

JEWELRY

Tiffany's sales decline 3pc in fiscal 2016

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Tiffany & Co.'s Blue Box

By STAFF REPORTS

Jeweler Tiffany & Co. saw its worldwide net sales decrease in the 2016 fiscal year, but the company remains optimistic about its long-term growth potential.

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A slight 1 percent rise in sales during the fourth quarter could not make up for challenges earlier in the year, as the jeweler reported total sales of \$4 billion for the financial year ended Jan. 31, down from \$4.1 billion in 2015. Looking ahead to the coming year, Tiffany's management projects a single digit increase in sales.

Taxing times

Tiffany's flagship store on New York's Fifth Avenue saw its sales decline 11 percent last year. As a result, this boutique's sales represented less than 10 percent of total sales throughout the year.

The jeweler's iconic flagship, known for its cameos in Hollywood films and its annual holiday windows, is located on the same block as Trump Towers, the Midtown Manhattan home of U.S. President Donald Trump. Since the election results were announced Nov. 8, protesters have been picketing outside the building, causing the Secret Service and New York Police Department to heighten security along Fifth Avenue ([see story](#)).

The Americas as a whole fell behind the previous year's figures, with a 5 percent decline for the year.

While Asia Pacific's total 2016 sales were about equal to fiscal 2015, store openings helped boost the region's fourth quarter results by 9 percent.

Courtesy of increased spending from locals, Japan's sales rose 12 percent during the year. This made up for lowered tourist traffic from Chinese shoppers.

Declining tourism also hurt European sales, which were 10 percent behind the 2015 figures. Changing currency valuations also hurt results, with the region's total sales only 3 percent lower than fiscal 2015 when measured in constant exchange rates.



Image courtesy of Tiffany

Throughout the 2016 fiscal year, Tiffany opened 11 stores and closed five locations, increasing its net square footage by 3 percent. As of Jan. 31, the jeweler has 313 total stores.

"Despite macroeconomic and geopolitical challenges in the past year that we believe will continue in 2017, we strongly believe that Tiffany's strategies are sound and that we have meaningful growth opportunities," said Michael J. Kowalski, chairman of the board and interim CEO. "Our management team is focused on accelerating the execution of our strategies to deliver extraordinary products, communications and experiences that will delight our customers around the world.

"Through strong leadership and this accelerated execution, we believe we are well-positioned to deliver attractive total shareholder return over the long-term."

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