

APPAREL AND ACCESSORIES

Armani folds diffusion lines into 3 primary brands as sales decline

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The Giorgio Armani brand will now include haute couture and home. Image credit: Armani, fall/winter 2017

By STAFF REPORTS

Italy's Giorgio Armani saw sales decline by 5 percent in 2016, which has caused the group to reorganize its businesses to combat luxury's current challenges.

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On July 25, Armani confirmed that its sales fell to \$2.9 billion for 2016, but the brand shared that its annual net profit increased 12.4 percent to \$315 million due to an effort to cut costs. Armani blamed its 2016 sales decline on luxury's "difficult year" and attributed some of the fall to its ongoing internal restructuring.

All about Armani

The privately-held Armani is the second-largest fashion group in Italy. Armani is just behind Prada Group, which has found itself in a similar predicament as the luxury market continues to face troubles.

Despite its resistance, Armani leads Italian fashion houses as the brand considered most-listable as a future initial public offering, according to a quantitative rating system developed by Pambianco Strategie di Imprese ([see story](#)).

Armani, owned solely by its 83-year-old namesake founder, also said that its 2016 financial results are linked to the slowdown in China and consumer fears of terrorism in Europe.



Armani's Emporio Armani campaign, fall/winter 2017. Image credit: Armani

In a statement for his brand, Mr. Armani said, "There has also been a general change in purchasing behavior and attitudes."

Along with its 2016 financial results, Armani also announced that it would be continuing its reorganization efforts. Going forward, the brand's haute couture collection, Giorgio Armani Privé, will become part of the Giorgio Armani signature label. The brand's home decor line Armani/Casa will similarly be incorporated into the Milanese group's main line.



Giorgio Armani Privé will now be included in the primary label. Image credit: Armani, fall/winter 2017

In February, Armani announced that its Emporio Armani label would take in the Armani Collezioni and Armani Jeans brands. The aspirational A|X Armani Exchange brand will also include products designated as Armani Jeans.

As for the physical storefronts and presence of the aforementioned brands, Mr. Armani said that, "Following the reorganization of the group's brand portfolio, the number of retail outlets of the three brands will evolve rationally on the basis of the new positioning."

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