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## Michael Kors' total revenue up 5.4pc as strategic plan executed

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*Michael Kors' fall offerings benefited the brand's Q2 2018 results. Image credit: Michael Kors*

By STAFF REPORTS

U.S. fashion label Michael Kors has raised its full-year outlook after exceeding expectations in the second quarter of fiscal 2018.

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For the quarter ended Sept. 30, Michael Kors' total revenue increased 5.4 percent to \$1.15 billion from \$1.09 billion in the second quarter of fiscal 2017. After financial challenges, Michael Kors reports that its Runway 2020 strategic plans of product innovation, brand engagement and customer experience has assisted it in total revenue and retail sales increases.

"Our second quarter results were better than expected, and we are pleased with our continued progress executing on our strategic plan, Runway 2020," said John D. Idol, chairman and CEO of Michael Kors, in a statement.

"The positive signs that we are seeing in our business illustrate that our efforts across product innovation, brand engagement and our customer experience are beginning to take hold," he said. "While we continue to expect fiscal 2018 to be a transition year for the Michael Kors brand, ultimately we believe that these efforts will drive improved financial performance."

**Strategic overhaul**

Michael Kors has delivered continued progress since orchestrating its Runway 2020 strategy.

The brand has increased new fall offerings by 40 percent through innovative apparel and luxury accessories assortments. Also, Michael Kors delivered high average unit retails across multiple categories through its new offerings and reduced promotions.

For Q2 of fiscal 2018, Michael Kors saw double digit global comparable sales in ready-to-wear and footwear for women.

During this time, Michael Kors also named its first brand ambassador, Chinese actress Yang Mi ([see story](#)) and grew its social media community to include more than 38 million followers.

Michael Kors' strategic overhaul of customer experience has driven strong momentum for its digital storefronts in North America, Europe and Asia. Michael Kors' in-store strategy has seen the brand pilot a new retail concept as well with enhanced consumer engagement touchpoints.



*Yang Mi for Michael Kors' The Walk. Image courtesy of Michael Kors*

As of Sept. 30, Michael Kors operates 843 retail stores, including concessions, compared to 787 in the year-ago period. Michael Kors also has 142 points of sales operated through licensing partners. In total, there are 985 Michael Kors stores worldwide.

For Q2 of fiscal 2018, Michael Kors' retail net sales increased 8 percent to \$645 million, driven by the 56 new store openings since the year-ago second quarter. Ecommerce sales increases in Europe and China positively impacted retail net sales as well.

Wholesale net sales increased by 2.5 percent to \$463.6 million while Michael Kors' licensing revenue dipped 2.1 percent to \$38 million.

"This is a transformative time for Michael Kors Holdings Limited as we establish our global fashion luxury group with the recently completed acquisition of Jimmy Choo," Michael Kors' Mr. Idol said. "We believe that bringing together these two iconic brands further strengthens our growth opportunities, increases our product and geographic diversification, and importantly, creates a platform for future acquisitions.

"We look forward to capitalizing on the great opportunities that lay ahead for our brands and believe that we are well positioned to drive long term growth as we expand our global fashion luxury group," he said.

Michael Kors has plans to turn Jimmy Choo into a billion-dollar brand ([see story](#)).