

APPAREL AND ACCESSORIES

Ralph Lauren alleviates declining US sales with growth in Europe, China

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Digital campaigns and growth outside the U.S. led to better-than-expected results. Image credit: Ralph Lauren

By STAFF REPORTS

Driven by an increased emphasis on digital and social marketing campaigns, U.S. fashion brand Ralph Lauren reported better-than-expected financial results for third quarter of the 2018 fiscal year.

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Ralph Lauren pointed to a few different projects, including a Create-Your-Own customization launch and a holiday campaign themed around teddy bears, as part of the reason the company did better than expected in the third quarter of fiscal 2018. The brand is hoping to continue this trend with more digital and personalized campaigns over the course of the next year.

"As we prepare to celebrate our 50th anniversary and look ahead to the future, we continue to focus on evolving the expression of our iconic brand and its rich heritage to connect with today's consumers in all the ways they experience our brand," said [Ralph Lauren](#), executive chairman and CEO of the company, in a statement. "Our teams across the company are united around our common goals and I have great confidence in their capabilities, passion and dedication."

Global growth

Ralph Lauren had a modest decline in revenue over the third quarter of fiscal 2018. While the company expected a decline of around 6 to 8 percent, revenue fell by only 4 percent to around \$1.6 billion.

The brand attributes this better-than-expected performance to strong showings in international markets and the success of a number of digital campaigns.

One surprising bit of data from this report has to do with Ralph Lauren's performance outside of its home country of the United States.

Revenue fell by 11 percent in the U.S. in the third quarter of fiscal 2018, attributed to decreased demand and brand exits. But surprisingly, revenue for Ralph Lauren increased by 8 percent in Europe and 7 percent in Asia.



Ralph Lauren's revenue fell in the U.S. but grew outside of it. Image credit: Ralph Lauren

Ralph Lauren has expanded its physical retail presence in Asia over the last year, translating to a 3 percent increase in sales.

The news of these earnings comes on the heels of some leadership changes at the company. Ralph Lauren has hired Alice Delahunt, formerly of Burberry, as its first chief digital officer.

In the newly created role, Ms. Delahunt will oversee the corporation's digital platforms around the globe and focus on the digital customer experience. As digital and ecommerce are becoming an increasingly integral part of luxury operations, Ralph Lauren sought out additional talent in the space ([see story](#)).

"Focused execution on our key initiatives, especially during the important holiday period, delivered better-than-expected results for the third quarter as we drove lower discounting and better quality of sales overall," said Patrice Louvet, said president and CEO of Ralph Lauren, in a statement.

"There is still a lot of work to be done to return to industry-leading revenue and earnings growth, but these results give us confidence that we are on the right track," he said.

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