

COMMERCE

Versace, H&M collaboration: brand erosion or harsh reality?

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Italian fashionhouse Versace will release its first collection for

mass retailer H&M, leading experts to dispute whether this marketing ploy is savvy or a slippery slope.

This collaboration will be the first low-end, mass distribution line created the Italian designer. The Versace for H&M line is to be released this fall.

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“It is a way for us to surprise our customers, show the strength in our brand and our business idea fashion and quality at the best price, and to show that design is not a matter of price,” said Håcan Andersson, press officer for H&M, Stockholm, Sweden.

“Versace is an iconic fashion house and this will be the perfect collection for all this

season's parties," she said.

Affordable Versace

Designed by Versace's current creative director Donatella Versace, the collection will embody the history of the brand with leather accents, bold prints and bright colors for which the brand is known.

Ms. Versace has looked back into the Versace archives for print and design inspiration, per H&M.

The designer line will include items for men, women and select home goods.

The womenswear line will consist mainly of dresses featuring studded leather and colorful prints, much in the spirit of the Versace name.

High heels and costume jewelry will also be incorporated into the fall line.

The men's Versace collection will feature a perfectly-tailored tuxedo, belts and jewelry.

In a first for H&M, the designer line will include home pieces such as cushions and a bedspread.

The Versace line will be unveiled Nov. 17 in 300 H&M stores worldwide as well as on the retailer's ecommerce site.

While this is a first for Versace, H&M has worked with a number of high-end designers in recent years including Lanvin, Karl Lagerfeld, Stella McCartney and Jimmy Choo.

Versace's value

With an influx of designers collaborating with low-end, mass retail distributors such as Target and H&M, the benefits for the luxury brand are disputed by experts.

H&M will benefit the most from this collaboration, according to Milton Pedraza, CEO of the Luxury Institute, New York.

"H&M benefits more than Versace, because Versace is seen as a very unique and high-end brand, so the halo affect goes to H&M," Mr. Pedraza said.

Mr. Pedraza worries that the luxury status of the Versace brand could be negatively affected.

However, Pam Danziger, president of Stephens, PA-based Unity Marketing, claims that designer collaborations are the wave of the future, and ultimately here to stay.

The key to keeping the luxury status around Versace is to make sure that the H&M line still portrays the values of the designer brand such as good fit and unique design.

As long as the H&M line is only available for a limited-time, the buzz and excitement can raise awareness for the designer brand and help reduce the amount of illegal copies.

"With the problems of illegal fakes, designers might as well knock themselves off and

make some money at it, since other people will do it,” Ms. Danziger said.

“Luxury consumers won’t be confused by the brand or think less of a limited-time lower priced line extension being offered by H&M,” she said.

Final Take

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