

APPAREL AND ACCESSORIES

## Apparel and accessories sector's Top 10 headlines of 2018

January 2, 2019



*Brunello Cucinelli makes its garments in Italy with Mongolian cashmere. Image credit: Brunello Cucinelli*

By STAFF REPORTS

The fashion industry is evolving to be more inclusive, sustainable and politically vocal, as forces such as geopolitical moves and consumer values push brands to adapt.

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Luxury fashion has become more digital and approachable thanks to ecommerce, marketing and availability in extended sizes. Despite what has become a challenging environment amid trade disputes and uncertainty, the luxury fashion business remains optimistic for 2019.

Here are Luxury Daily's top 2018 headlines from the apparel and accessories sector:



*Luxury brands need to self-disrupt to thrive. Image credit: Balenciaga*

Luxury fashion leaders show optimism amid disruption: McKinsey

In 2019 the global fashion business' growth is projected to slow to between 3.5 and 4.5 percent, with much of the increase driven by luxury and emerging markets.

Against a backdrop of political and economic uncertainty, about four in 10 fashion executives are anticipating

worsening conditions. The State of Fashion Report, coproduced by McKinsey and Business of Fashion, notes that the industry is facing changes that require brands to throw out the old rules to succeed, calling for organizations that are able to rapidly adapt ([see story](#)).



*Millennials are the main growth driver of fashion ecommerce. Image credit: Saks Fifth Avenue*

#### Millennials, mobile leading fashion ecommerce growth: Criteo

While baby boomers and Gen Z consumers are pulling back on their online fashion spending, millennials are making more apparel purchases via ecommerce.

According to a new report from Criteo, millennials spent 4 percent more on clothing and accessories online last year, showing a greater preference for fashion ecommerce than their younger Gen Z counterparts. As these generations become a greater part of the luxury business, luxury brands need to be ready to meet their disparate multichannel shopping habits ([see story](#)).



*The fashion industry is concerned about trade. Image credit: USFIA*

#### Protectionist policies top concern of US fashion execs

The United States' escalating threats of trade wars are worrying fashion companies, with a new report finding that tightening trade is the number one challenge that apparel and accessories executives are facing.

According to a study from the United States Fashion Industry Association, along with concerns about more tariffs, fashion executives are fretting more over increased production and sourcing costs than they did last year. A key target of President Trump's trade disputes is China, which is the top international source for textiles and apparel, leading fashion companies to think about changing their supply model ([see story](#)).

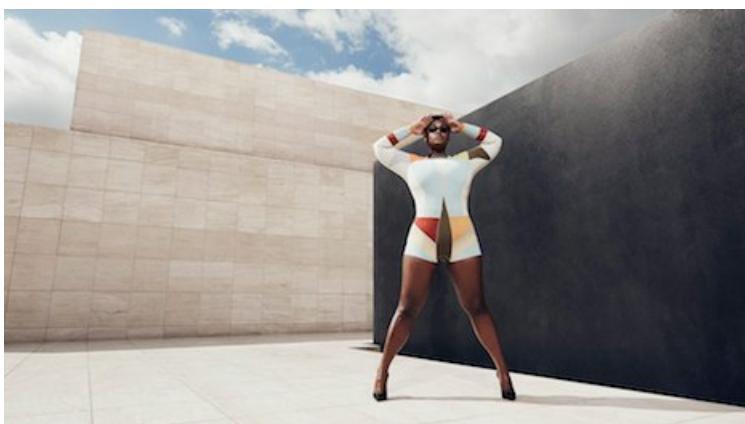


Versace is joining Michael Kors Holdings. Image credit: Versace

Michael Kors fuels conglomerate ambitions with Versace deal

Fashion group Michael Kors Holdings Limited is moving further into European luxury with its acquisition of Italian fashion label Versace.

Michael Kors Holdings, now Capri Holdings, has been in a race with Tapestry Inc. to create the next luxury conglomerate, as both groups have recently shifted from mono-brand companies to portfolios of like-minded labels. With Versace joining Jimmy Choo in Michael Kors' stable of brands, the group sees its revenues reaching \$8 billion in the long-term, aided by the ability to leverage synergies across its businesses ([see story](#)).



11 Honor carries designer fashion up to size 20. Image credit: 11 Honor

Size inclusivity presents big opportunity for luxury fashion

The market for plus-size clothing is booming, opening up opportunities for luxury brands and retailers that cater to the demand for a wider range of sizes.

Today in the United States, 67 percent of women wear a size 16 or above, but this significant portion of the population has typically been underserved by the fashion industry. A number of players are looking to change this, putting pressure on the broader industry to change ([see story](#)).



What happens to fashion after its lifespan is one of the industry's biggest issues. Image credit: Stella McCartney

Future progress in sustainability hinges on collaboration

While luxury labels are among the fashion industry's frontrunners in sustainability, these companies are facing

challenges to achieve additional progress and impact.

A new report from the Boston Consulting Group and the Global Fashion Agenda finds that luxury brands improved their sustainability performance in the past year. Despite improvements in the overall fashion industry's sustainability, the report notes that there is still room for improvement ([see story](#)).



*Tamara Mellon aligned itself with the Women's March. Image credit: Tamara Mellon*

#### Fashion mirrors social movements with brand activism

Recognizing the power they have to make a difference, prominent brands and personalities in the fashion industry are throwing their support behind causes.

According to a new report from Fashionbi, both protests and activism are on the rise around the world as the conversations around issues such as climate change, immigration and gender inequality heat up. Within this environment, the fashion industry is taking an active role through charitable partnerships and awareness campaigns ([see story](#)).



*Chanel has released its financial figures for the first time. Image credit: Chanel*

#### Chanel lets financial figures out of the bag

French fashion label Chanel has revealed that its sales totaled \$9.62 billion in 2017, an increase of 11 percent from the previous year.

While its status as a privately owned company means that Chanel does not have to publicize its results, the house opted to publish its financial figures for the first time in its history. In interviews with Reuters and The New York Times, Chanel chief financial officer Philippe Blondiaux noted that by voluntarily publishing the results, the house was not planning to go public or seek acquisition, instead intending to stay private for the long-term ([see story](#)).



We Care For Models and Humans of Fashion Foundation have both launched to advocate for models. Image credit: We Care For Models

Models gain tools to combat misconduct as fashion embraces #MeToo movement

As the conversation surrounding sexual harassment, abuse and the issues plaguing women across industries continues, two new platforms have sprung up to advocate for models, who are among the most visible yet least protected members of the luxury business.

The newly launched Humans of Fashion Foundation is a nonprofit group dedicated to addressing and preventing the issues of sexual harassment and abuse in the fashion industry, with a particular emphasis on the abuse suffered by models. Similarly, luxury conglomerates Kering and LVMH are building on their existing co-signed charter to improve models' working conditions with the launch of a model wellness site ([see story](#)).



Brunello Cucinelli makes its garments in Italy with Mongolian cashmere. Image credit: Brunello Cucinelli

Global fashion industry complicates "made-in" claims: Fashionbi

Country of origin is a key positioning tactic for luxury products, but growing globalization in the fashion industry is making it more difficult to differentiate the geographic source of goods.

Many nations such as Italy only require part of a good's manufacturing process to take place in their country before the product is eligible for a "made in" label. According to a report from Fashionbi, this potential for ambiguity coupled with consumers' increasing attention to the supply chain behind their purchases are pushing brands to be more transparent ([see story](#)).

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