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Calvin Klein plans omnichannel overhaul amid creative change

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Calvin Klein is rebranding its 205W39NYC collection. Image credit: Calvin Klein

By STAFF REPORTS

U.S. fashion label Calvin Klein is undergoing a strategy shift following chief creative officer Raf Simons' departure.



The Calvin Klein 205W39NYC label, which was rebranded by Mr. Simons, will be relaunched with a new name. Calvin Klein also plans to change the design approach to the runway collection, making it more aligned with the other lines in its brand portfolio.

Changes at Calvin Klein

As part of its changes, Calvin Klein will be closing its Madison Avenue store this spring. Focusing on omnichannel, the brand says it will be launching new customer experiences in online and offline spaces, and will consider future bricks-and-mortar locations.

Looking to strengthen its cross-channel capabilities, Calvin Klein's retail and ecommerce teams are being merged.

Calvin Klein has also created a team within its company focused on client engagement and the shopping experience, dubbed the consumer marketing organization (CMO). These employees will work to evolve Calvin Klein's marketing to meet the demands of today's customers.



Calvin Klein x Amazon Fashion pop-up in Santa Monica, CA. Image courtesy of Calvin Klein

Mr. Simons had taken a more fashion-forward, upmarket strategy for Calvin Klein, which led to disagreements between the designer and management.

According to *WWD*, in a conference call reporting Calvin Klein parent company PVH's earnings for the third quarter, the fashion group's CEO Emanuel Chirico said that the brand's recent designs had been too fashion-forward and pricey for the Calvin Klein customer.

For the quarter, Calvin Kleins' revenues were up 2 percent, but its EBITDA fell from \$142 million in 2017 to \$121 million in 2018. PVH attributed this to a \$10 million rise in "creative and marketing expenditures," as well as more promotional selling in Calvin Klein Jeans.

Also among the strategic shifts was a move away from print advertising towards more influencer and digital marketing (see story).

"Calvin Klein has long been driven by its ability to balance art and commerce in a culturally relevant way one that has often defied the status quo," said Steve Shiffman, CEO of Calvin Klein, Inc., in a statement. "Our industry is witnessing a historic transformation in consumer behavior which presents a significant growth opportunity as we look to grow the brand to \$12 billion in global retail sales over the next few years.

"Now more than ever, we must double down on meeting consumer demands by creating culturally relevant products and experiences that engage communities by pushing fashion and culture forward," he said.

"These strategic initiatives will enable us to run a more modern, dynamic and effective business, as well as allow us to reinvest in the brand."

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