

APPAREL AND ACCESSORIES

Ralph Lauren's Q3 revenues rise 5pc

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Ralph Lauren Men's Spring 2019. Image credit: Ralph Lauren

By STAFF REPORT'S

U.S. fashion label Ralph Lauren's holiday quarter sales grew thanks in part to investments in marketing and digital.

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During the third quarter of fiscal 2018, ended Dec. 29, the brand's revenues increased 5.1 percent year-over-year to \$1.7 billion. Surrounding the important shopping season, the brand upped its spending on marketing by 18 percent year-over-year as part of its strategy to engage the next generation of shoppers.

"Our passionate teams are focused on staying true to the authentic expression of the Ralph Lauren lifestyle while evolving with the changing consumer and global retail landscape around us," said Ralph Lauren, executive chairman and chief creative officer at Ralph Lauren, in a statement. "As we continue to strengthen the foundations of our business and elevate our iconic brand, I am pleased with the progress we are making."

Sales strategy

North America accounted for the bulk of Ralph Lauren's sales for the quarter. The region's revenues were up 3 percent year-over-year, totaling \$909 million.

Europe saw stronger growth, with a 10 percent climb in revenues. In Europe, wholesale and online direct-to-consumer growth sped ahead of Ralph Lauren's direct-operated retail stores, which rose 3 percent compared to wholesale's 16 percent growth and ecommerce's 13 percent increase.

Meanwhile, Asia also saw a 10 percent uptick in revenues.

The company's gross profit during the quarter was \$1.1 billion.

Ralph Lauren has been undergoing a strategy to contemporize its brand from both a marketing and a retail perspective.

The brand has been working with influencers such as model Taylor Hill, who stars in the brand's latest fragrance effort ([see story](#)). Ralph Lauren also got a boost from the custom wedding attire designed for Priyanka Chopra and Nick Jonas' wedding.

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Newlyweds Priyanka Chopra and Nick Jonas shared the spotlight for the first time as guests of Ralph Lauren at the 2017 #MetGala. . For that auspicious evening, Nick wore an Art Decoinspired jacquard dinner jacket from Ralph Lauren Purple Label, and Priyanka wore a dramatic, one-of-a-kind gown inspired by Ralph Lauren's iconic trench coats. . The couple wed on December 1, 2018, both wearing custom Ralph Lauren, at the Taj Umaid Bhawan Palace, one of India's last royal residences begun in the late 1920s in a unique architectural style known as Indo-Deco,' combining references from European and Mughal traditions. . Read more at RLMag.com. . Wedding Photography: @JoseVilla . @PriyankaChopra #PriyankaChopra #RalphLauren #PriyankaAndNick @NickJonas #NickJonas #RLMag #RL50

A post shared by Ralph Lauren (@ralphlauren) on Jan 1, 2019 at 7:58pm PST

Instagram post from Ralph Lauren

In product, Ralph Lauren has worked to elevate its offerings and has focused on quality of sales.

During the holidays, Ralph Lauren brought winter wonderland fun to Sunset Boulevard in a new pop-up.

The label continued to celebrate its 50th anniversary with a pop-up in Fred Segal's Sunset Boulevard store. The pop-up launched Nov. 19, leading up to the holiday shopping frenzy of Black Friday, as a way to celebrate without participating in any sales ([see story](#)).

The brand is also investing in digital retail. In September it launched a Chinese ecommerce site, and it has created a mobile application dedicated to its Polo label.

As a result of its digital efforts, Ralph Lauren's revenues from online channels grew 20 percent year-over-year in the

third quarter.

"Solid execution on our key initiatives, especially during the important holiday period, delivered better-than-expected results for the third quarter as we drove higher average unit retail and continued to improve quality of sales overall," said Patrice Louvet, president and CEO of Ralph Lauren, in a statement. "These results give us confidence that our strategic investments in brand-building, product, digital and global expansion are on the right track, while the strength of our balance sheet will continue to be a competitive advantage as we manage through an increasingly volatile global environment."

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