

APPAREL AND ACCESSORIES

Hugo Boss sees digitization, Asia as key 2019 growth drivers

March 7, 2019



Hugo Boss' sales were up last year. Image credit: Boss

By STAFF REPORTS

German fashion group Hugo Boss's sales were up 2 percent in 2018, thanks in part to double-digit growth in its own online channels.

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Hugo Boss' sales for the year totaled 2.8 billion euros, or about \$3.1 billion, up 4 percent on a currency-adjusted basis. Looking ahead, the company foresees its operating income growing faster than sales in 2019, as it implements strategic changes aimed at boosting profitability.

2019 outlook

In 2018, Hugo Boss' direct-operated online sales grew 41 percent to surpass 100 million euros, or about \$112 million, for the first time. Responding to the need for speed in the fashion business, Hugo Boss has been working to enhance its digital distribution.

Last year, Hugo Boss also decided to align the Boss and Hugo brands. This strategic shift hit stores with the launch of the spring/summer 2018 collection.

The company launched 12 separate Hugo stores in markets including London and Paris, giving the label its own bricks-and-mortar concept. While it opened 13 Boss stores, the company closed 22 boutiques as its leases ended.

Hugo Boss ended the year with 442 direct-operated freestanding stores.

Boss saw a 4 percent increase in sales on a currency-adjusted basis, driven by casual wear and business wear, while Hugo's sales decreased by 6 percent.

Hugo Boss is focusing on its Business Plan 2022, which includes renovating its stores and partnering with online retailers. The company is also looking to streamline its operations.



Hugo Boss women's wear. Image credit: Hugo Boss

A key component of the plan is also to boost desirability for the Boss and Hugo brands through personalization and speed. By 2022, the company expects to grow its direct-operated online sales four times over.

On a currency-adjusted basis, Hugo Boss expects its sales to be up by a mid single digit percentage in 2019.

"2018 was a good year for Hugo Boss, said Mark Langer, CEO of Hugo Boss AG, in a statement. "2019 will be an even better year for our company.

"The current year will be all about the execution of our Business Plan 2022," he said. "With the focus clearly set on our strategic priorities, we are ensuring profitable growth in 2019 and beyond.

"Strong momentum in our own online business and in Asia will make a significant contribution this year."

Hugo Boss' quest for speed and streamlined processes extends beyond consumer-facing initiatives. Hugo Boss recently altered the showroom experience with a digital application.

Starting with its pre-fall 2018 press and trade appointments in Berlin, the brand is now showcasing its collections via a 65-inch touchscreen that allows the user to view the collection and place orders directly. Expected to offer the brand more flexibility and streamline the appointment, this launch expands on other similar digital showroom integrations ([see story](#)).