

APPAREL AND ACCESSORIES

## Prada revenues up 3pc in 2018 as "strategic renewal" continues

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Prada's ready-to-wear sales were up 10 percent last year. Image credit: Prada

By STAFF REPORTS

Italian fashion group Prada's efforts to drive more full-price transactions helped to grow its retail sales by 7 percent at constant exchange rates last year.

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Prada's total revenues for 2018 were 3.142 billion euros, or about \$3.563 billion at current exchange, up 3 percent from 2017. The company is currently in the process of transformation, and is investing in digital channels and technology to boost consumer engagement and streamline its operations.

"The results of 2018 demonstrate that our recent initiatives have been met with a positive reaction by the market, with a return in terms of revenue growth," said Patrizio Bertelli, CEO of Prada Group, in a statement.

"The strategic renewal and subsequent organizational review, which will be completed in the months to come, will give the company a more dynamic structure and a renewed capacity to interpret the cultural evolution of the new generations with which to share the identity of our brands," he said. "We have already started a technological upgrade program that will increase control and efficiency of all business factors, from marketing to logistics and from product to customer service."

### Transformation plan

While Prada's owned retail channels saw growth, its wholesale revenues were largely flat year-over year, rising only 1 percent at constant exchange rates.

Prada saw growth across regions, however Asia-Pacific saw the steepest increase with a 10 percent lift in revenues at constant exchange. In comparison, the Americas grew 4 percent, Japan rose 7 percent and the Middle East grew 5 percent.

In Europe, sales were up 3 percent at constant exchange. Prada notes that a decrease in tourists meant that locals were the primary contributor to its European sales.

The Prada brand saw its sales increase 7 percent in 2018 at constant exchange rates, while Miu Miu grew its revenues 2 percent.

All categories sold by Prada Group achieved growth, but ready-to-wear experienced the greatest increase at 10 percent. Leather goods grew 6 percent, while shoe sales rose 2 percent, thanks in part to the popularity of new sneaker lines.



*Prada's "Summer Odyssey" portrays retro pastimes. Image credit: Prada*

The group is working to engage consumers through digital experiences. For instance, Prada is the latest brand to head to the auditory world, taking on the role of a DJ.

Prada has launched an official channel on Spotify, where fans of the brand can immerse themselves in the label's lifestyle. The channel's launch began with the soundtrack to the brand's current spring/summer campaign ([see story](#)).

"It is clear that the digital transformation has radically altered relationships with consumers, making them ever more aware of their purchasing choices," Mr. Bertelli said. "In this context, communication takes on an even more crucial importance to effectively reach our customers.

"With this objective in mind, we will continue to invest in all our digital assets to create an increasingly immersive brand experience with a unique and engaging involvement at all touch points," he said.

"We are also investing to strengthen the industrial infrastructure to ensure timely responses to the different needs of the individual markets, translating our creative vision of the evolution of looks into products readily available at our stores.

"In the next few months we will be engaged in accelerating this renewal process, and I am certain that all those initiatives, essential for the group's future, will create value for our shareholders in the medium-long term."

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