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Luxury has upward trajectory for 2019: Savigny

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Galeries Lafayette's store on the Champs-Elyses. Image credit: Galeries Lafayette

By STAFF REPORTS

While 2018 numbers for luxury brands did not hit the high marks that analysts were expecting, 2019 is poised to be a positive year for the business.

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This month's Savigny Luxury Index reveals that luxury brands who had a dip in numbers in 2018 such as Tiffany, Ferragamo, Tod's and Prada are expected to have a positive 2019, with Ferragamo already seeing growth in same-store sales. While Tiffany is focusing on growing its ecommerce business, leaving investors hopeful, Herms is continuing its strong performance thanks to demand in China.

Luxury rises and falls

As retail becomes more experiential and trend-driven rather than brand driven, Galeries Lafayette's new store on Champs-Elyses in Paris supports this notion with a push on personal shopping, a modern layout and an complementary mobile application that heightens personalization in the store ([see story](#)).

The Savigny Luxury Index itself posted a 5.5 percent jump in March, compared to the 2 percent rise in the MSCI World Index.

In addition to Herms' growth, LVMH led the index with an almost 9 percent increase in share price. After dipping by 9 percent on March 25, the conglomerate's stock quickly bounced back and ended the month up.

Moncler also saw gains, with an increase of 7 percent.

While Herms is doing well in China, another French brand is not seeing as positive of a performance in the important market, as Prada dropped 7 percent.



Image credit: Prada

Brands will also have to continue to keep a keen eye out as final Brexit negotiations are set to settle.

With cuts in China's value-added tax now in effect, luxury brands are reportedly responding by lowering their prices as the government hopes to reinvigorate the world's second-largest economy.

While the Chinese economy is still growing, its pace has slowed considerably amid a drawn-out trade war with United States. The Chinese ecommerce market is the world's most valuable, making an economic slowdown a major concern for luxury houses ([see story](#)).

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