

APPAREL AND ACCESSORIES

Prada seeks greater price consistency, scales back wholesale

May 21, 2019



Prada has a handle on it. Image credit: Prada

By STAFF REPORTS

Italian luxury group Prada SpA is renovating its wholesale distribution channels to keep up with the changing retail characteristics.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

Prada will be scaling back its wholesale business, as the industry becomes more fragmented and consumers seek greater transparency. The fashion group is looking for greater control and consistency with pricing and reduce markdowns.

Greater price control

In an effort to protect its brand, Prada previously announced that it would be making strides to reduce discounts as it ceased selling discounts end-of-season products within its own entities.

In addition to that, the group will be cutting back relationships with wholesale partners in Europe as it seeks greater control and consistency on pricing.

Prada hopes to work closer with more online retailers, where it will have more control over what the pricing of its products will be. It hopes to keep pricing relatively the same throughout a variety of platforms.



Prada is entering a new chapter. Image credit: Prada

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

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 operation ([see story](#)).

Today, Reuters reported that its shares in Hong Kong, where it is listed, were down 1.9 percent at close on May 21.

"The Prada Group considers it essential to ensure greater consistency in pricing policies across retail and digital channels," said Prada in a statement on the wholesale reduction. "This strategic review is intended to further strengthen the Prada Group brands with the aim of supporting sustainable long term growth."

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.