

APPAREL AND ACCESSORIES

Mulberry's annual revenues down 2pc due to UK softening

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Mulberry is focusing on its leather goods. Image credit: Mulberry

By STAFF REPORTS

British fashion house Mulberry's fiscal-year revenues took a hit as its United Kingdom sales declined by 6 percent.

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For the 53 weeks ended March 30, Mulberry's global revenues were down 2 percent from the previous year. The brand's international business and its direct-operated retail channel saw growth, but it was impacted by House of Fraser's entrance into administration.

Going global

During the year, Mulberry's revenues totaled 166.3 million pounds, or about \$210 million.

Mulberry's wholesale revenues in the United Kingdom were down 27 percent, and its direct-operated retail sales in the market also declined 3 percent.

Part of Mulberry's wholesale decline came from transitioning franchises and partnerships into owned retail. For instance, its account with John Lewis was turned into a concession model in an effort to make up for the lost revenues from House of Fraser.

While international wholesale revenues were down 9 percent, Mulberry's direct-operated retail channels outside of the United Kingdom grew 22 percent, driven partly by pushes in Asia.

Mulberry is making moves in Asia. For its September runway show, the label opted out of London Fashion Week, and instead hosted a consumer-facing event in Seoul, which included a runway show and pop-up shop ([see story](#)).



Mulberry promoted its autumn/winter collection in Seoul. Image credit: Mulberry

While an outreach to South Korean consumers, the four-day project was also about engaging a younger, digitally driven generation. Through this initiative, Mulberry was able to reach millions of consumers around the globe, partly due to a chosen timing that fell outside any of the global fashion weeks.

As Mulberry expands its retail footprint in Asia, it retains its British DNA in the store design, leaning on its home country's cultural positioning with a mix of heritage and modernity ([see story](#)).

Digital sales grew 27 percent, and made up about one-fifth of Mulberry's total revenues.

Due to its transition to owned retail, Mulberry today generates about 90 percent of its total revenues from direct-operated channels.

As part of this strategy, the brand opened new stores in New York and Dubai last year.

In the past year, Mulberry has expanded into the eyewear category through a licensing deal with DeRigo.

"The group has delivered results in line with expectations and is making good progress in advancing its international strategy and direct to customer model whilst managing a challenging U.K. market," said Thierry Andretta, CEO of Mulberry, in a statement.

"We have established new subsidiaries in Japan and South Korea and introduced important digital partnerships in China," he said. "International and omnichannel sales, driven by our customer centric focus, are increasing as a result.

"Looking ahead, we anticipate that international and digital sales will continue to grow whilst U.K. retail trading conditions are expected to remain uncertain. The group plans to invest further in its new Asian entities during this development phase, enhance its global digital platform and optimize the U.K. network."

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