

APPAREL AND ACCESSORIES

As Europe locks down, are luxury supply chains ready?

November 5, 2020



A national lockdown in France has led to the closure of non-essential stores, including the Louis Vuitton boutique on Champs-Élysées. Image credit: Louis Vuitton

By SARAH RAMIREZ

As lockdowns steadily resume across Europe in an effort to combat rising numbers of coronavirus cases, luxury brands will face another set of challenges across the supply chain.

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The fall resurgence of the coronavirus and subsequent lockdowns comes with weeks left in the holiday shopping season, which has higher stakes than usual as brands hope to recover revenue losses from the spring. With in-store retail curtailed once again, luxury brands and retailers will have to apply lessons learned to successfully meet weary consumers' expectations and demands.

"Europe is a hub for luxury fashion and no doubt, with the lockdown measures coming into force across the continent, supply chains will be impacted," said Robert Lockyer, founder/CEO of [Delta Global](#), Leicester. "One positive, most brands would have faced and learned from the challenges of the first lockdowns earlier this year."

Lockdown impact

Pivotal luxury markets, including the United Kingdom, Italy and France, are now facing the strictest lockdowns since the spring.

Restrictions vary across regions and countries as governments hope to slow the spread of COVID-19, which has killed more than 1.2 million people across the globe according to [John Hopkins University](#).

"The impact of these new lockdowns on the luxury apparel supply chain will directly correlate to each country's restrictions on non-essential retail stores," said Meryam Schneider, vice president of marketing and partnerships at market researcher [Altiant](#), Paris.

European leaders are trying to ease concerns by vowing to evaluate the restrictions on a regular basis, in the hopes of lifting lockdowns before the holidays.

France's second nationwide lockdown began on Oct. 30. Non-essential businesses, including retail stores, are closed to the public but can continue offering delivery services and fulfill online orders.

In England, a four-week stay-at-home order went into effect on Nov. 5, during which people are only permitted to leave their homes for "essential" needs such as doctor visits and trips to the grocery store. The [BBC](#) reports that Prime Minister Boris Johnson has said he will not extend the order once it expires on Dec. 2.

Starting on Nov. 6, four Italian regions including Lombardy and its capital city, Milan will be placed under "red-zone" lockdown. Residents must stay home, except for work requirements or to shop for essentials.



Fendi boutique in Venice. Image courtesy of Fendi

Unlike this spring's lockdowns, factories in Italy and France are currently permitted to remain open. This may help alleviate stressors on supply chains.

"With countries all at different points of their COVID-19 battle, supply chain disruption is also to be expected, especially if points in the chain cross borders," Mr. Lockyer said. "Therefore, there is need for better monitoring and communication between suppliers, distributors and customers, through digital supply chain management practices.

"I think most brands have acted cautiously since the spring, with fewer fashion shows and commitments to less frequent collections being just some of the solutions to avoid facing similar overstock challenges in the future," he said.

Unique holiday shopping

Luxury shoppers are likely to continue making purchases online, particularly as the holidays approach.

"There may be an element of revenge spending, with some people looking to treat themselves or their loved ones after such a difficult year," Ms. Schneider said. "It is highly likely that digital shopping will come to the fore even more this year, with many shoppers unwilling or possibly not permitted to do so in-store."

Consumers will expect brands to be better prepared for the second round of lockdowns. Sudden closures of manufacturing sites and fulfillment centers in the spring led to long shipping delays for ecommerce orders ([see story](#)).

"While in-store shopping isn't an option in many European countries, there is a greater need for brands to focus on their online offerings to keep customers engaged," Mr. Lockyer said. "In luxury fashion in particular, the in-store experience is a large part of the purchasing decision.

"Therefore, brands must instill the same high-quality and personalized experience to online and remote channels of communication too," he said. "Particularly as this is now the second round of store closures and customers may well be deterred from returning again for some time."