

Soaring China demand boosted Tiffany's third-quarter sales

November 25, 2020



Tiffany & Co. reported a strong earnings growth in third-quarter 2020, helped by a resurgence of demand in China and ecommerce. Image credit: Shutterstock

By Chenyue Fu

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 [Save \\$246 ▶](#)

Tiffany & Co. on Nov. 24 released one of its last earnings reports before being taken over by French luxury conglomerate [LVMH](#).

The famed New York high-end jeweler reported net earnings of \$119 million in the third quarter, up from \$78.4 million in the same period a year ago. Sales rang in at \$1.01 billion, down just slightly from a year ago but still above analysts' [estimates](#) of \$972.5 million.

Moreover, Tiffany's comparable store sales in constant currency terms jumped 36 percent in the Asia-Pacific region, offsetting a 14 percent drop in the Americas, as well as a 9 percent drop in Europe and a 5 percent decline in Japan.

"Sales in mainland China continued to grow dramatically in the third quarter, increasing by over 70 percent, with comparable sales nearly doubling in that period as compared to the prior year," Tiffany CEO Alessandro Bogliolo said in a statement.

Back in June, Tiffany announced that [Jackson Yee](#), the popular Chinese singer, dancer and actor, would be the brand ambassador of its iconic Tiffany T collection.

As one of the top-tier Chinese male idols, Mr. Yee holds a huge influence among Chinese [millennials](#) and [Gen-Zers](#), with a whopping 84.6 million Weibo followers.

Tiffany's campaign post with Mr. Yee has garnered more than 1 million reposts and engagements. It is clear the effort of leveraging celebrity power has paid off for the luxury jeweler.

Aside from the strong support from Chinese buyers, the online channel also contributed to Tiffany's third-quarter sales.

The ongoing [COVID-19](#) crisis also forced the New York-based retailer to invest more in its online business and to introduce curbside pick-up at certain stores. This helped ecommerce sales surge 92 percent in the quarter.

While Tiffany shares plunged in September after the jewelry company said it planned to sue LVMH over stalling and then renegeing on its proposed \$16.2 billion takeover offer, the two companies finally cut a **new deal** last month, which is expected to be finalized in early 2021. LVMH will now pay \$15.8 billion for the largest U.S. luxury brand.

"We had a strong third quarter both in sales on a relative basis and terrific results in profitability on an absolute basis, which speaks volumes about the enduring strength of the Tiffany brand and gives us confidence as we enter the important holiday season," Mr. Bogliolo said.

Published with permission from [Jing Daily](#). Adapted for clarity and style.

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.