

APPAREL AND ACCESSORIES

Tapestry sees improvement in Q2 2021 as recovery continues

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Serena Williams for Stuart Weitzman. Image courtesy of Stuart Weitzman

By LUXURY DAILY NEWS SERVICE

U.S. fashion group Tapestry Inc. exceeded expectations during the second quarter of fiscal year 2021, with ecommerce seeing triple-digit growth.

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For the second quarter ended Dec. 26, revenue trends improved across all of Tapestry's brands: Coach, Kate Spade and Stuart Weitzman. While the group saw progress through its consumer data-focused acceleration program, net sales were down 7 percent from Q2 2021 for a total of \$1.69 billion.

"Our results significantly outpaced expectations driven by the successful execution of our acceleration program," said Joanne Crevoiserat, CEO of Tapestry, Inc., in a statement. "Our sharpened focus on the consumer-fueled new customer acquisition across all brands with notable sales gains in digital and China.

"As we enter the second half of our fiscal year, we are optimistic for the future in spite of the uncertain backdrop," she said. "We are listening closely to consumers and responding in real-time to changes in their values, shopping behaviors, and brand engagement."

Tapestry trends

With the growth of ecommerce, digital sales now account for about one-third of Tapestry's global sales. This includes nearly half of revenue in North America, where the group welcome more than 1.5 million new online shoppers.

In mainland China, the group saw revenue growth of 30 percent year-over-year. Third-party online distribution was key to Tapestry's success in the market, and it achieved record sales on Single's Day on Tmall's Luxury Pavilion.

Tapestry also increased its gross margin in part by having a more disciplined approach to promotional activity. British fashion label Burberry is also finding success with a similar approach ([see story](#)).



Coach was the most resilient brand in the Tapestry portfolio. Image credit: Coach

Apparel and leather goods house Coach showed the most resilience among Tapestry's brands, with a decline in net sales of 4 percent for a total of \$1.23 billion in the second quarter.

Kate Spade's quarterly net sales dropped 13 percent to \$376 million, while Stuart Weitzman's figures fell 27 percent to \$85 million.

For the second half of FY 2021, Tapestry will continue deployment of new data and analytics tools for data-driven decision making, optimize its retail footprint and add fulfillment capacity.

Reinforcing the group's emphasis on consumer data, Tapestry added two consumer brand veterans to its board with the appointments of Pam Lifford and Thomas Greco to the company's board of directors in December ([see story](#)).

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