

APPAREL AND ACCESSORIES

Will a Chanel handbag shortage only fuel demand?

December 9, 2021



2021 has been good to Chanel. There has been great demand for its handbags, causing inventory concerns, as well as three price increases in China. Will 2022 be as kind? Image credit: Shutterstock

By [Lisa Nan](#)

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

Chanel handbags are hard to come by or so it seems.

The maison's president of fashion, Bruno Pavlovsky, stated that Chanel has not put new quotas on selling in any country, claiming that the company had a very good year and simply did not have enough products to sell.

This comes after reports from Korean and Chinese media that stated Chanel had **limited the number of bags** that consumers could buy over a one-year period.

Despite the ongoing pandemic and the frequent price hikes, "the company enjoyed double-digit growth in each country with loyal customers, even if tourism was up and down," Mr. Pavlovsky said.

However, will the shortages in certain markets such as China only fuel stronger demand for the French brand and, with it, continued price increases?

The Jing Take: Chanel's president of fashion foresees a bright future for the maison's business, despite COVID-19 restrictions.

"2022 can be good from a business point of view, but very difficult from a day-to-day point of view as you are dependent on sanitary conditions," Mr. Pavlovsky said on a recent Zoom call. "It's a great unknown."

Yet, the ongoing pandemic may not be the only worrying factor for the company.

Chanel's frequent price increases three times in 2021 have been alarming to its local Chinese customers.

For example, the last price hike increased its Small Classic Flap bag to \$8,250, overtaking the Herms Kelly bag at \$8,000. As such, many netizens stated that they would be more than willing to purchase an iconic Kelly bag given the same amount of money.

This follows the hot C-drama show, *Nothing But Thirty*, where the show's main protagonist, Gu Jia, successfully

enters a high society circle thanks to an Herms bag. She was rejected earlier by the very same group when sporting a Chanel handbag. Clearly, Herms has greater social currency on this show.

Meanwhile, Chanel has also been embroiled in an online backlash over its limited-edition **Advent calendar**, which the company responded to in an interview: "This controversy is a bit of a shame because it was not what Chanel intended. Chanel thought it would please some of its customers by offering this type of product. Evidently, we see that you have to be careful and therefore, in future, we will certainly be much more cautious."

Still, the brand has lots of strong assets, like its most desirable signature pieces and the iconic figures of Coco Chanel and Karl Lagerfeld.

However, the shortage of products no matter what the cause might only fuel demand no matter the price. But if Chanel would like to build on its 2021 success in China and beyond, it would help to resolve its supply issues as well as keep its pricing in check or perhaps offer a lifetime warranty as Herms does to increase value.

*Published with permission from **Jing Daily**. Adapted for clarity and style.*

© 2021 Napean LLC. All rights reserved.

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