

## Press Release

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### **The Sales of the World's Top 100 Luxury Goods Companies Decreased to USD 212 billion**

- *The ranking is dominated by LVMH, which is well ahead of the pack with its sales of USD 22.4 billion*
- *Italy is the leader of the luxury goods market, attracting the highest number of brands*
- *France has the highest spending on luxury goods*

**Prague, 16 May 2017 – 100 largest luxury goods companies reported sales of USD 212 billion in the 2015 fiscal year (from July 2015 to June 2016), which is a year-on-year decrease of 4.5%. The average profit per firm dropped from USD 2.2 billion to 2.1 billion. The luxury goods market was influenced by unstable foreign exchange rates, which companies reflected in their goods prices. The prices continue to vary by countries; for example, in China luxury goods are 50% more expensive on average than in Italy and France according to the fourth annual Global Powers of Luxury Goods report issued by Deloitte.**

*"In the previous year, profits hit record levels. The total number increased substantially thanks to LVMH's extraordinary income from the sale of Hermès shares of USD 2.8 billion. Otherwise, the results for both years would have been nearly identical", says David Marek, the Chief Economist of Deloitte.*

*"After the referendum in the UK, the GBP/USD rate decreased by 18%. The brands responded by increasing their prices. In Russia, prices decreased by more than 11% after the appreciation of the Russian rouble", adds David Marek*

#### **In China, luxury goods cost half as much as in Europe**

Largely, the luxury goods market continues to be based on customers from developing markets, such as China, Russia or the United Arab Emirates. According to the survey, 70% of local citizens increased their spending on luxury products. On the developed markets, such as Japan, USA and EU member states, only 53% respondents claimed to have increased their spending.

Despite luxury goods market globalisation, the prices of the same products vary in different countries. If translated into USD, luxury goods cost 50% more on average in China than in Italy and France.

Almost half of luxury purchases are made by consumers who are travelling, which rises to 60% among tourists from emerging markets. This is caused not only by lower prices of luxury goods in destinations but also by a wider offering. However, given the political changes and terrorist attacks, the number of Chinese tourists in Europe and the USA has been decreasing.

### Technologies more and more intensely enter luxury goods

Despite the boom of e-commerce, 63% of luxury goods purchases are made in brick-and-mortar shops. However, even the luxury sector, which is based on a personal sale, must adjust to the requirements of today's customers.

*"Firms could soon start working with modern technological tools. We see potential for the luxury goods segment for example in artificial intelligence, virtual reality and 3D print", says Petr Viktora, Partner and Head of Deloitte Digital, and adds, "The question is how a customer would respond to, for example, a printed handbag. Some will certainly appreciate the waiting time being reduced from several years to several days but others may lack the hallmarks of originality vested in handwork".*

### Luxury consumers now want:

- More shopping channels: 39% are asking for home delivery
- More reward for their loyalty: 44% are expecting rewards through gifts
- More personalisation: 45% are asking for personalised products and services

*"Czech customers are among those who start to care about a brand's image and influence on society. They are predominantly interested in the brand's strategy in social responsibility and sustainable development", says Eva Usai Blumental, Brand & PR Director at Deloitte.*

### Top 10 luxury goods companies by sales

FY2015 Luxury goods sales ranking	FY2014 Luxury goods sales ranking	Company name	Selection of luxury brands	Country of origin	FY2015 Luxury goods sales (US\$m)	
1	↔	1	LVMH Moët Hennessy-Louis Vuitton SE	Louis Vuitton, Fendi, Bulgari, Loro Piana, Emilio Pucci, Acqua di Parma, Donna Karan, Loewe, Marc Jacobs, TAG Heuer, Benefit Cosmetics	France	22,431
2	↔	2	Compagnie Financière Richemont SA	Cartier, Van Cleef & Arpels, Montblanc, Jaeger-LeCoultre, Vacheron Constantin, IWC, Piaget, Chloé, Officine Panerai	Switzerland	12,232
3	↔	3	The Estée Lauder Companies Inc.	Estée Lauder, M.A.C., Aramis, Clinique, Aveda, Jo Malone; Licensed fragrance brands	US	11,262
4	↔	4	Luxottica Group SpA	Ray-Ban, Oakley, Vogue Eyewear, Persol, Oliver Peoples; Licensed eyewear brands	Italy	9,815
5	↑	6	Kering SA	Gucci, Bottega Veneta, Saint Laurent, Balenciaga, Brioni, Sergio Rossi, Pomellato, Girard-Perregaux, Ulysse Nardin	France	8,737
6	↓	5	The Swatch Group Ltd.	Omega, Longines, Breguet, Harry Winston, Rado, Blancpain; Licensed watch brands	Switzerland	8,508
7	↑	8	L'Oréal Luxe	Lancôme, Biotherm, Helena Rubinstein, Urban Decay, Kieh'l's; Licensed brands	France	8,031
8	↑	9	Ralph Lauren Corporation	Ralph Lauren, Polo Ralph Lauren, Purple Label, Double RL, Club Monaco	US	7,405
9	↓	7	Chow Tai Fook Jewellery Group Limited 周大福珠寶集團有限公司	Chow Tai Fook, Hearts on Fire	Hong Kong	7,295
10	↔	10	PVH Corp.	Calvin Klein, Tommy Hilfiger	US	6,292

Source: Deloitte

### About Global Powers of Luxury Goods report

The report examines and lists the 100 largest luxury goods companies globally, based on the consolidated sales of luxury goods in FY2015 (which we define as financial years ending within the 12 months to 30 June 2016). It also discusses the key trends shaping

the luxury market and provides a global economic outlook. US\$180 million is the minimum sales required to be on Top 100 list.

Download the ***Global Powers of Luxury Goods 2017*** report [here](#).

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