France leads world in Deloitte’s luxury groups ranking, ahead of USA, Switzerland, China

By Dominique Muret - 16 April 2019

French groups continue to dominate the luxury goods market, accounting for the largest share of revenue worldwide. The majority of the groups come from Italy, while Asian corporations are consolidating their positions. These were the main conclusions of the ‘Global Powers of Luxury Goods 2019’ report by auditing and consultancy firm Deloitte, which focused on the 100 leading luxury groups worldwide.
The report's 2019 edition ranked luxury groups based on their revenue for the 2017 financial year. The top 100 groups, active in the ready-to-wear, accessories, high jewellery, watch-making, cosmetics and perfumery sectors, generated a total aggregate revenue of $247 billion (just over €218 billion).

Combined sales grew 13.8% compared to 2016, when the growth rate was 14.2%. At constant exchange rates, sales growth was 10.8%, compared to 1% a year earlier. Notably, sales increased in 2017 for 76% of the top 100 groups, and the 10 leading groups in the ranking generated 48% of the ranking's total revenue.

LVMH - with 70 labels, among them Louis Vuitton, Christian Dior, Fendi and Celine - remained indisputably the number one luxury group worldwide with a revenue of $27.9 billion, followed by US group Estée Lauder ($13.6 billion) and Swiss group Richemont ($12.8 billion), the same three, in the same order, which headed Deloitte's ranking last year.

Looking more closely at the top 10, Kering ($12.1 billion) gained one position in the ranking, leapfrogging Luxottica ($10.3 billion) into fourth place, the Italian eyewear group now in fifth. Chanel ($9.6 billion) made its results public for the first time in 2018, and entered the ranking straight into sixth place, ahead of L'Oréal, the Swatch group, Chinese jewellery group Chow Tai Fook and PVH Corp. For the first time since Deloitte's ranking was first published, Ralph Lauren slipped out of the top 10, and now sits in 12th place.

France was the leading country in the ranking, home to seven groups which by themselves accounted for 23.5% of the total revenue of the 100 groups featured. On average, the groups recorded revenue of $8.28 billion each, up 18.7% compared to the previous year. In fact, two more groups should be added to the French contingent, as they are flying other flags for company law reasons: Chanel, whose holding company is based in London, and Interparfums, which is based in the USA. Instead, Christian Dior is no longer listed in the ranking, as it is part of the LVMH group. Clarins and Nuxe are also no longer listed separately.

Of the nine French groups ranked by Deloitte, and besides LVMH, Kering, Chanel and L'Oréal which featured in the top 10, Hermès was eleventh. The SMCP group (Sandro, Maje, Claudie Pierlot) was 50th, Longchamp was 58th, Interparfums was 60th and new entry Zadig & Voltaire was 78th.

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Italy, with 24 corporations, was the country with the most number of groups featured in the 2019 report’s ranking, though their average revenue was only $1.4 billion, equivalent to 14% of the ranking’s aggregate total. The Italian contingent was led by Luxottica, the only Italian group in the top 10, in fifth place, followed by Prada (21st) and Giorgio Armani (26th), the latter two both down two places from last year’s report.

Two Italian groups were instead listed among the top-20 fastest growing ones, with leather goods label Furla posting the highest growth rate among Italy’s 24 corporations, and sportswear label Moncler being the most profitable. The highest growth rate among the top 100 was recorded by Canadian brand Canada Goose, renowned for its parkas and down jackets, whose sales leapt by 46.4%.

Finally, China made inroads into the ranking, and was the fourth country by aggregate sales, behind France, the USA and Switzerland. The Asian giant had nine groups in Deloitte’s ranking, for an average revenue per company of $2.19 billion and posting a 13.8% combined growth rate, after three years of declining sales. Eight out of those nine groups are active in the jewellery sector.

China’s top two groups were the Chow Tai Fook Jewellery Group, in ninth place overall, overtaking PVH Corp. which is now tenth, and Lao Feng Xiang. These two accounted for two thirds of the sales of the nine Chinese groups listed, while Chow Tai Seng Jewellery recorded the highest growth rate at +31.1%.

By Dominique Muret
Translated by Nicola Mira

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