France Luxury market outlook Sept 2018

Luxury is a very complex thing. It's no longer a simple arms race between brands like Hermes, Louis Vuitton and Chanel. Even so, authenticity and tradition are still highly appreciated by luxury consumers around the world.

Fashion in France is more than fashion shows, glamor and pretty faces. It is an industry that generates huge revenues in traditional stores and now in online stores.

In France, the fashion industry has an annual turnover of 150 billion euros and employs one million people. According to a study by the French Institute of Fashion, the sector is more profitable than aeronautics or the automobile industry.

This is due to the large sector represented by fashion. Indeed, when we talk about fashion, we talk about a very wide universe, not only clothes, but also shoes, handbags, accessories, jewelry and perfumes.

It represents 1.7% of GDP. If we take into account that fashion also affects other sectors, such as chemistry and real estate, it reaches 2.7% of GDP.

It should be noted that the world of luxury, which has a more international dimension, represents a third of the fashion economy, and that it is very important because it is made in France.

French fashion is in very good health and over the last decade, despite the impact of the economic crisis.

French clothing exports have grown at an average rate of 5% per year.

One of the explanations is the strong demand from Asian countries for whom the purchasing power of certain sectors of society has skyrocketed.

The Asian continent is responsible apx 30% of the turnover recorded.

Fashion is sold mainly in China, Japan, Singapore, but also in the United States, which remains a major distribution center.

Fashion is exposed to the front page of the Paris fashion shows.

Fashion shows have the distinction of presenting the achievements of creators from around the world.

There, the cream of celebrities and models of the moment are combined.

However, during the runway weeks, trade shows and showrooms are held in parallel, where business is done.

The weight of the luxury market is growing in a complex geopolitical context where uncertainty sometimes increases.

Taking all nationalities into account, the 100 largest companies in the sector generated $ 217 billion in sales in a single year.

The 2018 Global Powers of Luxury Goods report, which shows the strengthened position of the European leaders in the sector, indicates that the ten largest luxury structures in the world have overcome the contraction that prevailed in the industry and that there has been a strengthening of the market.

LVMH, with more than 70 brands, is the world leader.

Bernard Arnault, director of LVMH, is the richest man in Europe and the fourth in the world. His fortune exceeds 73 billion euros.

The takeoff has been spectacular in the last two years, with 40 billion additional assets. With a past related to the world of construction,

Arnault was ahead of everyone.

By leaving this sector behind him, he has focused all his management efforts on the growth of LVMH since he became the majority shareholder in 1989.

Recently, the French company created the new investment fund LVMH Luxury Ventures to invest in newly created companies.

This new project aims to invest between two million euros and ten million euros to acquire minority percentages between 15% and 20% in start-ups, in the leather sector, watchmaking, jewelery, accessories, perfumes and cosmetics.

Recently, the group also invested close to £ 30 million in the Lyst fashion research platform.

It is gaining value and is ahead of the cosmetics group Estée Lauder, third in the rankings last year and this year has managed to overcome the all-powerful Richemont.

 It is important to highlight the empowerment of France in the context of the luxury market, since it has nine groups in the world rankings.

These nine French brands represent 24.3% of the total turnover of the sector.

In fifth place is the Kering Group, owner of Gucci, which continues to grow at double digits and ranks among the top 5 in the world, as well as brands such as Saint Laurent and Bottega Veneta, which are growing year by year.

Sixth place is occupied by the French company L'Oréal, which gains a place compared to the study of the previous year.

The French brand par excellence, Hermès, famous for its Birkin and Kelly bags, but also for its extraordinary silk handkerchiefs and leather accessories, is ranked 12th in the world, followed by Christian Dior Couture (26th), Clarins (32nd) , the SMCP group (Sandro, Maje, Claudie Pierlot, 52nd), Longchamp (57th) and Nuxe (94th).

Let’s say it loudly VIVE LA FRANCE…

May Innovation & Creativity brings more products to the consumers worldwide.

May this industry keep taking care of its talented people with ongoing focus on quality, environment and mankind….

May the profits generated keeps its shareholders wealthy & healthy.

Beauty is endless and Luxury is an endless adventure.