H&M sees stronger Q2, launches Ariana Grande collection

By Sandra Halliday  -  17 June 2019

H&M’s sales grew as expected in the three months to May 31 (the Swedish fashion retail giant’s Q2), with an impressive 11% rise to SEK57.47 billion ($6bn/€5.4bn/£4.8bn). In local currencies that was ‘only’ a 6% rise, but in the current retail environment, that’s a strong result.

The company, which has seen some ups and downs in recent periods, was understandably upbeat, although it acknowledged the tough times. It said that “the rapid changes in the fashion industry continue and we can see that our own transformation work is taking us in the right direction, although hard work and many challenges still remain. As customer satisfaction and sales increase, we have intensified our transformation work even further.”

In typical H&M fashion, and rather frustratingly, there was no other detail available, although we hope to hear more when the company releases its six-month report on June 27.

But it’s no surprise that the company appears to be on the recovery trail after some tougher periods in which meaningful sales growth was hard to come by. The company’s collections are getting stronger and it has needed to resort to fewer markdowns of late.

It has also continued its expansion programme with its latest news on that front a few weeks ago being that its 12-year-old COS brand will launch its first store in Slovakia within the Eurovea shopping mall in Bratislava, later this year.

The company has also been diving deep into collaboration collections from links with high-profile entertainment properties such as Stranger Things to groups adding a social good element to the business. Monki’s collab with Mental Health Europe last month came under that umbrella.

And the company has just unveiled a very high-profile collab collection, this time with Ariana Grande. The capsule collection comprises pieces linked closely to the singer’s work in muted tones with on-trend tie-dye prints.

Highlight pieces include a pink bodysuit featuring the lyrics from Thank U, Next, and a cream hoodie decorated...
Highlight pieces include a pink bodysuit featuring the lyrics from *Thank U, Next*, and a cream hoodie decorated with the cover of *Sweetener*, her fourth studio album.

Grande is continuing her world tour that kicked off in March and fashion collections linked to tours and album releases are becoming increasingly important, both to music stars and the fashion sector.

Taking product beyond the mere ‘tour merchandise’ concept, such collabs now have a much stronger fashion element. Only last week we heard that Taylor Swift and Stella McCartney are working together on a collection for Swift’s forthcoming album, and a few weeks ago, Guess unveiled a special collection and sponsorship deal for Jennifer Lopez’s latest tour.

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