2019: The year’s key moments

20 December 2019

2019 was dominated by the bankruptcies of many older brands, a growing concern for inclusivity, multiple executive changes and some major acquisitions – LVMH topping the list with Tiffany.

JANUARY

Dolce & Gabbana woes continue in China

In the 2018-19 financial year, Dolce & Gabbana's lost a quarter of sales in the Asia-Pacific region in the fallout from an advertising video branded as racist. It showed a young Chinese woman trying to eat typical Italian food, like a giant pizza or a huge Sicilian cannolo, with chopsticks. Dolce & Gabbana later issued a video apology, but this failed to silence the boycott appeals from China.

Classic German brands struggle, but Gerry Weber survives

German fashion companies Bree, René Lezard, Strenesse and Schuhpark Fascies were just some of the names that struggled with insolvency in 2019. However, international fashion retailer Gerry Weber, which filed for bankruptcy last January, did manage to survive. It was finally bought in July by Robus Capital and Whitebox, joined in December by J.P. Morgan, though its subsidiary Hallhubert was sold.

FEBRUARY
Gucci learns a ‘blackface’ lesson

Gucci, the locomotive of the Kering group, began the year badly with a controversy over a sweater that seemed to feature a racist ‘blackface’ design. In the weeks that followed, Gucci appointed Renée Tirado as head of diversity and launched an inclusion programme endowed with a $10 million budget.

MARCH

Tom Ford makes his first moves at CFDA
Tom Ford assumed the presidency of the Council of Fashion Designers of America, and immediately went into action with his new broom. In a bold movement for inclusion, he named four new board members – Carly Cushnie, Maria Cornejo, Kerby Jean-Raymond and Virgil Abloh. While in his first season in charge, a handful of designer stars decamped their shows in September from Manhattan to Brooklyn – Tory Burch, Michael Kors and Per Moss, while Tommy Hilfiger went north to Harlem to the legendary Apollo Theatre. But, ever independent, Ford has already taken his own show elsewhere – in the coming NYC runway season in January, Tom will instead show his own collection in Los Angeles, two days before the Oscars.

Galeries Lafayette unveils ‘department store of the future’ on Champs-Elysées in Paris

In March, the French department store inaugurated a 6,500 m2 showcase on the renowned Parisian avenue. Conceived like a fashion retail laboratory and designed to appeal to an international clientèle looking for the best in ready-to-wear, fashion accessories and beauty products. No shopping trip is now complete without a stop at GL on the Champs.
APRIL

Versace on a roll

It was a very busy year for Versace, with the completion of its €1.83 billion acquisition by Michael Kors, which was then renamed Capri Holdings. Nicolas Crespin began overseeing the Italian luxury label in April, though its experienced CEO Jonathan Ackroyd is still very much hands-on. Versace also launched into fine perfumery, and announced that its men's and women’s collections will be showing together in 2020. In the latest news before Christmas, Donatella is taking its Cruise show to the US in the spring.

Sonia Rykiel folds, but French businessmen buy label’s rights

After investing for many years to relaunch the Parisian label, its owner First Heritage Brands finally threw in the towel at the start of 2019. Having failed to find a buyer, the company founded by designer Sonia Rykiel in 1968 went into liquidation. The court put up for sale the rights to the Sonia Rykiel brand, and on December 17 two of
went into liquidation. The court put up for sale the rights to the Sonia Rykiel brand, and on December 17 two of Showroomprivé’s co-founders, French businessmen Eric and Michael Dayan, acquired the trademark rights for this “iconic name in French fashion.” The new owners insist they will relaunch the label in 2020.

Luxury groups compete to help Notre Dame

The dramatic images of Notre Dame cathedral in Paris being devoured by flames were broadcast worldwide in April, and the fire mobilised the leading French luxury groups. LVMH, Kering, L’Oréal and their owners’ families pledged donations ranging from €100 million to €200 million for the cathedral’s reconstruction. Though not without sparking a particularly French controversy about the relatively modest tax deductions they would be able to claim as a result.

SPRING/ SUMMER

New owners for The Kooples and De Fursac

Two noted French labels became part of major fashion groups: in March, The Kooples announced it was being bought by Swiss group Maus Frères (also the owner of Lacoste, Aigle and Gant). While menswear label De Fursac was bought by SMCP in June.

MAY

Rihanna crowned new queen of fashion by LVMH

A mere rumour earlier in the year, the ‘secret’ project concocted by Bernard Arnault’s luxury group with pop singer Rihanna was finally revealed in May with the launch of the first ready-to-wear and accessories collection by Fenty. It immediately became a new global luxury sensation.
Unquenchable Wolfgang Joop returns at 75 with Van Laack

Renowned German fashion designer Wolfgang Joop made quite a comeback in May by becoming creative director at shirt specialist Van Laack. In June, the first creations by the designer, who celebrated his 75th birthday this year, were on display at the Premium trade fair in Berlin, attracting large crowds.

JUNE

A Parisian adieu to Karl Lagerfeld

A score or more of designers; scores of editors and executives and hundreds of friends said adieu to Karl in mid-June in Paris at a unique memorial service to the designer who passed away in February. With readings and performances by Tilda Swinton, Cara Delevingne, Pharrell Williams and Fanny Ardant: some mellifluous playing by Lang Lang on a piano Karl had designed, and a blend of videos of Lagerfeld with his bon mots, multilingual putdowns and polished aphorisms. Helen Mirren even read a series of his pithiest puns, accompanied by violinist Charlie Siem, before the great couturier’s favorite final companion – his beloved Burmese cat Choupette forlornly toured the stage of Karl’s second home, the Grand Palais.
Hong Kong protests drive luxury brands out of the market

Mass protests for democracy in Hong Kong have badly affected luxury brands in the local market since they erupted this summer. Many global luxury brands were closed to force points of sale in Hong Kong, such as Prada and Cartier. Tourist traffic dropped 50% compared to the same period last year. Practically all local retail companies suffered sales declines. While brands that even inadvertently supported the call for political freedoms have been punished by the Communist party.

JULY

LVMH goes green with Stella McCartney’s acquisition

In July, one year after striking a deal with Kering to buy back her company, Stella McCartney stunned the industry by joining forces with its rival – the other French luxury giant, LVMH. The British designer and entrepreneur managed to bolster her company while remaining its majority shareholder, and she took on a new role as ‘personal adviser’ to Bernard Arnault on environmental issues.
AUGUST

Farfetch acquires New Guards

In August, luxury shopping platform Farfetch made waves when it announced that it would buy New Guards Group, the parent company of Off-White, Palm Angels, Heron Preston and County of Milan. The $675 million dollar deal, however, clearly displeased New Guards’ key asset, Off-White’s founder Virgil Abloh. One month later, he was a no-show at Off-White’s next défilé at the Pompidou Centre in Paris. Apparently, Abloh received no money as New Guards sold their license to Off-White and not his brand. Officially, Abloh announced that he was ‘slowing down’ on doctor’s orders. Hmm…

Barneys’ bankruptcy, retail’s saddest demise

After filing for its second bankruptcy in its 96-year history, Barneys New York was sold to Authentic Brands in November, marking the end of a golden retail era. However, as the liquidation commenced, Authentic Brands announced that Barneys’ flagship Madison Avenue store would remain open for at least another year.

Kering reveals a Fashion Pact

Led by François-Henri Pinault, in a mission given to him by Emmanuel Macron, Kering presented the innovative pact on August 26 at the G7 meeting held in Biarritz, France. Among its 30 or so signatories are corporations like Chanel, Adidas and the Mulliez group. The goal of the Fashion Pact is to curtail the impact of the fashion and luxury industries on climate, biodiversity and the oceans.
China’s Ellassay acquires IRO

In August, Chinese fashion group Ellassay acquired 100% control of French brand IRO. Expect the full acquisition to help IRO rapidly develop as a brand. It will also further advance the Ellassay group’s global fashion presence. It already controls Vivienne Tam and Laurél of Germany.

SEPTEMBER

Rihanna’s Savage x Fenty show in Brooklyn

Rihanna staged easily the most important runway show of the New York season, even if mobile phones were remarkably banned at the event in the Instagram era, even taking Suzy Menkes’ two phones away. A 40-minute meeting of Broadway show, hip hop call and response, performance art, street theater and a hyper inclusive lingerie défilé on women of multiple colours and complexions, shapes and sizes. Staged exclusively for Amazon Prime, the show catapulted Savage X Fenty into the lingerie stratosphere. Roll over Victoria’s Secret.
Demna Gvasalia leaves Vetements

In September, Georgia-born designer Demna Gvasalia announced his departure from Vetements, the brand he co-created with his brother Guram in 2014. The designer departed saying he felt that he had accomplished his mission "of a conceptualist and design innovator". After leaving the Zurich-based label, he will continue his role at Balenciaga. Next step for Vetements: a Friday Jan. 17 show in Paris menswear by an as-yet unidentified creative team.

Chinese politics create major fashion turbulence

Chinese politics have always been a touchy issue for brands, but in 2019 sensitivity soared to new levels. In August, a Versace T-shirt was brutally criticized on Chinese media. Why? For accidentally suggesting that Hong Kong and Macau were separate countries from China. In the fall-out, popular actress Yang Mi ended her contract with Versace. The same "mistake" was also found on a Coach T-shirt soon after. Paying the price, Tapestry, the group that controls Coach, fired its fall-guy Coach CEO Victor Luis in September. That still didn't prevent Chinese uber model Liu Wen, Coach’s brand ambassador, from severing her ties to the American brand.

OCTOBER

Gernot Lenz takes charge at Tom Tailor

It was an eventful October for Tom Tailor. Shortly after the announcement of a financing agreement with banks and majority shareholder Fosun, the struggling fashion company appointed former S.Oliver CEO Gernot Lenz at the head of Tom Tailor. He succeeded Heiko Schäfer, who left the company along with CFO Thomas Dressendörfer.

Claus-Dietrich Lahrs becomes CEO at S.Oliver

S.Oliver also announced a change at the top. Claus-Dietrich Lahrs took over the position as CEO from founder Bernd Freier, who had filled the role as CEO temporarily after the departure of Gernot Lenz. Freier retires from operational management, which could mean a new era for the brand. Especially under the leadership of the premium-oriented Lahrs, who comes from Bottega Veneta and previously worked for Louis Vuitton, Dior and Hugo Boss.
Alber Elbaz to return with Richemont

Alber is back, or about to be so. The greatly admired and acclaimed designer of Lanvin has a new job on the horizon. He will launch a new project in 2020 backed by Richemont, the world’s third largest luxury group. Not many details so far, but expect an almighty clamor for invitations.
Galliano gets a vote of confidence

Renzo Rosso’s OTB decided to renew the contract with John Galliano as creative director of Maison Margiela. Since his arrival in 2014, Galliano has garnered real critical acclaim for his avant-garde approach to making Margiela “the coolest cutting-edge couture house.” And the commercial results back him up: the house has doubled its turnover under his direction.
LVMH group buys Tiffany

The French luxury goods giant struck big, buying the US jewellery brand for the record sum of $16 billion (approximately €14.7 billion). It was the most significant acquisition in the history of LVMH, celebrated by Bernard Arnault by quipping that “an American icon has become a little bit French.”

Victoria’s Secret scandal

After Les Wexner, CEO of Victoria's Secret parent company L Brands, was publicly connected to convicted sex offender Jeffrey Epstein, contempt for the lingerie brand accelerated. It had already been badly hurt when L Brands CMO Ed Razek was lambasted for his controversial comments about transgender and plus-sized models. Evidently, some CEOs have a tin ear for #MeToo and female empowerment. And in further bad news, Victoria's Secret cancelled its giant 2019 runway show after 24 years.

Kylie Jenner sells her brand for over half a billion dollars

On November 18, US cosmetics group Coty forked out $600 million to take control of Kylie Cosmetics, the make-up brand founded by Kylie Jenner. Coty, also the owner of Bourjois and Calvin Klein perfumes, acquired a 51% stake in the company which, four years after its creation, was valued at $1.2 billion, making Kylie Jenner the world's youngest billionaire.
Singles’ Day breaks new records

Since 2009, Alibaba/ Tmall Singles' Day has become a major commercial festival. Many have forgotten the origins of this shopping festival, yet new sales record are created every year. In November 2019, with a 26% rise, Singles’ Day catapulted to 268 billion Chinese yuan – or roughly €34 billion. No wonder it influences so much of e-commerce, from JD.com to Amazon.

DECEMBER

Qataris changing sheiks at Valentino and Balmain

The Qatari royal family, owners of Valentino and Balmain, have been on the move at these two houses. In Paris, the house of Balmain saw its CEO Massimo Piombini depart for Diesel to be replaced by Jean-Jacques Guével. While in Rome, rumours abound that Jacopo Venturini will replace Stefano Sassi. The departure of its managing director for global markets, Sebastian Suhl, has already been announced for January.
Galeria Kaufhof merges with Karstadt

A new name and a new logo for the department store giant, Galeria Karstadt Kaufhof, that emerged after HBC and Signa completed the fusion of Galeria Kaufhof and Karstadt. In June, Austria’s Signa became the sole owner, while the legal merger of both companies took place in November. In December, it acquired sports retailer SportScheck from the Otto Group in an effort to further expand in that segment.

Tory election victory: fashion braces for Brexit

The Queen might have looked resplendent at the new parliament, but the idea of Brexit doesn’t shine as brightly in the fashion community. Brexit’s cost to fashion so far? Certainly millions, perhaps even billions. It’s hard to call as Brexit still hasn’t happened. Yes, the pound’s plunge boosted luxury tourist spend, but it dented exports. Yet the biggest cost has been lost sales to cautious consumers and three years of businesses reining in investment plans. Expect an exodus of European students from London’s famed fashion colleges facing a doubling of their fees. A fashion brain-drain will begin almost overnight.