

# MUST READ: HOW HERMÈS BUILT A \$6 BILLION BUSINESS WITHOUT A MARKETING DEPARTMENT, H&M REPORTS A 19 PERCENT FALL IN QUARTERLY PROFITS

Plus, the history of beat-up and distressed clothing.

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## **How Hermès built a \$6 billion business without a marketing department**

[Hermès](#) has built a \$6 billion business, but it doesn't have a marketing department. Instead, the French luxury giant employs a communications team to manage press and media buying and a creative team to conceive seasonal campaigns. It also holds various pop-ups — often open to the public — designed to position Hermès as an inclusive, playful brand with whimsically patterned \$160 scarves, rather than a stiff, snobby company that sells five-figure [Birkin](#) bags. {[Business of Fashion](#)}

## **H&M reports a 19 percent fall in quarterly profits**

[H&M](#) reported a 19 percent drop in third-quarter profits as its new logistics team suffered complications and as inventories of unsold stock grew. The Swedish retailer also declared a 4 percent increase in sales over the quarter, which it attributed to the company's transitional efforts. {[WWD](#)}

## **The history of beat-up and distressed clothing**

[Golden Goose](#)'s latest beat-up shoe is held together by duct tape and comes with a \$535 price tag. The now-sold-out kicks have become a trending topic on Twitter, with many users questioning why any person would spend more than \$5 on dirtied, battered sneakers. But all things considered, people have been dropping large wads of cash on distressed clothing and footwear for decades. In a new piece for *The Daily Beast*, [Alaina Demopoulos](#) explores the historical popularity of distressed fashion. {[The Daily Beast](#)}

## **Is ASOS trying to become the most ethical high-street brand?**

[ASOS](#) has released a series of initiatives that demonstrate its commitment to inclusivity and sustainability. So far in 2018, the retailer has come out with a second collaboration with LGBTQ+ charity GLAAD, added paralympian Chloe Ball-Hopkins to its design team for a special project, turned its cut-offs into sanitary pads for women in Africa, launched a sustainable fashion training program and pledged to ban the sale of mohair, silk, cashmere and feathers across its site. And on Thursday, ASOS hosted an ethical conference in London to discuss worker rights, purchasing practices, transparency, circularity and raw materials. {[Vogue UK](#)}

### **Which brands will follow in Versace's footsteps and sell next?**

[Donatella Versace](#) was the first, perhaps among many, to agree to sell her family's company for [\\$2.1 billion to Michael Kors Holding](#), after coming to the conclusion that it's hard to fly solo in luxury today. Analysts at HSBC have pointed to the likes of [Armani](#), [Max Mara](#), Ermenegildo Zegna, [Dolce & Gabbana](#), [Tory Burch](#), [Longchamp](#) and [Furla](#) as other currently family or designer-owned brands that would be strategic fits for multibrand umbrella companies. {[WWD](#)}

### **Birkenstock wants to grow its presence among the fashion crowd**

The fashion industry has had an on-and-off obsession with [Birkenstocks](#), but after having its sandals appear on various runways recently, the 244-year-old company is looking to grow its presence among the fashion crowd. To that aim, Birkenstock is expanding its retail presence in the U.S. and China; the brand's first U.S. store is set to open Oct. 1 in SoHo, and later on in the year, it will launch an online shop, specializing in a new luxury line and designer collaborations. {[Business of Fashion](#)}

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