

AÉROPOSTALE

MARKET

Aeropostale is about casual American preppy clothing and principally targets teens as well as youth. The brand is one of the leaders in the casual teen segment.

In the medium term, over the next five years, the brand will double its retail footprint while increasing its turnover triple fold. The brand will also continue to expand its retail footprint in geographical region within the GCC initially and MENA region on a longer term basis. While they continue to expand the focus will remain on increasing productivity of the stores by driving double digit comparable sales growth. Aeropostale's goal is clear "Drive profitable sales growth."

ACHIEVEMENTS

Aeropostale has been the recipient of many awards and accolades over the years and in the Middle East region they have achieved:

2013 - Retail ME award "Most Admired Retailer International Retailer of Year"

2014 - Retail ME award "Most Admired Retailer in the category Fast Fashion"

2015 - Awarded Superbrand status.

The international expansion of Aeropostale started from Dubai, the first store was opened in 2009.

HISTORY

In the early twentieth century, Compagnie Generale Aéropostale, a pioneer airmail company, was the first ever to fly between France, South Africa, and South America – a most spectacular achievement for its day. Since their first store opened its doors, in 1987, Aéropostale continues to represent the same spirit of adventure, attainment and dedication. In less than five years sales have been more than doubled on top a billion dollar base. Aeropostale also have the most highly productive stores in the teen sector, outselling more units than any of their competitors. Aeropostale have delivered a rich history of strong growth because they have an undeniable and relentless drive to succeed.

In the UAE, the brand started in 2009 and has grown rapidly across the GCC over the last few years. The key initial challenge was to drive logistic efficiencies to keep costs at the desired

level. As the brand sources its product from all across the world, it was a logistical challenge to coordinate with vendors across the world and bring in products as the volume was not high at the initial stage.

Over the last few years the brand has grown to become a dominant player in the casual teen segment in the GCC market. They have just grown with a three pronged strategy – expand the retail footprint (currently 28 stores), expand into new geographical regions (UAE, KSA, Bahrain, Oman and Qatar) as well as drive store productivity by consistently driving double digit comparable sales growth.



PRODUCT

Aéropostale provides customers with a focused selection of high-quality, active-oriented merchandise at compelling values. The store carries both men's and women's apparel and a full range of accessories. Aéropostale follows the four seasons for the launch of each new collection. In each season, their floor set updates several times in order to keep customers' interest and bring them back to the store. In 2012 Aéropostale moved to a new strategy and reduced its core basics assortment by more than one-fifth and added on-trend fashions such as floral printed or neon-coloured pants, denim vests, chiffon, sheer tops and much more. The new collections will be more fashion forward, which will satisfy Middle Eastern customers.

The Brand has a strong lifestyle presentation across the store and is a destination promotional specialty store - the best combination of fashion and value - and this is reflected in the way they merchandise the store.



RECENT DEVELOPMENTS

The brand will be launching a small collection across certain categories for the GCC region. This is specially designed keeping in mind GCC fashions and local tastes while keeping the brand essence intact.

Last year Aeropostale opened five stores, five in Saudi Arabia one in Oman and one more in the UAE and this year they opened Olaya street in Riyadh with a new store concept. Aeropostale will be opening another store in the UAE in early February.

The Brand has recently signed a franchisee agreement with the principal to launch Aero Kids children's wear in the GCC region.

PROMOTION

Aeropostale are using 360 degree campaigns, constantly reminding customers about the brand, and are working closely with the print media publications: Cosmopolitan, Ahlan English, Ahlan Arabic, Ahlan Masala, Fact Abu Dhabi, Khaleej Times, Al Khaleej to name a few. Working with the radio stations: Virgin Radio, Al Arabia, Star FM Aeropostale keep producing extensive digital campaigns and are presented on Facebook and

Instagram with over 75,000 followers.

The Aeropostale concept is designed in such a way that they always have exiting offers in the stores.

Aeropostale is part of Club Apparel loyalty programme and is actively involved in all the activities Club Apparel is organising.

BRAND VALUES

For Aeropostale it all begins with their product. It's their most important focus. Aeropostale product development teams have a keen eye on emerging trends, and know exactly when to maximise trends at their peak.

They use great fabrics, with particular attention to details and new techniques. Their colours are bright and playful, with a layer of neutrals for the optimal balance.

They strike the perfect balance between fashion and basics, to meet their customers' dynamic lifestyle. This is Aéropostale today.

Aéropostale, Inc (NYSE: ARO) has creative and design control over all marketing and instore materials in order to ensure that the Aéropostale seasonal branding and messages, as well as the store elements are consistent across the globe. Following the guidelines, Apparel Group ensures that Aéropostale is instantly recognised in the Middle East.

The brand has the minimum number of suppliers/vendors for its production of merchandise. These suppliers have the best state of the art manufacturing facilities and have undergone stringent vendor compliance tests. The limited number of vendors also helps to tighten brand control over quality from the vendors. All products pass international testing norms, both in terms of raw materials used as well as the finished products.



Things you didn't know about AEROPOSTALE

- **Challenge** - Today's teens are accustomed to constantly-rotating wardrobes from cheap fast-fashion brands which are taking their inspiration directly from the runway. Customers are no longer interested in the logo associated merchandise, consequently Aeropostale is going through lot of changes, investing more on new trends and fast fashion.
- **How are we fighting it** - Globally, Aeropostale took action in the merchandise updates collaborating with teens' celebrities making special lines as well as adding new brands into their portfolio. Here in the GCC the brand is strong in topwear, especially in the knitted segment but now they are bringing merchandise for more fashion minded customers, and are hopeful that customers will respond positively for the change. Aeropostale's partnership with the parent Brand is having a great working relationship and understanding their needs in terms of developing an exclusive merchandise range.