Amery Capital

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Kookaï to move into online as part of brand expansion

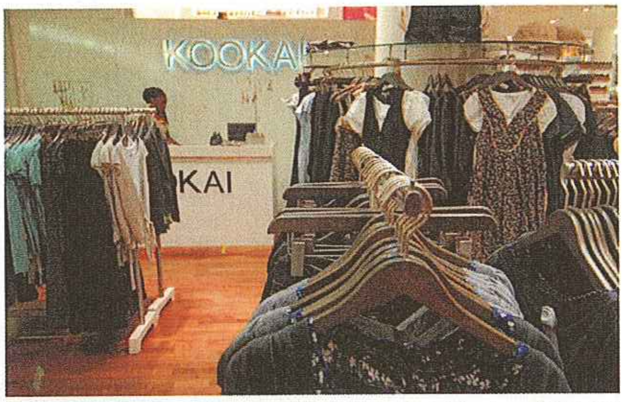
By Amy Shields

Fashion retailer Kookaï will forge strategic alliances with online retailers in an effort to extend its brand presence, as it is poised to announce its return to profitability this year.

Kookaï – which was rescued from administration in January 2006 by Amery Capital, the investment vehicle backed by entrepreneurs Maurice Helfgott and the Bennett brothers – has chosen Asos for its first partner. Its spring/summer collection will go online in April. It will also launch its own transactional web site in autumn.

Kookaï UK managing director Guy Critchlow said the move will increase the retailer's exposure to the market and he expected Kookaï to return to profit this year, which also marks the retailer's 25th anniversary in the UK.

Kookaï delivered a strong performance over Christmas and recorded a 9 per cent hike in like-for-like sales in the eight weeks to January 10.



Online help: it is hoped the move will help return the retailer to profit this year

Kookaï, which is owned as part of a joint venture between Amery Capital and French partner Kookaï SA, will also introduce an own-label footwear range next year and is exploring opportunities to expand via licences operated by Kookaï SA's parent, French footwear and clothing distributor Vivarte.

The retailer will expand its bricks-and-mortar presence this year via concessions. It has nine standalone stores in the UK and 41 concessions in department stores, including Debenhams, Selfridges and House of Fraser. It will open six concessions this year.

Critchlow said that concessions allow the retailer to extend its brand recognition rapidly in areas where it is unrepresented and will focus on this type of expansion before considering further standalone stores.

In January 2006, Kookaï SA chose not to renew its licence with UK partner Forminster, which led to the administration of subsidiary Adjustbetter.