

aturday,
ebruary 25, 2006

BUSINESS EXPRESS

US apparel chain eyeing Indian market

Mumbai, Feb 24: America's fastest-growing apparel retail chain Steve & Barry's university sportswear is contemplating entry into the Indian market.

Plans for the foray are, however, still on the drawing-board stage and details are likely to be finalised only by the middle of this year. For Steve & Barry's which started operations in 1985, this will be its first overseas foray.

The US apparel retail major will enter into a joint venture with its affiliate company, 4004 Incorporated India, in which it holds a majority stake, whenever the decision to enter the Indian market is taken, disclosed Steve & Barry's vice president and 4004 Incorporated India managing director Avi Sonpal.

4004 Incorporated India is the sole procurement and retail solutions provider to Steve & Barry's with operations in India, China, Pakistan and Jordan.

Steve & Barry's, which sells low-priced apparels like T-shirts, jackets and personal accessories, now has 128 stores with a sales of 100 million units per annum across the US with plans to ramp up the store network to 226 by end-2006. Sonpal said the retail explosion in India coupled with other favourable factors such as a growing middle-class and a large segment of population with a surplus, disposable income with a penchant for spending on clothing and personal accessories are the main influencing factors for this proposed foray.

"Given the high-quality of Steve & Barry's products coupled with its low-pricing (the maximum price of a S&B product is \$9.98), we should have no difficulty in penetrating the Indian market," he asserted.

"However, besides the expressed intent to enter the Indian market, the strategic planning underlying this move is still in the very preliminary stages," he said, adding that "the financials will be disclosed after deciding on the proposed foray." Steve & Barry's, which caters to a customer segment ranging from children to 80-year-olds, will be eyeing the same segment in India as well, Sonpal revealed, adding that "it is the budget customer who comprises our largest segment."

4004 Incorporated India which is the sole global procurer for Steve & Barry's, presently supplies 35 percent of the American major's requirements from India—mostly knits, accessories and other usables such as furniture and flooring materials, light-fittings, hangers and cleaning equipment. "More than 50 percent of our procurement is done from Tirupur, Coimbatore and Bangalore," he said.

Other buying centres are China, Sri Lanka, the Middle-East and Africa. "We have deliberately put in place a distributed procurement base as it reduces the risk of dependence on only one country for our requirements. Besides, it also ensures enhanced cost-effectiveness," Sonpal said. •UNI