

Calida's Expansion Strategy: from Underwear to Swim-/Beachwear, now Women's Wear

CALIDA BODYWEAR The Calida AG (www.calida.com), Sursee / Switzerland is presenting themselves as a successful example for a felicitous diversification; they are one of the internationally leading companies of luxury lingerie and high-quality day- and night wear and is represented in about 70 countries. The enterprise, founded in 1941 by Max Kellenberger and Hans Joachim Palmers, has now expanded their product offer and provides starting August also women's wear. The small premium-knitting collection consists of diverse sweaters, a variation of cardigans and different basic-shirts. Accessories like scarves round off the choice of products.



The component parts are mostly comprised of natural fibers. The collection fall/winter is on offer now in selected Calida Stores in Switzerland and Germany as well as in the official Calida Online Store.

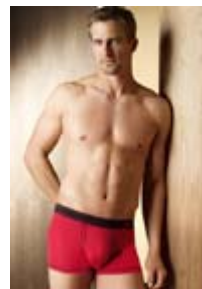


Initially they produced only high-quality day- and night wear for men, women and kids. In 2005 they bought the French Lingerie-brand "Aubade". Three years ago, the swimwear-collection was introduced successfully, and then complemented in the current season with beachwear.

The Calida-press team explained to Textination that the future strategic direction will include the extension of their own areas and expansion of the product segment. Basis for that offers the positive first semester 2010, where the Calida-Group could show growth

and profit with both brands "Calida Bodywear" and "Aubade Lingerie de Femme".

Worldwide there are already more than 450 Calida Stores and exclusive spaces including Franchise with 2,800 retailers. They are supplying leading department store groups like



Coop City, Globus, Loeb, Jelmole, Manor – all Switzerland. Further renowned buyers are Kaufhof, the French department stores Galeries Lafayette, Printemps and Le Globe, Inno (Belgium), NK

(Sweden), Magasins du Nord (Danmark), Estelle Adony (Russia), Takashimaya (Japan and USA) as well as Isetan (Japan). In Switzerland, Germany, France and Luxemburg there are about 120 Calida stores. You can encounter Aubade Stores not only in France; a short time ago the second boutique opened in Switzerland in Geneva. Currently exist here 32 stores. Characteristic values of Calida are quality, naturalness and comfort. This means also that mostly natural materials are used.

The Calida AG came in 2009 up with a sales of 150.44 Mill CHF and employs worldwide 700 workers. The products are in the middle- to premium segment. Purchasers are Calida stores, franchise partners, the retail trade and leading concerns. With the Calida



Online-Shop they are online since September 2009. The web-entrance means for the enterprise a service for the customers and an addition to the existing channels of distribution. "We see the online-shop as natural service

which is part of the offer of a professional brand performance nowadays“. The main sales focus, however, is still in the shop-area and the traditional channels of distribution, since ”with us the majority of sales occurs over the soft touch and feeling“.

In July they were exhibiting at the fair “5 Elements“ in Berlin. Each year in January you can find Calida at the ”Salon International de la Lingerie“ in Paris.

They are producing in Europe with 67%, which is above the branch average. In the production in Hungary around 350 Calida-workers are employed. The greatest part of the added value in



the total of the product development goes on in Switzerland, e.g. design material development, cutting technique, quality management, all the technological specifications etc. are directly supervised, developed and provided from Sursee.

Also the purchasing of material in the European region is with 63% very high. This is due to the fact that the very high quality requirements of Calida can be covered very well in Europe. Some of their European partners develop



fabrics and yarns explicitly for the company, for that great know-how, innovation, short communication paths and a long-term partnership are needed.

Concerning the price development they said: ”Thanks to contingents we have a lead time. However, it is possible that we have to raise prices since we do not want to cut back on quality and to protect the margin. We expect for the coming years a big cost pressure in the branch. This

demands negotiating skills from us and a balanced purchasing, which is only possible with our own production to back us up.“

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