



Boohoo's brand boom

The fashion retailer's newly purchased brands – Pretty Little Thing and Nasty Gal – have helped to double its top line in six months.

Becky Waller-Davies asks, how big they can get?

Last week was Boohoo's first update that included a full set of figures from its acquisitions of Pretty Little Thing (PLT) in January and Nasty Gal in March.

Those investments seemed to pay off, with Boohoo's sales doubling in the six months to August 31.

So how responsible are its new brands for growth – and how much more is to come?

Pretty Little Thing Performance

Sales at the millennial-focused brand, established by Boohoo co-founder Mahmud Kamani's sons Adam and Umar in 2012, shot up an astonishing 289% to £72.2m in its half year, with gross margin healthy at 54.8%.

International sales were particularly rosy: they were a staggering seven times higher than in the first half of last year.

Current activity

Boohoo joint chief executive Carol Kane told Retail Week that she believed that growth was "mainly down to momentum", but picked out marketing as one area that the brand had "executed very well".

PLT has indeed harnessed the effect of the ultimate influencers – the Kardashians. Its tie-up with Kylie Jenner helped it boost its Instagram following to almost two million (up 35% in six months) which has tangible business benefits.

This LA focus and sunny aesthetic is twinned with its work with UK-based influencers such as *Love Island* finalist Olivia Attwood, whom PLT quickly signed after the conclusion of the hit show.

"We are always looking at who's on TV and



Nasty Gal

tapping into that," says Kane. "We have influencers on both sides of the pond."

Future plans

PLT is taking advantage of its international popularity by adding country-specific websites – it now has eight – and improved delivery times in territories such as the US and Australia. It has also launched an app in the US.

It is now focusing on establishing new tech, including building returns portals for international territories and investing in personalisation, which it believes will lead to higher conversion rates.

Verdict

PLT's stratospheric revenues over the past six months show the potential of combining the much-hyped brand with Boohoo's established infrastructure.

PLT's potential weak spot is the slew of millennial-focused retailers coming up behind it, but its LA-on-steroids aesthetic, and influencer marketing should keep those wolves from the door.

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Nasty Gal Performance

Boohoo's acquisition of clothing retailer Nasty Gal's intellectual property (IP) in February was a shrewd move. Nasty Gal has significant cachet in the US despite its bankruptcy, with founder Sophia Amoruso enough of a personality to have merited a Netflix drama about setting up the business. The brand is by far the most fashion forward of Boohoo's stable. Revenue exceeded projections and came in at £8.4m for the last six months.

Current activity

Kane, who is also Nasty Gal chief executive, is focused on the brand's two core markets – the US and UK. She is making sure Nasty Gal is still front of mind for US consumers while boosting its appeal in the UK with outdoor ad campaigns.

Nasty Gal also has an additional four country-specific sites, with Canada and Ireland added in the first half of the year.

Future plans

When Boohoo acquired Nasty Gal's IP in March, it had to design and manufacture new stock, creating a comprehensive range from scratch.

It expects its marketing campaigns and product range to fuel sales growth, but is not pouring the same resources in as with PLT.

Verdict

Nasty Gal is a much smaller part of the Boohoo group and, if its leadership team is anything to go by, is not expected to achieve rapid growth. Kane's role shows that Boohoo believes that Nasty Gal needs close supervision. That said, its vintage-inspired style provides a point of difference in today's fashion landscape. **rw**