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- Retailer Woolworths has added Levi's to its offering.
- It hopes new offerings will boost its weak fashion sales.

Retailer Woolworths now sells Levi's and plans to introduce more guest brands as part of its efforts to overhaul its fashion business, which has consistently underperformed in recent years.

The introduction of Levi's is the latest addition to its product offering. It comes almost a year after the retailer brought in German sandal brand Birkenstock to boost its weak fashion sales.

Delivering the company's full-year results, Roy Bagattini, who took the reins at Woolworths almost 18 months ago, said the retailer was looking at streamlining its private-label offering to provide a more simplified shopping experience for its shoppers.

"We are refining our product offering by reducing the proliferation in private label brands, colour, and styles. We're also selectively introducing guest brands that authenticate specific categories, such as Sunglass Hut, Birkenstock, and Levi's," Bagattini said on Thursday.

While the retailer has enjoyed stellar growth in its food business, its fashion, home, and beauty division has suffered many woes over the years, including committing fashion mistakes and losing its grip on its core customer.

During the past four years, the fashion business has not grown sales beyond 4%. For the 2021 financial year, the division grew sales by only 3.5%.

### Going back to basics

Bagattini said that the key to unlocking value for the retailer was returning to the basic principles of apparel retailing and said Woolworths now had a granular understanding of its customer.

In addition to bringing in third-party brands, the company is also refreshing its products to appeal to its primary shoppers, which it has identified as the savvy and trendspotter customers.

The savvy customer, Bagattini said, values quality and well-cut, well-made clothing that embodies an understated style. In contrast, the trendspotter values quality basics and essential items that are still stylishly bold, unique, and on-trend.

"These target customer segments also overlap with a common need for quality basics, essentials, and convenience. This is, in fact, who we are and what we stand for," he said.

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"We are anchored in our wardrobe essentials, everyday gear for the family, and what we call our beautiful basics, which is our main proposition."

He added that shoppers would begin to see these changes during the upcoming spring/summer assortment with full implementation by next year's autumn/ winter season.

In previous years, Woolworths' underperformance in the fashion business was blamed on a product offering that has been overloaded with its private-label fashion brands, some of which lacked appeal.

Now the retailer has also made its colour palettes less complicated, cutting them from 48 individual colour palettes per season to only six complementary palettes, said Bagattini.

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