

TFSA Investors: 1 High-Growth Canadian Fashion Powerhouse

### Description

**Aritzia** (TSX:ATZ) is an <u>innovative design house</u> of exclusive fashion brands that offers a strategic mix of exclusive brands that have been created and developed by the company. A key area of differentiation for it is that the company designs apparel and accessories for the company's collection of exclusive brands. Aritzia's multi-brand strategy gives it control over products and provides it with the flexibility to optimize the company's brand mix as needed to address changes in consumer demand and fashion preferences, which has been critical to the company's growth while also reducing risk.

Each of the company's exclusive brands has a vision and distinct aesthetic point of view. Aritzia's exclusive brands are supported by in-house design teams focused on creating beautiful and quality products. The company's portfolio of exclusive brands enables it to appeal to clients, producing strong and enduring client loyalty.

# **High-quality brands**

The company's exclusive brands currently represent over 96% of Aritzia's net revenue. All of the company's products are high-quality fabrics with superior fit. Aritzia's broad product assortment includes t-shirts, blouses, sweaters, jackets, coats, pants, skirts, dresses, denim, intimates, and accessories for each season. The company maintains a flexible mix of historically successful items and new fashion styles.

The company's changing product mix is a blended reflection of client demands and fashion trends. This strategic mix helps it to drive client conversion while still generating a meaningful proportion of revenue from the company's fashion essentials. Aritzia's complements an exclusive product mix with a strategically chosen selection of premium denim, apparel, accessories and footwear from leading contemporary third-party brands.

# Robust product strategy

Aritzia's controls the design, merchandise planning, sourcing, production and retail functions of the

company's exclusive brands and complements this with third-party brands as appropriate. This strategy allows it to ensure that it has the right product at the right price. Product design and quality are meticulously evaluated and controlled by the company.

# **Creative development**

The company has talented teams of in-house designers who focus on creating products featuring high-quality fabrics, considered detailing, sophisticated construction, and superior fit. Aritzia's product design and development process builds on proven sellers while taking new fashion trends into account. Aritzia's in-house technical team ensures all products are executed in a manner that is consistent with the company's design.

Computer-aided design systems are used by the company to develop patterns, and sample garments are fit-tested before production to ensure accuracy. This ensures that the quality of raw materials and the finished product are all held to the company's high standards and the expectations of clients.

# Diligent merchandise planning

Aritzia's demand-driven merchandise planning, buying and inventory strategies have been developed and refined for more than three decades. Each year, the company develops merchandise in two or four seasonal collections for the company's exclusive brands. Aritzia's generates a meaningful proportion of revenue from our proven sellers, while driving client demand through new product assortment.

In short, Aritzia's expansive and diverse range of women's fashion apparel and accessories addresses a broad range of style preferences and lifestyle requirements for women of all ages.

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Date 2025/08/26 Date Created 2021/04/12 Author nikhilwaterloo

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