

Case Study on:



Ruban D'Honneur Recipient

European Business Awards 2011

The Infosys Business of the Year Award
(T/O 26-150 Million Euros)
Mavi



Mavi

Introducing Turkish Jeans to the Global Marketplace

Words from the Judges

“With rapid international expansion, Mavi is Turkey’s first truly global fashion brand.”



Turkey’s leading jeans retailer, Mavi is a well-deserved recipient of the European Business Awards Ruban D’Honneur for the Infosys Business of the Year Award (T/0 26-150 million Euros). The accolade has been given in recognition of the fact that Mavi has rapidly expanded its international distribution and has doubled in size since 2008.

Mavi is the first Turkish fashion brand to make a name for itself internationally. Over the last three years it has consolidated itself as a global retailer and is experiencing solid growth despite the global economic downturn. While other retailers are struggling, Mavi saw an impressive 40 percent growth rate during 2010 with sales topping €138 million. Within Turkey itself, Mavi’s denim sales rose from around one million pairs in 2008 to over two million in 2010. During 2011, Mavi is on track to meet its target of selling over three million pairs of jeans in Turkey alone.

Founded in Istanbul in 1991, Mavi’s 20-year history has mirrored Turkey’s rapid transition from a closed, largely Third World, manufacturing economy into the dynamic regional economic powerhouse it is today. Mavi is proof positive that Turkey is able to produce its own global brands. Mavi jeans are sold at over 4000 global sales points across 280 different stores in 50 countries, including flagship stores in New York, Vancouver, Montreal, Berlin, Frankfurt and Dusseldorf as well as Istanbul.

“Our denim philosophy is PERFECT FIT – jeans that fit your body, lifestyle and wallet. This, combined with our Mediterranean spirit, warmth and passion has made Mavi highly successful across the globe.” Cüneyt Yavuz, General Manager, Mavi

Just like Turkey’s youthful population, Mavi’s employees have an average age of just 28 years. It is this youthful exuberance that gives Mavi the energy and drive to grow at such an astounding rate. As a retailer, Mavi has been through a critical transition period

in recent years. The company was held back by an organisational structure that reflected its origins as a family-owned wholesale denim manufacturer. Realising that it needed to restructure, Mavi, with the support of the company’s founders, opened up the business to outside investors, separated the manufacturing activities from the business activities and set out a very clear objective – to become a better retailer.

“By shifting our focus away from being a manufacturer towards becoming a global retail brand, we can concentrate on what is really important for us. Our emphasis is now on design, sales and the complete retail experience for our consumers both in Turkey and across the world.”

Mavi now speaks directly to the consumer rather than working through an intermediary such as a store or distributor, which has helped build customer loyalty. Mavi, the only Turkish retailer of its size to run a successful CRM programme, now has 1.8 million loyalty card holders, of which 89 per cent are active customers.

Realising that the retail experience was key to the success of the new brand direction, Mavi worked with consultants from Spain and the US to redesign its stores. It changed its existing ‘denim bar’, a typical feature of jeans retailers, to a much more original and unique ‘denim kitchen’ concept. Mavi’s new strapline, “We Cook the Best Denim” has been very well received in trials.

“As a jeans brand, we focus on quality, design and fit over pricing. We are proud to use the Made in Turkey label on all our jeans as it is important for us to support our country. We have a multicultural design team and currently employ over 1,110 people in Turkey, who work with us to develop the Mavi brand.”

The brand has a celebrity following including Avril Lavigne, Lady Gaga and Zac Efron to name but a few.



“Mavi is an outstanding company that is experiencing rapid international expansion. It has remained true to its roots as a leading denim manufacturer but has also taken the key step of moving from being just a manufacturer to the developer and owner of an international brand. More than just a real success story, Mavi is a great case history on how ambitions can be realised.”

Phil Forrest, Chairman of Judges, European Business Awards 2011

Looking to the Future...

Now confident in the quality of its denim, Mavi is focusing on improving its non-denim goods, which currently account for about half of total sales in Turkey. This 50:50 ratio is a great achievement within the denim industry; prior to 2008, Mavi’s sales split was closer to 60:40 denim to non-denim sales. The company is hoping to replicate the huge success of its Istanbul t-shirt which has become an iconic must-have fashion item in Turkey, selling over 1 million units in 2010.

The company has set itself a target of 15 percent like-for-like growth across all existing locations in Turkey. It will continue to ride the wave of shopping centre expansion across Turkey with a goal of opening a total of 30 stores annually in the next few years. Mavi will roll out its new Mavi ‘denim kitchen’ concept in all new locations and will also look to add new hero products to its range of jeans and Istanbul T-shirts. The aim is to add two more hero products to both the men’s and women’s range.

Mavi became to third largest franchise business in Turkey in 2010. In future years, it will continue with the existing franchise and retail business mix. It will also expand the Mavi Retail Academy and other training programmes to ensure the best possible talent development in its stores.

A priority for the future will be to revamp sourcing, particularly for Mavi’s non-denim items. The company aims to build strategic partnerships with vendors in a bid to share future strategies.

In the past two years Mavi has experienced a 50 percent growth in its European markets, led by Germany. In January 2011, a new company was established in the Netherlands to further this European drive and also focus on expanding into Russia, Middle East and Balkans. In North America and Australia, the priority is to focus on wholesale opportunities.

Mavi plans to introduce a new IT system to meet global standards and to manage its expanding CRM programme. Mavi.com will become fully e-commerce capable and integrated during 2011, with a goal for internet sales to account for at least 10 percent of the total within the next two years. Already Mavi is the most popular Turkish fashion brand on Facebook with over 400,000 followers.

The company will continue to develop its sophisticated communication strategy which includes a popular monthly magazine, email updates and special Mavi loyalty bonuses. The company is well known for its award-winning TV adverts.





“Mavi is a strong, youthful and aspirational brand with big ambitions. We take our role as a brand ambassador for Turkey very seriously and this award is not only recognition of Mavi’s success but also the success of Turkey which is now internationally recognised as one of the world’s premier denim producers.”



Cüneyt Yavuz,
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About Mavi

Mavi was founded by Sait Akarlilar, whose denim manufacturing company, ERAK is a key source for US and European designer denim brands including Guess, Tommy Hilfiger and Calvin Klein. Mavi quickly established itself as a market leader in Turkey, but it was Sait Akarlilar’s son, Ersin who transformed it into a global brand.

At a time when most Turkish manufacturers were producing cheap no-name items for export, Ersin took the bold decision to compete internationally with premium brands in the upper price range. He opened a flagship store in New York and made expansion across the US and Canada a priority. Apart from its own retail stores, Mavi jeans are now available at leading international chain stores including Nordstrom, Urban Outfitters, Lord & Taylor, Peek & Cloppenburg and David Jones. It was the first Turkish brand to appear at the Berlin Mercedes Benz Fashion Week.

Two years ago, Cüneyt Yavuz became general manager as part of a broader transformation which saw part of the company sold to private equity firm Turkven. Cüneyt changed reporting lines, altered the company’s external brand image and refreshed its retail offer; resulting in exponential growth and improved finances.

A young and passionate company, Mavi is inclusive of its employees, holding regular training sessions and monthly meetings where the directors share all results. The company’s future objectives, including a five year plan, are openly discussed and reviewed with staff. Clear reporting lines have been established to ensure smooth bottom-up communication. A survey by Turkish business magazine Capital, ranked Mavi as one of the top three most desirable Turkish companies to work for.

Mavi is the only blue jeans brand among Turkey’s top 500 companies, ranked 329 in 2010. TIME magazine chose Mavi as one of the top 16 jeans brands worldwide and positioned it as one to watch.



Mavi has approximately two million customers in Turkey and another two million internationally, with the ‘19-27 age group’ making up 40 percent of all customers. There is a 50:50 male-female customer ratio.

Mavi has always been an industry leader in Turkey in terms of corporate responsibility. It follows stringent ‘good citizenship’ rules regarding the use of child labour and chemicals as well as adhering to environmental and BSI standards as set by global monitoring bodies.

With its denim expertise and rapid rise through the fashion ranks, this brand now asserts itself around the world and is proud to state, “The Jean is Mavi”.

About the European Business Awards

Since 2007, the European Business Awards programme has been shining a light on the most pioneering businesses on the continent by promoting excellence, best practice and innovation in the European business community. The awards programme recognises excellence in all disciplines of business including individual business functions. Last year entrants ranged from fish farming organisations to renewable energy firms. Together they had a combined turnover greater than €766 billion Euros (6% of EU GDP) and employed over three and a half million people between them.

Businesses from each of the 28 European territories are invited to enter the Awards. The competition for finalist places is fierce with many of the Europe’s most established brands being represented.

The judging panel is comprised of experts in their fields who each bring experience, business acumen and understanding to the board. The overall winners in each of the categories will be announced at the Awards ceremony in Barcelona on 22nd November 2011.

