Mango invests €100 million in US expansion

By Triana Alonso   13 May 2022

A grand store opening is marking the beginning of Mango’s retail expansion in the United States. Just a few meters away from Central Park and Trump Tower, and surrounded by luxury boutiques of renowned brands such as Gucci, Omega and Dolce & Gabbana, the Spanish brand is launching its first flagship store on Fifth Avenue. The 2,100 square meter space located at 711 of the New York street was previously occupied by Ralph Lauren and is located inside the iconic Gran Dame building, known for having housed headquarters of companies such as Columbia Pictures, NBC and Coca-Cola. This represents a huge step forward taken by the Spanish fashion brand, which intends to open around 30 points-of-sale over the next three years in the United States alone and exceed 100 million euros in sales within the region.

"Being on Fifth Avenue has always been my dream as an entrepreneur," said Isak Andic, founder and non-executive chairman of Mango, during the opening of the New York flagship store on Wednesday, May 11. The owner of the Barcelona-based company founded in 1984, who usually keeps himself away from the limelight, could not hide his excitement and pride for landing in one of the most important commercial avenues in the world. "I have
not hide his excitement and pride for landing in one of the most important commercial avenues in the world. "I have the best team in the history of the company," he said briefly in a statement.

"This store opening is a milestone for Mango, a key step in advancing our strategic objectives of international expansion and our distribution network. We have always wanted to go international and Fifth Avenue is a retailers' dream," said Toni Ruiz, Mango’s CEO since 2018, during a press conference, stressing the importance of physical stores as "key" assets for the company.

"We find ourselves in uncertain times, with considerable challenges ahead. Our goal is to achieve sustained growth and we are happy with the evolution of sales since the beginning of the year. Our current situation is ideal for the future," said the head of the company which closed the 2021 financial year with a turnover of 2.2 billion euros.

Mango decided to dream big. "Today we begin a very ambitious expansion plan for the American market in order for it to become one of Mango’s top five markets," said Ruiz. The company first arrived to the country in 2006 that is set to soon become its most important market outside of Europe. India, where the brand operates with its local partner Myntra, also has the potential of being a profitable market for the brand in the long run. Mango, present in 110 markets, currently counts Soain. France. Italv. the United Kinodom and Germanv among its markets with the
Mango currently counts Spain, France, Italy, the United Kingdom and Germany among its markets with the highest number of sales.

One of the brand’s three most important flagship stores

With an investment of around 12 million euros, as detailed by Mango’s CFO Margarita Salvans, the new store located in a coveted location with high retail traffic will become one of the brand’s three most important flagship stores with the highest turnover among its 40 flagships worldwide.

“This store is going to help us accomplish our ambitious goals. We want to establish brand awareness in this market, characterized historically by having few players that can compete with Mango in terms of style and appeal,” said the brand’s director of expansion and franchises, Daniel Lopez. The store offers the Woman, Man, and Kids collections and has a space dedicated to alterations and customization in addition to developing an NFT collection.

By 2024, Mango aims to open 40 stores in the United States, in both avenues and in shopping malls. The brand sealed an agreement with American department store Macy’s in 2019 to boost its online growth, and last year opened four stores in Menlo Park and American Dream malls, both in New Jersey; Roosevelt Field, in New York; and Dadeland, in Miami, Florida. Last April, Mango introduced its home line in the country, available through its online store.

In order to accelerate this expansion, Mango plans to open around 30 stores over the next three years, a period of “great investment” as described by its CEO.

A $250,000 grant in partnership with Parsons School of Design

In the first stage of its strategic plan, the brand is planning on increasing its presence in New York, both in Manhattan and in surrounding boroughs. Mango currently has five points-of-sale in the big apple, including its new flagship store and its first SoHo boutique that opened in 2017.

The project’s second phase involves the opening of five stores in Florida between this year and the next, specifically in Miami, Boca Raton, Orlando and Tampa. In Miami, the company will open a boutique on Lincoln Road in July. Between June and August, Mango will arrive to the Aventura Mall and Miami International Mall.

Starting in 2023, the company will continue its westward expansion, opening stores in Atlanta, Georgia; Phoenix and Tucson, Arizona; Houston and Dallas, Texas; Las Vegas, Nevada, and California, with its sights set on Los...
and Tucson Arizona, Houston and Dallas Texas, Las Vegas, Nevada, and California, with its sights set on Los Angeles, San Diego and San Jose.

With only one logistics warehouse located in Pennsylvania, Mango hopes to meet North American demand, including through its online channel, which globally represents 42% of the company's turnover. In the United States, Mango aims to raise this percentage to 70% through its own online store and retailers such as Macy's, Nordstrom and Zappos.

In parallel to its expansion, Mango has strengthened its commitment to the American market by joining forces with Parsons School of Design with the purpose of educating and recruiting young talent. Through this five-year collaboration, Mango will grant 250,000 dollars to help “MPS Fashion Management Program” students finance their studies. The masters program teaches its students about technology, sourcing, marketing, merchandising, entrepreneurship and new business models in the fashion industry.

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