Daniel Lalonde (SMCP): "There aren’t that many competitors on the accessible luxury sector and on a global scale"

By Anaïs Lerévérend - 4 April 2015

Appointed president of the Sandro - Maje - Claudie Pierlot group in April 2014, Daniel Lalonde spoke with us about the current situation of the group’s brands and their development: an international potential he confirms and a desire to gain even more shares of the market in France. After having surpassed the 500 million euro mark in revenue in 2014, where does SMCP stand with its ambitions?

FashionMag.com: It has been nearly a year now that you were named president of the SMCP group, if you had to give a first assessment, what would it be?

Daniel Lalonde: Yes, that’s true, it has been nearly a year now! Let’s say that this first year was a period during which I travelled a lot, in Asia, the Middle East, the United States, Europe… And everywhere I noticed the desirability of our brands, from Chengdu to Dubai and Milan to Los Angeles, there is a real attraction, by those who already know us but also those who are discovering us. So my first assessment would be to focus on the potential that I saw myself, it’s up to us now to develop without losing our DNA and our history, that is the challenge!

FM: How do you view the recent introductions into the American and Asian markets? Are you moving forward as quickly as you would like?

DL: I am Canadian, I worked for LVMH from New York, I know North America well. So I am not surprised by the welcome we have received and the superb rhythm of the development of our Maje and Sandro brands, and I hope Claudie Pierlot in the near future.

In Asia, I have to say that we are a bit above what I was expecting, being less familiar with the region. It’s still rather new, it has only been 18 months since development started there but we already have locations in the biggest malls. I think the launch in Greater China is very promising. We bought our partner AZ Retail in Hong Kong, where we had a small connection with some of the stores that we put life back into. We set up our subsidiary there with both local teams and ones that came from Paris, it was an important leap for our ambitious development in Asia.
FM: In 2014, the group saw more great progress in its revenue, 20% in fact, but on a comparable basis the growth gives the impression of having gone down a bit (1.7 % compared to 3.8% at the end of 2013). How do you explain this?

DL: France continues to be our main market (58.5% of the sales figure, ed. note), but it is a difficult market and it was particularly so last year, including for us. This has an impact on comparable growth and there’s nothing surprising about it. Our goal is to gain shares of the market and to return to more growth in our country of origin. But this is just a question of France, we are satisfied with our numbers on a comparable basis.

FM: How could you achieve more growth given the maturity of your brands in the country?

DL: First, there is work to be done on the collections. It is vital to always be the most pertinent and most desirable possible. The development of a very strong accessories offer over the next few seasons will be a significant growth lever I think. Next, we continue to invest in our network of stores in France, with more openings, especially for Claudie Pierlot, which has less points of sale than Maje and Sandro, and we are investing in the enrichment of the existing network, with extensions and renovations.

Work is being done on the concept stores of each brand and we have started to deploy them in the retail points with the strongest image, such as the department stores on Boulevard Haussmann, and Rue Saint-Honoré for Maje.

And then there is another important subject for us in France: digital. We have completely made over the Sandro and Maje sites and work is currently being done on the Claudie Pierlot site. The first results are encouraging, customers were waiting for us, and we had to update our online stores and offer more services, like in a physical store. It is easy for our customers to use our website to discover the collections, to find the stores, and to order online, it is all very fluid.

FM: What have the online sales represented for the group until now?

DL: With the revamps, there has been a real increase in growth in the last six months. The latest numbers are thus difficult to analyse since they are evolving really quickly. Let’s just say that last year they represented 3% of our sales and we think we can expect that number to reach 10-15% in the next few years.

FM: Internationally, what priorities has the group set?

DL: In the coming months, efforts will be focused in particular on Greater China, with openings in Macao, for example, but also the Middle East, particularly Dubai. There will also be openings in Spain and Italy. For the United States, there will be a few new corners at Saks, but the network of 120 retail points is already well established.
FM: Where do things stand with the development of Claudie Pierlot, the most recent of the group’s brands?

DL: It is a brand that is developing on new markets and which is being met with great success in, for example, the United Kingdom and Spain, with new points of sale. For the moment it is concentrated on Europe and should also benefit from the acceleration of digital. The long term goal is for the network of stores to be similar to that of Sandro and Maje, but the importance that e-commerce could take on is making us rethink certain scenarios. In France, maybe digital will make up for the lack of a physical store in some cities or towns. In any case, we have no plans to speed up the natural development of Claudie Pierlot, to force the pace.

It’s slightly the same case for Sandro Homme. Here as well there is great potential, both for multibrand and monobrand stores, in France and abroad. We presented the collection during men’s fashion week for the first time, it was an important step for the brand and notably caught the eye of the Asian press. In a way, it is the start of a rise in growth, but once again following a natural pace.

FM: Being able to claim yourself as a global group now, who are your direct competitors today?

DL: Actually, there aren’t that many competitors in the accessible luxury sector and on a global scale. In this world, there are American brands, Michael Kors, of course, but also Tory Burch, Rag & Bone sometimes, Theory, and Marc Jacobs who are often our neighbours in malls. A few French names, a few English ones, and soon some Asian ones undoubtedly… But our model is relatively unique, due to our French origins, with ready-to-wear marrying accessible luxury with the spontaneity of fast fashion… Our international competitors are most often focused on accessories.

FM: Are you going to compete with them then in this sector in the future?

DL: Yes, accessories is one of our major projects. There are already some interesting shoe collections with a few great success stories among our models or in partnerships, such as between Reebok and Sandro recently. But this is going to be amplified even more, as is the leather goods sector, with a real handbags offer for the three brands as of fall-winter 2015-16. We should be creating a substantial catalogue of products for the coming seasons.

FM: To conclude, should we expect the SMCP group to be expanding with new acquisitions in the near future?

DL: The development of our current brands is our priority. We are always on the lookout, that’s true, but not in a proactive manner!