

The Foschini Group puts its best foot forward with Street Fever acquisition





By Neesa Moodley



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The Foschini Group (TFG), which already has more than 3,000 outlets across Africa contributing 66% of its turnover, will now take over Street Fever, which has 114 branded footwear stores.

The acquisition by TFG's Sneaker Factory is not material and did not trigger any JSE Sens announcements. When the company announced its interim results for the six months to September 2022, it had R1.5-billion cash which was earmarked for growth and acquisitions. In August this year, TFG bought the Tapestry Group, which holds Coricraft, for R2.2-billion.

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In a brand-conscious country such as South Africa, the sneaker industry is worth millions as many are prepared to pay upwards of R1,000 for the likes of Nike, Adidas, Superga and Asics brands. Sneaker culture is so entrenched that rappers YoungstaCPT and Raf Don released a hit song earlier this year called Tekky.



"Youngsta and I wanted to find a way to connect with people from different cultural backgrounds, races and classes and this was the perfect way to do that because of the common love and interest in sneakers, which also inspired the title of the song by using the colloquial term Tekky," Raf Don told [SA Hip Hop Mag](#).

TFG management says the deal will see about 650 jobs absorbed into the group. Chief executive Anthony Thunström says the acquisition will enable the group to scale up its presence in the value-branded footwear segment and gain new customers while offering them a greater choice of brands and products through TFG's sourcing capability.

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"We're pleased to be able to safeguard employment for the Street Fever staff despite the current challenging trading conditions. As we have shown with previous acquisitions such as Jet, Granny Goose and Tapestry Home Brands, TFG has an established track record of integrating businesses successfully and using our scale to unlock accelerated growth," Thunström says.

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About 90 of the Street Fever stores will be rebranded as Sneaker Factory stores and the remainder, which are located in proximity to Sneaker Factory outlets, will be taken up by other TFG brands.

“Loyal Street Fever customers can rest assured that they will find familiar faces in the rebranded Sneaker Factory stores as the staff will be retained, while TFG will bring even more competitive pricing, exciting new brands, accessories and apparel, while having access to TFG credit and our industry-leading rewards programme,” says Sneaker Factory head of business Nizamudien Parker.

The acquisition is still subject to approval by the Competition Commission. **DM/BM**

acquisitions

Neesa Moodley

Raf Don

sneaker culture

Sneaker Factory

Street Fever

Tekky

TFG

YoungstaOPT



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