



Peter Alexander in his Melbourne Central store.

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Sweet Success

Business is booming for these three fashion and beauty companies. Here's how they got started. BY ANNIE FOX

PETER ALEXANDER

Peter Alexander

Back in 1987, one man with a \$3000 loan created a few pairs of pyjamas, sold them to some retailers on Melbourne's Chapel Street and waited with his fingers crossed. Eighteen years later, Peter Alexander's eponymous sleepwear and lifestyle business turns over more than \$15 million annually – proof that, sometimes, all you need to make it big is one great idea. “It was the right product at the right price and at the right time,” he admits. He's quick to add that hard work and a lot of faith go a long way, too.

Alexander not only designed innovative sleepwear but took advantage of an innovative way to shop. In 1992, when an order for 2000 pairs of pyjamas was cancelled, Alexander was left with lots of PJs with nowhere to go. “I decided to take out an ad in a magazine to see if I could sell directly to my customers,” he explains. This idea offered people the chance to purchase at less-than-retail price and, by cutting out the middleman, allowed him to take in more profit. “I was originally selling them to stores for \$25 and they were retailing them for \$50,” he says. “When I sold direct to my customers, I charged \$39.” This meant \$14 more for Alexander and \$11 less for customers. He got 4000 orders from that single ad.

It was the response to that ad that made Alexander realise he was onto a good thing. “It was my first sign of success,” he says. It also sparked the lucrative mail-order side of his business. The first catalogue went out to 27,000 people, bringing in around \$100,000 by the end of the first year. Today, Peter Alexander catalogues go out to more than 200,000 customers each season.

Despite his almost immediate success, Alexander admits to some tough times. For the first few years, it was only him and his mother taking care of business – the family garage was used as a stockroom. A major hurdle was in 1995 when Alexander was lumped with a shipment of poorly made garments. “Instead of selling the substandard stock, I canned it and started again,” he recalls. “It's my name on the clothes, so I feel personally responsible that I do a good job.” His decision to not sell the pyjamas nearly cost him everything, including his mother's home. But that commitment to quality proved his position as a market leader.

He began trading online in 1997, making his product more accessible than ever before. (Presently, over 40 per cent of sales are made through this avenue.) At the end of last year, he expanded his business further by opening the first of his retail outlets. “I didn't want to just open a pyjama shop,” he explains. Instead, he expanded his collection to include trackwear, loungewear, bed linen and intimate apparel. True to his vision, the four Peter Alexander stores are home to luxurious bath products, fun board games, bright ugg boots, cuddly stuffed toys and, of course, his famous PJs. “I want people to be surprised by what's in store when they visit,” he enthuses. “I love being unpredictable.” →

Over 40 per cent of sales are made online at peteralexander.com.au

Pyjamas, \$69.90 (sm-xxlge), by Peter Alexander, 1300 366 683.

From the pampering ...

... to the cute and cuddly ...

... and snugly.

Bag, \$129.90, by Peter Alexander, 1300 366 683.