

WWD

Fashion. Beauty. Business.



Store Exit

Joshua Schulman, who served as Bergdorf Goodman's president for five years, will leave in May.

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Going Bigger

Sephora unveiled its largest unit in North America on Manhattan's 34th Street.

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Edelman's Essence

Sam Edelman's ad campaign communicates its growth into a lifestyle brand.

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Change Agents

The WWD Men's Wear Summit at the One Hotel Brooklyn Bridge gathered together executives, designers, a pop star and TV celebrities who are helping to set the industry's new course. *For full coverage, see pages 8 to 15.*

Illustration by Gluekit; Photographs by Joshua Scott



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BUSINESS

Josh Schulman Leaving Bergdorf Goodman

- After five years at Bergdorf's, the exec is headed to a multinational fashion company.

BY DAVID MOIN

Joshua Schulman is leaving Bergdorf Goodman on May 10, after five years as president of the luxury emporium, WWD has learned.

The Neiman Marcus Group, which operates Bergdorf's, confirmed Schulman's departure and said he has accepted "a leadership role at a multinational fashion company" but did not mention which one.

Bergdorf's marked Schulman's first time running a department store. He has been wearing a second hat as president of NMG International, including overseeing the Munich-based Mytheresa.com division.

Jim Gold, Neiman's president and chief merchandising officer, will oversee the Bergdorf's team, and Michael Klinger, president, MyTheresa, will report to Karen Katz, president and chief executive officer of the Neiman Marcus Group. Gold was president of Bergdorf's from 2004 to 2010.

Schulman is leaving Bergdorf's at a pivotal time. The Neiman Marcus Group, owned by the Canada Pension Plan Investment Board and Ares Management, earlier this month announced it was up for sale. Hudson's Bay Co. is pursuing a



Joshua Schulman

deal and is believed to be the only retailer interested in a transaction. A deal could be announced within weeks.

NMG has been struggling, hurt by declining international tourism, a heavy debt load sapping profits and the capital expenditures budget to upgrade stores sufficiently, and shifting consumer spending patterns away from fashion.

NMG has also been affected by serious glitches arising from the introduction of its NMG One common merchandise system, causing vendors to miss sales data, payments and impairing ordering and replenishments.

In addition, traffic at Bergdorf's, located on Fifth Avenue between 57th and 58th Streets, for awhile was impeded by stepped-up security measures around Trump Tower.

Schulman is an executive steeped in the luxury business where he has worked for about 25 years, primarily on the wholesale side.

Earlier in his career, he was ceo of Jimmy Choo and executive vice president of the Gucci Group. Schulman was also once president of Kenneth Cole New York, and Gap Inc.'s managing director of international strategic alliances.

Domenico De Sole, former chairman of Tom Ford International and former president and ceo of Gucci Group, once

described Schulman as "a very capable and intelligent merchant who has proven to be a strong ceo. He understands luxury. He expanded ladies ready-to-wear at Gucci and then at Yves Saint Laurent did an excellent job. He's a very thoughtful boss and always promoting his own people" and prone to crediting his team. "He says 'we' not 'I,'" De Sole noted.

Schulman is credited with pulling Jimmy Choo together and propelling its growth, starting at a time when the company was in turmoil after three buyouts in six years and had a divided leadership. Early on, he staged an off-site where he came up with a strategy for the business including playing up platforms to a much greater degree. He expanded the range of shoes, which was a trick that many fashion shoe brands, associated with a particular style or heel, could not pull off.

At Bergdorf's, Schulman developed a five-year strategic plan, called BG 20/20, involving new business opportunities, including pumping up bg.com and extensive renovations at the women's store, the heart of which was an overhaul of the main floor of the women's building for accessories and fine jewelry. Jewelry became "a store within a store" on the 57th Street side, and "a grand hall" for leather goods emerged off the Fifth Avenue entrance flowing over to designer accessories salons extending to the 58th Street entrance.

Bergdorf's is in the process of creating an additional 25,000 square feet of retail space encompassing the eighth and ninth floors, which house executive offices. The two new floors are expected to open by 2018.

Schulman declined to comment on his next job, saying he would leave it to the company he joins to make the announcement.

One source speculated that Schulman not too long ago purchased a home in New York where he lives with his husband, and would not likely want to leave the area.

operations manager, head of buying and commercial director at the company. She has also worked at brands including Bulgari.

She left Yoox in 2015 and moved to London for family reasons. In her latest role she will be responsible both for Yoox and The Outnet, which make up the off-season platform.

YNAP said her remit is to drive the division's growth by increasing the high-value customer base, fueling international expansion, and growing the depth and quality of the product offering, which includes private label collections from Yoox and The Outnet.

"YNAP's investment places the Off-Season business in a unique position to drive forward the experience for both our customers and brand partners on an even larger global scale," she said. "I look forward to driving our growth by increasing our focus on product, marketing and service and bringing this unique ecosystem to even more customers around the world."

The group has said it plans to launch a Yoox private-label business in the fourth quarter, and sell shoes and accessories from Iris and Ink, The Outnet's private-label line, on the Yoox site.

YNAP is also leveraging the Yoox platform to build The Outnet's international business, and plans to sell in five new currencies this year. It is also expanding its logistical facilities in Bologna, Italy to accommodate The Outnet's growing business.

YNAP's Off-Season business grew by

19.5 percent at constant currency in 2016, while APAC grew by 36 percent in Q4, and by 27.1 percent in the whole of 2016. The company said it saw "positive momentum, mainly driven by China, Hong Kong and Japan" in Q4.

Marchetti said he is proud of YNAP's ability "to build a diverse and global workforce that empowers women leaders," and said that Rossi's "deep knowledge of the fashion industry and the inner workings of e-commerce, as well as her excellent management skills and entrepreneurial mind-set, make her the perfect candidate for this crucial job."

Martines will focus his energies on accelerating the group's expansion in APAC, a core growth market, and sit on the boards of YNAP's Japanese and Hong Kong subsidiaries. He previously spent three years as regional director Asia-Pacific for Yoox.

This isn't the first time that YNAP has promoted from within: Last year, Filippo Vezzali, another longtime employee, was promoted from his position as web creative director of online flagship stores to creative director of Yoox. He reports to Miguel Ares, executive vice president marketing Yoox.

The creative director role had recently been re-established after a long hiatus "to reflect higher ambitions for a consistent image across all touch points," the company said.

Vezzali first joined Yoox in 2009 as senior digital art director, later taking on a similar role at Prada where he worked for five years. He rejoined YNAP last year.

BUSINESS

Alessandra Rossi Named President, Off-Season At YNAP

- The newly appointed executive will replace Luca Martines, who will focus on Asia expansion.

BY SAMANTHA CONTI

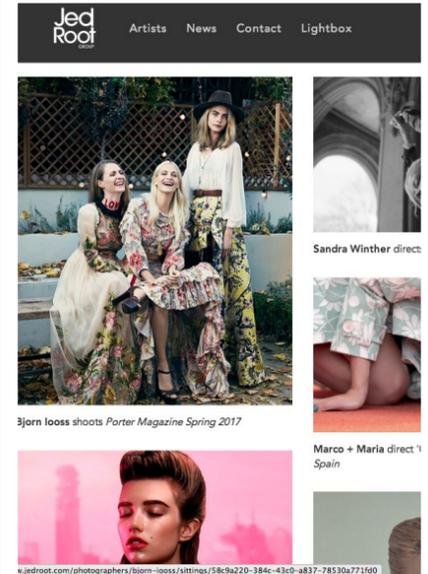
LONDON – Management changes are afoot at Yoox Net-a-porter Group, with a homegrown talent returning to run the Off-Season business at the publicly listed company.

WWD has learned that Alessandra Rossi has been named president, Off-Season. She will replace Luca Martines, whose new remit is to expand the YNAP business in Asia-Pacific.

Rossi will also join the group executive team and report to Federico Marchetti, chief executive officer of YNAP. She will be based in London.

Rossi is a former managing director of Yoox, and has also held roles such as

TOP 5 TRENDING ON WWD.COM



Artist Management Agency Jed Root Shutters Company

- Jed Root Inc., which was bought by RPRT Group in 2015, has closed its doors.

- Anthropologie, Dr. Scholl's Collaborate On Spring Shoes

- Anna Wintour Becomes A Grandmother

- Ross Butler on Working With Selena Gomez And Shattering Asian Stereotypes

- Bridget Foley's Diary: Much Ado About Leggings

NEWSMAKERS

This Week's Most Talked About Names In Our Industry



Josh Schulman



Victoria Beckham



Kenneth Cole



Naomie Harris



As the U.K. heads to Brexit, the question is: Where will all the bankers go next?

BUSINESS

New Lands of Plenty? Looking at Potential Post-Brexit Winners

- Retail is unlikely to get a boost from bankers' exodus, but food and drink will.

BY SAMANTHA CONTI WITH CONTRIBUTIONS FROM MELISSA DRIER

LONDON – Will London's loss be the Continent's – or Ireland's – gain as Britain quits the European Union?

That's what Europe's smaller cities are hoping as they attempt to woo business from banks and financial institutions wary of operating in post-Brexit Britain, a foggy landscape of unanswered questions and the almost certain loss of passport-ing rights, the freedom to sell their services inside the European Union.

With British Prime Minister Theresa May firing the starter pistol on Brexit last week, setting in motion two long years of divorce proceedings, some investors, property developers and retail experts say it's still too early to gauge the impact of a bankers' exodus on fashion and luxury retail in cities such as Paris, Dublin, Frankfurt and Amsterdam.

Others believe the impact will be minor as the number of bankers set to move could be negligible, office space in the mid-sized cities hard to come by, labor laws and business costs unfavorable, and native populations too small to support a boom in retail. Tourism is still a big driver of fashion and luxury, which means that London will remain a dominant city for retail, especially given the weaker pound.

"There will be some winners, some cities will grow a bit more, but there will be no huge dramatic shift in retail. Detroit won't all of a sudden become New York," said Tami Chuang, principal at Meyer Bergman, the retail-focused real estate investment management firm with properties in the U.K. and across Continental Europe.

"Supply in these smaller cities is limited – you can't just build a mall – and even with an influx of bankers, we don't see a huge surge in the number of retailers opening."

Chuang added that wealth is increasingly mobile and even if bankers – and their bonuses – land in these smaller cities, it doesn't necessarily mean they'll be dashing to the local Hermès. "People move with great fluidity throughout Europe, and they're not only shopping in their home markets, they're buying duty-free or choosing other ways to spend their wealth," she said.

Cushman & Wakefield, the property and real estate consultants, has taken a look at the potential for cities such as Dublin, Paris, Frankfurt and Amsterdam to absorb banking jobs from London. In a recent

"Paris is one of the most popular tourist destinations in the world and we see tourism as the principal driving force of retail spend there. The retail market in Paris is strong anyway."

– MATT FARRELL, TROPHAEUM ASSET MANAGEMENT

report, "Winning in Growth Cities," Cushman said the loss of passport-ing rights could see a shift of "some financial service business functions" from London to other cities, "although, at present, it looks likely that any such moves will be on the margins of overall headcount."

Property company Savills, in their European Cities 2017 report, concurred. "No single city will take London's crown, but rather, the EU passport-ing functions of many institutions will be dispersed throughout Europe to a variety of cities for different reasons." Savills said London would continue to serve as a global financial center "in partnership" with some smaller European cities, for passport-ing in particular.

George Wallace, chief executive officer of MHE Retail, the consultancy that works with businesses across the U.K. and Europe, said it remains to be seen how many bankers will move out of London and into the smaller Continental cities. He said whatever the final numbers are, they won't move the needle on local retail.

He said an influx of bankers "won't be enough to change the retailing infrastructure in any of the cities," adding that it could boost other segments of the local economy such as hotels, restaurants and the housing sector.

"Retail won't be at the front of the queue – it will get some tasty crumbs from the table, but it won't be a feast." Wallace also said bankers tend to be time-poor, and are mostly likely doing their shopping online rather than on the high street.

Another dynamic at work in these cities is tourism. Matt Farrell, director at Trophaeum Asset Management, which has a portfolio of high-end retail properties in Mayfair, in addition to holdings in Paris, said even if the French capital were to get a fresh shot of banking talent, it wouldn't necessarily translate into more retail sales.

"Paris is one of the most popular tourist destinations in the world and we see tourism as the principal driving force of retail spend there. The retail market in Paris is strong anyway," he said.

Tourism is one reason why, even with the Brexit proceedings hanging like a dark

cloud over the country, London remains the place for brands to open stores.

According to a report published earlier this month by CBRE, the Los Angeles-based commercial real estate and investment firm, the U.K. is the most popular destination for retailers looking to expand their store presence in Europe in 2017. CBRE said 65 percent of retailers surveyed cited the U.K. as their target market for expansion, compared with the 43 percent prioritizing France and 38 percent eyeing Germany.

Industry observers also say the net number of financial workers who might be moving from London to the Continent remains unclear. Last week, Goldman Sachs was the first bank to confirm it's putting its contingency plan in action, moving staff out of London and making local hires on the Continent.

Richard Gnodde, ceo of Goldman Sachs, told CNBC that the bank was upgrading its facilities in Germany, France and other Continental cities ahead of the changes. Asked about employee numbers, he said: "For this first period, this is in the hundreds of people as opposed to anything much greater."

He said Goldman's eventual footprint on the Continent would depend on the Brexit negotiations, and added that whatever the scenario, "London will remain for us a very significant regional hub and a significant global hub." The bank has declined to provide more details about its Brexit plans.

Deutsche Bank, meanwhile, is bullish on London, with plans to expand its base in the British capital in the long-term.

The same week that Goldman revealed it would be moving bankers out, Deutsche Bank said it remained committed to the City of London. It is in talks with property company Land Securities to secure a 25-year lease on a new U.K. headquarters at 21 Moorfields, a new development.

In an interview with WWD earlier this year, Kaela Fenn-Smith, head of commercial at Land Securities, said: "Brexit or no Brexit, London will survive as a global financial center, as it has for hundreds of years," and pointed out that since the referendum, IBM, Apple, Snapchat and Facebook are just some of the names that

have pledged fresh investment in the city.

As reported, Google said it would spend 1 billion pounds, or \$1.25 billion, building a new headquarters in King's Cross, with plans to create 3,000 jobs by 2020.

Sean Hyatt of Global Data, a data and insights provider, said banks are overall reluctant to move jobs out of London for a variety of reasons. "No other city matches London for the breadth of its expertise – or for its regulatory appeal," he said.

London has flourished as a financial center since the so-called Big Bang in 1986 under the Thatcher era because of its relatively lax regulations, tax structure, ease of doing business and labor laws, which are not nearly as stringent as those on the Continent.

Hyatt is the author of a recent report called "Attracting Business From London After Brexit: Can Paris, Dublin, Frankfurt or Amsterdam Become Europe's New Financial Center?"

He believes all of those cities – and others, such as Warsaw, have potential – and will likely attract jobs on a sector-by-sector basis. (He isn't the only one talking about Poland, which has been establishing itself as a back-office location. Some of the big American banks are relocating jobs there).

Hyatt also said smaller cities such as Dublin would undoubtedly benefit from a few hundred new bankers. He said they'd give a boost to the local economy, to consumer confidence, in particular to bars and restaurants. He also believes Dublin is one of the more attractive cities for bankers because of its legal and regulatory system, which is similar to that of the U.K., and the fact that it shares a language and culture with Britain.

Hyatt is not alone in spotting Dublin's potential. Aykut Bussian, leader fund solutions at Baker Tilly Roelfs, the management, tax and financial consultants, said the company sees "Dublin in the forefront" due to the English language and legal system. The city also has bigger tax benefits than Germany or France and a well-educated workforce.

According to the Cushman & Wakefield report, Dublin has a larger population than Frankfurt and is home to the highest proportion of EU talent within its workforce, although office stock is limited and the real estate market small.

In its 2017 cities report, Savills speculated that those with higher levels of office space "may find their corporate and personal tax regimes discourage some companies." Although Savills didn't name names, Paris is the obvious example. The City of Light may be a big draw for tourists, but its famously inflexible labor laws, powerful unions and tight fiscal regulations have long dampened growth in the financial sector.

Some believe other European cities could benefit from Brexit in sectors beyond banking.

Karsten Jungk, manager and partner at real estate consultants Wüest Partner Germany, said the impact and consequences of Brexit on established business sectors remains a very tough call – and believes it's Berlin, rather than Frankfurt, that will benefit.

"Regarding the banks, I'm not so sure about the general Frankfurt euphoria," he said. "In my opinion, it's not yet certain that Frankfurt will be the Brexit's big profiteer, though with the European Central Bank, it does have a certain advantage. However, it is pretty sure that not all the migrating London banks will be able to agree on one city."

Jungk said he believes Brexit will further fuel the start-up boom in Berlin, with more venture capital flowing into companies in the EU. "In recent years, Berlin has fallen somewhat behind London as the start-up capital. This development will again be reversed."

Experience Matters



Here and below: Inside a Sephora store.

BEAUTY

Sephora Goes Bigger on 34th Street

- The location is outfitted with a slew of interactive and digital elements.

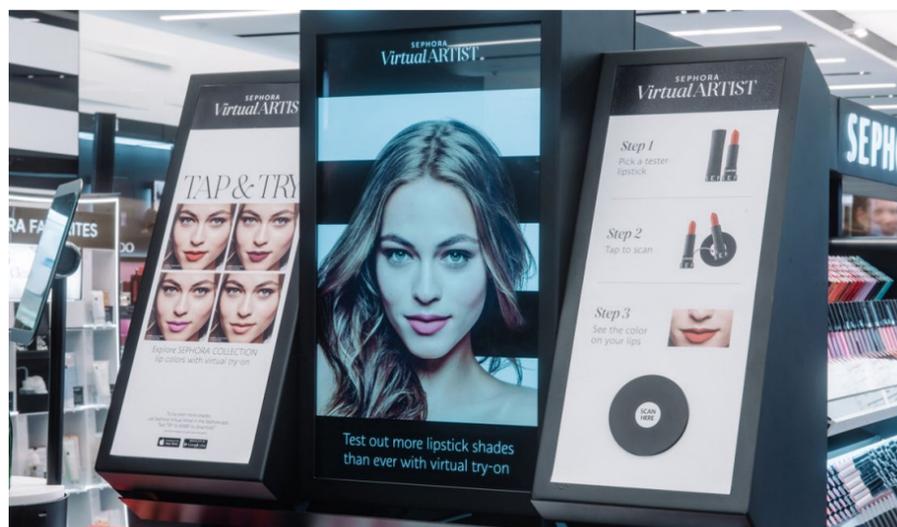
BY RACHEL STRUGATZ

NEW YORK – If not a miracle, Sephora hopes to achieve the ultimate retail experience on 34th Street.

The retailer has opened its largest store in North America on the street – an 11,300-square-foot space housing a host of new digital innovations and the largest product assortment of any of Sephora's 385 freestanding doors on the continent. There are 13,000 products for sale – nearly 3,000 more than a typical Sephora store footprint, including newly added brands Jo Malone London and La Mer.

In addition, a 9,000-square-foot door opened on Fifth Avenue last week, making the two stores the latest additions to the retailer's Beauty TIP (Teach, Inspire, Play) Workshop concept. Locations on San Francisco's Powell Street, Boston's Prudential Center, Chicago's Michigan Avenue (the third-largest Sephora door in North America at just over 10,000 square feet), Santa Clara's Valley Fair and Toronto's Yorkdale are home to various education-driven and experiential beauty services.

"The bigger idea behind a store like this...and the vision we want to create is an unbiased experiential retail through 'teach-inspired play' across all of our channels: store, digital and home," Calvin McDonald, chief executive officer of



Sephora Americas, said during an interview at the 34th Street store.

The "teach-inspired play" for Sephora, he said, continues in color with Color IQ – which launched in 2012 to help customers find foundation and concealer matches – but is quickly extending to skin care and fragrance with dedicated hubs for each. Beauty TIP Workshop stores contain The Beauty Workshop, billed as the "heart" of the store, where customers can come to take classes and watch tutorials on integrated iPad stations. Sephora Beauty Studios, located at the center of the store, is the home for makeovers with senior artists. (The 34th Street and Fifth Avenue stores

have two studios each with a total of 12 seats.) The two new doors will also be the first to have the Moisture Meter, which measures the moisture in one's skin to make for better skin-care recommendations.

The Skincare Studio, with a working sink, four stations and a touchscreen with access to the Skincare IQ diagnostic, facilitates education and offers services like mini facials. A Fragrance Studio uses sensory technology, InstaScent, to enable the exploration of 18 fragrance families.

Interactive virtual experience, Tap and Try, facilitates the "trying on" of lipstick and eyelashes in-store using Sephora Virtual Artist's Technology combined with

RFID scanning. With one endcap dedicated to each, customers can "try on" any lip or lash product that instantly appears on their digital likeness.

The store, according to sources, could generate an estimated \$30 million to \$40 million in sales during its first year. This is about 50 percent more than the reportedly \$20 million to \$22 million the previous 34th Street door down the block saw in retail sales last year.

McDonald declined to comment on sales, but said the reopened 34th Street will see significantly higher volume than its predecessor, which didn't "maximize" the location or "express the brand how we wanted to." He said there is potential for the store to be the number-one door in North America.

The new location, he continued, is the truest representation of the retailer's vision to maximize "interconnectivity." Sure, e-commerce is a cornerstone of Sephora's business and sephora.com is its number-one door, but the in-store experience is the culmination of the beauty community McDonald is building.

"When a lot of retailers think of omnichannel, they think of just the flow of goods – buy online and pick up in store – but we look at everything we do," he said, acknowledging that although classes in-store translate to more purchases, the sales are just a "byproduct." "How do you demystify contouring and highlighting? There are tutorials on YouTube...and they can come

CONTINUED ON PAGE 6

Sephora Goes Bigger on 34th Street

CONTINUED FROM PAGE 5

to a physical place. Play by Sephora starts in the home, but it's interconnected."

Play by Sephora, the retailer's monthly beauty subscription box, contains samples, a Play Pass to encourage in-store learning and a Play Book of tips. Stores also host monthly Play Date meetups for subscribers.

For McDonald, the greatest benefit to operating a store in a highly trafficked environment like Herald Square extends far beyond customers "just buying stuff." Locals and tourists can explore Sephora as a brand – taking part in any number of in-store experiences from classes to Play Date meetups. He acknowledged that sales volume is a plus, but it's Sephora's ability to express itself as a brand in a physical space. The door also serves as a learning tool for what the company can then "bring into the fleet," whether it's an investment in larger studio space or figuring out which product resonates on a local level.

McDonald prides the company on an "attainable prestige" identity, noting that catering to a broad number of clients and

Customers check out Sephora's in-store digital concept.



Beauty Studios offer shoppers makeovers with senior artists.

"When a lot of retailers think of omnichannel, they think of just the flow of goods – buy online and pick up in store – but we look at everything we do....Play by Sephora starts in the home, but it's interconnected."

– CALVIN MCDONALD, SEPHORA

"middle class [customers] that aspire to be beauty junkies" is who Sephora's selling to.

"We are an unbiased, zero commission sales environment. Our cast is heavily trained...[but] as a brand, you need to perform; we don't guide the client....She comes in and we ask what her needs are," McDonald said. "We are focused 100 percent on growing prestige by creating demand. I don't think of how I can steal [market share] or take a client from a competitor of mine. [It's] how do we grow the prestige pie?"

It does so with brands such as the Estée Lauder-owned Tom Ford Beauty, for instance, which saw success last year when Sephora, in addition to fragrance, started to carry the company's color cosmetics range. The 34th Street store is the first to sell La Mer and Jo Malone London, both part of the Lauder portfolio as well.

"La Mer, Jo Malone London and Tom Ford give us the credibility in what we've been doing in the categories we've been winning in," McDonald said of extending Sephora's partnership with Lauder.

Other brands he called out as successful launches to recently enter Sephora include Pat McGrath's Pat McGrath Labs, Huda Beauty, Sunday Riley and Drunk Elephant. McDonald noted that much of the growth in skin care that Sephora is experiencing right now is driven by "niche, exclusive brands" like Drunk Elephant that bring a social media element into skin care, which traditionally, has never been the case.



A Skincare iQ station.



Calvin McDonald

BUSINESS

Sam Edelman Shows Artistry, Whimsy

- The spring campaign features model Jenna Kelly and was shot by Henrique Gendre.

BY LISA LOCKWOOD

Sam Edelman, the contemporary lifestyle brand, is transporting the company's whimsical spirit to its spring advertising campaign.

Featuring model Jenna Kelly and shot by Brazilian photographer Henrique Gendre, the campaign reflects Libby and Sam Edelman's artistry, sense of fun and playfulness.

"We think of ourselves as a marketing company, being different, unique and special, and taking that irreverent whimsical twist we have in design and finding a way to do the same thing in our marketing and advertising and talking to the consumer," said Sam Edelman, president, in an interview at the company's headquarters.

Edelman said because they're planning to add several new categories shortly and are evolving into a lifestyle brand, they decided to do a "deep dive" into discovering the essence of the 13-year-old Edelman brand. Sources indicate the brand is approaching \$200 million in sales. The company declined comment.

Working with the ad agency Collins in New York, they formed a committee of Edelman staffers and nonstaffers to get a sense of the brand's DNA. They uncovered inspiration from illustrators such as Antonio Lopez and Joe Eula. Edelman was also influenced by a former boss, Doug Tompkins, cofounder of Esprit, when Edelman was president of Esprit footwear.

"The biggest thing that Diane Sullivan [chief executive officer of Caleres, parent company of Sam Edelman] and myself are



A spring image from Sam Edelman.

looking for is something that will have a consistency and legs for the future. It's not one picture. It's about finding the soul and essence of Sam Edelman and the artistry," he said.

Edelman chose Kelly, who had previously done showroom modeling at the company, to be the campaign's model. "What I love about Jenna is she's a real American, born in Kentucky on the edge of Tennessee," Edelman said.

"The campaign is about artistry. It's about the designer as an artist. It's about Libby [Edelman], who's been my muse since the day I met her," he said. Ads were shot at Pier 59 in Manhattan against colorful backgrounds and feature a big "Sam" logo and Kelly in fun poses. In one of the images, Kelly is wearing only a fur

coat and shoes, in another, the company gives a preview of one of its new categories, intimates, and in yet another, she's naked and holding a shoe in front of her face. Brushstrokes are used throughout the campaign to accentuate and embellish the artistry of the photography.

The campaign, which breaks today, is digitally oriented and will run on Hulu, Refinery29, YouTube and Spotify, among others. It will also appear in major airports – Heathrow, JFK, LAX and outdoor locations such as Sunset Boulevard, Houston/Lafayette Street, NorthPark Mall in Dallas, and The Grove in Los Angeles. Out of home ads will run April through May, and native content will run April through June.

There are 18 different images that will

appear this spring, as well as during the summer in Europe. "We're hoping to have a wonderful presence in St. Tropez and St. Barts," Edelman said.

Nick Ace, creative director of Collins, said, "From the first moment we stepped into their office, we could sense the love and imagination that resonated across all aspects of Sam Edelman's culture. Like a true artist, Sam draws inspiration from everything he loves to create something new – which he delivers every season.

"His creations aren't simply for show, his true intention is to inspire delight in the women whom he uniquely designs for. Even without his signature on the foot bed, you can see the fingerprints that made it 'SAM.' We hope our work does the same," Ace said.

Edelman noted that the company had a very good 2016 and a very good first quarter. "The challenges are the changing consumer and the way she shops. We've been ahead of it and not behind. Also the change from core classics to fashion. We're driving our business with fashion and newness. That's what we're best at and it's working," Edelman said.

He noted that he designs for the 27- to 29-year-old woman, but acknowledges that his customer probably ranges from 37 to 67. "She's an aspirational spender who's looking at the world of fashion. She knows what's going on and wants to be very excited and trend-on, and we give her that at a great price. That's what we've done for 35 years. We interpret trend and fashion. We're so well known for comfort and fit."

The footwear is sold in 52 countries, including 200 doors in Italy. Among its retail accounts are Nordstrom, Net-a-porter, Dillard's, Lane Crawford, Lord & Taylor, Bloomingdale's, Zappos, Amazon, Shopbop, Revolve and Gilt.

BUSINESS

Mergers Could Be the New Trend in Luxury

- HSBC said the current environment has the sector "ripe" for more merger and acquisition activity.

BY KALI HAYS

Luxury fashion brands work hard to cultivate an image of exclusivity and value, but recent shopping and economic trends have left some struggling more than others.

In a new report on the ups and downs in the luxury sector, HSBC Bank said it has "concerns" about companies such as Tiffany, Burberry, Jimmy Choo and even Richemont, which holds Chloé, Azzedine Alaïa and Cartier, among many other high-end brands.

The bank pointed to management shake-ups and other "much-needed cultural changes" as positive for the future of these brands, but said they remain a "work in progress" with full turnarounds yet to be seen.

Nevertheless, HSBC said "management rejuvenation has become a necessity" and it expects further leadership changes at Salvatore Ferragamo, Burberry and likely elsewhere.

Other brands have benefited from a boost to consumer confidence since mid-2016, as well as some already executed changes in leadership. Kering's changes at Gucci, shifts in management at Coach as well as Louis Vuitton were all highlighted by HSBC as success stories that led to a rebound in sales.

In addition, an industry divided between success and struggle, with growing investor activism and continued management issues for many, has HSBC looking toward possible mergers and acquisitions.

"The interesting thing about the current phase of the industry's cycle is that cash is piling up, valuations look high and management issues have multiplied," HSBC said. "In other words, we believe the sector is ripe for M&A."

In looking at corporate history, current balance sheets and recent changes in strategy, HSBC said LVMH Moët Hennessy Louis Vuitton, Coach and Kering "in that order" are the most likely to be active "consolidators" during 2017.

As for LVMH's position, HSBC said the group has long been "the default brand aggregator in the sector, and we expect it

to continue to acquire in the future."

The bank mentioned skin care as a possible acquisition interest for LVMH as well as hard luxury, like Tiffany.

HSBC even floated the "highly theoretical" possibility of a LVMH-Richemont tie-up, given the "succession issues" possible should their respective controlling shareholders, Bernard Arnault, 68, and Johann Rupert, 66, retire.

Kering, too, is a star in HSBC's eyes, in large part due to the success of Gucci and

Saint Laurent, which both hold "a lot more growth potential," according to the bank, but a possible spin off of Puma could mean more cash to take on other brands.

"While timing is uncertain, we think the group could exit its stake in Puma soon rather than later, freeing up M&A potential that is currently constrained by the group's debt."

The specifics of any moves and any deals may be speculative, for now, but as HSBC noted, "the constant in luxury is change."

Bernard Arnault-led LVMH could be the leader of a new round of merger and acquisition activity in the luxury sector.



WWD Men's Wear Summit

Suitable Strategies

Industry innovators gathered at the One Hotel Brooklyn Bridge late last month to offer insights on where the business is headed.



Ulric Jerome

The Pet Peeves of Matchesfashion.com CEO Ulric Jerome

- The executive believes customers today need to be able to shop through any channel on any device.

BY JEAN E. PALMIERI

There's one word that makes Ulric Jerome, chief executive officer of Matchesfashion.com, cringe.

"There's a word I particularly hate and it's 'omnichannel' because at the end of the day, it's just commerce," said the U.K.-based executive. "Regardless of which device you use, regardless if you decide to interact with the store or on the web, at the end of the day, you're just connecting with the customer and the customer gets to choose whatever channel they like."

When the Matches business was founded 30 years ago, it started like most other retailers, with a brick-and-mortar store that sold only men's wear in Wimbledon, outside London. Eventually, a

women's unit was added next door.

It wasn't until 2007 that the company created an online presence, which Jerome described as "just a marketing opportunity" to complement the stores.

It didn't take long, however, for the company to realize the untapped potential in the luxury digital space.

The luxury market, Jerome said, is a 250 billion euro, or \$271 billion, industry, with only 8 percent of sales done online. Although that's up from 3 percent three years ago, it still pales in comparison to mainstream apparel, with a 20 percent penetration and consumer electronics, which is around 60 percent.

The luxury customer travels constantly and carries several devices, so "there are massive opportunities out there," he said.

To reflect this thinking, the company changed its name to Matchesfashion.com to "send a very clear message that it's a 360-degree customer experience no matter what channel you use."

Today, the company does 92 percent of its sales online and nearly 80 percent comes from outside the U.K.

"That's the beauty of technology. That's the beauty of creating a brand that stands for itself," he said.

Matchesfashion.com offers 420 brands, 80 percent of which are women's and

"We buy very differently. We really do not try to be everything to everybody, but we try to be everything for that somebody."

— ULRIC JEROME

20 percent men's. "But men's is growing triple-digit," he said. "Ultimately, the mix should be 30 to 35 percent men and the rest women's. It will never be 50-50 because of the size of the industry, but men's is a very big focus of our business."

Overall, the company's retention rate is 92 percent with the top 10 percent of customers. Most shop on average four times a year, although the top 10 percent buy 10 times a year on average. And the average transaction — at full price — is \$850, he related.

Matchesfashion.com now ships to 176 countries and takes orders every seven seconds. Its largest order ever was \$120,000, which was done on mobile, from a single customer. "It was an amazing stress test for an app, which worked well," he said, adding that the same customer came back the next day to buy an item in our store in London. "Maybe she forgot something."

This year, Jerome said, the U.S. will become the company's largest market with the U.K. number two. Asia, including Australia, will represent 25 percent of sales and "Europe and the rest of the world" account for the remainder.

Although the company still operates five stores in the London market, even those stores do nearly half their business on an iPad since the stores are only able to carry 10 to 15 percent of the company's entire inventory. By offering an online option, he said, it allows the customers to access Matchesfashion.com's "distribution center for the world."

Mobile is an especially important part of the business, he said, noting that 60 percent of the company's traffic and nearly 50 percent of its sales now come from that channel.

Jerome stressed that because of Matchesfashion.com's reach, it needs to have its own distinct DNA.

Although it carries the same luxury brands as many other retailers, there's only 15 percent overlap. "We buy very differently. We really do not try to be everything to everybody, but we try to be everything for that somebody," he said. "That takes a lot of effort, but it needs to be effortless for the customer."

Matchesfashion.com works hard to discover new brands and has been among the first to carry Vetements, Martine Rose, Off-White and De Bonne Fracture.

It has a strong content message, producing a Style Report every week for men and women with five to eight "stories" that it has created for its brands. These stories are often in the form of a video, which is "done in a very edgy way." Customers can watch the film and shop directly from it without stopping the video. "You're reading the story, watching a video and you've never gone to a product page," he said. "The shopping bag always stays with you. It doesn't disrupt the user experience."

It also produces a magazine four times a year, offers customers a Style Social option where they can post images of themselves wearing Matchesfashion.com merchandise that then gets added to the company's site and can be purchased from the image. "Our content becomes consumer fuel," he said. "This is customers directing the business."

WWD Men's Wear Summit

Michael Strahan Opens Up on Penney's, The Oscars and Being Shy

● The Houston-born TV and sports celebrity says he got his breaks by being in New York.

BY DAVID MOIN

Michael Strahan, among America's most popular celebrities, is just a "shy, everyday" kind of guy with a touch of insecurity.

That's how the strappy "Good Morning America" cohost, analyst for "Fox NFL Sunday," pro football Hall of Famer and host of the "\$100,000 Pyramid" portrayed himself during his presentation at the WWD Men's Wear Summit. Strahan also said he considered himself as lucky having made a football career in New York, which being the world's media capital led him to a second career on TV.

"When you are playing football and you are in New York, that helps," Strahan said. "All the microphones in your face everyday, you get used to it or you don't."

"I have a friend who says, 'Michael – you are the only man who can make a living on TV and can't say the letter S without spitting on people.' And I said, 'Yeah, you are absolutely right.' I am really shy in a way, by nature."

His first time hosting the red carpet at the Oscars was excruciating. "I will never forget it," Strahan recalled. "Nervous. I was sweating under that tuxedo like a farmhand. You have no idea. And Robin Roberts, one of the first people I see on the red carpet, long before I worked with her on GMA says, 'Michael, you are going to be fine. I came from sports, too. You will feel so comfortable.' She has been a champion for me."

"I love TV," Strahan said. "I love the mechanics and the way it works. It kind of reminds me of football, in sense of studying and technique, and always having all that drive to be better at it. New York really helped to lead me to Fox, which in turn led to 'Live With Kelly,' which in turn led me to GMA and other things. If I were anywhere else, I may have been a football player and had a great career, but it wouldn't have been the same."

Those other things now include his evolving men's wear collaboration with J.C. Penney Co. Inc. encompassing the active lifestyle collection called MSX by Michael Strahan and the Collection by Michael Strahan line for men's tailored clothing and accessories.

Strahan, who on the WWD panel appeared with J.C. Penney's James Starke, senior vice president, senior general merchandise manager, men's and children's apparel, knows where his collections stand on the fashion spectrum. "I am not trying to compete against these high-end brands. I am an everyday man. I get up every day and work hard and I do my best at everything I do – and that's the customer who is out shopping my line....I don't want to make things people can't afford to wear. There's enough of that out there. It's very important to me."

He described his J.C. Penney's merchandise as "something fashionable, fashion forward and most of all affordable....I remember as a kid getting the JCP



James Starke and Michael Strahan

catalogue. It was like you hit the lotto."

He also remembered that as a young kid, "they called me BOB. It meant 'booty on back.' I laugh now, but I cried when I was 13. My proportions are not normal. I have long legs and a short torso, but I have long arms, which is great for football, though in the clothing department it wasn't the best thing. I have trouble. It's tough to find the right fit. When you find it, you keep it and you stay loyal to something that fits you."

Strahan said he's very involved at J.C. Penney's in the design process. "It's something I can really be involved with, I can leave my mark with. I am not someone, as James would tell you, who says 'you want to do it, let's do it. Or if that's the design you want to make, let's make it.' I want to be involved, from the fabrics, to the lapels, to the zippers, the buttons, the feel, the texture and the fit. It's all important because my name is on it."

"I learned from doing a project years ago that had nothing to do with the fashion business. I trusted other people's instincts more than my own. I wasn't as involved as I should I have been. When it failed, I got all the blame for the failure."

For his fashion business, Strahan does the homework. "I read all the magazines. I check out what guys are wearing. I do appreciate everybody's style. I appreciate guys who can pull off things I can never think of. There are times I want to be over the top. One of the times I take the biggest risk is whenever we do the Oscars. I'll always wear a tuxedo that is different and stands out, but it fits and always gets recognized for being well done and not over-the-top. I don't like to walk into the room and [get] all the attention. I don't want to look like I am starving for attention."

He wears the suits bearing his name on the label religiously. "I wear it everywhere, everyday. I am in a suit at least

five days a week, sometimes six or seven. There are days I am in three or four suits. I love suits, something about a suit that makes you feel confident."

Typically, when a retailer launches a new collection, it takes time to gain traction. According to Starke, that wasn't the case with Strahan's merchandise. "From the second we launched, it just built momentum and built momentum," Starke said. "We went into chase mode immediately. That's a testimony to Michael's mass appeal and how hard he worked not only talking about the brand and but also working with us on the brand."

Discussing the evolution of J.C. Penney's Strahan merchandise, Starke said children's dress wear will appear for Easter; the MSX ath-leisure line will be expanded to kids, and for back-to-school, performance underwear and a "modal" luxury underwear will be introduced. Starke said additional categories are being examined.

"There used to be something exciting about going to the mall and spending Saturday afternoon with your family shopping," Starke said. "We have lost some of that connection with our customer. Traffic is our main issue. We have to figure out how to make ourselves a destination again. I think what we are doing with Michael and the Collection brand is a differentiator. It's actually one of the higher-priced garments we have but priced in a way everybody can afford it. Also, it filled white space. We do very well with the older customer and younger customer on the tailored floor, but there was a huge gap for updated traditional. From both a product perspective and a fit perspective, we were completely missing the mark on. This fills it very nicely."

Strahan wears different hats, so to speak, with his various TV assignments. "How you have to tap into yourself to do those jobs is completely different," Strahan said. "It's

one thing to be on Fox sitting with four guys talking football, the macho thing, dancing bears navigating the talking. You have to give that instant feedback to the fans in a way that they didn't think of themselves. Most probably they know the game in a lot of ways better than the commentators. You have to give them something in a way of insight, which is tough to do."

Doing "Live" was more personality-driven, Strahan said. "That was 20 minutes of uninterrupted TV talk. There are very few shows if any that give you that amount of leeway. You had no script. We had none. No earpieces. Nothing."

"Then to go to GMA, it's news, politics, weather, human interest stories. There is room for play as well. The challenge for me was trying to figure out the balance of the serious with the play time – how to merge the two so you can be seen as someone who is supposed to be there."

"GMA has been the biggest challenge of anything I have ever done. I work with great people from all different backgrounds. It is all so different and all so fun. I wake up a bit earlier, but I am done at 9 a.m. so I have time to work on other things and I have a life outside of work...it's not so much a schedule. You make time for the things that are important to you and really want to be part of."

Among his biggest thrills – sacking quarterbacks when he played defensive end for the New York Giants. "There's nothing like it. If I could have played forever, I would have. You haven't lived until you've hit Tom Brady. Not just Brady, any quarterback. You hit a guy. You hear the life and breath leave his body. There's something very empowering about that."

"[But] being a parent is the number-one thing in the world. Outside of that, I have enjoyed every step along the way, I enjoy all of it. I got great jobs. I am a very lucky guy."

WWD Men's Wear Summit



Tim Coppens

Tim Coppens Begins to Peel Back the Layers

- The designer is sharing some of his experiences growing up in the Nineties to explain the aesthetic of his brand.

BY JEAN E. PALMIERI

Tim Coppens is naturally shy, but the designer has learned that he needs to provide a glimpse into his life if he wants to build a business.

The Belgium-born Coppens, who attended the Royal Academy of Fine Arts in Antwerp and worked in the sports design department of Adidas as well as on Ralph Lauren's RLX brand, created the Tim Coppens brand in 2012.

"I really had something I wanted to share personally," he said. "I felt there was some sort of link with the fashion world and that was what I wanted to create."

Although ath-leisure was just starting to have an impact, Coppens said at that time it was "still a very much of a sports thing and it wasn't ready for the streets." But "we live in a time when the merger of fashion and sports got a lot more visible."

So he set out to fill what he saw as the gap between performance and fashion. "Suits were still there but how could we make those more fit for the guy of today," he asked. "For me, I don't want to go out in a suit everyday, but I still want something sporty in a nice material that feels comfortable but is also cool that I can move around in all day. And that was something I wanted to address in my brand."

"Part of my brand is my name. It's my background and I want to communicate that a little more. Social media for me is about that."

— TIM COPPENS

His unique take on athletic luxury soon gained the notice of the fashion industry. Coppens received the Ecco Domani Award for Best Menswear Designer in 2012, followed it up with a Fashion Group International Rising Star of the Year award the next year and was awarded the Swarovski Award for Menswear in 2014.

These awards got Coppens "a lot of exposure" and provided him with "insight about how the industry works," he said. And it wasn't long until he realized social media needed to play a role as well.

"I'm Belgian, you don't talk about yourself," he said. "My way of handling [my brand] was to not talk about me personally. I think that has changed a little bit. I know I have to give a little bit of myself to my consumer, but stay authentic. That has made me realize that part of my brand is my name. It's my background and I want to communicate that a little more. Social media for me is about that."

Coppens has begun to share "a little bit of insight about what I was in the Nineties and in the start of the [Aughts] when I was really going out and having fun. Those elements are very much about what my

brand is about as well. So that has to be communicated and social media is a really perfect medium."

That comes through on a sweater with Acid across the front. The word is intended to "encapsulate the feeling I had when I was growing up in the Nineties: a sense of freedom, going out, the music, the whole vibe, the skate culture. It was a free time."

Another way to get consumers "engaged in my brand," Coppens said, is to deliver a "really compelling message. These days, people have so many products to look at. You have to be able to communicate what the brand is about."

For Coppens, that message centers around the artisanal nature of his line.

"I feel that as a designer, it's my task, and also my passion, to create a product that is really well built, has craftsmanship and an element of quality," he said. But it also has a "rough edge," he said. "You can see the soul running through the product."

A more commercial side of his personality is evident in his most recent project, creating the UAS collection of sportswear for Under Armour.

"I would never put Acid on a sweatshirt

for UAS — that would not be good for business," he said. Instead, UAS has "more of a performance link to it: how can I make this jacket fit perfectly, where does the stretch come from, is there a certain breathability. It's not pure performance, it's what you can wear everyday, but it has these elements integrated into it to make the product you wear everyday better."

UAS is priced lower than the Tim Coppens line and skews younger with a much broader distribution, he said. And while there are similarities "UAS is a lot more linked to what Under Armour is all about: the athletic, the performance. But for [my line], it's more about the freedom and adrenaline I felt growing up in the Nineties."

During New York Fashion Week: Men's in February, Coppens created an event/installation for a special capsule collection. He said he drew on his experience operating a gallery in Antwerp some 20 years ago where "people stayed, they didn't just come in and out. I think it's important to connect to a brand right now and create that experience."

He'd one day like to recreate a similar experience in his own store, which he would fashion after successful retailers such as Supreme, Celine and Dover Street Market.

"The Celine store is amazing. I go in there and feel the product, and it's very expensive and you can't afford it, but it tells you a lot about the brand and that's what I'm interested in when I would create my retail store."

WWD Men's Wear Summit



Stacia Andersen
and Aaron Levine

Abercrombie & Fitch in Transition: Change Amid a Constant Culture

- Styles, stores and the target market have changed but not the brand DNA.

BY DAVID MOIN

There's a new team at Abercrombie & Fitch remaking the brand and attempting to pull it out of its doldrums.

There are no sacred cows except for maintaining the "passionate, obsessive" culture that decades ago propelled the brand into cult status and global recognition.

"We want to be honest with the industry about where we are and what we are working on," said Stacia Andersen, president of the Abercrombie & Fitch brand and abercrombie kids. "We have rebuilt this team. We have an incredibly talented team [including] people who built this brand that have been here 20 years. And we have gone at this brand from top down to bottom up, thinking about who we want to be, what do we want to stand for and, most importantly, what do we want to keep.

"One of the misconceptions is that we are a teen logo sweatshirt brand," she said.

What's most important is "that we keep the culture of passion and the obsessive nature of what we are doing. This brand

is known for being obsessive," whether it's in regard to the store experience, product details or quality, she said. "We want to keep that. We want to keep the passion – and then everything else is up for discussion."

Andersen, along with Aaron Levine, Abercrombie's senior vice president of design outlined what's changing at A&F. They cited a shift in the target market to 20-year-olds; the store prototype that integrates the women's and men's merchandising, has a smaller footprint, better sight lines, larger fitting rooms rigged with technology, and developing products that are unique. There's even been the addition of a new scent to help refresh the store experience and signal change.

"We turned on a new scent, introducing this spring a line of gender neutral scents. It's real fresh, really clean. We believe a scent is part of our brand," Andersen said.

She said that in the Nineties, Abercrombie became an iconic brand and part of the culture for teenagers and college kids. "Fast forward to today, we are working to build a new A&F for the twentysomethings. They are super passionate about who they are and what they want from us. They're independent, confident. They know their style and we want to be part of their lives."

Levine recalled his first impression of

A&F when he visited the headquarters in Columbus, Ohio, to be interviewed for the job. "You've got this beautiful campus in the middle of nowhere. No disrespect, I live there and love it. It allows you to fully engage and focus on what we are working on – where the brand was, where it's going. It's always had this obsessive attention to the brand in whatever stage it was."

With the design process, "We are literally working on the floor, playing with different fabrics, playing with different materials, trying to platform those materials across different areas," Levine said. "We truly utilize some of the best piece goods on the planet. We have rebalanced the fit, focused on finish, on fabric, on details."

And the mentality has been, "Let's pick our heads up and not necessarily look at the numbers. Look at the product, be passionate about it. How are we engaging with it?"

"Design is messy," Levine added. "It's not about these sweeping decisions. It's about rolling your sleeves up and breaking it apart and rebuilding. We've looked at every single block, every single stitch, every single fit, every single fabric, every single everything. You can't do it all at once. You start chipping away."

"Yes, there is opportunity to modernize

but not without being authentic. We are a casual American brand. Those are our roots. We don't want people coming into the store and being alarmed by what they see. Attention to detail is critical as are fashion and trend moves. How do we address that? We need to be respectful as to where we were and at the same time pushing forward.

"We want to make this brand part of the culture," as it was positioned in the Nineties, Andersen said.

"Our customer has grown up. They are social. They are engaged. They want to be part of a brand. It's just not about shopping somewhere. I think engaging them is becoming part of their conversation and becoming part of their life. It's less about just delivering the product they want, although for us that is critical. If that doesn't end in a great store experience and something they are proud to wear, you have not really been doing your job...It's about having a two-way conversation every day with our customers.

"We picked that twentysomething customer, specifically 20 to 22 because we feel there is white space in that market; 60 percent of our customers today are over 18. We are going to pull from 18 maybe even younger and we are going to pull from an older demographic, and we are going to fit a larger group of people from a style standpoint and from a fit standpoint."

While Abercrombie was "born out of a store experience," Andersen said, "It is surprising how much of our business has been digital. It's north of 30 percent," and likely to keep rising as the company "right-sizes" its store footprint.

"We are the ultimate iconic American casual retailer," Andersen stated. "Aaron and I didn't pick up our lives and move to the middle of Ohio to be OK. We want to be the best brand in the world. We want to return this brand to the place we think it belongs. There is such love for this brand that people genuinely want it to come back."



"We are a casual American brand. Those are our roots. We don't want people coming into the store and being alarmed by what they see."

– AARON LEVINE

WWD Men's Wear Summit

Ryan Seacrest's Lessons From the Red Carpet

- The television host and entrepreneur is extending his tailored clothing line into sportswear for fall.

BY JEAN E. PALMIERI

Ryan Seacrest has noticed a considerable change in the way men dress on the red carpet and it's this appreciation for fashion that he's hoping to capitalize on with his Ryan Seacrest Distinction label.

The television host and entrepreneur said that since launching his own line three years ago, he's developed a more critical eye when it comes to men's wear.

"Do I think I'm an expert? No," he said. "But I do find myself looking at their clothes when they're answering a question and saying to my other self: 'You need to pay attention to what they're saying because this is a live broadcast and you've got to respond.' I think I've become more attention-oriented to what people are wearing and how they're wearing it and generally they pull it off pretty well."

His favorites are "the guys who play Bond [because they] always look fantastic, so when I close my eyes and dream of who I want to be, it's one of those guys. But I've actually been impressed with how men on the red carpet are really paying close attention to the way they look. You're seeing navy, red velvet, gray, brown – you're not just seeing the standard black tuxedo. That makes the job much more fun."

Seacrest said that although he's had an appreciation for fashion for years, he wasn't always the fashion plate that he is today. He showed some photos of himself as a chubby pre-teen with braces and said he had gotten "very familiar with husky acid-washed jeans."

Even so, he said that he "really loved getting dressed up" as a young man and "looked forward to back-to-school shopping. That's when I realized I liked to dress for occasions."

When he got the job as host of "American Idol," he started working with professional stylists, but much of what he wore in the early days was unflattering and ill-fitting. He joked that some of the looks that he walked out in front of 30 million people



Ryan Seacrest

wearing included a pinstripe suit that was three sizes too big and an ensemble that looked like "Siegfried and Roy's luggage got mixed up with mine."

Eventually, he realized that he "wanted to establish more of a uniform for 'American Idol.'"

"When this show started, I had not done a lot of live television and frankly, I was nervous before the shows. But then, I was introduced to a gentleman named Christopher Bailey and he and I became friends. I was a fan of his brand, Burberry, and I had asked if he would make some great suits, suits that would fit me right and that when I would put them on in the back of the stage, I would get the confidence I needed to come out and attempt to host the show as well as I could."

Bailey agreed and Seacrest wore Burberry

"I've been impressed with how men on the red carpet are paying close attention to the way they look. You're seeing navy, red velvet, gray, brown – you're not just seeing the standard black tuxedo."

– RYAN SEACREST

outfits for close to a decade on the show.

It was during that time that the host started thinking about his own line – one that "paid attention to detail, was tailored and that was also accessible."

Together with Randa, PVH, Peerless and now Itochi, the Ryan Seacrest Distinction label was created and an exclusive was negotiated with Macy's. The collection started with tailored clothing and furnishings, but for fall, will extend into sportswear. This addition, Seacrest said, addresses how he, and other modern guys, dress when they're not wearing the "uniform" of a suit and tie.

"For us in Los Angeles, you've got to plan for your day and you do that with your look. You've got to work, it's Friday and if you're a single guy, you've got your lucky underwear on, you throw a blazer in the trunk and you put everything together and maybe you change it up, but you don't really have a chance to go home and change what you want to wear for the evening."

"That was the impetus for how we wanted to grow Ryan Seacrest Distinction."

He decided to invest by adding a creative director to design the new pieces and turned to Matteo Gottardi of Wrkshop Studio and the Wrk label.

"This is a business that we take very seriously," Seacrest said. "We want to be successful. We want it to be liked, we want it to be sold. Without me having to tee it up, [Matteo] knew exactly where

we wanted to take this line and how we wanted to do it."

Gottardi added: "There isn't this separation between day and night, between how a man buys his traditional clothing for work and how he wears his casual clothing."

And Seacrest is "the perfect avenue to express this new step in men's wear. By mixing sportswear pieces with traditional clothing, we created a new collection that we call Lifewear. And the idea is that you should always feel sophisticated, put together and when you walk outside of your house, you should feel proud of what you're wearing."

Lifewear consists of such pieces as fine-gauge turtlenecks, woven shirts with updated trim details, knit bottoms that look like dress pants and suede motorcycle jackets. And it will be merchandised within the tailored clothing departments at Macy's, next to Seacrest's tailored clothing.

"If we were to have four racks that have all tailored clothing followed by four racks that have all sportswear, I don't think we're teaching this customer how to be able to merge these two product categories," Gottardi said.

Looking beyond Lifewear, Seacrest said he hopes to continue to grow his brand "at a strong pace, but a smart pace. I certainly don't want to grow so fast and do so many things that we're not doing it well. I take a lot of pride in this business, it has my name on it."



Matteo Gottardi

WWD Men's Wear Summit

Jason Derulo on the New Celebrity Endorsement

- Stars promoting fashion lines is nothing new, but the singer believes they won't survive unless they are authentic.

BY ARIA HUGHES

Pop star Jason Derulo ruined a pair of LVL XIII sneakers before investing in the brand.

He wore the trainers during a "Good Morning America" performance, and because of his intense and intricate dance moves, the samples were no longer wearable.

"I gave the shoes back to my stylist and I said, 'This might be a little bit of a problem,'" said Derulo, who spoke at WWD's Men's Wear Summit earlier this month in Brooklyn with Antonio Brown, who founded LVL XIII in 2013.

This problem turned into a partnership. Derulo met with Brown, they hit it off and the singer decided to invest in the men's wear line.

While Derulo is an ambassador for LVL XIII, he made it clear that he's not interested in being bigger than the brand.

"I want this to be something that can sustain without me," said Derulo. "I don't want to have to force anything down anyone's throat ever."

Brown and Derulo believe that celebrity fashion brands have evolved, and because Millennial shoppers can easily sniff out inauthenticity, it's important that these collaborations are executed in a



Antonio Brown and Jason Derulo

meaningful way.

"It's organic, which I think is so important," said Brown, who added that he works closely with Derulo on the line. "So many times you go on social media channels and you see paid advertising and paid promotions and it seems like you are forcing people to buy things. It

has to be authentic."

Along with an honest brand message, Brown and Derulo are focused on producing clothes and sneakers that can easily transition from the street to the office and have an added value. The line, which Brown describes as the future of luxury, features a jacket that can transform into

a backpack. Each pair of sneakers comes with a casing system that's made out of memory foam.

"I remember when I would go out and buy product and you had value. You felt good about buying things," said Brown. "Now it's not happening anymore. It's, 'Let's sell as much as we can sell and let's try to convince them to buy as much as they can buy.'"

LVL XIII apparel will be sold exclusively at Bloomingdale's this fall and even as retail falters, Brown believes a presence in brick-and-mortar shops is still important.

"I don't believe retail is dead," said Brown. "I believe that it's about providing opportunity and creating an experience for consumers. I feel like unfortunately retail, especially luxury retail, followed this elitist mentality going into business and I believe that now it has hindered them."

Derulo has no plans on slapping his name or face on the apparel or sneakers, but he is using his fame to help promote the brand. For his newest video, "Swalla," which features Nicki Minaj, Derulo introduced new pieces from the line and he plans on holding pop-ups based on his tour schedule that will sell LVL XIII, but he's taking things slow.

"To me, I definitely don't want it to oversaturate the market," said Derulo. "I think that's something that a lot of brands make a mistake doing. They do a quick push and get it everywhere. We would like to make the brand exclusive."

Albin Johansson on Keeping the Millennial Customer Top of Mind

- This Swedish sneaker brand aims to become a part of its shopper's closet and lifestyle.

BY ARIA HUGHES

According to Albin Johansson, the cofounder and chief executive officer of Axel Arigato, when a viewer sees a notification or a new post on Instagram, the brain produces a shot of dopamine, a chemical tied to addiction. And when the viewers' brains are filled with the happy feeling created by the release of dopamine, they continue to scroll, like, comment, etc.

This is what brands are competing with, said Johansson, who started the men's and women's sneaker line with Max Svårdh in 2014, and in order to cut through the noise that young customers inundate themselves with, these brands must break from tradition.

Svardh, the chief creative officer, and Johansson were inspired by the direct-to-consumer model that retailers including Warby Parker and Bonobos were utilizing. Johansson said there weren't any brands re-creating this model with sneakers, so they attempted to fill the void. Before officially introducing Axel Arigato product to the market, Johansson, who used to work for

multibrand e-commerce sites, introduced a test Instagram page that featured pictures of Axel Arigato product along with pieces from Nike and Adidas. This helped with brand positioning so much so that once Axel Arigato had its own Instagram account, it quickly amassed 3,000 followers.

"We didn't have a marketing budget, so we did this about three or four months before our official launch," Johansson said. "This is the way people are consuming culture."

Once they introduced the brand, which now sells sneakers along with apparel and handbags, instead of releasing two to four collections a year, Axel Arigato decided to release new product each week.

"Our followers, visitors and customers always have a reason to come back to us," Johansson said. "We need to create content and have a great excuse to send out an e-mail."

Along with giving customers a reason to revisit their e-commerce site, Johansson said it was also important to create experiences, which started off with how they delivered their product. Each pair of Axel Arigato shoes, which retail for around \$215, come with a dust bag, matte gray shoe box and branded chopsticks – Arigato means "thank you" in Japanese.

"There's nothing today that says a

high-end retail experience needs to cost a lot of money," Johansson said. "People are spending their money on a meal at the latest restaurant or a trip to the Caribbean. Your brand can't just be about the products you sell."

Additionally, they are providing experiences in store. Axel Arigato opened its first flagship in London's Soho last September, and the space is outfitted with places to sit, charging stations, Wi-Fi and beverages. The store turns into an event venue after hours.

Johansson hires store associates who are knowledgeable about the coolest bars, latest restaurants and exhibits to elevate the customer service.

"We want our team to get close to our visitors," Johansson said. "As much as it is a selling space, it's a cultural hub."

Johansson said creating these types of experiences becomes even more important with Instagram's algorithm and Facebook's crowded platform.

"Instagram used to be a great, customer acquisition channel, but since they changed their algorithm, their engagement is decreasing and brand accounts are suffering," Johansson said. "In order to be good on Instagram today, you have to spend money or build your brand someplace else, increase your followers and then use the platform."



Albin Johansson

WWD Men's Wear Summit

Macy's Stands by Its Men

- The retailer is making buys that enhance the feeling of discovery.

BY SHARON EDELSON

Skepticism about the future of department stores was a hot topic at the summit. When Karin Darmanin, Macy's executive vice president, general merchandise manager of men's and children's apparel, took the stage, she didn't shy away from the subject, saying it doesn't overly concern her.

"I think that's because we're kind of used to the pivot," she said. "We're accustomed to having to adjust and be agile to respond to the way the market is changing. Every time it's hard to do and it's hard work, but we're used to it."

"We're trying to make conversions easier for men in the store," Darmanin said. "That is really incumbent upon us and also in the merchandising office. A few people called us out on that today and it was fair. We have to make the choice to tell him, 'this is the item of the season,' and put the whole look together for him."

Darmanin said Macy's is boldly standing behind its merchandising decisions. "We have a lot of conviction behind our buys," she said. "When he's in the store and he sees what the trend is, he can convert. Our strategy is to say, 'This is going where we're putting our money.' We're going to edit away all the noise so [our point of view] is obvious to the customer."

Millennials' shopping habits are driving some of the retailer's decisions. "Online is obviously a really important part of the business, but they're engaging with our



Karin Darmanin

brand across all channels, and it's our job to leverage their experience wherever they are," Darmanin said. "The thing that's really important is converting mobile."

To illustrate how inseparable Millennials and their phones are, Darmanin quoted statistics such as that smartphone adoption in U.S. was 80 percent at the end of 2016; mobile apps now account for more than half of the total time consumers spend with digital; the average person looks at his or her phone 46 times a day; Millennials look at their phones 74 times a day, and four out of 10 Millennials interact with their phones more than with anyone or anything else.

Macy's, like other retailers, is looking for ways to attract shoppers to stores when a barrage of fashion information is available on the Internet.

"Social media has provided a platform for fashion to be accessible for everyone," Darmanin said. "It's democratized fashion. It used to be that the guy reading GQ would know what was cool and he'd be one of the mavens who lead and trigger the trends. Millennials definitely started that energy and are moving that forward and probably consuming more of the fashion faster."

"There's a transformational thing happening and it's affecting everybody's response to fashion," Darmanin added. "I

joke around about the phenomenon of not being seen twice in same outfit. That's not true just of Millennials, it's true of families. You're going with your husband to an event or your son is going to a concert and there's the need to be in the next outfit for the next event. It's not just about Millennials, everybody knows their photos will be on social media."

Men aren't only changing how they buy, they're changing what they buy. Ath-leisure's impact is being seen on other parts of the wardrobe. "Stretch is such a big part of every fabrication," Darmanin said. "It's transformed every classification from jeans to dress shirts. It's transformed all of fashion."

The new Ryan Seacrest Distinction collection, the brand's expansion into lifewear, is exclusive to Macy's and will make mixing and matching pieces from his broader line a no-brainer. "We're putting it in the tailored clothing department," she said. "We want to give the guy an easy conversion opportunity in the store. We want to say, 'You bought this suit, here's the great hoodie that will take it to the next look.' We want to make sure we leverage the purchase for the night or casual morning. We have different parts of the wardrobe with Ryan Seacrest and with Distinction, we can dress it up or down or give it a little bit of an edge."

Customer segmentation is helping Macy's hone in on the needs of specific shoppers, while dividing the men's area into quadrants allows the retailer to merchandise around lifestyles. Within each lifestyle, must-haves are displayed. "We set a very high bar for ourselves in terms of knowing what the [top] brands are, and we're pushing the envelope," Darmanin said. "The editing of assortments is a big part of that. That's what buying is, knowing what all the choices are and picking the right ones."



How Lacoste Reestablished Itself as a Premium Brand in the U.S.

- After oversaturating North America in the early Aughts, Lacoste had to develop a strategy to change its brand perception.

BY ARIA HUGHES

It took Lacoste, a French brand started by tennis player René Lacoste, almost two decades to venture into the U.S., and when it did, it was through a licensing partnership with Izod.

Now Lacoste owns its distribution rights in the States and operates about 100 stores in North America, but the brand didn't get to where it is without struggles.

"Times were difficult in the U.S. market in the early 2000s and afterwards," said Joelle Grunberg, president and chief executive officer of Lacoste North America. "We developed the brand too much here and this left us, like many brands, with too many promotions and a loss of control."

To circumvent this issue and reassert the line as a premium label, Lacoste created a strategy that Grunberg said helped the company define a clear brand vision and purpose.

The company did this by doubling down on its heritage. According to Grunberg, many U.S. customers didn't know Lacoste's connection to tennis and golf. To educate them, Lacoste held an exhibit last August outlining its history at the World Trade Center, where it had just opened a store.

To underscore its deep ties to tennis and golf, Lacoste has partnered with the French Open, the Miami Open and the Presidents Cup, and signed golfer Daniel Berger as a brand ambassador.

Lacoste also updated its packaging to feature small touches of the French flag and introduced a made-in-France capsule collection, which Grunberg said is the

most expensive product Lacoste carries, but one of its bestsellers.

Elevating the brand's image within fashion was also a part of the strategy. Lacoste hired an artistic director, Felipe Oliveira Baptista, who staged two shows a year in New York. However, the brand will show in Paris next season to celebrate Lacoste's 85th anniversary.

"The fashion show is a marketing initiative for us," said Grunberg.

Grunberg said collaborating with other brands, including Supreme, A Bathing Ape and the Campanas brothers, has helped as well.

"It's important for us to do two to three collaborations a year," said Grunberg. "It's not that people don't know us, but these partnerships bring something different to the table that's difficult for us to do by ourselves."

Going forward, Lacoste is focused on bringing customers back into its stores, and is hoping to do that by investing in brick-and-mortar locations. It has decreased its retail footprint by closing outlet stores, but is opening new shops in New York, California, Texas and Florida and investing in updating existing stores with digital capabilities and inviting merchandising, which includes a colorful polo wall that's currently in its World Trade Center location.

"Lacoste is a strong American brand today," said Grunberg. "We've pushed strongly on the innovation piece and aligned ourselves with customers' expectations."

WWD Men's Wear Summit

The Future of Retail Is...Complicated

- Aaron Levant is founder of Agenda and senior vice president and head of fashion at Reed Exhibitions.

BY ARTHUR ZACZKIEWICZ

Aaron Levant, founder of Agenda and senior vice president and head of fashion at Reed Exhibitions, wanted attendees at the recent Men's Wear Summit to forget that he works for a trade show event organizer.

Traditional trade shows – and shopping malls – are dead, Levant said. “The only metric that matters is energy,” Levant explained. “And trade shows and malls have no energy.”

Instead, Levant said brands can find success by going direct to consumers. But he's not talking about selling products directly online to them – or opening brand stores. That's needed. What Levant is talking about is interfacing with consumers directly, in person.

Levant cites the success of his ComplexCon event as an example. The event was essentially a trade show for consumers where musicians, fans, foodies, techies and fashion influencers converged. “Fans paid \$55 to go shopping,” Levant said of last year's event, which generated \$10 million in sales, on site, over a two-day period. The event, which he also described as a festival, is Complex the magazine and web site transformed into an experience.

ComplexCon was held last November at the Long Beach Convention & Entertainment Center in California.

The lineup included Snoop Dogg, 2 Chainz, Migos, Chief Keef, Kamaiyah, DJ Sliink, Bia and Jubilee, among many others. There were pop-up shops inside spotlighting “music, sneakers and art.” Pharrell Williams served as the event's cultural director and host committee chair while Takashi Murakami designed the festival's “visual identity” and “overall aesthetic,” Levant said.

The narrative that drove people to the event was designed to resonate mostly with Millennial men as well as women: a place where people “can share your digital obsessions.” Of the fans that showed up, 30 percent were female. Ages ranged from 11 to 50 years old.

From the event's web site: “If our demographics are right, you've probably never been to a conference, and honestly, we're really jealous of you. Most conferences are stuffy affairs, packed to the gills with ‘insiders’ trying to ‘network’ – whatever that means. Even if there's a musician you want to see, they usually end up playing rushed sets to industry hacks glued to their iPhones.”

Levant said there were more than 160 vendors, and 60 speakers and musicians. “It's hyper-consumerism,” he told summit attendees. “We don't have consumers, though. We have fans. And more than 35,000 fans showed up.”

Levant said what differentiates ComplexCon is the convergence of fans, influencers and musicians. The next event is slated for November.

“It's Instagram come to life,” he said.



David J. Katz

Jim Shea

Mapping Out a New Future for Retail – Driven by Data

- David J. Katz of Randa Accessories and Jim Shea of analytics firm First Insight Inc., have a cure for “retail sameness.”

BY ARTHUR ZACZKIEWICZ

The fashion apparel and retail market needs a new map, according to David J. Katz, executive vice president and chief marketing officer of Randa Accessories, and Jim Shea, chief commercial officer of analytics firm First Insight Inc.

The two executives shared the stage to share their thoughts and insights on a retail market saturated with sameness where the core tenets of the industry – great products and great service – have been abandoned.

During their presentation, Katz said the department store segment is suffering from a lack of differentiation – at least in the minds of consumers. There's an overall malaise in the segment, and Katz noted that much of it has to do with not offering shoppers a chance for “discovery and delight.”

Katz said today's retail market requires data-informed consumer insights and a strategic direction. “You can't navigate tomorrow's landscape with yesterday's maps,” Katz said. “We need new maps.”

Shea said challenges in the market “have a lot to do with product,” he said. “Everything – to the consumer – looks the same.” Shea explained that recent research from his company showed that new product

failure rates is 63 percent for men's wear and 68 percent for women's wear.

“Which is extraordinarily high,” he said adding that product failure rates are easily “seen on the clearance racks.”

Katz noted that his company, founded in 1910, is the largest in offering men's accessories, which includes being the number-one belt vendor to Nordstrom and Wal-Mart Stores Inc. Randa accessories are also produced for Guess, Levi Strauss & Co., Anne Klein, Nine West, Cole Haan and Columbia, among many others. Katz said it's “full market,” where the company can't gain any more share.

“We can't increase our market share, so the only growth is in getting consumers to buy more often,” he said adding that using First Insight's consumer behavior and data-driven technology is helping the company zone in on the “key features that consumers respond to.”

Randa gleaned consumer insights via a survey with First Insight that resulted in preferences for price points and product styles as well as the types of products that could garner more robust gross margins. Katz said First Insight's predicative analytics is augmented with qualitative and point-of-sale data, which can help in product development as well as marketing.

Katz urged retailers to return to their roots where product discovery was designed to delight and surprise shoppers. Where retailers – especially department stores – were experts in personalization and offering localized assortments. “We have to bring back the treasure hunt,” he said.



Aaron Levant

Honoring The Innovators

WWD honored the Men's Wear Innovators, 10 visionaries who are shaping the future of men's wear from the retail, brand, creative, design and communications perspectives.

During a cocktail party sponsored by Brookfield Place at the conclusion of the daylong event, attendees raised a glass to the executives who are redefining the men's wear category.

They were Raf Simons, creative director of Calvin Klein; designer Thom Browne; tailor Martin Greenfield; Agenda and ComplexCon founder Aaron Levant; Kith owner Ronnie Fieg; Peter Valles, The North Face's vice president of global creative; model Lucky Blue Smith; advertising mogul Trey Laird; Ben Pruess, Under Armour's president of sport fashion, and Ulric Jerome, chief executive officer of Matchesfashion.com.

– JEAN E. PALMIERI



Brookfield's representatives at the Men's Wear Summit.

BEAUTY

Clinique Tweaks Its Strategy

● Jane Lauder details how the skin-care and makeup brand is adjusting amid an influx of indie brands.

BY ALLISON COLLINS

Clinique may not be in with Millennials, but the brand certainly has its fingers crossed for Gen Z.

“The Millennials, they don’t really care much for quality, but when you start to hear more about Gen Z, they’re different,” said Clinique global brand president Jane Lauder at a CEW event at the Harmonie Club in New York on Thursday evening. “They’re more like Gen X because they’re more interested in quality.”

Lauder gave a broad look into Clinique’s effort to play in a changing beauty landscape, detailing her thoughts on retail channels, social media influencers and China, and sharing that Happy has made it back into the top 10 fragrances.

Clinique has struggled recently as consumers’ ever-increasing appetites for makeup have caused skin-care sales to slow down. In the Estée Lauder Cos. Inc.’s latest fiscal quarter, Clinique’s numbers were hurt by a poorly timed gift with purchase program, executives said, as well as lower skin-care sales, specifically in the Asia-Pacific region.

In an era filled with YouTube makeup tutorials and an influx of indie beauty brands, Clinique is sticking to its skin-care roots while shifting some strategies in order to adapt to the market.

“The world is changing around us,”



Jane Lauder

Lauder said. “How do you change fast enough to keep up without changing things that you don’t want to change?...It’s

a very tough balance.”

One of the things the brand is doing differently is its advertising strategy, which

now includes more “snackable content,” Lauder said. The brand is also starting to use its more than 20,000 consultants as ambassadors, which Lauder termed Cloggers (a Clinique/blogger word combination) as part of an effort to get into the influencer game as a skin-care-focused brand.

“What people love to watch is transformation,” Lauder noted of the makeup tutorial trend, adding she likes to watch them, too. “I’m never going to do it, but I love to watch it – it’s like cooking shows.” She also shared a yet-to-be released tutorial of her own skin-care routine.

Clinique is also working to adapt to each of its markets. In China, for example, the business hired a male actor to sell its products, a common practice for the region. “We found Doctor C, who plays a doctor on TV so it seemed...like it was a stretch, but it was a stretch I could live with,” Lauder said.

She also noted that while the barrier to entry in beauty is very low, the “barrier to quality and expertise is still pretty high.” While indies are all the rage now, she noted that other brand trends have come and gone.

“Ten years to 15 years ago, it was the doctor brands,” Lauder said. “And they were all coming and we were terrified and they were taking all the space. But people come and go – we’re kind of in it for the long run...You can’t be naïve, like, ‘oh we’re going to be fine,’ but you’ve got to do what you think is right and really speak about what makes you special.”

And for Clinique, Lauder said, that thing is dependability.

“Clinique is dependable, but dependable is not always the cutest girl in class,” Lauder said. “But when the pipes break, you realize you want dependable.”

“We want to be who we are,” she added. “We’re not going to be the sexiest, newest, shiniest thing – we’re going to be Clinique, which is pretty great and cool.”

BUSINESS

Ashley Stewart Opens 1st Store Since Bankruptcy 3 Years Ago

● The store concept includes an area for third-party vendors and service providers.

BY VICKI M. YOUNG

Plus-size retailer Ashley Stewart opened its first new store since its bankruptcy proceedings three years ago.

The 4,500-square-foot store opened on Saturday and is located in Newark, N.J., at the Springfield Avenue Marketplace. Called “The Ashley Stewart Lab,” the store will house a range of branded apparel, shoes, jewelry and handbags, and include for the first time a selection of third-party brands. The store layout includes sections structured similar to shop-in-shops to showcase casual apparel, career apparel and intimates. The store has 11 employees, with eight residing locally in Newark. Price points are aimed at outfitting a woman from head to toe for less than \$50.

The concept store will include a social lounge meant to be a fashion hub for friends to gather and view a digital display that features the brand’s Ashley TV multimedia content. Large fitting rooms lead to the runway-ready lounge, which include a step-and-repeat section.

The new store will bring the company count to 90 doors.

James Rhee, executive chairman and chief executive officer, said opening the

Newark store is significant to the brand because it was one location that had to be closed when the company hit hard times.

“The new store concept is reflective of everything that we’ve done over the last three years. Ashley Stewart is not just a fashion business, it is also about social commerce,” Rhee said.

A high school teacher turned private equity investor, Rhee became a member of the retailer’s board in 2011. He resigned from the board in 2013 and became the company’s ceo, and worked on reinvigorating a retailer that – in March 2014 – filed its second bankruptcy petition within a three-year period. The company is no longer in bankruptcy proceedings.

According to Rhee, the company was not profitable prior to its bankruptcy filings. The ceo said the company was losing between \$5 million and \$6 million a year, but is “making approximately \$20 million in profits.” About 10 percent of sales is international through the company web site.

The ceo said the brand draws a lot of traffic from its loyal customers on a regular basis, and that’s why it made sense to include a “small section to house third-party vendors and service providers that can come in and out of our store on a cycling basis.” Examples include nail care, skin care and cosmetics. No leases are in place yet, and Rhee said the space could also be used on an informal basis initially

with service providers to see what works.

“It makes perfect sense because we have a loyal following. The best customers are coming in two to four times a week, whether on their way home [from work or church] or as part of their weekly grocery shopping routine,” Rhee said.

The Ashley Stewart stores tend to be in the 3,000- to 4,000-square-foot range,

and are located entirely in strip centers and downtown locations, Rhee said. The Springfield Avenue Center has been renovated – it includes a ShopRite, eating establishments, a beauty supply business and is near residential units.

Rhee also said the business model for three years has been centered on one that allows friendships – think personalization of the brand as a “person” who becomes the customer’s fashion friend – to evolve, whether socially in the store or via digital media.

The customer base now is different from its historical roots, with more than 40 percent of the current online base Caucasian women, compared with one that was primarily African-American.



A display wall inside the Newark store.

In Focus: Business Insights

BUSINESS

Webinar Reveals Forces Behind Retail Concepts

- “New Concepts in Fashion Retailing: Digital Developments” featured Bernadette Kissane.

BY TRACEY GREENSTEIN

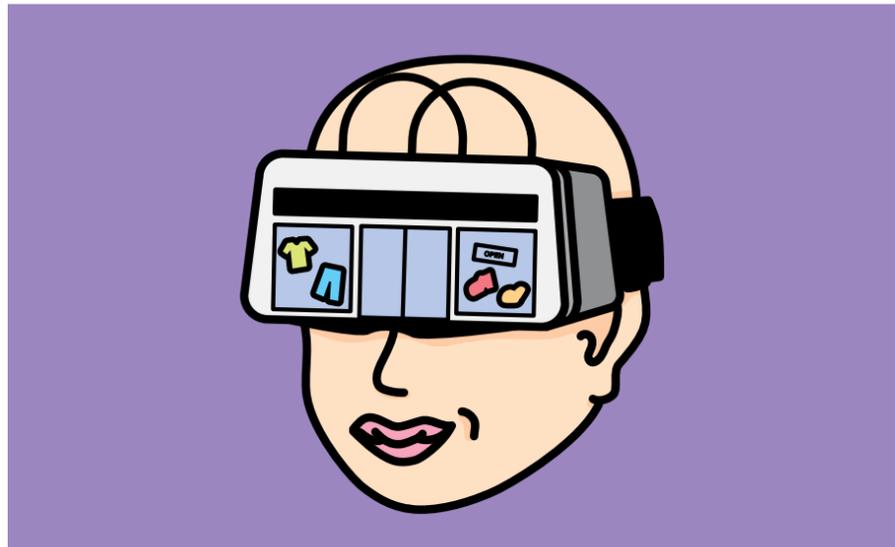
As apparel and footwear brands continue to undergo transformation, retailers are tasked with devising new tactics to entice shoppers into brick-and-mortar spaces. Prioritizing Millennial and Generation Z audiences, retailers are crafting memorable in-store experiences for its “hyper-connected and demanding” consumer bases.

These and other notable trends were discussed in the webinar, “New Concepts in Fashion Retailing: Digital Developments.” The session was led by Euromonitor International’s Bernadette Kissane, an apparel and footwear research analyst, and done in collaboration with WWD.

Amid numerous store closings, it may appear that e-commerce retailing has outplayed the brick-and-mortar model. But according to Kissane, failures in the brick-and-mortar space are merely fissures that will be repaired by prioritizing consumer convenience and experiences.

“It is important to note that, despite the dramatic growth of e-commerce, stores continue to retain their importance, accounting for 85 percent of apparel and footwear sales in 2016,” Kissane said. “This is not to say that the physical selling space has remained static, in fact it’s quite the opposite. Stores are constantly being redefined or reinvented as online retailing increasingly claims the role of transactional shopping.”

For younger generational cohorts, the mall matters. “You can clearly see the rapid rise and massive disruption this channel [e-commerce] has caused over the past few years,” she said. Ultimately,



As a result of observing consumer behavior, for example, guide shops have emerged, which offer the standout components of online and off-line experiences into streamlined consumer journey.

though, “stores will continue to account for the majority of footwear/apparel revenue. Millennials and Generation Z, for all their tech savvy tendencies, still prefer to touch and try on products. Shopping for fashion has always been a social activity and it’s likely to remain so.”

Consumers are increasingly viewing the shopping process as one single journey, but they also heavily rely on mobile commerce and communications from retailers. “Mobile is picking up pace as it bridges the gap between online and off-line,” Kissane noted.

Stores are no longer seen as the place to complete a purchase, Kissane observed, as they have evolved into spaces for brand building, consumer engagement and experiences. Current trends include:

experiential spaces, which allow consumers to test products; the re-introduction of home interiors, to give consumers the comfort of home in-store; the role of digital to curate a more streamlined experience; and the showroom model (brick-and-mortar stores with no actual stock).

For retailers to remain relevant and continue seeing business growth, they must align with how consumers are shopping, Kissane said. As a result of observing consumer behavior, for example, guide shops have emerged, which offer the standout components of online and off-line experiences into streamlined consumer journey. “Experience has become the new social currency,” Kissane said.

A prominent emerging trend in apparel

and footwear is sportswear, which is the fastest-growing category in the sector. Sportswear stores are translating core brand values into memorable brick-and-mortar experiences. Nike, for example, offers a Kinect-powered basketball court while Under Armour offers fitness tests in-store, enabling consumers to keep track of their fitness progress and meaningfully engage them.

Adidas, which has an in-store restaurant, Lab Kitchen, entices customers with elixirs, drinks and healthy snacks. These services aim to enhance the buying process – making it less transactional – while also generating brand loyalty.

Brick-and-mortar stores have also begun to experiment with virtual reality, or VR, to engage consumers. Among these are Tommy Hilfiger, Topshop, Rebecca Minkoff, The North Face and Coach, Kissane noted.

Convergence of online and in-store is the goal. Reformation, a women’s fashion brand based in Los Angeles, allows consumers to browse complete collections through in-store tablets, but the in-store selection only features 20 percent of its stock that accounts for 80 percent of its sales. Shoppers can adjust the lighting in fitting rooms and use tablets to communicate with store employees. The idea is to unify online and off-line experiences.

“Pain points like waiting in line to pay or try on items, not being able to buy a specific item in store, should be addressed,” Kissane said. “Convenience and experience are the name of the game.”

The webinar followed WWD’s Retail 20/20 event, held in New York last week, which also touched on many of the issues presented by Kissane. Navigating retail’s transformation will also be addressed at the WWD Retail 20/20 Forum: London and the New Store Experience, which is set for April 25. Industry thought-leaders will discuss omnichannel strategies for attracting and engaging consumers, and share innovations tailored to amplify consumer experiences across the industry.

Speakers include: Tom Chapman of Matchesfashion.com; Charlie Cole of Tumi; Apu Gupta of Curalate; Lana Hopkins of Mon Purse; Richard Hurren of Levi Strauss & Co.; Deborah Nicodemus of Moda Operandi; Nicolaj Refstrup of Ganni; Chris Sanderson of The Future Laboratory; Paul Wheatley of Lush; and Bink Zengel of Luxottica.

BUSINESS

Shoppers Seek Personalization, Fewer Mobile Apps, More Deals

- The Trendalytics report also revealed top trends with consumers.

BY ARTHUR ZACZKIEWICZ

In a follow-up survey of consumers, mobile engagement platform provider Vibes said in this year’s report that people are downloading fewer mobile apps, seeking greater personalization and are open to chatbots and mobile ads – as long as the end game is greater savings.

The “2017 U.S. Mobile Consumer Report” was done in partnership with Equation Research, and involved more than 2,000 consumers across several generational cohorts. Forty-eight percent of the respondents were female, 52 percent were male.

Researchers noted that mobile users “are highly motivated by personalized messaging around offers, with 59 percent of consumers saying they’d be most inclined to engage with a brand that sends mobile coupons and other deals. This means your messaging should take into account their locations, preferences and past purchases, as well as personal celebrations like birthdays and anniversaries.”

The survey found that 31 percent of respondents would subscribe to a brand or company if it offered “exclusive content.” And 21 percent said they would subscribe if the content was about store news and events. With mobile apps, though, consumers are drifting away from using it – and for different reasons.

“The popularity of apps is waning, with consumers downloading only 4.5 retail



Cover Girl’s new BeautyU offers personalization.

apps on average,” the researchers said in their report. “Older consumers tend to delete them for lack of use, while many younger consumers delete them to save on storage space. And in the end, while in-app usage is high – 80 percent have opened a retail app on their mobile device within the last month – they typically don’t drive action – only 4 percent of consumers say that they always make a purchase after checking the app for information.”

Regarding native apps while shoppers

are inside a store, frequency of use is low. Fifty percent of respondents said they “rarely or never” use a mobile app during in-store shopping while 31 percent said they did it “sometimes.” Respondents are open to receiving notifications. The survey found that 56 percent of respondents “enable notifications for at least one app.”

“Of [that 56 percent], 46 percent of consumers are open to receiving daily notifications, and 17 percent are even up for hearing from your brand twice a day,” the researchers said. “That’s huge growth since last year, according to [last year’s report], which showed just 10 percent of consumers were interested in daily notifications and only 7 percent were interested to hear more than once a day.”

Other key findings include a high percentage of consumers enrolled in a loyalty program, and a large number (33 percent) of shoppers who said they would make a purchase after clicking on a mobile ad. Additionally, 65 percent of consumers polled said they were “comfortable” with chatbots.

Kim Gordon and
Natasha LyonneBella Heathcote,
Selma Blair and
Chloë Grace
Moretz.Sasha Lane and
Rashida Jones

Rodarte and Coach Toast Collaboration

Musso and Frank Grill in Hollywood provided the backdrop for the evening's private dinner to fete the brands' capsule collection.

It was like a scene out of an old Hollywood movie gliding up to the mahogany bar where Coach executive creative director Stuart Vevers calmly sat sipping a drink before the guests began arriving to celebrate the brand's collaboration with Rodarte.

"It was the first time I came to L.A. to meet with Kate and Laura [Mulleavy] and we came here for dinner," Vevers said of Musso and Frank. "It's one of their favorite places and they suggested we come here and I absolutely loved it. I love an old-school classic."

The restaurant, serving up American fare in a setting oozing with Hollywood history, was the scene of a dinner Thursday evening to celebrate the collaboration between Coach and Rodarte. The collection, due out next month,

features embellished leather bags, jackets and dresses among other items, some of which were donned by the evening's guests who included Chloë Grace Moretz, Rashida Jones, Langley Fox Hemingway, Kim Gordon and Selma Blair.

The restaurant quickly filled as guests swarmed the three designers, while waiters passed around shrimp cocktail, stuffed celery and crab cakes before the party settled into the nearly 100-year-old venue's red leather booths for dinner.

"Kate and I love powerful, independent intelligent women and since it's in Los Angeles it kind of feels like a friends and family dinner with people that we know or women that support Rodarte," Laura Mulleavy said of the group

Laura Mulleavy,
Stuart Vevers and
Kate Mulleavy.

assembled Thursday.

The Rodarte and Coach collaboration — a mash-up of what could be viewed as old and new — came

as a surprise to some at the time of the announcement.

"I was actually surprised that people were surprised given the

direction of Coach since I joined," Vevers said. "We really wholeheartedly embraced fashion, but I think it was maybe a sense of the established heritage brand with the younger avant-garde fashion house and I think in many ways though when it came down to it, it was me, Kate and Laura in a room together. And we were just creatives playing rather than thinking about our brands."

That literally was the process as the three designers largely holed themselves up in Vevers' room at the Chateau Marmont during the process of creating the collection, rifling through fabric swatches, colors and archived pieces.

"We talked and got to know each other even more," Mulleavy said of that initial meeting at the Chateau. "I think out of that

stemmed a dialog about things that we wanted to do and [Stuart] had brought some research materials on Coach about the brand and that immediately sparked an idea on how to work with an archival piece that they had and how to translate that for now and into something fun."

For the Mulleavy sisters, once this capsule is out of the gate, the two will turn their full attention on the next Rodarte show.

As for Vevers, the creative director demurred on details of future Coach collaborations, specifically the much-buzzed about one with Selena Gomez, only confirming there are more to come: "Nothing to reveal right now, but I'm excited about doing new things and pushing boundaries." — KARI HAMANAKA

Jessica
Alba and
Victoria
Beckham

Victoria Beckham's Target Garden Launch Party

Naomie Harris, Tiffani Thiessen, Kate Mara and more attended the event in L.A.

Victoria Beckham brought a touch of England to Los Angeles on Saturday for the launch party of the Victoria Beckham for Target collection.

Held at Mohammed Hadid's residence in Bel-Air, the party was full of English roses — both planted on the extensive grounds as well as printed onto the various pieces of apparel and in the flower crowns that guests could make.

"It's fantastic isn't it? It's such a huge house, really beautiful gardens, a great view and fantastic weather. Target really knows how to throw an event," said Beckham.

"Today's event is really celebrating me and Harper and Britain," she said, referring to her five year-old daughter who served as the inspiration for the collection.

"I wanted to really celebrate VVB, which is the other side to my wardrobe and I started working on VVB when I was pregnant with Harper and now they are both five, so now seemed like the right time to really celebrate the fun side to my collections. It's also the first time I've done children's clothes so it's great to celebrate my relationship with her and the things we do together — whether that's

Kate Mara and
Zoe Saldana

collecting flowers or walking to the park or reading books."

Indeed, the youngest Beckham, a dead ringer for her father, was running around the party, shopping pieces for her friends and "babies" while older brother Romeo helped himself to the

Naomie Harris



candy bar.

Soon guests such as Jessica Alba, Zoe Saldana, Kate Mara, Naomie Harris, Camilla Belle, Jordana Brewster and Tiffani Thiessen arrived, some with kids in tow, to help celebrate.

"I have boys, but they could

rock this stuff," said Saldana of the girls' merchandise. "I mean, their parents are very metro."

Alba, an avid Target shopper and vendor — her Honest Co. and Honest Beauty lines are both sold at the retailer — said she was excited to get pieces for her two daughters.

Others were shopping for themselves, like fellow Brits Naomie Harris and Ashley Madekwe. "When else do I get to wear a dress with a bunny collar?" Madekwe asked, while eyeing the actress dressed as a mermaid in the sparkling infinity pool. "Do you think we could ask these kids to move so we can get a photo with the mermaid?" she added.

There were myriad other amusements for children, including a paper bunny mask-making station, a necklace bar, trees hung with English rock candy, a red telephone booth photo booth and a storytelling corner.

"It's just so nice when you can bring your kids to work with you," said Beckham. "I'm a mum and I love to be able to include my family as much as possible. There's so many fun things to do here."

— MARCY MEDINA

The scene inside
the pop-up shop;
guests waited
almost an hour to
pay at the height
of the party.



Michelle Branch

Michelle Branch: Back at Last

After 14 years and a series of false starts, the early-Aughts singer is back.

Whatever happened to Michelle Branch?

You know, the artist behind nostalgia-inducing songs “Everywhere,” “Are You Happy Now?” “Goodbye to You” and “Breathe” that dominated the music scene in the early Aughts — only to fade away entirely?

Branch is back — 14 years since her last album — with “Hopeless Romantic,” to be released on April 7.

“I’m, like, cursed,” says Branch from an armchair beside the fireplace in the Bowery Hotel’s lobby in Manhattan. “If you’re in the music business and you work with me, chances are everyone at your company will be fired. No, [I’m joking], but it’s starting to seem that way.”

The curse, so to speak, has hung over her career since her teenage days but “Hopeless Romantic” was the one that made it out.

“The album was finished May 5 of last year,” Branch says. “But then there was a new label president, and he had new hires, so everything kind of like was screeching along for it to come out.”

That, it turns out, is not a new narrative for the musician.

“I’ve turned in two records where we shot artwork, I had press starting and then the whole label was fired, and everything got put on hold and just

reached a halt,” she says. “So, it’s my mentality now: I’ll believe it when I see it. I’ve hardened a little bit.”

Her story goes a little like this: just before turning 17, the small-town Arizona native signed a record deal with Maverick Records, the label cofounded by Madonna in 1992 that was part of Warner Music. Her debut, “The Spirit Room,” was released shortly after she turned 18, in 2001, and became a rapid success.

“Nobody expected it to do what it did,” she says. “It really felt like I was, like, making my own record, minding my own business. I turn in the record and the next thing you know I was traveling and on the road, and I didn’t come home for, like, two years. It hit that quickly, it had a momentum that no one expected. You can’t ever predict those things — it’s like, ‘Maybe it’ll sell a couple copies.’ And the next thing you know you’re on TRL.”

“The Spirit Room” was followed in 2003 by “Hotel Paper,” in between which she won a Grammy for her song with Santana, “Game of Love,” a song whose enduring popularity she describes as “if you go into CVS at 1 a.m. for Tampons, they’re playing that song.” She embarked on a brief joint venture called The Wreckers, which had her and bandmate Jessica Harp opening for the Dixie Chicks, as well as giving

birth to her daughter, Owen, with her then-husband. Success with The Wreckers was masked by behind-the-scenes unraveling, and the duo eventually split.

“So, here we were, newly nominated for a Grammy, and touring, and having a number-one record, and it was going really well, and we were like, ‘We can’t work

together,’” Branch says. “I had all this material that I had written, so I was like, ‘OK, well then I’ll just record it myself.’

She presented the album to



The “Hopeless Romantic” cover art.

Warner Nashville, only to be told it was not “pop” enough. Deciding to launch into a pop record, she took a meeting with a label president on a Thursday, who gave her the green light, only to find by Monday he’d been fired. “A new president comes in. I’m like, ‘Can I make a record now?’ ‘Oh yeah, you can go and make a record.’ I make a country record, finish it, do artwork, and as I’m out doing promo, that label president gets fired. So, I put in a country album and then a pop record, full and literally someone just unplugged it. Every regime change, they were like ‘don’t worry Michelle. We’ll get to you.’”

At long last, her moment is here. Branch was finally released from Warner and able to sign with a new label, Verve, in 2015. “Hopeless Romantic” grew out of her budding relationship with Patrick Carney of The Black Keys, who produced and financed the record.

“It was a really important lesson for me,” she says of her series of false starts. “And then through the process, Patrick and I completely fell in love while we were making the record. It’s like looking out from the other end of everything it took to get here.”

“It’s like the first time I’ve been able to breathe a sigh of relief,” she continues. “I can believe that it’s going to happen this time.”

— LEIGH NORDSTROM



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Fashion Scoops

By the Bay

Carolina Herrera touched down in San Francisco this week to help Neiman Marcus salute the San Francisco Ballet Auxiliary, San Francisco Opera Guild and San Francisco Symphony for their dedication in bringing arts programs to children throughout the Bay Area.

"The event combines my two favorite causes, children and the arts," said Herrera, who was joined by Neimans' senior vice president and fashion director Ken Downing and Alan Morrell, vice president, general manager of Neiman Marcus Union Square.

Herrera presented 39 looks from her fall 2017 collection in a mini runway show on the store's couture floor then mingled at a trunk show. The designer was last at Neiman Marcus Union Square six years ago and said, "I'm so glad I got to come back. I also attended a ballet and went to see the new modern art museum. The [Henri] Matisse and [Richard] Diebenkorn exhibit was beautiful. It was also nice to see the groups of children who come there as beneficiaries of the programs we are honoring today."

Neiman's has carried Herrera since its launch in 1981. In honor of the long-standing relationship, Neiman Marcus Group chief executive officer Karen Katz honored the designer with The Neiman Marcus Award for Distinguished Service in the Field of Fashion last September in Dallas. Herrera said she hopes to make another sojourn to Los Angeles soon as well (she was last there in December to support Rochelle Gores Fredston's The Winter Gala), where she recently installed a full-time VIP relations staffer to manage dressing and West Coast public relations.

Back in New York, Herrera is busy readying her bridal show, which will take place on April 21, then onto the resort and spring collections. "Fashion never sleeps," she said. — MARCY MEDINA

Color Wheel

Karl Lagerfeld is getting the color printing treatment.

The designer has tapped artist and illustrator Steven Wilson to collaborate on a limited-edition capsule collection of clothing and accessories featuring designs made using layers of cyan,

magenta and yellow — the hues that form the basis of the printing process.

Wilson created graphics including a portrait of Lagerfeld, his cat Choupette, the brand logo, a camera and a pair of sunglasses. They feature on items such as an embroidered satin bomber jacket, sweatshirts, jeans, a tote bag and an assortment of accessories that will go on sale in stores and online on April 1.

"The principle behind the graphics is that they are made using just three layers. Abstract cyan, magenta and yellow shapes are laid on top of one another to create a design that has identifiable form," Wilson said in a statement. "The beauty of this process is that where the colors overlap, you get secondary colors — red, green and so on."

The U.K.-based illustrator has worked with brands including Nike, Adidas, Levi's, Converse and Stussy, but said he rarely gets name-checked. "All too often my work is used anonymously under a brand name, so to have the opportunity to have my name and work used alongside Karl Lagerfeld is very special," he noted.

It's not the first time Lagerfeld has tapped an illustrator to put their spin on his namesake label. In 2015, Tiffany Cooper created a capsule collection for the brand, followed by a comic book about Lagerfeld titled "Karl's Secrets." Choupette, meanwhile, has featured on the brand's accessories as a fearsome cartoon character called Monster Choupette. — JOELLE DIDERICH

Use the Force

Philipp Plein is ready to take off.

The label is planning to enhance its store experience by implementing a series of activities in its Milanese men's flagship, located in the city's central Corso Venezia.

Opened last January during Men's Fashion Week, the 7,319-square-foot unit showcases Philipp Plein and Plein Sport ready-to-wear and accessories collections. Distributed on three floors, the store also features the Air Force Plein Bar, a private jet themed bar conceived by Milanese interior design firm CLS.

The company has decided to boost this area hosting a series of exclusive parties with selected guest lists, once a month. Each party will be themed according to a different destination, which will be unveiled



on location through footage broadcasted by airplane window-shaped screens.

Held on March 30, the first party had Miami as its destination. Italian bloggers and press gathered in a relaxed atmosphere, sipping Philipp Plein-labeled Champagne and having caviar canapés served by hostesses in customized uniforms, while a pilot-DJ provided the soundtrack of the evening.

The next parties are scheduled to run the last Thursday of each month, but the respective guest lists have not been disclosed yet.

In addition to the bar, the Philipp Plein men's flagship also includes an art gallery showcasing artist Alec Monopoly's paintings.

The company counts 110 doors worldwide, with the number expected to increase this year, starting from the upcoming opening inside the Galeries Lafayette in Paris. — SANDRA SALIBIAN

Bathing Beauty

Alexis Mabille is moving from the boudoir to the bathroom.

The French designer, known for his lacy slipdresses and slinky pajamas, has designed a bathroom for sanitary equipment and furnishings specialist Jacob Delafon. Featuring sensual lines and luxurious materials, the design will be unveiled at the Maison et Objet trade show in Paris in September.

"I've always been passionate about decoration and interiors. It's been my hobby besides my own line — that's why I'm delighted to work with Jacob Delafon creating my ideal bathroom. I want not only the most exceptional pieces, but a very personal concept dedicated to women," Mabille said.

Fans of the designer include Dita Von

Teese, who has been hanging out with Mabelle in Paris this week. The two visited the Museum of the Legion of Honor, and he shot a video of her modeling one of her own dressing gown designs at La Réserve hotel.

There was a work reason behind their reunion: For the second consecutive year, Mabelle is heading the jury of the Prix des Étoiles Mercedes-Benz, a French design competition for young talents.

Von Teese will join him on the judging panel, alongside dancer Marie-Agnès Gillet, stylist Camille Seydoux, actress Ludvine Sagnier and Béatrice Tanguy, head of fashion projects at Mercedes-Benz, WWD has learned.

Designers have been asked to imagine a sporty outfit to coincide with the 50th anniversary of AMG, the German carmaker's high-performance division. Applications are open until April 3 and the winner will receive a grant of 20,000 euros, or \$21,375 at current exchange, and long-term support from the company.

Mercedes-Benz supports fashion weeks in 27 countries and regularly collaborates with photographers such as Mario Testino, Nick Knight and Ryan McGinley for campaigns merging fashion and automobiles. — JD.

In Good Nick

Nick Wooster is downsizing for good cause.

The fashion executive pulled "just under half" of his massive wardrobe to be sold at a pop-up sale this weekend in New York with 100 percent of the proceeds benefiting the Hetrick-Martin Institute, an organization providing critical services like clothing and food to homeless LGBT youth.

"A significant portion of it is priced

like whatever the designer resale market is," explained Wooster of the 375 pieces selected for the sale. "But there's maybe 20 percent not priced to move and it may be what I paid for it since it's going to the cause."

The former Neiman Marcus men's fashion director pointed to a leather and shearling Brusko K. Jacket priced at \$3,250 as an item he is "not so psyched to get rid of," but quickly noted the money raised is going to help young people in need.

Browsing through the color-coordinated racks at the 740 Broadway retail space one will find items ranging from muted cashmere sweaters to a pair of metallic gold Nike sneakers. While the men's wear pieces aren't for guys of every size, Wooster is confident the sale will be a perfect fit for many.

"I'm a little bit of a magic size," the designer explained. "I've been fat and I've been thin, so there is a mix."

The sale, which was curated by a team from Ralph Lauren, runs through April 2. Although Wooster may periodically stop by throughout, he insists he will not be a fixture at the fund-raiser. "I don't want to be around and hear the feedback about my clothes — like, why would he buy that?" he said. — ANDREW NODELL

Shoe Shine

Anthropologie and Dr. Scholl's have teamed on a collection of spring shoes.

The three-style range includes wedged sandals and a flat sneaker.

The collection is set to launch April 25 at Anthropologie stores, priced from \$108 to \$128.

The firms have been working together on-and-off since 2013.

Said Katie Moore, senior designer for Dr. Scholl's: "Because of our history of partnership with Anthropologie and our understanding of the styles that have done well for their consumer, this was an easy collaboration. We followed Anthropologie's lead on material inspiration that aligned with their spring ready to wear. Basically, it was a collaborative effort that started with a selection of styles and materials, which we worked to narrow down to a capsule collection — keeping in mind the consumer and our shared goal to curate a hand-crafted collection that offered a range of options." — MISTY WHITE SIDELL

Memo Pad

Closing Shop

Artist management agency, Jed Root Inc., is ceasing operations, WWD has learned.

The company, which has offices in New York, Paris and Los Angeles, will shut down Saturday. The news was confirmed by Jed Root's Swiss parent company RPRT AG.

RPRT chief executive officer Oliver Fletcher offered: "The legacies of Jed Root were too big and heavy. At the time of the acquisition, we bought a company based on profitable numbers. But after a review of an expert from the U.K., we recognized that Jed Root had — at the time of the transaction — an accumulated loss of [more than] \$6.5 million. We did several cash injections to stabilize the business, unfortunately, without success. The Jed Root companies owe RPRT \$3.6 million in loans and [more than] \$4.5 million in management fees. The group liquidity of Jed Root based on our daily cash book is USD 90,000, therefore, I have to freeze the operative business by tomorrow and try to protect the debtors of all local subsidiaries of the Jed Root Group." Sources at Jed Root contested

Fletcher's assertion that the company had accumulated a loss, offering that, even if it had, it should have still been able to persist without halting operations. Nonetheless, the company began to unravel after RPRT acquired the agency from founder Jed Root in June 2015.

Since then, the company has been unable to pay invoices to artists and vendors, racking up millions in unpaid bills, insiders said. In order to help manage the business and look for growth opportunities, RPRT brought back Root in 2016 in an unofficial capacity.

Sources told WWD that Root claims he had not been paid following the sale of his company, but he was given a monthly salary to come onboard. Root did not respond to calls for comment.

Payments aside, the agency's decline took a very real turn on Friday morning.

According to sources with knowledge of the situation, the firm's New York staff was in the process of moving out of its Chelsea offices to its smaller work space near Union Square when Root was notified to let go of all employees, including himself. The news came after the move was completed. The office had been whittled down from 30 to about 10 in recent months. And it wasn't just office workers who had been fleeing the company — artists, too, have been leaving after not receiving payment for their work.

Artists who spoke to WWD on the condition of anonymity said they were considering legal action; some were owed hundreds of thousands of dollars, with two photographers owed as much as \$800,000 a piece, sources said.

Earlier this week, the London office notified talent that the parent company RPRT locked them out of their bank accounts. "They are allegedly sending credit notices to my clients and then sending me my invoices so I can invoice directly," an artist said.

According to a source with knowledge of payroll, clients' payments had been routed to RPRT, which is supposed to disperse the funds to the offices, but the parent company had been holding on to that cash.

It wasn't too long ago that Jed Root was once one of the most high-profile talent agencies, home to top photographers, hair and makeup artists, stylists, illustrators and set designers, who

are responsible for the imagery in GQ, Paris Match, Elle, CR, Porter and various editions of Vogue, among others.

Jed Root's roster included photographers Bjorn looss, Adam Katz Sinding, Emma Tempest, Takay and others. Other talent had included Joe Zee, Ted Gibson, Marco + Maria, Celia Azoulay and Luke Day.

Although it's unclear what will happen next with RPRT and Jed Root, insiders tell WWD that Root plans to open a smaller agency — one that he controls — in hopes of building up his brand again. — ALEXANDRA STEIGRAD



Zinke Joins Fendi

Tenley Zinke has been named vice president of communications at Fendi Americas. She begins Tuesday.

Zinke succeeds Joshua Gaynor who left the company several months ago and joined Bulgari as vice president of brand marketing and communications.

Most recently Zinke was with Tiffany & Co. as group director, global public relations strategy and development. Before that, she was an independent consultant, having previously worked at Net-a-porter as head of public relations and then adding marketing in the U.S. to become head of communications. Earlier, she was with Ralph Lauren as vice president of women's public relations and vice president of international and corporate public relations, directing editorial and event activities for the brands in Asia and Latin America.

She will report jointly to Gaetano Sciuto, president of Fendi Americas, and Cristiana Monfardini, global directors of communications. — LISA LOCKWOOD