



UP AND AWAY

BRUNELLO CUCINELLI PROFITS CLIMB 26 PERCENT IN 2012.
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INNER BATTLE

SPANX'S SARA BLAKELY AND YUMMIE TUMMIE'S HEATHER THOMSON SQUARE OFF OVER PATENT CLAIMS. PAGE 2

WWD

WEDNESDAY, MARCH 13, 2013 ■ \$3.00 ■ WOMEN'S WEAR D

Outside The Lines

Rei Kawakubo was one of many designers drawn to pinstripes this season. She treated the men's wear staple in a most unorthodox fashion on the Comme des Garçons runway, where she explored the "infinity of tailoring" by winding suits into big rosettes. For more on the pinstripe trend, see pages 4 and 5.

COLLECTIONS
TRENDS
FALL 2013



PHOTO BY GIOVANNI GIANNORI

FRESH START

Joe Fresh Launch Key for Penney's

By DAVID MOIN

THE MAMMOTH LAUNCH of Joe Fresh shops inside 681 J.C. Penney stores simultaneously Friday is taking on greater significance than either party would have imagined last July when the deal was struck.

Not simply because it's Penney's highest profile and hippest brand launch since the department store's reinvention began in 2011. It's also because after steep losses and scaring shoppers off with radical pricing changes, Penney's seriously needs a winner and something to validate the controversial modernization strategy being implemented by J.C. Penney Co. Inc. chief executive officer Ron Johnson. He's been dogged by rumors of a possible resignation, which were denied by the company Tuesday.

"We are one of many new concepts being brought to J.C. Penney. But there is no question about it: There seems to be a bit more focus on our brand working," Joe Mimran, the founder of Joe Fresh, told WWD on Tuesday.

Penney's this spring is also banking heavily on a revamped home floor with 15,000-square-foot furniture departments rolling out to more than 200 stores in May and, starting in the next few weeks, exclusives from Jonathan Adler, Terence Conran, Bodum and Michael Graves. Martha Stewart remains questionable, pending the outcome of the contract dispute involving her company, Penney's and Macy's Inc.

Right now, all eyes are on Joe Fresh as a critical step in Penney's quest to capture a younger audience and maybe convert some traditional shoppers to modern styles. Recent smaller launches such as Pearl by Georgina Chapman of Marchesa and L'Amour Nanette Lepore have the same objectives. But establishing a new base of customers can take years and Penney's may not have enough time. There are concerns the money is running out due to the reinvention costs and sales slide resulting from the new strategy, and that business must pick up soon.

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A Brand Strategy Session

By EVAN CLARK

WALL STREET is hot right now — even if the economy isn't — and fashion companies are out selling their stories to investors, trying to catch a piece of the action that keeps pushing the Dow Jones Industrial Average to new highs.

The first day of the two-day Bank of America Merrill Lynch 2013 Consumer and Retail Conference in New York drew a diverse group of companies Tuesday, from Coach Inc. to Wal-Mart Stores Inc.

And each firm has its own path to better returns. Wal-Mart is trying to make its gigantic store base an asset in the e-commerce game as it works on different ways to get goods into the hands of consumers. Coach continues to draw on its strength as an accessories brand as the company moves to more of a lifestyle positioning. And Under Armour Inc. is tapping into Stealth Bomber technology.

On Wall Street, retail stocks set another new high Tuesday before dipping modestly, while the Dow Jones Industrial Average just barely eked out a gain, and another record close.

The S&P 500 Retailing Industry Group slipped 0.2 percent, or 1.10 points, to 727.03, and the Dow closed up 2.77 points to 14,450.06.

Among gainers that were at the conference were Perry Ellis International Inc., up 3.1 percent to \$16.74, and Wal-Mart, ahead 0.9 percent to \$73.60. The decliners included Coach, off 1.4 percent to \$48.81; The Jones Group Inc., 0.6 percent to \$12.06, and Under Armour, 0.4 percent to \$48.51.

SEE PAGE 3

DALLAS MARKET PREVIEW

A Really Big Shoe

DALLAS — Shoe obsession has hit the Dallas Market Center, which will display about 110 footwear resources at next week's women's market — twice the number of footwear exhibitors a year ago.

The Strut shoe booth show launched in January 2012 signaled the DMC's effort to build its footwear business. As some vendors opted to lease permanent space, the number of shoe showrooms swelled to 30, including Cole Haan, Kenneth Cole, Steve Madden and Ugg.

"Retailer demand has allowed us to grow our shoe marketplace in Dallas with more apparel stores carrying the category across price points," said Cindy Morris, chief operating officer.

Permanent shoe showrooms making their debut at the March 21 to 24 show are Bernie Mev, Sbicca and Grazie, Passions Footwear, Rockport and Volatile. In addition, the Strut show will feature at least 20 new labels among roughly 65 brands. Strut newcomers include Bearpaw, Birkenstock, Diba, Earth Brands, Eileen Fisher, Mia, Naughty Monkey, Rampage and Rocket Dog.

Combined, Strut and the shoe showrooms cover about 45,000 square feet on the World Trade Center's 13th floor. In addition, several showrooms on the 14th and 15th floors display shoes, such as Camuto Group, Corral Boots and Old Gringo.

In other news, Susanne Taylor & Associates showroom will introduce nine lifestyle fashion and accessory brands to the DMC: Canadian-made



Sbicca Vintage (top) and Very Volatile at DMC.



Karma activewear inspired by runway trends; fashion hosiery labels Aristoc, House of Holland, Pretty Polly and Alice + Olivia by U.K. legwear giant Pretty Polly; Hanro of Switzerland women's and men's intimate apparel, and three sleepwear and robe brands by Gerhard Rösch of Germany — Rösch, Blanche Fleur and Féraud.

Taylor, who has been traveling to introduce the labels to retailers, said reaction has been strong.

"All these people we are seeing on the road have been calling us and asking us to come — it's not like we're searching for a place to go," she said. "Beyoncé and her dancers wore Pretty Polly's sexy Secret Socks during

the Super Bowl [halftime show]. It's trendy, fun and on target."

Pam Kramer & Associates will unveil Czar by Cesar Galindo, a bridge-priced dress collection by Cesar Galindo that has been shown twice at Mercedes-Benz Fashion Week in New York, and A.B.S. by Allen Schwartz day dresses.

Czar is known for draping and print placement, and the fall line branches into soft sportswear and faux fur stoles.

— HOLLY HABER

DENIM

Hub Market Plans Aug. Launch

By ARNOLD J. KARR

TWO BRITISH expatriates are looking to raise the bar for global fashion trade shows in Hong Kong.

Richard Hobbs and Peter Caplowe, who founded Entrepot Asia last year as a consulting business aimed at helping fashion brands gain a foothold in China and throughout Asia, have founded The Hub as a semiannual show to be held at Hong Kong's Asia World Expo, starting with a three-day event beginning Aug. 28. The company has committed to two other shows — in February and August of 2014 — and has options to extend the agreement.

Initially, the show will occupy about 60,000 square feet in a single hall of the Hong Kong facility and the principals hope to draw between 100 and 120 exhibitor companies. But the space can be expanded to up to 165,000 square feet in three separate halls, with a proportionate expansion in the number of exhibitors.



"We want the first event to go smoothly and for everyone to leave with a smile on their face," Hobbs told WWD. "It needs to look right and smell right as a fashion trade show and not like a flat, corporate Hong Kong trade show where they just might as well be selling ball bearings."

The show will be divided into four separate sections — Indigo, Heritage, Street and Contemporary — with each bearing its own design personality. The Indigo and Heritage sections, for instance, will feature wood and other natural and recycled materials, while Contemporary will be distinguished by bamboo and stone and Street by an urban setting characterized by metal frames, scaffolding and chalkboards.

Hobbs and Caplowe are residents of Hong Kong who've served as matchmakers between Western brands and both retailers and prospective distribution or licensing partners in the Far East.

Hobbs had worked with Mecca USA before a more recent association with Pepe Jeans, and Caplowe was the architect of Evisu's international expansion.

"We'd both been doing pretty much the same thing, running around the region serving as marriage guidance counselors to brands from Europe and North America that know they need to be in Asia," Hobbs said. "It finally hit us that we needed to create the thing that's missing, what Las Vegas has with Project and Berlin has with Bread & Butter."

He said he recognizes that many of the world's largest exhibition companies have attempted to establish a venue like the one now being planned. "But the difference is they weren't here," he said, "or they were here for a week. There's no one in the world who doesn't want to do more business in China and throughout Asia, but there hasn't been the right platform before this."

The two have a majority stake in the company as well as a silent partner and are seeking additional sources of capital. Although initially interested in a direct association with a trade show company, they decided to form a series of other alliances, including one with Shanghai Mart, which will give them showroom space and access to the facility's database of more than 4,000 companies in the region, and another with InvestHK, a government organization that aims to attract visitors.

There are also efforts underway to house a group of designers at downtown hotels and to arrange for participation of representative groups from other trade shows.

Hobbs said that he has commitments from exhibitors that would take about 20 percent of the space available and feels confident about the prospects for another 20 percent. "We're ahead of our sales targets," he said.

Among those already signed up for participation are Adidas Y3, Barbour, J.W. Anderson, Johanna Ho, Tkees and Mata Hari. "Barbour will be a marquee brand in Heritage and I can see Y3 sitting where Contemporary and Street come together," Hobbs said.

The organizers expect about half of their exhibitor base to come from Europe, with most of the rest fairly evenly divided between North America and Asia.

"It's pretty clear that any brand anywhere in the world that's doing its homework wants to sell more into Asia," Hobbs concluded. "We're doing what we have to do to bring the people in to buy from them, and it's pretty likely that they'll be others coming in with the idea of buying some of them too."

Cone and Crailar in Flax Agreement

By ARTHUR FRIEDMAN

CRAILAR TECHNOLOGIES Inc., which produces and markets a natural fiber made from flax and other bast fibers, has entered into a marketing and development agreement with Cone Denim to market and develop the use of Crailar flax in its denim fabric line.

Cone will immediately launch Crailar flax denim developments in its Cone 3D offering to its existing clients, and the two companies will jointly introduce Crailar flax denim developments to Crailar's current partner brands, which include Hanesbrands, Georgia-Pacific, Brilliant Global Knitwear, Tuscarora Yarns, Target Corp. and Kowa Co., for commercial use, and to Levi Strauss & Co., Cotswold Industries, Cintas, Carhartt, Ashland, PVH Corp. and Lenzing for evaluation and development. The agreement begins this month and runs through December 2015.

Crailar and Cone will jointly create and manage marketing materials, sales meetings, trade shows, press launches,

trade and consumer marketing activities as part of the new venture.

"This is a significant move for Crailar because it puts our...fiber in the hands of one of the most innovative and prolific mills in the world in one of the largest...categories in the apparel industry," said Ken Barker, chief executive officer of Crailar.

Kara Nicholas, vice president of product development and marketing for Cone Denim, said, "The introduction of our new Crailar denim designs complements our existing Sustainblue fabric collection and furthers our commitment to provide responsible product solutions to customers that speak to the emerging globally conscience consumer."

Cone Denim is headquartered in Greensboro, N.C., where its flagship White Oak mill has some of the most modern equipment and technology available alongside vintage looms from midcentury denim making. Cone also has manufacturing facilities elsewhere in the U.S., as well as in Asia and Mexico, giving global access to supply chains. Cone operates as part of International Textile Group.

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