

WWD TUESDAY

Ready-to-Wear/Textiles

Tony Tweed

NEW YORK — Forget the old stereotype of the college professor in natty tweed suits. The nubby wool fabric has been given a stylish upgrade for fall by designers such as Ralph Lauren, who sent out a ladylike collection full of cozy yet elegant looks. Here, his wool and cashmere tweed jumper worn over a cashmere turtleneck. For more, see pages 6 and 7.

Into the Stratosphere: Luxury Handbag Brands Take Prices Ever Higher

By Sophia Chabbott

"TO INFINITY AND BEYOND."

That's how Terry Lundgren, chairman, president and chief executive officer of Federated Department Stores, describes what Bloomingdale's customers are willing to pay these days for their luxury handbags.

Designer handbag prices have been on a steep climb for several years, ranging from \$1,000 up to a whopping \$148,000, and many retailers and designers said they weren't even close to reaching the proverbial glass ceiling.

"It's been astonishing how high a price point we are being able to sell,

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customer service

In order to help grow their businesses, women's sportswear firms look for ways to reach out directly to c

By Melanie Kletter

WOMEN'S SPORTSWEAR AND DRESS MANUFACTURERS ARE TAKING A number of approaches to growing their businesses this year. Companies are starting new product divisions, increasing distribution in specialty stores, expanding their private label businesses and upgrading their merchandise quality to drive more sales. Most firms said they were optimistic that their business would improve in the coming year.

"We feel strongly that 2007 will be better than 2006," said Ben Melamed, vice president of New York firm Attitude Knits. "What's driving business now is price and quality."

Morris Elyaszadeh, co-owner of New York suit company Lily & Taylor, sees big potential for 2007. "We see suits coming back," he said. "There was a time when women didn't want suits, but we are optimistic about suits for 2007."

Nonetheless, the women's sportswear sector faces a lot of uncertainty. There has been continued consolidation among retailers, leading to fewer chains with which companies can do business. Mergers and acquisitions continue throughout the fashion and retail industries. In addition, many retailers are expanding their own private label business, which leaves less room for other brands.

Elyaszadeh said his business was focused on independent boutiques, a sector that is not affected as much by mergers and consolidation. "We have about 1,200 accounts, mostly independent boutiques. We are in some chain stores also."

He said that his company was focusing on providing updated looks that incorporate fabrics that are different from what his competitors are offering, such as suits made of lace and a wool-silk blended fabric that has a shiny look.

"People will spend money as long as they get something that is unique and different in the market," Elyaszadeh added.

One company that is on the move is Cutter & Buck. Although it is best known for golf apparel, the firm has been stepping up its offerings of sportswear and non-golf apparel. The company will make a big push in luxury goods for fall, especially in its men's wear, said Julie Snow, vice president of design and merchandising. "We have been working to elevate our high-end assortment," she said. "We are offering higher-quality fabrics to items, including a silk-cashmere component to our sweaters."

The women's business is a growing focus for the company, she noted. In women's, Cutter & Buck has been working to offer a "collection influence" with a large selection of items that work together, Snow said. "We are offering a full-scale assortment that includes outerwear, tops and other items." She said the company had beefed up its sweater assortment and was also focusing on details, such as a knit top with a braided neckline and a jacket with an oversize button that is tied with a ribbon. It also has expanded its use of novelty yarns.

The Seattle company also has been dedicating more effort to selling directly to consumers. In September 2005, the company launched its first retail catalogue.

"This is a great way for us to have a conversation with our customers," Snow said. "We can show them the full range of our offerings that they may not be able to see in stores." The company now has about nine catalogues a year, and the mail-order business has led to more sales at the company's Web site (cutterbuck.com), she noted.

Another company feeling optimistic about 2007 is Tribal Sportswear. The Montreal company is offering "mix and match" items that allow women to have more flexibility in their choices, said the U.S. sales manager, Pat Brown.

Tribal has identified 10 items that it thinks will be top sellers for fall 2007, including the white shirt, denim, the novelty jacket, the novelty sweater, the great suit and the long denim skirt. "We call them the 'Hot 10' list and we will believe in these basic, key items that everyone should own," she said. "We are doing our best to make it as easy for our customer who knows our fit and knows our quality and appreciates our way of interpreting swiftly changing fashion trends to look that can last, see



See Wong's silk dress and scarf.



Tori Richard's cotton top.

To help stores and consumers, Tribal has developed special items to accompany its collection.

On the distribution front, the company is expanding its offerings to include specialty stores also expanding its distribution channels and is committed to keep its prices low. "As all companies have to adjust, we try to remain a moderately priced line that can hang with the better-priced lines," she added.

Camille Passaro, president of New York dress firm Muse, said growing private label was a key area for her company, and much of the firm's private label business is in daywear dresses sold at specialty stores.

As part of its plan to expand into new retail distribution, Muse will start selling its offerings on the Home Shopping Network cable channel. "Our business in 2006 kept snowballing and getting better, and we see that continuing this year," she said. "People are buying now. We are having a dress year."

Richard Mizrahi, owner and president of Fargo, N.D.-based Sidran Inc., said the company's Cripple Creek label, said he had a number of new initiatives in the way.

"This year we are looking to expand our distribution into a wider variety of stores, create more brand recognition, build brand awareness and have people see us as a collection, not just an item-driven line," he said.

He said he was working to get Cripple Creek into more national stores, including Nordstrom, which has bought the line in limited quantities in the past. "They have seen it as more of a regional line, but we think we can be a national label."

The company is also focused on giving customers "incredible value" by keeping prices as low as possible, Mizrahi said. Knit tops wholesale for \$12.50 to about \$30, jackets range from about \$80 to \$225 and skirts are about \$70 to \$80.

Laurie Ratner, national sales manager for Alberto Makali in New York, said her business was fueled by strong reorderers. "We are focused on our customer," she said. "We have a loyal customer

Lauren Hansen's cashmere sweater.

