

Levi's is feeling the crisis

The US jeanswear company is suffering twofold. The strength of the dollar is having a particularly negative effect on turnover in Europe. Big customers are breaking off in the US.



Levi's is now starting to feel the international crisis too. While negative currency effects were blamed for half of the decline in turnover in the first quarter, shortfalls from insolvent trading partners Mervyns and Goody's Family Clothing Inc are having a major effect in the US. Turnover in Europe fell by 19% to \$ 267m (€ 200.6m) in the first quarter. In the Americas, Levi Strauss recorded a decline of 13%, with turnover falling to \$ 504m, while sales increased by 3% in Asia, rising to \$ 180m. The corporation's net profit plummeted by 50% to \$ 48m.

The goal of the ongoing year is to win more market share. Levi Strauss intends to invest strategically to strengthen its brands during the market downturn and operating costs are to be monitored more heavily. In spite of difficult market conditions, the expansion of the store networks will be carried forward and possibilities in the developing markets will be taken advantage of. "The retail environment remains difficult globally. It will be a tough year, but we are taking the challenge head on," said CEO John Anderson (above).

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Levi Strauss is satisfied with the brand Levi's as well as with business at its own stores and franchises. Dockers has proven disappointing.

Moschino has a new director

Alessandro Varisco succeeds Thierry Andretta, who switched to Lanvin in January.

Aeffe, the majority owner of Italian fashion brand Moschino, has chosen Alessandro Varisco as new managing director. The position had been vacant since the beginning of the year. Prior to that, the 43-year-old had held the same position at high-end accessory brand Roberto di Camerino and worked for Gianfranco Ferré, Versace and Valentino. "With his past experience at the most prestigious ready-to-wear brands, Varisco will take charge of Moschino to reach the organizational growth objectives set for the Aeffe Group," explains Aeffe chairman Massimo Ferretti.



Moschino, with its brands Moschino, Moschino Cheap and Chic and Love Moschino, has been bringing in just under half of Aeffe's overall turnover. The brand, 30% of which is owned by Italian licence specialist Sinv, enjoyed a 4.4% rise in sales to € 142.9m in 2008. Aeffe SpA, which also owns the brands Alberta Ferretti and Pollini, closed 2008 with a stable turnover of € 294.7m. Nonetheless, profits tumbled by 25% to € 8.5m.

Aeffe seeks to meet the targets for growth set for Moschino with Alessandro Varisco.

Christian Dior reinforces US management

The US subsidiary of the French parent company of LVMH and Christian Dior Couture in New York has appointed Karen Watkins as new executive vice president. In the newly created position, Watkins, who is switching from Louis Vuitton North America to Christian Dior Inc., will be in charge of the company's retail activities in the US starting on 4 May.

Christian Dior

Falic to sell Christian Lacroix



The US company specialising in duty free shops is reputed to be interested in **selling** its French haute couture house Christian Lacroix after declines in turnover. An unnamed Swiss company has been mentioned as a takeover candidate. Designer Christian Lacroix (above) also works for Falic as the brand's art director.

JD Sports expands with young fashion

British sportswear and casualwear chain seeks to take advantage of the weak real estate market in Great Britain to expand with its young fashion concept Bank. The number of Bank stores is **to triple** to 150 in the next five years.



Bank's turnover climbed by 9.5% in fiscal year 2008/09 to £ 66.5m (€ 73.8m).

LVMH invests € 400m in Samaritaine



With € 400m, the French luxury good company intends to invest twice as much as planned in transforming the Parisian department store property **Samaritaine**, which was closed for safety reasons in 2005. In addition to offices and a luxury hotel, 36% of the total 23,000m² will be dedicated to stores. Construction is to begin in 2011 and end in 2013.

German Woolworth is insolvent

The German discount chain has filed for bankruptcy. Sluggish Christmas sales, increasing competition, severe decline in turnover as well as a **lack of liquidity** are the causes, the administrator explains. 11,000 employees are affected by this development. Business is proceeding without restriction in the 311 German and 12 Austrian branches.



Low crotch - high fashion

The trend item for courageous women.

Some call them harem trousers, others sarouel trousers. But whatever people call them, they always mean the same thing: Casual flowing trousers with a low crotch. They could be seen at many shows, such as By Malene Birger and Yves Saint Laurent. And they can also be found at chains like Zara, H&M or Topshop. The first fashion victims are also wearing them already. No wonder: they're casual, make a cool impression and are also comfortable at high temperatures. They also work just as well with high heels as with flat summer plimsolls or gladiator sandals. In light cotton qualities, they're the right thing for the beach as well as the street. But they're also suitable for parties in glossy silk with the right styling. Of course, that mostly goes for women who are daring when it comes to fashion.



From left to right: By Malene Birger (Magasin du Nord catalogue), Closed, Mango.

In depth

The topic of sustainability won't be taking back stage, even though the worldwide financial crisis has made it more difficult to communicate. Eike Wenzel from the German Zukunftsinstitut (Future Institute) is sure of it. "The crisis has substantial roots and LOHAS (Lifestyle of Health and Sustainability) is its **counter-trend**. The trend towards neo-ecology is a challenge for the next 50 years," the trend researcher and futurologist maintains. In principle, LOHAS supporters are **more resistant** to the crisis than other target groups, even though there are also those who may be forced to cut down. A hype has been generated which is growing more and more extreme, especially in the fashion industry. It will now depend on how

the biggest players conduct themselves during the crisis. It could result in a slump if they go back on the offer, Wenzel explains. Conversely,



Eike Wenzel is a trend researcher and futurologist as well as editor in chief and management board member at the German Zukunftsinstitut. Sustainability is one of the subjects he specialises in.

though, he believes that LOHAS enthusiasts seek to do some good even during the crisis and want to be able to afford a **bit of personal luxury**. It's already like that with food products. A survey indicated that war would have to break out before the LOHAS crowd would do without their good, sustainable food from the organic food store. A culture of countless small niche suppliers is emerging on the organic market which is being reinforced further by individual specialists on the internet. In particular, the trend towards the combination of buying and communication will **continue to grow** in the coming years. These can no longer be separated from one another in the new definition of the internet, Wenzel believes.