

## Jil Sander ploughs on

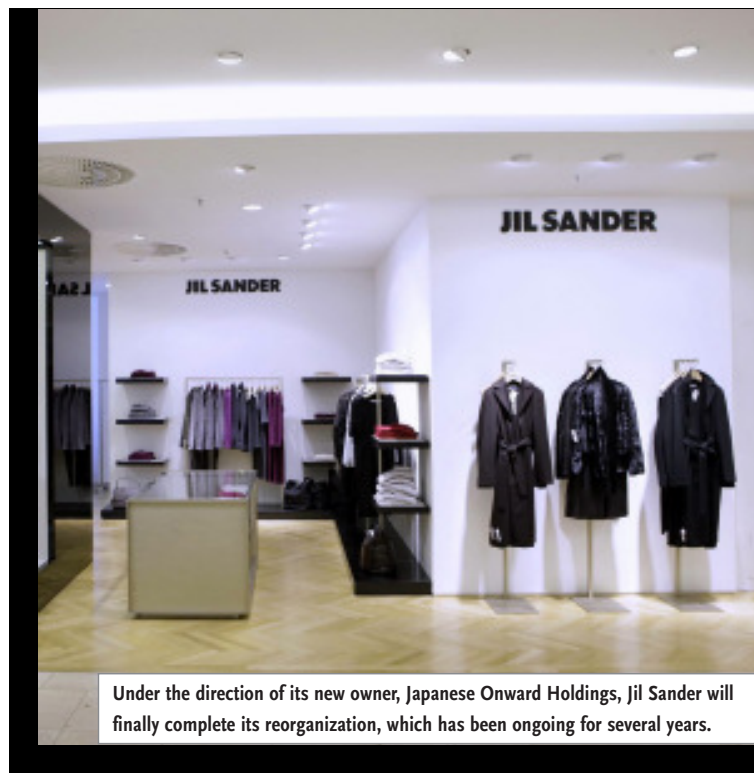
*The Italian fashion house is entering the final phase of its reorganisation and rationalisation strategy whilst moving model development to Milan.*



**Jil Sander's** cutbacks will go further than focusing solely on disbanding the model studio in Hamburg. "We may well cut our global workforce from the current 420 to 350 members of staff in the long run," states CEO Gian Giacomo Ferraris (left). After releasing 130 employees in the first reorganisation phase, the closure in Hamburg will see the loss of a further 37 jobs. In future, Jil Sander will employ 65 staff in Germany, including those working at the brand's five, self-operated

stores. Hamburg, the founding city of the brand created by the namesake designer, will remain the headquarters for Northern Europe, accommodating a commercial division and parts of the administration.

**Gian Giacomo Ferraris** is relatively pleased with the way in which the company has developed over the past year. Initial estimates have shown that sales in the first ten months from February to the end of November only just fell short of the € 129m generated throughout the whole of 2007. The back end



Under the direction of its new owner, Japanese Onward Holdings, Jil Sander will finally complete its reorganization, which has been ongoing for several years.

of the financial year 2008 was added to enable the company to adjust to the accounting rhythm of the new owner, Japanese Onward Holdings. Set against the backdrop of the current financial and consumer crisis, a net profit is not expected until 2010. The new licences for eyewear, lingerie and jewellery are expected to wash the first royalties into the company's coffers in the forthcoming year, whilst the cutbacks in costs are hoped to be reflected in the accounts. "This is when we will step back into the black," states Ferraris.

## Li&Fung steps up influence

*The Hong Kong sourcing specialist has attracted Liz Claiborne as a new account.*

**Liz Claiborne** has conferred all its sourcing operations upon Li&Fung as part of a long-term cooperation agreement. This latest move means that, besides Mexx, the Chinese are now also in charge of sourcing for the US clothing company's other brands, including Lucky Brand, Juicy Couture, Kate Spade and Liz Claiborne, the line designed by Isaac Mizrahi. Li&Fung also produces for Tommy Hilfinger, Levi's and Arcandor.



**Li&Fung** is currently in the process of extending its brand portfolio. In August 2008, Li&Fung increased its influence in the US by snapping up bag maker Van Zeeland. Ever since Singapore investment company Temasek Holdings bought a 4.85% stake for HK\$ 3.9bn, money has been available for further takeovers. In December Li&Fung snapped up German private label specialist Miles Fashion with a view to establishing a wholesale business in Europe.

Li&Fung's head William Fung intends to exploit every possible takeover opportunity.

## Matteo Marzotto buys Vionnet

Matteo Marzotto, ex-manager of the Italian Valentino Fashion Group, has joined forces with Gianni Castiglioni and members of his family in snapping up French fashion house **Vionnet**, which is known for its gathered dresses. The role of creative director, most recently held by Sophia Kokosalaki and Marc Audibert, has been assigned to former member of Romeo Gigli and Prada, Rodolfo Paglialunga.



## H&M launches in South Korea



The Swedish fashion chain is opening its first store in South Korea. The 2600m<sup>2</sup> store is situated in a top location in Myungdong, Seoul and is scheduled to start trading in spring 2010. Talks are already under way regarding other openings **around Seoul**. "We have gained positive experience in Japan, Hong Kong and China and see South Korea as a natural progression," states CEO Rolf Eriksen.

## Benetton expects difficult year ahead

The Italian clothing company is bracing itself for a challenging year. In response, the company is intensifying cooperation with the retail trade, whilst **optimising** production systems, cutting costs and reviewing investments. In 2008, sales climbed 4% to € 2.13bn, coupled with a 7% rise in net profit to € 155m, with business activity slowing in the fourth quarter.



## Puma appoints new global head of retail

Sergio Bucher (below) is taking over the global management and control of the German sporting goods company's retail operations as global head of retail, effective 1 June. The 45-year-old succeeds Michael Specht who is leaving **Puma** in March. Reporting to sales executive Stefano Caroti, Bucher will be charged with strengthening Puma's retail operations.



## Luxury segment pleases PPR



The luxury segment is causing PPR more joy than its retail concepts. Whereas the Gucci Group witnessed in 5.5% growth in fourth-quarter sales to € 3.4bn, the French company is having to **axe 1200 jobs** at its retail chains Conforama and Fnac. The overall group saw a 5.8% rise in revenues to € 20.2bn in 2008, with net profit settling at € 924m.

## Trendy Marc

*An eclectic mix - unusual, but wearable.*

Marc Jacobs seems once more to have his finger on the pulse of current trends. His second line shows an eclectic mix of fascinating styles. Sporty, country, casual and yet somehow new. The wild concoction of mountaineering outfits, ethnic influences and Brit-chic cannot fail to please the eye and forms the highlight of this year's New York shows. Colour and body-hugging cuts were at the focus of many of the designers' collections. Skirts are slender or softly flowing, almost always dancing around the knee. The dress is here to stay with Diane von Furstenberg combining it with casual cardigans and knitted coats. Rodarte shows bondage-style overknee boots. Phillip Lim features a weird and wonderful mix of incongruous styles and unusual colourways. Anything goes.



From left to right: Rodarte, Diane von Furstenberg, Phillip Lim, Marc by Marc Jacobs.

## In depth

Despite all the gloom and doom, the British will not be dragged down easily. Retailers and fashion designers see an opportunity in the midst of the crisis and are developing new initiatives. The latest hit in **London** are pop-up stores in top high-street locations, whose unusual products are designed to arouse the interest of discerning customers. Comme des Garçons led the trend with so-called "guerilla" stores, which sell designer fashion in unexpected spots for limited periods before disappearing again. Tyler Brule, editor of Monocle Magazine, recently



Singer Beth Ditto adorns the cover of the Love Magazine's first issue.

opened a **pop-up store** near Marylebone High Street selling his magazine and giftware. His aim was to prevent a vacant store from falling into the hands of one of the big chains. A pop-up store of a special kind appeared from 14-21 February in Dover Street Market, London's coolest concept store. The attention-grabbing opening was coupled with the launch of Conde Nast's Love Magazine. At the same time a "Love In" area presented clothing and accessories from Burberry, Chloé, Dolce & Gabbana, Gap, House of Holland, Katie Hillier, Loewe, Luella, Pam Hogg,

Prada, Stella McCartney and Victoria Beckham. Stylist Katie Grand who is seen as the queen of anti-fashion and now works as editor-in-chief of Love, has selected five specially created garments by each designer. Temporary stores are increasingly popping up in **New York** as well, where a long-lasting boom has been followed by a slump in the demand for retail real estate. Some retailers dealing in discontinued series and surpluses are now seizing the moment by tempting customers to a **"sample sale"**. On Fifth Avenue alone, an eight-year-old sample sale store selling samples of well-known brands such as Diane von Furstenberg, has been joined by several imitators hoping to cash in on this niche.