



Flanders
State of the Art



THE BUSINESS OF FASHION FOR NEW TO MARKET DESIGNERS

IN NEW YORK

FLANDERS INVESTMENT & TRADE MARKET SURVEY

The business of fashion for new to market designers.

A New York contemporary & high-end fashion industry roadmap.

“Good business is the best art.” *Andy Warhol*

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Flanders Investment & Trade New York

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1. Introduction

***This was originally researched and written in 2010 and is now updated with the addition of two chapters which include Fashion Incubators and Online Retail.**

Interested in selling your unique collection in New York City? Then it's important to understand the basic process of how your collection might end up in stores. It is not as logical or easy as one might think. The intention of this study is to give you insight into the buying process, specifically in the contemporary and high-end segments, of the New York fashion industry.

“Belgium can still make a difference when it comes to small volumes and flexible production in specialized niche products (...) As long as the world of fashion and business can work together, creative Belgium will have a serious advantage over countries that have focused exclusively on mass production.” (*Flanders Today Jan 30th 2008*)

A lot of consultants in the industry disagree on the prevailing opinion which states the fashion industry in the US is overly saturated. In particular the present view which indicates that it is not a good time to enter the market because of the financial crisis. According to opposing experts, buyers are looking for something new and fresh to attract their customers now more than ever. This assertion combined with an increasingly rational and financial approach is key to survival during these difficult times. Designers with experience doing business in the US will agree that the US fashion culture was already more figures based than in Europe. Point in case, big department stores such as Barney's and Bloomingdales will first look at the financial figures and then later at the collections. This point will be revisited again further on in the study.

“New York vous souhaite la bienvenue quand vous avez fait votre travail à domicile.”, (*Le Moci, April 13th 2006*)

Before deciding to enter the US market it is vital to have a strong and established base elsewhere. Belgian designers should have experience with an established supply chain network in Belgium or Europe. Designers with limited experience are unlikely to succeed in the United States because department stores will never take a risk on an inexperienced designer. Even if a department store buyer thinks a collection could fit in their store, they need definitive guarantees on items such as customs and delivery which cannot be supplied by an inexperienced designer. Therefore an apt conclusion to be made is that the US Fashion Industry is not open to unrealistic and unprepared dreamers. At the end of the day the ultimate goal retailers are looking to achieve is profits.

“Les Américains vous pardonneront toutes vos erreurs sauf que la manque de professionalismisme” (*Le Moci, April 13th 2006*)

We begin this study by describing the difference between the two retail players in the sector: multi-label and department stores. After making this distinction we will supply some options available for presenting your collection to buyers in the United States. As it is important to know how to correctly approach these buyers, we will provide recommendations. After reviewing these sections the importance of press coverage will become evident which is why we give ample attention to public relations and fashion press. Finally, since some designers FIT has worked with over the years have showed a strong interest in working with an intermediary we will also give attention to this part of the industry.

The appendix is self explanatory; it contains the products of our field research which includes store check reports and links to the most important contemporary and high end fashion related sites in the US. Please note a buyers list is available upon request through FIT Provincial Offices.

http://www.flandersinvestmentandtrade.be/site/www.nl.nsf/vPAG/Binnenlands+-+netwerk_Provinciale+-+kantoren?opendocument

Please feel free to contact our office if you have any questions with regard to this study!

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2. Multi-label versus Department Stores.

For starters, it's important to make a distinction between high-end department stores (such as Saks, Barney's, Bergdorf Goodman, Neiman Marcus) and multi-label (also called multi-brand) stores. Department stores and multi-label stores are two different worlds; they don't compete with each other.

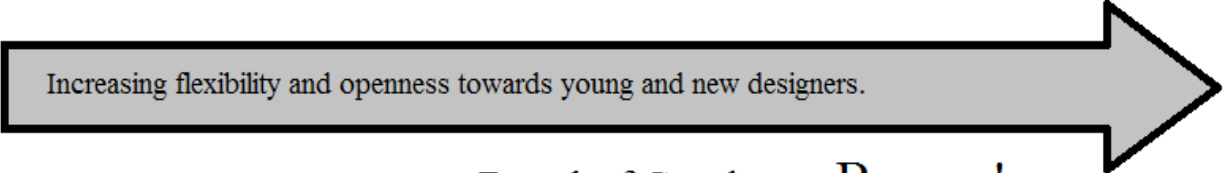
Multi-label Stores are less renowned than department stores because they are much smaller in size, inventory, staff, resources and sales. They have limited inventory, collections consist of a select variety of designers and they focus on a specific (sometimes niche market) customer. As a result of the financial crisis, multi-label stores are facing more competition in the areas of price and exclusivity. These stores, also referred to as boutiques, are usually owned by one to two people who have a passion for fashion and an express design sense. Given these small business attributes owners are also the primary decision makers for which collections the store will buy. In other instances multi-label stores or boutiques will have specific staff that is responsible for buying. Keeping this in mind, a designer wishing contact with a multi-label store should not assume contact with the owner only. They should ask to speak with the person who is responsible for buying. This "gatekeeper" will ultimately decide whether your collection will reach the store's racks.

For the sake of this study it was necessary for FIT to conduct store checks in order to determine accurate contact details for a sampling of multi-label stores in New York City. We would like to stress that turnover for buyers are very high therefore buyer information cannot be considered reliable for long term use. Maintaining an updated contact list and relationships with buyers is of vital importance for designers seeking retail opportunities in the US.

After what may seem like painstaking work, (i.e. collecting accurate contact information for multi-label stores) you actually reach the starting line: contacting a store. There are two main ways to approach a store: direct or indirect. You may be able to contact the stores by sending your look book directly. Some stores are open to a spontaneous introduction/presentation via mail. Other stores prefer to work via indirect contact which we will explain in further detail later on in the section: Approaching Buyers. (See point 4).

Department Stores – A department store in essence is a large retail store organized into departments offering a variety of merchandise and commonly are part of a retail chain. Since the focus of this study is on the contemporary and high-end segments, we will exclude famous department stores and retailers representing the fashion segments below them. However Bloomingdales is different. It is not considered of interest for high-end fashion but can be suitable for contemporary collections. Therefore we will focus only on department stores that make an appropriate fit for high-end collections. A designer of contemporary fashion needs to understand that working with a department store is challenging due to the size of their massive administration and operating structure. It is to be expected that department stores find financial figures more important than design esthetics. In some instances, they even play the role of real estate agent whereby they lease space in their store to specific brands resulting in lowered risks.

There are three department stores in New York City worth highlighting for Belgian high-end designers: Saks, Bergdorf Goodman and Barney's. These names are listed in the following order of importance in keeping with the interests of a new to market designer



Increasing flexibility and openness towards young and new designers.

Bloomingdales - Neiman Marcus - Saks - Bergdorf Goodman - **Barney's**

3. Showing Your Collection

When it comes to showing a collection, in the US market, designers have several options. They can either participate in a tradeshow or organize their own showroom. As these two concepts (tradeshow and showroom) are often confused, defining both terms is essential.

A tradeshow (oftentimes referred to as a shared showroom) is an exhibition where different designers or brands have booths or stands where they can present their collections to potential buyers. Sometimes several designers are presented together by their agent. It is under these circumstances that you may hear it referred to as a (shared) showroom which can be confusing.

Conversely a showroom is organized by one designer where they show only their own collection. For example, highly published runway shows during Fashion Week have their coordinating fixed showrooms like Marc Jacobs on 163 Mercer St. in Soho.

In order to choose between an individual showroom and a trade show, designers should base their decision on what market segment best suits their line. For example, designers of contemporary fashion find that they benefit from tradeshow participation. In the case of the high-end clothing segment, being present at a tradeshow is not recommended. It can hurt the image of the brand because of the association with brands from other fashion segments present. Although buyers of high-end stores will be present at these tradeshows, they will seldom buy anything from the high-end segment.

3.1 Individual Showroom

Having your own showroom can give you a huge advantage if you already possess an established retail base. If your goal is to sell to department stores and or high-end stores remember that they prefer to take on brands that have their own showroom.

Other notable benefits of having your own showroom include:

- Showrooms contribute more to building your image by reflecting the spirit of your individual design esthetic
- Your established client base knows where to find you which can only bolster your business relationships
- An actual premise (full time or temporary) can work as a valuable tool for attracting the fashion press. Press coverage from fashion publications and online blogs are more likely when there is a physical showroom. The outcome of any press garnered will influence potential customers to seek you out and want to purchase your line with immediacy.

These reasons demonstrate how a showroom is profitable in the short and medium term and also why big apparel companies organize their own showrooms. However we would be remiss if we did not point out the biggest negatives of having your own showroom which are:

1. They are expensive.
2. They require a sizeable investment of time and energy.

3.2 Tradeshow or shared showroom

As previously mentioned participation in a tradeshow - also called a (shared) showroom - is more suitable for designers targeting the contemporary market. Before organizing participation it's important to check the reputation of the trade fairs you are considering for participation. The tradeshows listed below have a good reputation because they are well known and considered to be well organized by participants. Most of those sited are held twice a year during or the week following Fashion Week. Others organize shows four times a year including Fall II and Spring II.

Capsule – a tradeshow known for global curation, directional designers and brands. Some have referred to Capsule as “the cool kids show” because of the amount of unknown /new indie designers and brands that garner a fair amount of devotees looking to buy something with a distinct point of view. The identity of Capsule is the brainchild of fashion consultancy BPMW and takes place in Paris, New York and Las Vegas.

Capsule Show
80 8th Ave/Ste #202
New York, NY 10011
tel 212 206 8310
edina@capsuleshow.com
www.capsuleshow.com

Designer & Agents – This tradeshow, organized under the supervision of Ed Mandelbaum, the manager, focuses on individual labels and agents representing their designers. The showroom is held during the week following fashion week. This week is referred to as “The Big Week” because according to industry insiders, it is during that week buyers actively purchase collections. Ed and his team are open to new designers at their showroom every season. All the information about applying, prices and selection criteria are to be found on the D&A website in the ‘Apply’ section.

Designer & Agents
601 W 26th street, Suite #349
New York, NY 10001
tel 212 302 9575
fax 212 302 9576
ed@designersandagents.com

The Train & The Box New York – Seventh House, a New York and Los Angeles based PR Agency organizes this tradeshow. It is an interesting trade show because it has a lot of foreign designer presence (Canada, Greece, Hong Kong, Ireland, Israel, Japan, Korea, Lebanon, Russia, Saudi Arabia, Singapore, Switzerland, Turkey, United Arab Emirates, United Kingdom, and more). The Train and The Box attract more international buyers than other tradeshows. However it is important to note that the market segments represented are lower than the other two showrooms mentioned above.

The Train & The Box New York
Company name: Seventh House
263 Eleventh Avenue, 3th floor New York 10001
tel 212 643 4810
fax 646 763 8940

The Curve – This three day designer lingerie and swimwear tradeshow is held in New York and Los Angeles. According to them their two annual and two coastal shows reach about 15,000 retailers a year, mostly Americans. This nationwide reach together with their big marketing campaign are the advantages of participating in this tradeshow.

CurvExpo Inc.
1171 East Putnam Avenue, Suite 1B
Riverside, CT 06878
tel 203 698 7470
fax 203 698 7471
www.curvexpo.com

3.3 E-Showrooms

Following the e-business trends, Rendez-Vous developed an online platform to connect buyers and designers. The idea is to make it easier for buyers to take a look at the different collections. Because they can view these collections online, they capitalize on time management which allows them to review more collections than they would normally be able to see during a typical tradeshow. Although this is only a first look, young and new designers increase their chances of being discovered. The aim is not to make a sale on the website but to facilitate the first 'date' / impression.

“Le New Black gathers the edgiest brands offered in fashion, beauty and lifestyle products and the most demanding buyers worldwide. Season after season, Le New Black will offer a platform to the press, a re-order platform to buyers, and a retail solution for the brands. Lenewblack.com wants to position itself quickly as the centre of a community of actors gathered around a qualitative idea of contemporary fashion. The aim is to create a qualitative business platform for a privileged network.” (*Fashion Daily News n°551*)

Le New Black, SAS
58 Rue Charlot
75003 Paris France
tel +33 184 16 10 70

3.4 Other possibilities

You are not limited to the previous options, although there are the more popular choices to attract buyers and visitors, there are other possibilities one might consider. Please keep in mind that this is a creative industry and therefore it is optimizing that creativity to appeal to buyers which can lead to success. So, if you find another creative way to attract

buyers and ultimately the public, keep in mind the following key factors that influence the outcome: timing, location and public relations.

We encourage you to be courageous, give it a try!

An example of an alternative option: Antwerp Showroom. Antwerp Showroom was organized by Flanders Fashion Institute in February 2010. The main idea was to provide a collective showroom platform for Flemish designers. The commercial motivation behind this project was that the government provides support both financial and professional to launch Flemish designers in the United States. This type of initiative has also been performed by other noteworthy countries such as the UK, Russia and Denmark in collaboration with their trade commissions and cultural representations. In the case of Flanders, it was Flanders Investment & Trade and Flanders House who backed the organization. High-end designers wishing to participate in the next collective showroom are encouraged to contact Flanders Fashion Institute for more information.

3.5 New York Fashion Week

Fashion Week in New York was originally formed by the Council of Fashion Designers of America. Diane Von Furstenberg is the current President of this association. This is a positive thing for young Belgian designers because she has Belgian roots and supports young designers via the CFDA. FIT New York spoke with staff from her fashion house and they intimated that they are willing to advise initiatives such as the Antwerp Showroom event and any other projects involving young Belgian designers. In essence Diane Von Furstenberg can serve as a catalyst for promoting Flemish fashion in New York City.

Fashion Week is owned and organised by IMG, a lifestyle and sports marketing and management firm. Most recently Fashion Week was sponsored by Mercedes-Benz.

The week is held twice a year. The fall shows are held in winter (February) and the spring shows are held in late summer (September). The main location was in Bryant Park until February 2010 but will move to Damrosch Park at Lincoln Center in September, 2010.

“Fashion Week is an excellent opportunity for American and international designers - ranging from Oscar de la Renta to Zac Posen - to show off their upcoming collections. The fashion shows are often entertaining, accompanied by loud, mood-setting music and choreographed lighting. The press writes about and photographs the runway collections for newspapers, magazines, internet and television so the general public can see what is going on in fashion.”
Cynthia Nellis, freelance fashion journalist

In general only one third of Fashion Week activities take place at Bryant Park (Lincoln Center in the future). Showrooms and other activities also take place around the official Fashion Week event and in some cases are considered to be even more important and influential. This is an ideal period to place yourself in the spotlight. During the week, and even the week after (called the Big Week), many important people in the industry (which includes stylists, buyers and fashion directors) are in town. Almost all tradeshow and other fashion related events are held during this period. New York Fashion week is not for the faint of heart. It offers even the most experienced designers immense challenges and scheduling conflicts are common ground due to buyers schedules being quite full during this time.

“New York and LA buyers go to Paris to purchase European based designers. They don’t really buy over here.” *Elizabeth Beer, co-owner of Project No8, NYC*

After reading the quote above from the co-owner of the Project No8, a multi-label store, it may seem pointless for European designers to be present during Fashion Week. However it is not entirely the case as nationwide buyers, with the exception of New York and Los Angeles, are present at New York Fashion Week. (For example buyers from cities like Boston, Chicago, Dallas, etc.) Therefore New York Fashion Week is an important market for designers who wish to target the USA in particular.

Another advantage of presenting your collection in New York is timing. The international Fashion Week schedule starts in New York followed by London, Milan and Paris. (Other alternative cities excluded.) If you can present your collection in the beginning of the “buying season”, which is New York, there’s a big advantage to be gained as the buyers will have an untouched budget. By the end of the fashion week schedule, you will find that the majority of their budgets are already spent and they most likely aren’t able to place any additional orders.

4. Approaching buyers

4.1 Approaching Multi-label stores

Great diversity exists between multi-label stores; this implies that a specific approach for each store will need to be employed. Before contacting a store, designers or their representatives should understand the multi-label store individual way of doing business with designers. (Please see the list in the appendix to review our comments from store checks indicating whether they prefer a direct or indirect approach.)

Direct – Some stores are happy to receive emails with a digital look book and press kit directly from the designer. It needs to be said that a hard copy, by traditional mail is always the preferred method. Additionally a personal face to face appointment with the owner/buyer or a store visit can be appropriate.

Indirect – On the contrary, some multi-label stores will get a negative impression when you contact them in a direct way and will treat direct communication like spam. They only go to a limited number of tradeshows or showrooms and buy there. Their unenthusiastic attitude towards spontaneous contacts will not benefit your image.

In either cases, good preparation is highly recommended. Get to know the stores well before contacting them. The higher the fashion segment the greater the need for preparation. It is advisable that one gets to know the stores well in advance of the first contact.

4.2 Approaching Department Stores

Contemporary- Contemporary department stores have a stronger commercial view on buying practices because the pressure from directors, boards and shareholders to perform is immense. A buyer under these circumstances needs to have a more financial mindset because of the scale they're working with. They need to maintain their margins and return on investment. Many of the department stores are chain store retailers which mean they have different locations nationwide and tend to operate in a standardized way.

Designers wishing to work with them should expect a long list of conditions to fulfill. Department store buyers will give priority to these aspects rather than to the artistic quality of your collection. We recommend contemporary designers, interested in working with these companies, retain an intermediary (importer, agent, distributor or consultant firm). There are a plethora of consulting firms in the US specialized in advising on these topics.

High-End – Earlier in this study, while discussing the distinction between department stores and multi-label stores, we pointed to a specific retailer, Barneys, for high end designers to start with. The reason we pinpoint Barneys is because it distinguishes itself as a trendsetter who is constantly looking for new avant-garde talent. Other department stores aren't as willing to take that risk and wait longer to see a designer develop a following first (ref. diagram above). To keep this competitive advantage, Barney's often asks exclusivity among the department stores for the whole US or a region when working with designers. Although this is a characteristic of a multi-label retailer they don't consider them to be competition. While they do work with a limited amount of agents (although they don't prefer to), importers or distributors it's an added plus when designers can offer exclusivity. The formula that Barney's draws on is a combination of established brands (cash cows) and new brands (rising stars). We contacted the Vice-President for menswear at Barney's, who is the chief buyer/decision maker, to ask him how he gets in contact with new designers. He shared that he prefers the more alternative shared showrooms. He felt that they are more creative and have something fresh to offer however his answers were not entirely clear-cut. First, he gathers impressions and ideas from various showrooms situated around Fashion Weeks in New York, Paris and Milan. Second, he attaches a lot of importance to magazines like Vogue and W as well as "off the beaten track" types of magazines such as Paper Magazine and V Magazine for inspiration. This exemplifies why press coverage is extremely important. In the end, the combination of appearing in those preferred fashion magazines and presence at one of the better shared showrooms or even an individual showroom will persuade him to buy.

Barney's is open to spontaneous contacts and they are likely to take a first look at a new designer but a onetime meeting won't be enough to ultimately convince them. It is when they have spotted you in a reputable magazine or they have heard buzz about you through their contacts, they will consider going further.

Bergdorf Goodman is listed as second because they are less willing to take risks on new designers. They, together with the other main department stores, lease space in their stores and therefore have a different business model than Barney's. As their customer base is more mature, their buying process reflects that.

Saks is even more inflexible and rigid. They use Electronic Data Interchange (EDI) which is a demanding system that asks a lot of effort from designers in logistics and IT to deliver at Saks. Also Newman Marcus and other the bigger department stores have EDI. For new to market

designers, it is not always a worthwhile system to invest in just to deliver to one of these companies. But if you are determined to work with department stores keep in mind that they expect excellent distribution from your side.

5. Press and Public Relations

5.1 The importance of press

Influence on Buyers – American consumers tend to choose a product based on a number of variables. One of the most important ones is recognisability as a result of press coverage. When considering contemporary and especially high end fashion, the higher priced designs require a certain amount of recognition to be successful. As buyers keep their client base in mind, they are less keen on purchasing collections that have not had press coverage before. An industry contact, who is a buyer of a department store, shared the likelihood that he would buy a certain collection is significantly higher if he has already heard or read the name of the designer before. Testimonies like this exemplify the power of public relations and specifically press coverage. It is our impression that Belgian designers often fail to invest time or other resources in branding or in eye-catching marketing techniques which are necessary to be successful in the US. Designers must always keep in mind that a product will not sell itself in the States.

There are exceptions of course, like companies whose buying is not directly influenced by press coverage. Our research directed us to contact a smaller avant-garde store called Project No8. Project No8 prefers to buy designers who are virtually unknown in the USA. Their client base is small and makes purchases based on trust and exclusivity of design. As mentioned, this is a minute exception therefore not significant enough to avoid investing in PR.

Press for Events – When organizing events such as those described in section three, press coverage is vital because the aim of these events is to get attention. Getting press to attend your event is challenging when it is organized for the first time or has little reputation. A special guest (e.g. fashion related celebrity) may be a consideration because a recognizable figure can attract additional attention and coverage.

5.2 PR Agencies

Do It Yourself versus Hiring an Agency

Who should handle public relations? Should you do it yourself or hire a PR firm? New designers often don't have a budget to hire a good PR agency. Under these circumstances, "do it yourself" PR is the only option. So, where do you start? Our first suggestion is to familiarize oneself with public relations through informative resources such as: books (e.g. Guerrilla P.R. 2.0: Wage an Effective Publicity Campaign without Going Broke), internet research, networking with other

designers, etc. This is a much better option than hiring a less expensive agency to carry out basic pr projects that often have a weak contact network and or a bad reputation. Beware, some agencies will try taking advantage of new to market designers by offering the basics such as press releases and press kit designs for a high price.

For those who have a sufficient budget, we strongly recommend working with an agency. The power of a PR agency is demonstrated by the strong relationships and influence they have with the fashion media. The best example of where an agency can be beneficial is a first-time/new designer event. An event organizer can try to look up and invite journalists & editors but without any established industry relationships, it is unlikely that they attend. A good agency will target and deliver influential media and industry contacts. An important aspect that should be taken into consideration when hiring a PR agency for an event is planning. Allow for an adequate amount of time to contact agencies well in advance of the event. Especially during periods like Fashion Week, the best agencies are booked. In addition to event planning and promoting, a good agency can provide press placement services to get you in targeted magazines or plan a multi media program which gives you ample press coverage.

Selecting an agency –After reading the previous paragraphs, it should be clear that the reputation of an agency is crucial. Obviously the agencies with the better reputations charge a premium fee than the ones with less experience and reputation. Although, it is not always true that price and reputation are proportionally related. A monthly fee, which is always negotiable, can vary between 1,500 and 10,000 USD. Especially in cases where an agency can capitalize on the existing renown of a designer established in Europe. It is important to keep this pricing approach in mind when meeting different agencies as it is essential in the selection process. Don't be afraid to ask:

- Who are you in contact with in the industry?
- Who are your clients?
- What is your point of view for my collection?

Below, is an example of services provided for Dries van Noten by P.R. Consulting. Given the success of the brand in the USA, we can reasonably assume that this is a good example of a good quality program offer.

- Implement all product placements in the US targeting high end fashion luxury publications.
- Write, pitch and place stories regarding features and special projects. (This means knowing how to tell a story in a way that will sell your collection.)
- Organize and develop concepts for product launches and special events.
- Plan and develop an increase in brand visibility, consistent with the overall brand development.
- Supervise organization of fashion shows in Paris in conjunction with the European press offices.
- Organize the store opening and responsible for follow up press.

(Source: www.prconsulting.net)

According to industry insiders we interviewed for this study, the following agencies are considered to be the top in New York.

P.R. Consulting - Pierre Rougier Consulting is the press and public relations agency that works for Belgian designers such as Dries Van Noten.

P.R. Consulting
304 Hudson Street, 7th Floor
New York, NY 10013
www.prconsulting.net
Tel: 212 228-8181

KCD - Founded in 1984, fashion's prominent public relations and event production firm KCD is run by Ed Filipowski and Julie Mannion. Based out of New York and Paris, the company has gathered an enviable client list of high-end fashion houses including Gucci, Alexander McQueen, and Marc Jacobs. In 2008, events from KCD included Gucci's Unicef/Raising Malawi fund-raiser at the U.N., Calvin Klein's 40th anniversary event at the Highline, and the Council of Fashion Designers of America awards at the New York Public Library. According to DVF's Vice President for Press, this is the best agency in NYC.

KCD
450 W. 15th Street, suite 604
New York, NY 10011
www.kcdworldwide.com
Tel: 212 590-5100

Other fashion PR agencies in New York.

Bismarck Philips New York
537 West 25th Street, 3rd Floor
New York, NY 10001
www.bpcm.com

Karla Otto NY
545 W. 25th Street
New York, NY 10001
www.karlaotto.com

KX Associates, Inc
1841 Broadway # 805
New York, NY 10023
www.kxassociates.com

Seventh House
263 11th Avenue, 3rd floor
New York, NY 10001
www.seventhhousepr.com

Williamson PR
119 Mercer Street, 2nd floor
New York, NY 10012
www.dwshowroom.com

Fashionhaus PR
58 W. 40th Street, 9th floor
New York, NY 10018
www.fashionhaus.com

Nexus Projects PR
39 W. 56th Street, 3rd floor
New York, NY 10012
www.nexusshowroom.com

People's Revolution
62 Grand Street, 3rd floor
New York, NY 10013
www.peoplesrevolution.com

The News, Inc
495 Broadway, 5th floor
New York, NY 10012
www.495news.com

5.3 Targeting Press

Just as with the selection of stores, it is essential to understand the importance of targeting the right press based on the reader you want to reach. The main reason for targeting press is efficiency. When trying to get attention from buyers through magazine placement, you need to be sure that they read that magazine. If they don't, it is a complete waste of marketing resources. It may sound obvious but oftentimes designers appear in media where they don't belong. The website Mastheads.org is an online directory where the majority of magazines in the US are collected. Members pay a small fee, to consult profiles of each magazine. This database will help you finding your target press and ultimately save money.

Targeting press can also be useful to evaluate the outcome of your PR campaign, to take advantage of future opportunities, etc. Below, we've listed some key magazines for fashion in the US.

Women's Wear Daily – Women's Wear Daily is a fashion-industry trade journal sometimes called "the bible of fashion" or the industry standard for apparel news.

ApparelNews.net – This Californian counterpart of Women's Wear Daily reports on the fashion industry since many years.

Vogue Magazine – is a fashion and lifestyle magazine that is published in 18 countries by Condé Nast Publications. Each month, Vogue publishes a magazine addressing topics of fashion, life and design.

Paper Magazine – This is a New York City–based independent magazine focusing on fashion, pop-culture, nightlife, music, art and film.

V Magazine – is a magazine about fashion with a capital F and all the things that go with it: art, music, film and architecture.

W Magazine – Also published by Condé Nast, this magazine focuses on fashion and women related topics.

5.4 New Media & Blogs

The power of new media in the fashion industry has astonishingly increased in the last years. Social networks and blogs have a big influence on younger customers. The time of fashion bloggers being considered as enemies for traditional fashion media is over. Nowadays, bloggers can be found sitting next to editors in chief of famous magazines during Fashion Week runway shows. Their blogs have earned the respect of the fashion industry and media. Therefore, taking into account the relevance of these bloggers for the launch of your collection is necessary.

In addition, we advise designers to involve other new media and or social network websites (e.g. Facebook, Twitter) in the launch of their collection. Fashion giant, Diane Von Furstenberg has a whole team working on social media, which exemplifies the growing importance of this viral media.

Below, you will find a list of the most interesting blogs and websites for fashion. Keep in mind that their popularity and joint influence varies. Therefore, their importance can change in the future.

<http://www.fashionista.com/>

<http://www.snobessentials.com/>

<http://www.purseblog.com/>

<http://www.whowhatwear.com/>

<http://www.smartchicstyle.com/>

<http://www.stylelist.com/>

<http://www.refinery29.com/>

<http://www.racked.com/>

<http://www.style.com/>

<http://www.mrnewton.net/>

<http://www.alltheprettybirds.com/>

<http://www.thelocals.dk/>

<http://altamiranyc.blogspot.com/>

<http://www.popsugar.com/>

<http://www.songofstyle.com/>

<http://www.kayture.com/>

<http://sincerelyjules.com/>

<http://atlantic-pacific.blogspot.com/>

<http://peaceloveshea.com/>

<http://www.bryanboy.com/>

<http://zanita.com/>

<http://www.garancedore.fr/en/>

<http://www.thesartorialist.com/>

<http://www.streetpeeper.com/>

<http://www.facehunter.org/>

<http://stylebubble.co.uk/>

<http://www.seaofshoes.com/>

<http://fashiontoast.com/>

<http://becauseimaddicted.net/>

<http://www.knighttcat.com/>

<http://www.myfashionlife.com/>

<http://nitrolicious.com/>

<http://www.fashiongonerogue.com/>

<http://www.hanneli.com/>

<http://www.afashiontale.dk/>

<http://www.theblondesalad.com/>

<http://www.wendyslookbook.com/>

<http://garypeppergirl.com/>

<http://galmeetsglam.com/>

<http://www.nicolettemason.com/>

<http://www.elin-klings.com/the-wall/>

<http://gabifresh.com/>

Other style and fashion blogs:

<http://politicsandstyle.blogspot.com/>

<http://www.blogdorfgoodman.blogspot.com/>

<http://mrs-o.org/>

<http://ahautemess.blogspot.com/>

<http://stylemom.com/>

<http://www.fashionfoiegras.com/>

<http://www.stylescrapbook.com/>

<http://www.swaggerparis.com/>

6. Sales Agents

6.1 The concept of an agent

It is common practice in the fashion industry to work through sales agents. They are appointed to sell products on behalf of the designer in a specific region. Sales agents may work independent or together with the designer's existing sales team. The fee they charge for their services is usually based on commission or a percentage of the turnover. Of course this is subject of discussion when negotiating the contract. Normally, sales agents are expected to achieve quantitative sales targets. This is appropriate for contemporary fashion but less or not at all for high-end designs. Together with sales targets and less exclusivity, this is the main reason why we would not recommend that high-end designers work with an agent.

Most of the fashion agents have a showroom where they present the different designers they represent. In most instances, these designers reflect a similar style giving the showroom a cohesive look. These showrooms often look like a retail store but are only open for the trade.

Contemporary fashion designers can work with agents if their brand fits within the concept of the agent's showroom. The process of selecting an agent is vital. Committing a sufficient amount of time to this process is important because most agents will ask for a long term commitment.

Another advantage, besides the fact that they take over your sales work, is that buyers of certain stores are more willing to buy a brand represented by an agent than an individual. Many stores have an established relationship with an agent therefore they trust their advice.

6.2 Selecting an agent

One way to select an agent is to visit tradeshow or agent's showrooms. You can immediately see the style they represent and see if it matches your collection. Sometimes designers are present at tradeshow with their agents. We recommend that if you have the opportunity to attend a tradeshow ask a designer about their experience with the agent directly. Also the presence of the agents at tradeshow gives you an opportunity to have a first conversation with them.

Another way to find an agent is through research on the internet. We suggest reviewing a brand with a similar target market and style and see if the site lists their agent. We have listed some important agents in New York and Los Angeles. Please note that a list of agents with showrooms in New York City and Los Angeles is available upon request, please contact our office newyork@fitagency.com

7. Emerging Opportunities

Fashion incubators

Fashion incubators offer mentorship, networking opportunities, professional development and sometimes studio space. Companies looking to get started in the US may find setting up within an incubator a more financially feasible way to begin.

1. **The Council of Fashion Designers of America Fashion (CFDA)**: Backed by well-established design mentors and working in collaboration with fashion power houses such as VOGUE magazine. <http://cfda.com/programs/cfda-fashion-incubator>
(New York City)
2. **The Fashion Incubator San Francisco (FISF)**: it was formed in 2011 to help with mentorship and business resources for designers. <http://www.fashionincubatorsf.org/>
(San Francisco)
3. **Philadelphia Fashion Incubator**: launched in 2012
<http://www.philadelphiafashionincubator.com/>
(Philadelphia)
4. **WantMyLook Fashion Incubator**: The WantMyLook Fashion Incubator is a business development program designed to grow the careers of new fashion designers in Los Angeles. <http://wantmylook.com/pages/fashion-incubator>
(Los Angeles)
5. **Fashion Business Incorporated**: FBI is a non-profit organization, provides the fashion industry with entrepreneurial development, resources and training, to support its growth and profitability. <https://fashionbizinc.org/about-us/mission/>
(Los Angeles)
6. **The Fashion Sourcing Network**: the FSN has evolved into a multi-tiered service organization providing marketing, buyer referrals, training and technical assistance to New York apparel manufacturers and workers. <http://www.fashionsourceny.com/>
(New York)
7. **Pratt Design Incubator**: Opening its recent expansion with lots of local attention this summer, the Pratt Design Incubator is a multi-disciplined design incubator in the heart of Brooklyn with an emphasis on creating sustainable businesses.
<http://incubator.pratt.edu/about/>
(New York)

8. **Made in NY:** "Made in NY" for fashion will showcase the originality, artisanship and diversity of locally manufactured fashion products and the faces behind them. Over the course of the next year, "Made in NY" will invest more than \$10 million in a sweeping range of initiatives that support and strengthen the city's design and manufacturing sectors. <http://madeinnyfashion.nyc/>
(New York)

9. **NY Designs:** The NYDesigns incubator, a residency program for early-stage companies, gives preference to companies with significant prototyping or manufacturing needs. <http://nydesigns.org/>
(New York)

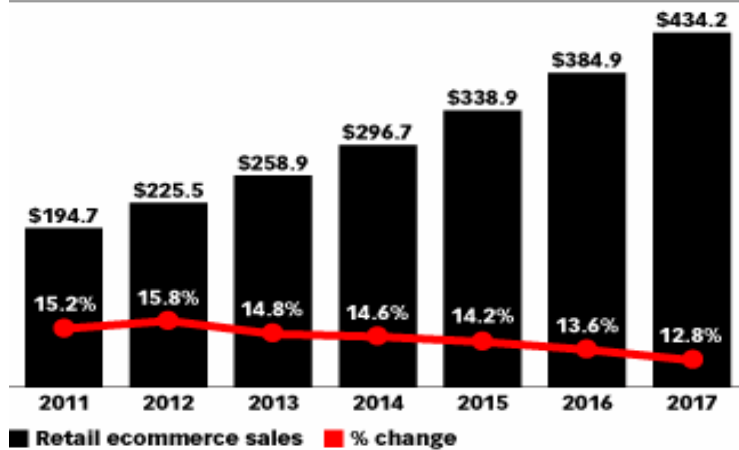
10. **The Fashion Group International Inc.:** The Fashion Group International is a global, non-profit, professional organization with 5000 members in the fashion industry including apparel, accessories, beauty and home. <http://www.fgi.org/>
(New York)

11. **Accessories Council:** The Accessories Council is a not-for-profit, national trade organization established in 1994. Their mission is to stimulate consumer awareness and demand for fashion accessory products. <http://accessoriescouncil.org/>
(New York)

12. **Fashion service network:** In response to the fashion industry's overwhelming need for innovation and multi-disciplinary approaches, twenty of New York's leading service providers formed the Fashion Service Network, a group of experienced and seasoned professionals delivering solutions and opportunities to the industry. <http://www.fashionservicenetwork.com/index.php>
(New York)

It's hard to believe that only a decade ago retailers weren't confident that consumers would want to purchase fashion online. Now retailers of all levels and price points can be accessed via the web, many having found that their % of sales have increased via their e-commerce site!

US Retail Ecommerce Sales, 2011-2017
billions and % change



Note: eMarketer benchmarks its retail ecommerce sales figures against US Department of Commerce data, for which the last full year measured was 2012; includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets
Source: eMarketer, April 2013

E-commerce does not just include the buying and selling of goods and services, but also servicing customers, collaborating with business partners, and conducting electronic transactions within an organization.¹ The concept of e-commerce has changed the fashion industry in more than one way. Research has proved that apparel sales on e-commerce portals have rose beyond the expectations while exceeding the sales of all other categories. Online Retailers continue to increase the scale of their ecommerce operations by investing in online sales platforms. The longer-term outlook also looks

promising in the US, with digital sales expected to increase at a 14% compound annual growth rate (CAGR) from 2012 to 2017.²

The US is not the only country where e-commerce is expanding. Belgians are highly connected and engaged with e-commerce seen growing 25 percent a year through 2020 although Belgian retailers have been a bit slow moving online. "As the Belgian example shows, one thing retailers are finding is that e-commerce makes it possible for you to enter a market without a huge capital investment" Ben-Shabat said. "You don't have to open a store and take on a large overhead to get your brand in front of people and possibly pave the way for a store presence later."³

B2C eCommerce Sales:

Business-to-consumer e-commerce sales worldwide reached \$1.471 trillion in 2014, increasing nearly 20%. The Worldwide leaders in B2C eCommerce export include: USA, UK, Germany, Nordic nations Netherlands and France. Their overall online retail cross-border export is forecast to top EUR 100 billion by 2020.⁴

B2C Ecommerce Sales Share Worldwide, by Region, 2013-2018
% of total

	2013	2014	2015	2016	2017	2018
North America	34.9%	32.9%	31.7%	31.1%	30.7%	30.6%
Asia-Pacific	28.3%	31.2%	33.4%	35.1%	36.4%	37.4%
Western Europe	26.4%	25.4%	24.6%	23.9%	23.3%	22.7%
Latin America	4.2%	4.3%	4.2%	4.1%	3.9%	3.7%
Central & Eastern Europe	4.1%	4.0%	3.8%	3.5%	3.3%	3.2%
Middle East & Africa	2.2%	2.3%	2.3%	2.4%	2.4%	2.5%

Note: includes products and services ordered and leisure and unmanaged business travel sales booked using the internet via any device, regardless of the method of payment or fulfillment; numbers may not add up to 100% due to rounding
Source: eMarketer, July 2014

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www.eMarketer.com

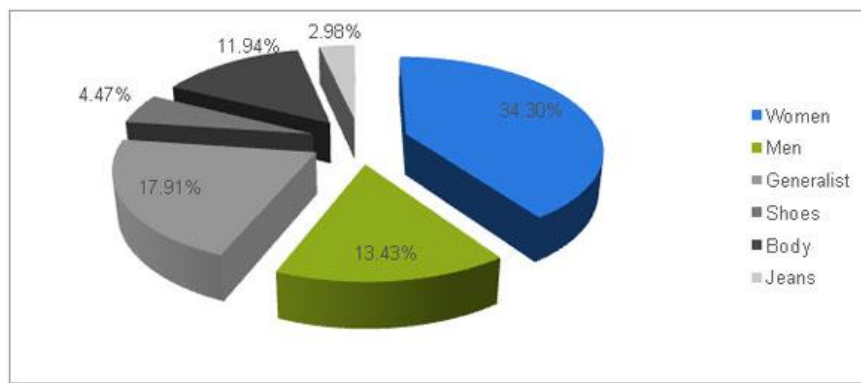
¹ <http://searchcio.techtarget.com/definition/e-commerce>

² <http://www.emarketer.com/Article/Retail-Ecommerce-Set-Keep-Strong-Pace-Through-2017/1009836>

³ U.S. Leads Pack in E-commerce potential by Arnold J. Karr

⁴ <http://www.slideshare.net/divanteltd/eccommerce-trends-from-2014-to-2015?related=1>

The eCommerce Benchmark & Fashion



Within the retail fashion industry, participants are either Generalist (18%) or operate in specific segments, such as Women (34%) / Men (13%), Shoes (4%), Body (12%) and finally Jeans (3%).⁵

The World's leading eCommerce Companies:

1. Amazon
2. JD.com
3. Wal-Mart
4. eBay
5. Otto Group

Luxury e-Commerce

Even though consumers have shown their interest in buying goods online, luxury brands remain skeptical about including e-commerce in their business strategy. This is due to the traditional line of thought that luxury shoppers wouldn't buy expensive things online. They would always choose for the personalized customer service and traditional shopping experience.

That thinking has evolved in recent years. The success of e-tailers such as Net-A-Porter has shown that consumers are indeed willing to buy luxury products online. The key factor that sets Net-a-Porter apart from competitors is its use of editorial content. The website is more than just an online store. The home page is not set up as a store but instead it is a magazine spread, often including a look into famous fashion icons closets, with a little icon at the bottom of the page that says 'shop this look'.

After establishing this sector as profitable and growing, Net-a-Porter now faces competition from several areas. Its direct competitors are other luxury e-tail websites such as bluefly.com, shopbop.com and e-commerce sites from established brick and mortar luxury department stores such as Barneys and Bloomingdale's. Net-a-Porter tries to diversify by attracting high level luxury brands such as Chanel. Chanel is testing the digital waters with Net-a-porter.com for a capsule collection of fine jewelry called Coco Crush. The shop will remain open for 3 weeks after the launch before moving to Chanel stores across the globe.⁶

⁵ <http://magazin.unic.com/en/2012/07/26/e-commerce-benchmark-for-the-fashion-industry/>

⁶ Chanel Tests Net-a-porter Shop by Samantha Conti and Paulina Szmydke

E-commerce trends

360 degree product images:

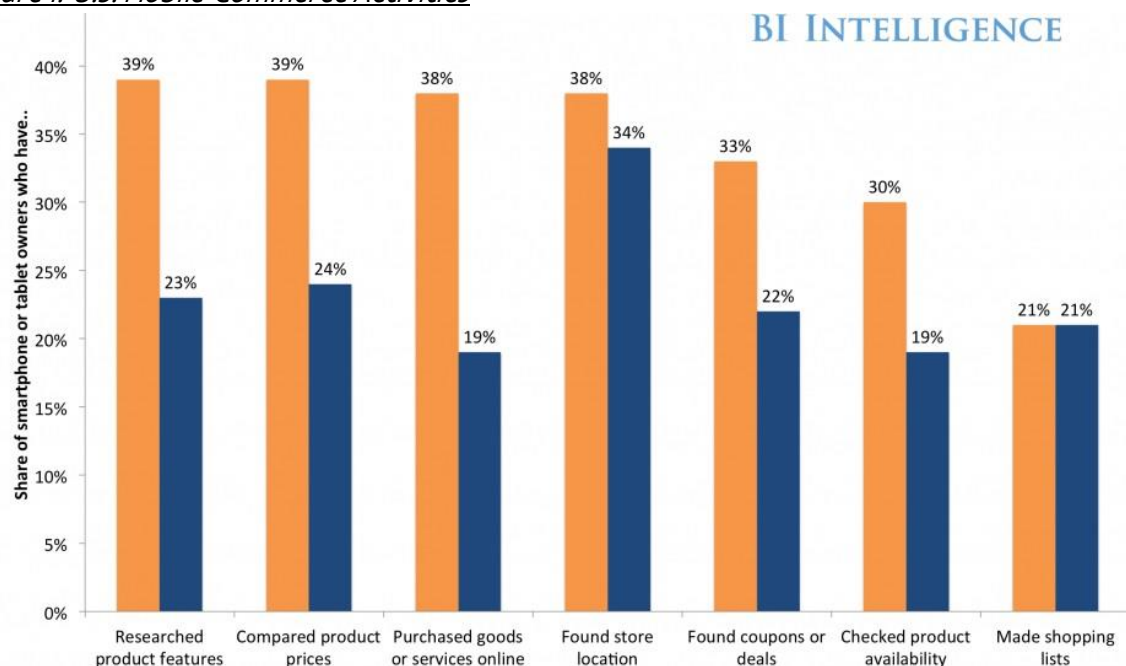
It provides an interactive, in-store experience. Life-like imagery leads to an increase of brand awareness and better understanding of the product. "Luxury shopping is all about the product experience and not necessary the product itself, and a 360 digital experience will enhance the overall customer experience for these luxury brands," said Nico du Plessis, senior consultant at FitForCommerce.⁷

Going global while staying local:

Businesses need to be able to combine globalized product offerings, with a localized E-commerce experience through local language, payment options, and marketing offerings.

User friendly website:

Figure 1: U.S. Mobile Commerce Activities



Your website expresses your brand and its offerings which should align with your business goals. Just as important to what the viewer experiences, the internal functionality of a website can have his benefits, saving you costs associated with time, employees, analytics, etc.

Ultimately your website should increase profits as well as save you money.⁸

Mobile payments:

Mobile payments is getting easier which makes it very important for retailers to make their business mobile payment friendly. Integrating with a third-party app like Paypal and making sure that the website renders well on phones and other new devices is a must.

Mobile Coupons:

Mobile Coupons are 10x more likely to be redeemed than regular coupons.

⁷ <http://www.luxurydaily.com/should-luxury-brands-stop-avoiding-ecommerce/>

⁸ <http://www.slideshare.net/divanteltd/e-commerce-in-fashion-industry>

E-commerce is not only website-driven channel:

Customers expect a more multifaceted relationship with retailers. Social media is not just for shopping, but also for retailers to post high-quality content.

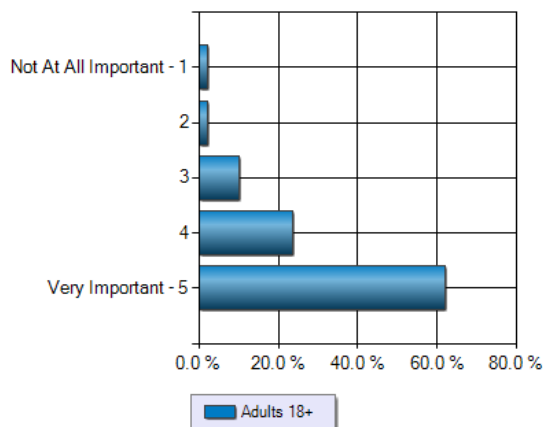
Omnichannel selling:

Marketers now need to provide a seamless experience, regardless of channel or device. Consumers can now engage with a company in a physical store, on an online website or mobile app, through a catalog, or through social media. They can access products and services by calling a company on the phone, by using an app on their mobile smartphone, or with a tablet, a laptop, or a desktop computer. Each piece of the consumer's experience should be consistent and complementary.⁹



Free Shipping:

Figure 2: Online: Importance of free shipping (Mar-2015):



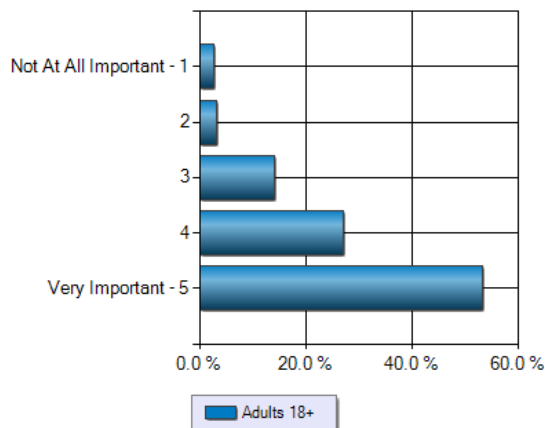
Source: Monthly Consumer Survey

The more actions taken for free shipping, the more you'll attract buyers. 50% of shoppers are even willing to choose a slower transit time for free shipping.

⁹ <http://searchcio.techtarget.com/definition/omnichannel>

Flexible return policy:

Figure 3: Online: the importance of flexible return policy (Mar-2015):



More than 50% of the consumers find flexible return policy very important. Amazon Prime Now even allows its Prime members to get items delivered in just one hour in New York.

Source: Monthly Consumer Survey

Emerging: Pinterest:

Pinterest already has signed up some major fashion and retail brands in the year since it unveiled Rich Pins including Target, Gap, J.Crew and Nordstorm. According to industry experts, the discovery platform is a powerful referral tool, driving high percentages of traffic back to brand's digital flagships.

Rich Pins are free for business that contain detailed production information, from real-time pricing to availability and where to buy an item.

There are 2 different types of pins:

1. CPM or cost per impression model: based on generating brand awareness.
2. CPC or cost per click model: targeted for businesses wanting to drive clicks and conversion.

Pinterest being more product focused will move very fast into ecommerce than its competitors such as Facebook. ¹⁰

Catalogs on Google Shopping:

Retailers with a digital or print catalog can reach more customers by submitting your catalog to Google Catalogs. ¹¹

¹⁰ Brand See boost from pinterest Ads by Rachel Strugatz

¹¹ <http://www.google.com/ads/shopping/retail-solutions.html>

Investors – Fashion

*A lot of designers look for ways to finance their budding business via investors.

Two options are equity or debt.

Equity means that investors provide cash and become part owners of the business. This means that decision making is shared. Ideally you want to find an investor with “smart money” which indicates they have cash and expertise which will help to build the business. If financed under equity one will have to report to a board for key decisions as well as provide regular progress reports.

Financing through Debt essentially is a form of a loan. You are required to pay back the money borrowed plus interest in a defined schedule of payments. Keep in mind, taking on debt means you will have additional cash outflow that your business has to support each month. This can burden some start up in the beginning stages. The main advantage of a loan is that you remain in control and do not have to share decision making.

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W: www.marvintraub.com

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W: <http://www.permira.com/offices/newyork>

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Fashion Info Websites:

<http://www.nycfashioninfo.com>

<http://www.nymag.com>

<http://www.fashionweekdaily.com>

<http://www.footwearnews.com/>

<http://www.modemonline.com/fashion/>

<http://www.cfda.com>

<http://www.infomat.com>

<http://www.fitnyc.edu>

<http://www.wwd.com/menswear-news>

<http://www.apparelnews.net>

<http://www.thebestofintima.com/index.html>

<http://www.wwd.com/>

<http://www.theswimjournal.com/>

<http://www.apparelandfootwear.org/>

<http://www.ffany.org/>

<http://www.hudsonscr.com/>

<http://www.paylessontherunway.com/index.html>

<http://www.wsashow.com/>

<http://www.accessoriescircle.com/>

<http://www.harpersbazaar.com/>

<http://www.style.com/fashionshows/>

<http://www.fashions.org/community/fashionweeks.php>

<http://www.fur-style.com>

<http://www.wgsn.com/>

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