

10 OF TOMORROW

JAN. 2017 No. 2
WWD

Meet 10 emerging figures in design, beauty, retail, business and technology with the potential to lead their respective fields.

Features, p. 39

Fashion. Beauty. Business.

COU**TURE** IN BLOOM

MARIA GRAZIA CHIURI said it with flowers — and a garden set — for her couture debut at DIOR.



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The Features

Ten of Tomorrow

39 WWD's annual special report looks at 10 emerging figures in design, beauty, retail, business and technology who have the potential to lead their respective fields.

Couture

60 The spring couture season is under way in Paris, with a flurry of fantasy and some much-anticipated debuts.



Ten of Tomorrow:
British designer
Molly Goddard.

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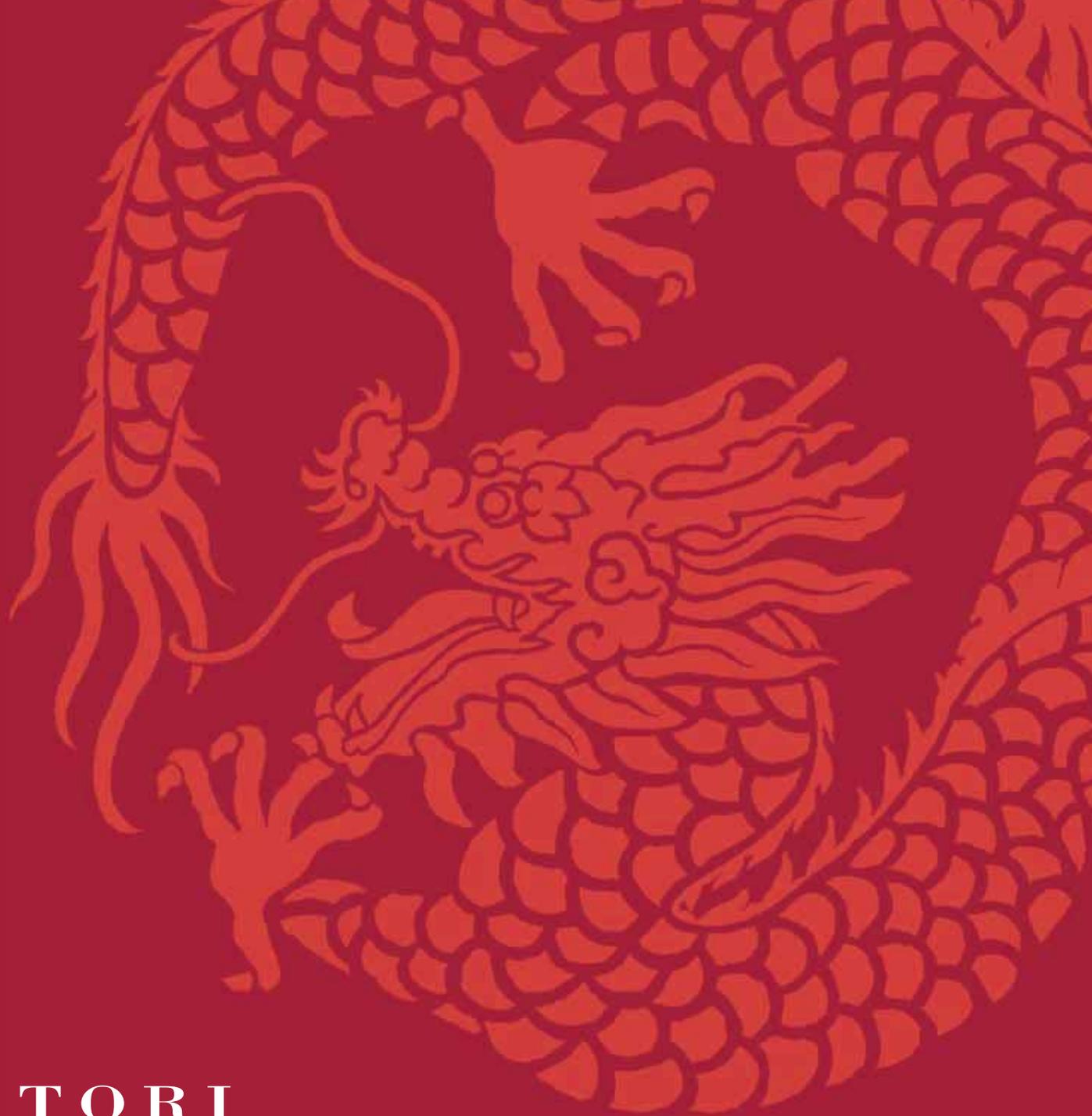
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Recent business-school graduates are heading out of universities not just with fancy diplomas, but ideas to remake the world.

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Agenda



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As part of the company's restructuring, the core men's label, now designed by Ingo Wilts, will be shown at New York Fashion Week: Men's.



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ON THE COVER: Couture in Bloom: As the spring couture season got under way in Paris, Maria Grazia Chiuri's haute debut for Dior was one of the season's most anticipated events. Though she set her extravagant fairytale in a moody, magical garden, backstage, there was plenty to smile about, including Stephen Jones' floral tiara. COVER PHOTOGRAPH BY DELPHINE ACHARD

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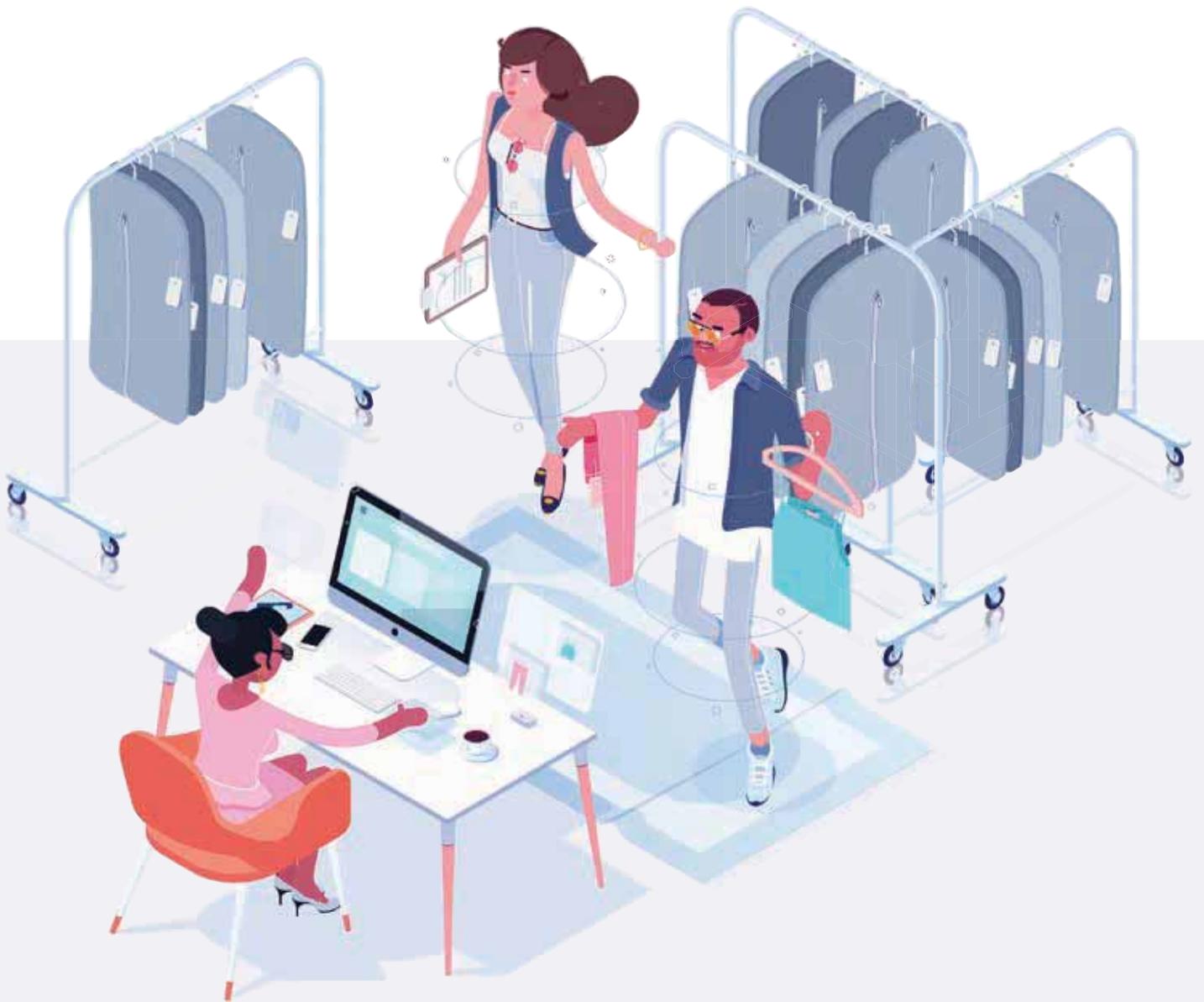
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Marc and Kate showed their colors in this throwback.

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Designer



Homer Simpson is the ultimate Hypebeast.

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Designer

Worst



Growing pains?

@sophiawebster
Accessories designer



"Post man...who dis?"
Well, no one can say ASAP
Rocky doesn't come prepared.

@asaprocky
Musician



"A night out with my sexy birds, hot sandwich"
Birds of a feather...

@riccardotisci17
Designer

Trending

#PINK PRIDE: The worldwide Women's March on Jan. 21 brought out droves of protesters toting an assortment of homemade signs and pink headwear.



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@lenadunham



@willowsmith



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Carven

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Actor



"I have sympathy for retailers. It's a tough business."

— Sir Richard Branson

THE ESSENTIALIST

TOP 10 STORIES OF THE WEEK



"If we commit to what aligns us, if we stand together steadfast and determined, then we stand a chance at saving the soul of our country."

— AMERICA FERRERA

1

Pomp, Politics and Protests

Pledging to put America first, "bring back our jobs" and make the nation "wealthy, proud, safe and great again," Donald Trump became the 45th President, and First Lady Melania Trump wore an array of designers, including Ralph Lauren and Hervé Pierre for inaugural festivities; on Saturday, millions all over the country — and the world — protested the new President's positions, particularly toward women and immigrants.

2

TPP: 'You're Fired'

President Trump officially withdrew the U.S. from the Trans-Pacific Partnership trade pact as part of his "America first" agenda. Trump will likely seek to renegotiate deals on a country-by-country basis.

3

Questions Surrounding Versace: IPO Delay? Talking to Tisci?

Market sources say Versace is rethinking the timing of its initial public offering as it embarks on a significant expansion plan ahead of a listing — and that plan could include luring Riccardo Tisci, Givenchy's artistic director, to the Italian fashion house. Donatella Versace and Tisci are close friends, but neither camp was commenting on any speculation.

4

Revlon Restructures

In a bid to regain some of its lost stature and break into the top 10 beauty companies, the \$3 billion Revlon Inc. has reorganized from top to bottom with a structure that puts brands in the spotlight, instead of distribution channels. Chief executive officer Fabian Garcia's goal is sales of \$5 billion in five years.

5

Big Eyes

Two huge moves in the eyewear industry: Luxottica and Essilor agreed to a 46 billion euro merger, creating a \$16 billion giant, and LVMH Moët Hennessy Louis Vuitton is acquiring between 5 and 10 percent of Marcolin, as part of a deal for the Italian eyewear maker to produce for LVMH's fashion brands.

6

Reed's New Role

Reed Krakoff was named chief artistic officer at Tiffany & Co. as design director Francesca Amfitheatrof exits. Krakoff will lead an overarching design vision for stores, e-commerce, marketing and advertising.

7

Herrera Names a President

Donald Trump isn't the only newly minted president in town: Carolina Herrera tapped its chief marketing officer Emilie Rubinfeld as president, following the exit of ceo Francois Kress. Lauren Astry Sorensen, formerly public relations director, became vice president of global marketing and communications.

8

Retailers: Men's Will Sell

Two weeks of men's shows wrapped in Europe, and the overarching retail sentiment was that Paris produced one of the strongest-ever men's seasons with solid commercial appeal and a blend of streetwear with luxury design, collaborations and outerwear among the key trends for fall.

9

Wal-Mart's Jobs Juggle

After slashing 10,000 jobs, closing 269 stores last year and revealing another 7,000 job cuts in the U.S., Wal-Mart Stores Inc. said it will create 34,000 U.S. jobs this year — 10,000 in retail and 24,000 in construction and remodeling of 59 new, expanded and relocated Wal-Marts and Sam's Clubs, and e-commerce.

10

The Brexit Boost

Tax-free shopping agency Global Blue said foreign tourist spending (led by Americans and Chinese) in the U.K. increased by 23 percent in December, boosting the year's total spending growth to 14 percent, as a result of the weak pound. The pattern is expected to continue this year.



"We have existing relationships with many of the countries that were part of the 12-nation makeup of TPP. We are going to continue to explore how to strengthen those relationships or look for bilateral agreements with nations that we didn't have one with through TPP."

— SEAN SPICER, WHITE HOUSE PRESS SECRETARY



"Although the U.K. has always been a top destination for global travelers, historically our strong currency has been a barrier for many with a desire to visit. The weakened pound has extended the opportunity to a wider group of travelers."

— GORDON CLARK, GLOBAL BLUE



"It's going to be an amalgamation of historical Tiffany icons and my own modernist taste, and looking at that through a lens of how things are made, of quality, craftsmanship."

— REED KRAKOFF

M



Boss To Take Center Stage

As part of the company's restructuring, the core men's label, now designed by Ingo Wilts, will be shown at New York Fashion Week: Men's.

BY MELISSA DRIER

A fall look from Boss for New York Fashion Week: Men's.

THERE'S A NEW BOSS coming to town. ¶ As part of a strategic refocus, Hugo Boss is staging a men's only, Boss brand fashion show during New York Fashion Week: Men's on Jan. 31. ¶ After spotlighting the Hugo Boss women's wear collection on the New York runway for the last few seasons and presenting mixed men's and women's shows in China, the Metzingen-based giant has decided to more clearly center its attention on the company's core business: men's wear under the Boss brand.

"We have to give the brand a wake-up call," acknowledged Ingo Wilts, the recently returned Boss men's wear veteran who has joined the board as chief brand officer responsible for brand and creative management. "As a company, we have to change the perception of Boss as more modern, more young," he said.

It's not often that a fashion show venue is a key factor in an investor's day presentation, but last November when Hugo Boss executives revealed the company's strategic development plan. As reported, Hugo Boss announced the portfolio would henceforth be focused on two brands only – Boss, the upper-premium collection, and Hugo, its more progressive offering – with men's wear now the primary focal point. Thus, the group said, the Boss men's wear collection rather than Boss women's wear would be presented during New York Fashion Week in 2017.

While executives emphasized Hugo Boss is not drawing back from growing Boss women's business under artistic director Jason Wu, (women's generated 11 percent of group sales in 2015), steps are now being taken to redirect buzz towards the group's somewhat neglected heart and soul.

WWD caught up with Wilts between flights, fittings and board meetings to find out what's stylistically and strategically on the brand's New York agenda. "New York is a strong, modern, dynamic city – all values which stand for Boss. And it's where we feel at home," he said. "The U.S. market is super important for us, and to push this market, it felt good to get the show to New York," he added.

New on the runway? "In the past, we featured types of editorial pieces to gain fashion credibility, but now, we're really showing the new parts of the Boss world," he said. That is, fashion-driven pieces that are in the collection and will be featured in Boss' own stores but also with retail partners to provide a variety of items [at point of sale]. It could be a coat, a sweater, a silhouette," he said.

In what will be a "small and exclusive" show with a concise lineup, expect tailoring to star for next fall, but combined with sportswear, and rich in contrasts of volumes and lengths. "If people think Boss is about a suit and a tie, we want to give them a new idea of Boss: a bit more modern, younger and sophisticated," he said. The main story and inspiration is the global traveler, a young, sophisticated guy who lives in a big city



Ingo Wilts at work on a design for the upcoming line.

somewhere around the world. "The idea is to make clothes as functional as possible, so he can feel comfortable wherever he ends up."

To that end, details that you would find in the lining of a sportive, outerwear jacket, for example, are now built into city-bound tailored jackets. He added the tailoring is more relaxed on the whole – "very soft and [deconstructed]" – though using more "substantial" and sometimes heavier fabrics. Boiled wool, for example, or stiffer cloths one would find in an old peacoat are making their way into tailored styles.

Outerwear shapes are very short or very long, pants very wide or notably slim, blazers treading the middle line but shown over untraditional shirts and tops, the big zipper a favorite accent on fall shirts and sweaters. The team also delved into the archives, redesigning oversized pieces from the Eighties and Nineties. Thus a big utility parka with extralarge pockets was given a softer construction, and keeping to the large-versus-small equation, oversize pieces on top are generally paired with tighter shapes on the bottom. Footwear, too, is going the heavier route.

"We are entering a new era and we have to show these kinds of pieces. And show them to the people, via social media and our own stores – which are our business cards. We need to make people aware of what Boss could be," Wilts remarked.

Also on the agenda: what Wilts terms "injections" to refresh the brand. These are small capsules with heightened fashion content. He noted the runway presentation would be a full 360-degree proposition, involving social media and also featuring a film, shot prior to the show.

Contributing 19 percent of group sales in 2015, the American market is a key revenue generator for Hugo Boss, but one under pressure. In the first nine months of 2016, sales in the U.S. declined 17 percent to 317 million euros, or \$353.8 million. U.S. sales for the full year will be released on March 9.

Dollar figures are converted at an average exchange for the period to which they refer.

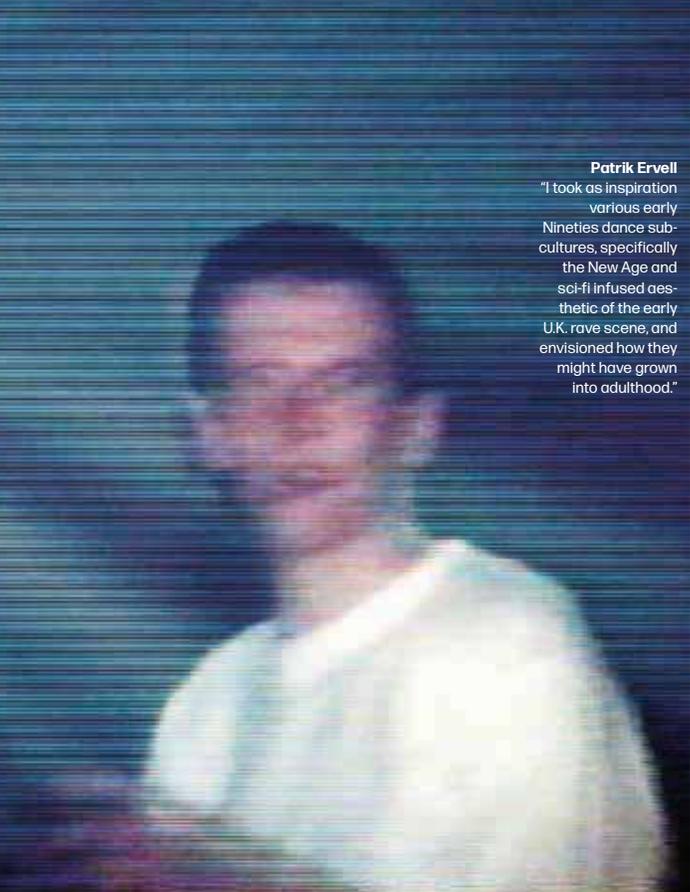
As reported, heavy discounting activity has lead the company to intentionally limit wholesale distribution in the U.S., which not only pressured regional sales, but had a "material impact on 2016 performance" the group said. Preliminary results for the fourth quarter saw the group's global wholesale business fall 13 percent in local currencies, negatively impacted by "continued efforts to clean up distribution in the U.S."

The wholesale problem isn't going away anytime soon, especially in light of planned, wide scale department store closures in the year to come.

Last November, Hugo Boss outlined the expected restructuring of the U.S. wholesale distribution channel to analysts. Off-price, they were told, would move from 22 percent in 2015 to single-digit in 2017, with a stronger focus on full-price retailers and an expansion and upgrade brand presence in relevant online channels. The American wholesale business was thus expected to decline by a low double-digit rate in 2017.

To better control its fate, the overall U.S. growth strategy will focus on directly operated stores, where the assortments are to be rebalanced, as well as its own e-commerce site and the expansion of its omnichannel services, the company said. At the end of 2016, Boss said it had 63 stores and 35 shops-in-shops in the U.S. The plan calls for closing five stores in the American market this year.

Wilts said: "2017 is currently expected to be a year of stabilization during which the group will continue to further consolidate the wholesale distribution in the U.S. market in particular. On the other hand," he added, "we already see positive signals from our own retail business." ■



Patrik Ervell
 "I took as inspiration various early Nineties dance subcultures, specifically the New Age and sci-fi infused aesthetic of the early U.K. rave scene, and envisioned how they might have grown into adulthood."



Palmiers du Mal
 "The 2017.02 Palmiers du Mal collection was inspired by the concept of the Pink Panthers, a notorious gang of jewel thieves from the former Yugoslavia. Our 'gang,' the Evil Palms, pays homage to the idea of gentlemen criminals, referencing Le Palace in late Seventies Paris, basement salon shows, and underground Eastern European societies, while maintaining a relaxed Mediterranean vibe."
 – Shane Fonner, creative director



N.Hollywood
 "Retro 'hi-spec' tive."
 – Daisuke Obana, designer



Private Policy
 "Polycephaly through modern globalization."
 – Siying Qu and Haoran Li, designers



Uri Minkoff
 "Tailored dressing and athletic functionality for the global urban commuter."


DESIGNER INSPIRATIONS
 From Nineties dance subcultures to the dark works of Edgar Allan Poe – and even Mars – New York designers embarked on a number of creative journeys for fall. – **LUIS CAMPUZANO**



Billy Reid
 "The Beat Generation exhibition in Paris was one of my favorites I was able to see this season. I love the colors and the vibe of this piece."



Robert Geller
 "Love and War."



David Hart
 "Men are more and more interested on making the best-dressed lists and having that special red carpet moment. The collection is a reflection on how men will be dressing during this season's award shows."



Joseph Abboud
 "Inspired by the American Gothic novel, my collection for fall '17 is an ode to the dark romance and mystery of the works of Edgar Allen Poe and Henry James."



Zachary Prell
 "Elevate: Embracing every journey."

We applaud

Terry Lundgren and **Tim Belk**

*for their partnership and indelible contributions
as retail legends.*

Our best wishes to

Jeff Gennette

in his new role as CEO & Chairman of Macy's

Lisa Harper

in her new position as CEO of Belk, Inc.

Congratulations!

*We look forward to our continued collaboration
and future success.*

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Todd Snyder
 "The intersection of varsity sport and the romantic gentleman."



Carlos Campos
 "Kitsch and classic, Tony Liu, You As 'Si yo fuera'... If I were Maradona, I'd grab life by the balls. Moving inward as much as he is outwardly, the Carlos Campos man enters a dreamlike state full of color and happiness."



Kenneth Ning
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Landlord
 "Advance to Parvenu Avenue."
 – Ryohei Kawanishi, creative director



Nick Graham
 "Mars Is the New Black."



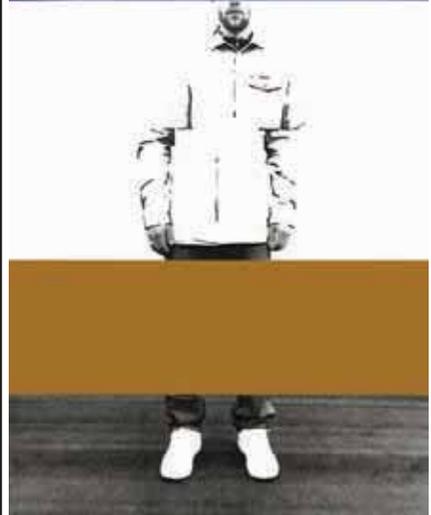
Ovadia & Sons
 "DRILL."
 – Ariel and Shimon Ovadia



Nautica
 "Reimagine Heritage." – Steve McSween, vice president of global men's design



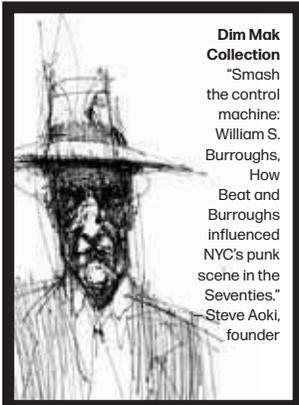
Perry Ellis
 "PE Schooled = New Codes."
 – Michael Maccari, creative director



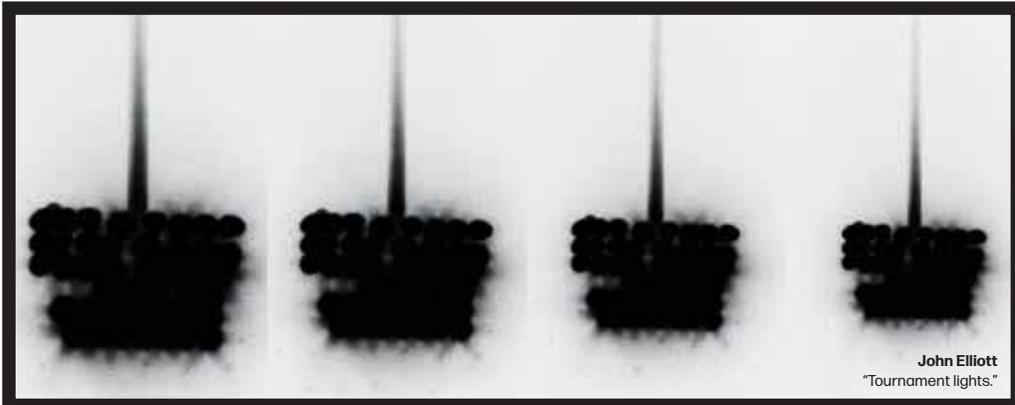
Maiden Noir
 "Traces of Warm Light." – Nin Trong, creative director



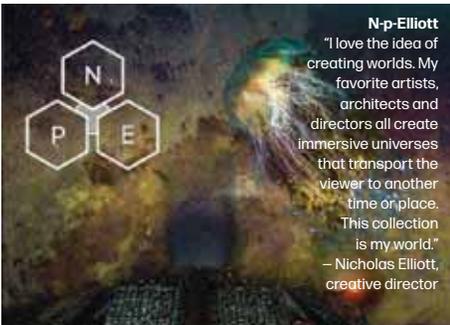
Kozaburo
 "For this season I turned my focus to the celebrated wabi-sabi aesthetic of my home region, as well as interpretations of traditional Japanese crafts through recycled materials and the sakiori technique of hand-weaving together shredded fabrics." – Kozaburo Akasaka, designer



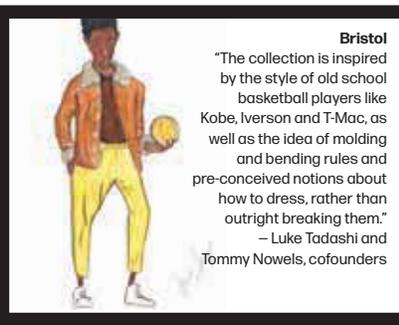
Dim Mak Collection
 "Smash the control machine: William S. Burroughs, How Beat and Burroughs influenced NYC's punk scene in the Seventies."
 — Steve Aoki, founder



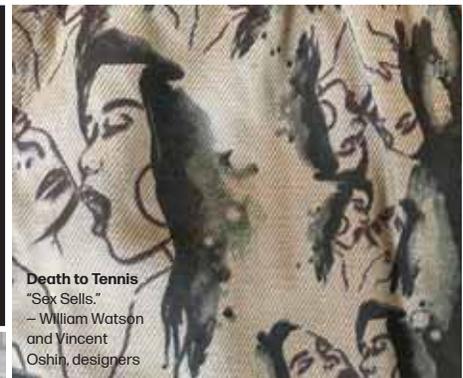
John Elliott
 "Tournament lights."



N-p-Elliott
 "I love the idea of creating worlds. My favorite artists, architects and directors all create immersive universes that transport the viewer to another time or place. This collection is my world."
 — Nicholas Elliott, creative director



Bristol
 "The collection is inspired by the style of old school basketball players like Kobe, Iverson and T-Mac, as well as the idea of molding and bending rules and pre-conceived notions about how to dress, rather than outright breaking them."
 — Luke Tadashi and Tommy Nowels, cofounders



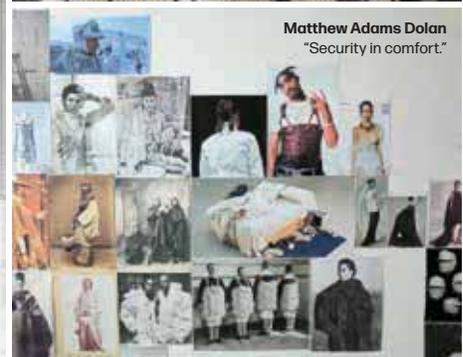
Death to Tennis
 "Sex Sells."
 — William Watson and Vincent Oshin, designers



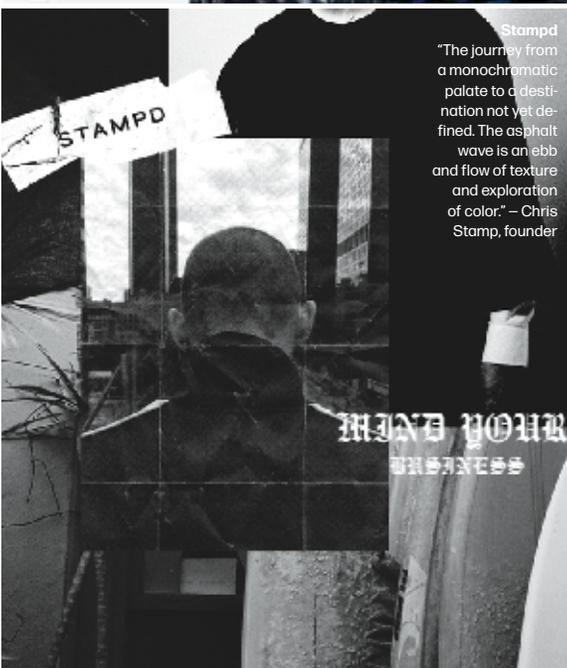
EFM
 "EFM Engineered for Motion (fall 2017) focuses on the elegant active traveler, with attention to increased comfort and range of motion. The collection challenges rigid structure with irreverence, mobility and inspiration from surprising sources."
 — Donrad Duncan, founder



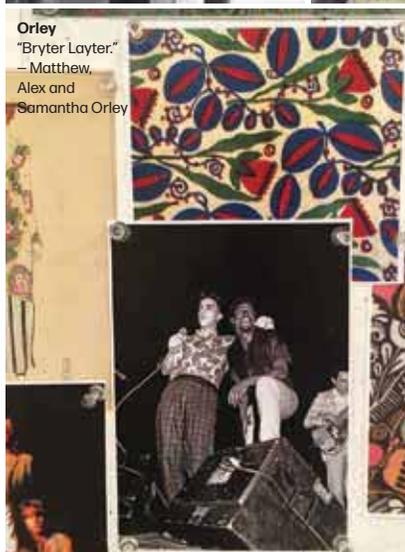
Bode
 "Profound poeticism of domestic space and impressions of my personal history."
 — Emily Bode, designer



Matthew Adams Dolan
 "Security in comfort."



Stampd
 "The journey from a monochromatic palate to a destination not yet defined. The asphalt wave is an ebb and flow of texture and exploration of color."
 — Chris Stamp, founder



Orley
 "Bryter Layter."
 — Matthew, Alex and Samantha Orley



Jahnkoy
 "Craft is displaced by fast fashion. Nutrition is displaced by fast food. Nature is displaced by concrete. Culture is displaced by mainstream. Spirituality is displaced by religion. The soul is displaced by the mind. Love is displaced by hate. Peace is displaced by war."
 — Jahnkoy Maria, designer

Louis Vuitton's Kim Jones said he was inspired by New York art stars of the early Eighties for the collaboration.



LOUIS VUITTON
x SUPREME

The Perfect Pairs

● Collaboration reigned supreme in the City of Light, as did the suit, which is being reimagined by a bevy of designers.

By ALEX BADIA

Team Work

The collaboration game between high-fashion designer houses and iconic streetwear brands was in high gear during the Paris shows. From Louis Vuitton and Supreme to Martine Rose and Napapijri, these fashion matches only enhanced the overall street feel of the season.



JUNYA WATANABE MAN
x THE NORTH FACE



MARTINE ROSE
x NAPAPIJRI



SACAI
x THE NORTH FACE

Photographs by Francois Mori/AP|REX/Shutterstock, Giovanni Glamoni and Dominique Maître

Suit Up

After several seasons where the suit was nowhere to be found, designers decided to bring the ultimate men's wear classic back to the spotlight. Fall's options range from an Eighties geeky and boxy Balenciaga style to ultrafitted double-breasted separates from Berluti and a modern yellow corduroy style from Y/Project – proving it's not business as usual.



ACNE STUDIOS



DIOR HOMME



BERLUTI



COMME DES GARÇONS HOMME PLUS



DRIES VAN NOTEN



BALENCIAGA



HAIDER ACKERMANN



LANVIN



YOHJI YAMAMOTO



Y/PROJECT



GIVENCHY



RICK OWENS



A selection of fabrics from Bonotto.

Milano Unica: Expanding Its Global Reach

Exhibitors are aiming to grow their markets beyond their core. BY SOFIA CELESTE

Mills that will exhibit their spring 2018 fabrics at the three-day Milano Unica fair that begins Feb. 1 are girding themselves for a challenging macro environment in 2017. In response, Milano Unica will launch a business-to-business platform at the event, to help expand the sector's global reach. The project is being developed in partnership with New York-based firm Sundar.

"To face the global climate, Milano Unica hopes to reach a new customer that isn't just located New York or L.A. We want to reach different people, like start-up companies that would benefit from traditional European suppliers like

us, that are developing different ways to do business," said Milano Unica president Ercole Botto Poala.

Sundar has developed tools that will allow visitors to customize their experience by connecting with suppliers to match their needs and requirements in real time. They'll also have access to data and profile analytics in a secure digital infrastructure.

"Sundar has used its strongest capabilities – building powerful core technology – and has customized it for Milano Unica [attendees and registrants] to create a private and curated 365-day experience," said Sundar ceo and founder Jag Gill.

Botto Poala, who is also ceo of Biella, Italy-based wool-maker Reda 1865, said it will be an uphill climb for Italy's small and mid-sized family-run companies to digitize.

"It's a risk, but one that needs to be taken given the economic environment," said Botto Poala, noting that fabric-makers across the board are likely to raise prices of their spring 2018 catalogues by 2 to 5 percent compared to last season, as the euro nears parity with the dollar. The dollar is trading at around \$1.07 per euro, and economists expect to see parity since the Federal Reserve is expected to hike interest rates in 2017.

"The cost of Supima and Egyptian cotton have gone up substantially in the last 12 months. Besides that, the rate of exchange is not helping us," said Albini Group president Silvio Albini, noting that the Albini Group has an international presence in more than 80 markets, which has allowed it to offset currency risks. "We will raise our prices in euros slightly and will keep our U.S. prices untouched."

According to ISTAT, the international outlook for Italian companies continues to be defined by the solid growth of the American economy, the decline in international trade and the rise in oil prices.

Shirt fabric-maker Gruppo Tessitura Monti said despite uncertainty worldwide, it is still holding strong.

"In 2016, we saw stability. We expect modest growth in 2017 due to a rebound in the high-end range," said Tessitura Monti ceo Luca Belenghi, who noted that the company is working to improve its natural dyeing techniques and expand its selection of blended fabrics that prominently include linen.

Botto Giuseppe ceo Silvio Botto Poala said in terms of markets, Italy, Japan, South Korea and the U.S. were top performers, while it saw lackluster sales from Germany.

"Our eyes will be on the presidency of Donald Trump. We want to see if he keeps his promises with regard to boosting the economy," Botto Poala said.

Albini said, "We will definitely put even more effort into the U.S. market. We are very curious about the policies of the new president."

The Italian textile sector's cash cow is still the wool industry. Last September, Milano Unica said Italy's wool market share was 39.3 percent, while cotton represents 20.6 percent, knits about 18.7 percent and silk 17.7 percent, with linen at 3.7 percent. But exports of linen fabrics outperformed, surging about 20 percent between January and May 2016, as the market turned toward more eco-conscious materials that are completely biodegradable and natural. Wool exports rose about 5 percent, while silky and knitted fabrics experienced a slight drop, falling about 4 and 3 percent, respectively.

In February, trends will mirror the consumer's desire for escapism. Milano Unica's art director, Stefano Fadda, said Nefertiti, the legendary Queen of Egypt; Ibiza, the heart of the international social scene; the majestic city of Tehran, and the Italian coastal town of Sorrento are a few elements and locations that inspired fabric-makers in terms of colors and textures.

Across the board, mills will focus on innovation, sustainability and blends.

Companies like Bonotto, known for its creative jacquards, will showcase heddle-loomed fabrics for a more traditional look, as well as quirky patterns like bold stripes and fluid finishes.

Tollegno 1900 will showcase silk, cashmere and wool blends for formal wear and expand its fashion forward 3-D, bi-stretch and Rainmaker lines. It will also focus on more sustainable fabrics such as linen and unfurl a new ICE-Linen line that has a handmade, washed appearance.

Bella-based Lanificio Botto Giuseppe, will also focus on elasticity with its pure cashmere stretch line for the ultimate high-end consumer. The firm will also expand its Naturalis Fibra fabric collection, made with "slowool yarns."

The three-day fair will unfold for a second time at the new, more expansive Milan-Rho fairgrounds, instead of the traditional venue Fieramilanocity. ■

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Amy Winters' Thunderstorm Dress is part of the Wearable Lab at PV.

Première Vision Stresses Creativity

Let creativity prevail.

That's the message from organizers at Première Vision Paris, with stats confirming that despite ongoing global economic and political instabilities, the creative materials market is outperforming the world market.

According to the inaugural Première Vision Barometer, implemented as part of the IFM-Première Vision Chair launched in January 2016, creative textile production rose 1.6 percent in 2015 versus the prior year, while the market as a whole slipped 1.1 percent. In emerging markets, creative materials spiked 9.6 percent versus 4.6 percent for the general market.

"When the market is difficult, companies need to invest in creation. [We are] in a good position in terms of prospects and we will keep on innovating," said Gilles Lasbordes, general manager of Première Vision Paris, which, at its upcoming edition, will present two

new international economic indexes relating to the activity of the fabric and leather sectors for creative fashion. The event is slated for Feb. 7 to 9 at the Parc des Expositions in Paris Nord Villepinte on the outskirts of Paris.

The show in its conference lineup will focus on key emerging trends, such as the resurgence of proximity sourcing, particularly in the countries that create fashion, organizers said, citing the current economic and political context among contributing factors.

Gildas Minvielle, director of the IFM Economic Observatory, will present the results of a related study conducted for the IFM-Première Vision Chair titled "The Resurgence of Local Sourcing."

Leather will also move into the spotlight this session, with Première Vision Leather in Hall 3 set to present a beefed-up offer of resources targeting the high-end footwear, leather goods and clothing markets.

"Première Vision in the past was associated with fabrics, but it's not the same story anymore. Today we have to be about

a global offering covering all types of materials," said Lasbordes, adding that the heightened focus on skins reflects the growing importance of the category in the transversal strategy of brands today.

The dynamics of the luxury sector, despite challenging times, is bolstering the tanners' business activity, he said.

According to the Première Vision Leather Index, the creative fur and leather materials market in 2015 registered a 3.9 percent rise in volume versus 2014, compared to a 0.9 percent uptick for the global production index.

Reflecting the strengthening of synergies between the event's six shows – spanning the yarns, fabrics, leather, designs, accessories and manufacturing sectors – organizers will introduce targeted and coordinated operations between the fabrics, leather and accessories shows for the sourcing itinerary of leather-specialist buyers and designers. This will also be reflected in the event's inspiration forums.

Two daily workshops hosted by the Luxury

Materials Workshop will cover topics including "Alligator leather: a precious material, a passionate material" and "Decorative techniques that drive creativity."

The event's Smart Creation program of roundtable discussions will explore responsible practices for creative companies in the leather industries.

Elsewhere in textile innovation is the area of sustainability and green production. Over the past decade, PV exhibitor Marchi & Fildi developed Ecotec, a "smart" cotton, a Made in Italy yarn produced by a process that's traceable and certified, transforming cotton pre-dyed textile clippings into a cotton yarn with record savings in water and energy consumption as attested by the LCA study conducted by ICEA, said chief executive officer Massimo Marchi.

Marchi & Fildi also created an e-commerce site where clients can buy most of its yarns online, seeing immediate availability and shipping within 24 working hours.

Among other developments, Première Vision ▶

Paris Fairs Undeterred by Outside Forces

Première Vision, Texworld and Apparel Sourcing rely on their central values amid global uncertainty.

Tollegno 1900
FABRIC MADE IN ITALY
THE RAINMAKER

PERFORMANCE
STRETCH
MULTI-LAYER MEMBRANE

tollegno1900.it

MILANO UNICA
1/2/3 FEBRUARY 2017
HALL 20
STAND D09

Manufacturing will feature a new segmentation of its offer as follows: Softwear, covering fluid clothing casualwear and citywear; Suitwear; Special Skills, focused on swimwear, outerwear and accessories; "Tee's & Co.," presenting cut-sewn knits; Shirts Up and Upper Jeanswear.

The show will also host a second exhibition by L'Eclairer aimed at highlighting the creative ties between the upstream side of the fashion industry and the final product. The Paris retailer has commissioned a selection of designers to produce creations around a "men by night" theme using materials selected from mills that are presenting at the show. The items will also be presented at L'Eclairer at the end of February, before being sold in limited editions.

Tackling fast-moving developments in the field of wearables, meanwhile, a new section called Wearable Lab will explore innovations merging the spheres of fashion and technology.

- KATYA FOREMAN

Texworld Goes Large for 40th

Despite macro problems, Messe Frankfurt France is set to present a dynamic and expansive 40th anniversary edition of core fabric fair Texworld with a four-day run starting Feb. 6 at Le Bourget.

The exhibition organizer has garnered its largest exhibitory turnout for a February edition yet.

"We will have more than 1,000 exhibitors at Texworld and Apparel Sourcing combined," said Messe Frankfurt France chief executive officer Michael Scherpe. "At Texworld, we have 725 registered exhibitors, and normally we have between 620 and 650. That's quite a significant increase."

Scherpe downplayed concerns about political and macroeconomic issues as well as terrorism fears and their impact on the industry.

"The global economy isn't doing so badly, and unfortunately we have now become accustomed to [security fears] — they no longer have the same impact as they did," he said, referring to the terrorist attacks that have shaken Europe over the past

two years and had a heavy impact on traffic for many French trade shows in 2016.

"We are a trade show where people come to do business, rather than get information and trends," he said.

Texworld and Apparel Sourcing, which gathers apparel contract manufacturers, are less sensitive to market forces than events with a more high-end positioning, Scherpe said.

While currency fluctuations are one of the biggest factors impacting mills right now, Scherpe said, many of

the companies he deals with have been able to integrate this into their pricing policies.

The country suffering most from the political and macroeconomic forces is Turkey, he said, which remains Texworld's second-largest exhibitor country after China.

"Over the past year, we have seen certain Turkish companies canceling their booths," he confirmed.

Another issue affecting several exhibitor countries, especially China and Pakistan, is overcapacity.

"Thankfully, this is pushing them more to worry about sales and look to enter new markets," Scherpe said.

This is also opening opportunities for new exhibitor countries, he said. Morocco is expanding its presence at Apparel Sourcing, while exhibitors from Pakistan and Bangladesh will return to Texworld after a two-year absence. South Korea will field the third-largest number of exhibitors, while India and Taiwan will also have a strong presence.

"Certain countries are seeing opportunities, especially as concerns their competitiveness compared with China and its pricing structure," Scherpe said. "Certain countries are starting to approach us that did not dare to before, and that is the case for Morocco, for example. China is still competitive, but other markets are more aware that they may be able to compete, whereas before they thought they were beaten before they began; new countries like Vietnam, Cambodia and Myanmar are beginning to have a presence."

Texworld will for the second time include the Elite

area to showcase some more established mills. About 21 companies will exhibit in the space, which aims to make visiting the show and doing business more straightforward for the major mass-market retailers and brands that are Texworld's core target.

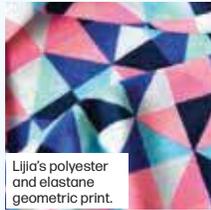
"I don't think it's the luxury sector that's going to grow in the coming years, but the [middle-market]," Scherpe said. "The exhibitors in Elite can guarantee highly professional service, lead times, volumes and logistics."

Also back for a second time is Avanprint, dedicated to digital printing, showcasing the leading suppliers in the segment and with a series of conferences and demonstrations.

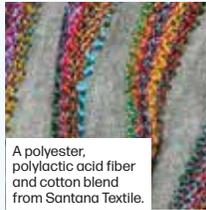
Messe Frankfurt France has partnered with Techtera, an innovation and competitiveness cluster in the Lyon region focused on technical fabrics, to showcase Made in France expertise.

The conference program will feature discussions on the revival of Made in France solutions and proximity sourcing, the European denim market.

- ALEX WYNN



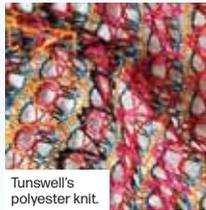
Lijia's polyester and elastane geometric print.



A polyester, polylactic acid fiber and cotton blend from Santana Textile.

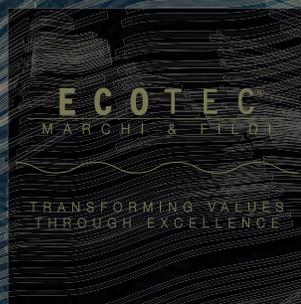


A viscose, polyester and metallic blend from New Heaven.



Tunswell's polyester knit.

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Fabric photographs by Dominique Maitre

Model Call: Jazzelle

● New York-based newcomer Jazzelle – yes, that’s her full name, and no, it’s not Gisele – started modeling in Detroit when she was about 15 after her braces came off, though she’d been involved with a local talent agency since she was 11. “I moved to Chicago when I was 17 to do commercial modeling work. It was miserable and I hated it completely,” she said. Instead, she became enthralled by the nightlife scene there, working as a performance artist and drag queen, and her persona ultimately became “too controversial” for the agency, which dropped her as a result. Luckily, her Instagram account – and her bleached, shaved head and eyebrows – caught the attention of British photographer and Showstudio founder Nick Knight, and the rest is history.

By KRISTI GARCED Photograph by CHRIS MIGGELS

Let’s start at the beginning...

My dad’s black and my mom is Austrian and German. Modeling seemed so glamorous when I was a kid, it was like wanting to be a princess...I started working sporadically, but I didn’t get a lot of work at all. It was a little bit of money, but not too big of a deal.

And ultimately, commercial modeling didn’t suit you. How did you start working with Nick Knight?

I noticed that Nick had been “liking” my photos on Instagram. He direct-messaged me a few hours later and said he’d love to collaborate with me. I thought it was a distant dream at the time. I was like, “Oh my God, he’s so big and I’m absolutely no one in the fashion industry.” But a week or two later, he flew me out to London to shoot this really big spread for Another Magazine – I wore all Comme des Garçons. I never thought it would happen to me.

And Nick also helped you get signed to an agency in New York.

I was planning to move to New York anyway to get out of Chicago...[After the shoot in London,] I hit up Nick and asked him, “Who will accept what I look like now, and be accepting of the nightlife stuff that I do?”

You’ve since been featured in editorials for V Magazine, Purple, Garage Magazine, Nylon and several others, as well as walked the runway for Public School, Baja East...

I feel so, so, so lucky. It’s been a whirlwind. I already know how hard it is for girls. It’s a cutthroat, competitive industry... It’s work, but I’m lucky enough that it doesn’t feel like work for me.

And you’re still active in the nightlife/drag scene.

Nightlife is an outlet for me to get out creatively, but also to support myself.

What are some of your long-term goals?

Even if I didn’t make it anywhere past where I am now, I feel like I’ve accomplished my dreams...Before, my parents were looking at me like, “What are you doing with your life?” But they’re a lot more supportive now. I want to make enough money to invest in something...I’d love to just support myself and help my family out.

Age:
20
Height:
5 8 1/2"
Hair:
Blonde
Eyes:
Hazel
Hometown:
Detroit
Agency:
New York Model
Management
Instagram:
@uglyworldwide





IT'S WHAT SUCCESSFUL BEAUTY EXECUTIVES HAVE IN COMMON: *membership*

Nathalie Kristo

CEW Member since 2010

General Manager, Global Brand Marketing and Business Development, NYX Professional Makeup

"It is important to me to be a part of this unique organization that celebrates, empowers and promotes women to leadership roles." *More on Nathalie at CEW.org.*

CEW offers networking and knowledge. Members make business connections, gain industry intelligence, have access to industry leaders and programs that advance their careers. *More information: CEW.org.*

WE MOVE BEAUTY FORWARD

CEW

Mass Attack

As innovations cascade from prestige, Millennials are scooping up skin-care products in droves at the drugstore.

By ELLEN THOMAS with contributions from FAYE BROOKMAN

The drugstore is now the cool place to shop for skin care. Millennials, unimpressed by miracle creams, are turning to the mass market for skin care, where they're finding prestige-inspired products on the cheap. Mass power players are innovating faster than ever, unleashing sophisticated items as soon as they start gaining steam in the high-end market. Meanwhile, mass retailers from Target to CVS are on the warpath, reworking their beauty assortments to reflect the deluge of today's skin-care trends.

"The momentum around mass right now, especially in facial, is huge," said Karen Grant, global beauty industry analyst at The NPD Group. By the end of last year, NPD was tracking mass facial skin-care sales as being up 4 percent from 2015, while prestige sales remained flat.

It's the Millennial attitude toward skin care, which skews more toward basic care and prevention rather than wrinkle correction, that is driving growth in the mass market.

"Consumers are looking for quick-fix solutions and using makeup to offset [skin issues], so skin care is shifting into more primary care," said Grant.

Attuned to the hazards of sun, pollution and stress, young consumers seek straightforward,

natural-sounding skin-care products that are gentle, efficacious and fast-acting, and growth is being driven by such unsexy categories as cleansers and moisturizers.

"[Young consumers] are shifting to more affordable brands," agreed Cécile Shrimpton, senior marketing and retail consultant at Wagram Consulting. "It's very much back to basics – they know if they protect their skin [with SPF] and hydrate really well, that's what counts."

Beauty's most recent big buy signifies this shift toward simplicity – in January, L'Oréal's Active Cosmetics Division announced it would acquire CeraVe, AcneFree and Ambi from Valeant Pharmaceuticals for \$1.3 billion.

Although sales are being driven by basic categories, don't think Millennials will settle for any old boring cleanser to wash their makeup off with – no-rinse formulas such as micellar waters are popular, along with cleansing oils and solid formulas. Even Johnson & Johnson-owned Clean & Clear has introduced a bubble-foaming face wash, based on the Korean innovation, for early this year. "It's not a commodity-like service product like toothpaste anymore," said Shrimpton, of cleansers and moisturizing products. "[Millennials] are all about having fun and having a cool moment applying skin care with cool formulas."

Over the past year and continuing into the January launch season, the major mass skin-care brands have focused on introducing basic items like cleansers and moisturizers with sophisticated upgrades that mirror prestige formats and ingredient trends.

Active and natural ingredients are wins with Millennials, who are looking to cultivate healthy, less stressful lifestyles for themselves – which includes cutting down on laborious skin-care routines. "It's got to be a quick-fix – instant results, no fuss," said Shrimpton, who noted that young consumers are especially concerned with purging the body of toxins, both real and perceived. "Detox is the new antiaging, let's face it."

To that end, Garnier is introducing its Moisture Bomb collection, a series of hydrating items, from a sheet mask to gel-cream moisturizer – formulated with amla and pomegranate extracts known for their antioxidant benefits. Neutrogena is turning its hit Hydro-Boost Water Gel into a full-fledged franchise, complete with a hyaluronic acid-infused gel-oil cleanser and serum. L'Oréal Paris is utilizing hyaluronic acid as well, combining it with aloe water to formulate the moisturizers in its new HydraGenius range.

"Millennials in particular are seeking to add benefits and keep their products natural and ingredient-driven," said Kathy O'Brien, vice president of skin and marketing services at Unilever.

The company is certainly getting in on the mass attack. In 2015, it launched a makeup-removing micellar water – a French pharmacy staple, made

of micelles (cleansing oil molecules) – under Simple, and this year St. Ives is launching its Facial Oil Scrub in apricot and coconut varieties, which is meant to be a more of-the-moment take on its long-standing exfoliating scrub. Unilever has also made headway with Pond's, introducing last year its Luminous Clean collection, designed to brighten and hydrate while cleansing, and this summer will unleash a customizable boosting serum under Simple. O'Brien noted she sees opportunity to appeal to the younger set with Dove's classic beauty bar, which she said offers multiple benefits, including cleansing and hydrating.

It is not just products that are becoming more premium, but the retail landscape, too. Chains like the Walgreens Boots Alliance and CVS are making a concentrated effort to usher in more niche, specialized offerings that reflect the many skin-care trends permeating the prestige market.

Target Corp. is another prime example. The chain has been at the forefront of natural skin care and the K-beauty explosion. Target installed the Amore Pacific-owned Laneige in 2014 and the success of that brand gave the green light to install more Korean powerhouse names, the most recent example being a slew of items selected by Peach & Lily founder Alicia Yoon.

Dawn Block, senior vice president of beauty and essentials for Target, said this is part of an ongoing effort to provide skin-care products that are in demand by the chain's shopper. "Bringing this curated assortment to Target provides us with a chance to test new offerings and expand on our positioning as a go-to, credible source for beauty must-haves, while giving our guests added convenience."

While Target has historically sat on the higher end of the mass market, most retailers in the segment are feeling the pressure to amp up the quality of their beauty offerings – even Wal-Mart Stores Inc. launched a line of sheet masks, called Masqueology, last year, and will soon launch Le Petit Marseillais, a line of French body washes.

Mass retailers are tapping brands like Nip and Fab to add a cool factor to their assortments. Nip and Fab is a diffusion line from the founder of Rodial, an edgy prestige skin-care line known for infusing its products with exotic ingredients such as bee venom and dragon's blood. The mass line has brought Rodial's pricey offerings to an affordable level. For example, the Rodial Bee Venom Super Serum is priced at \$200, but Nip + Fab's Bee Sting Fix Repairing Shot, incorporates a similar ingredient and retails for \$24.99.

"The buyers in the U.S. want to invest in up and coming brands – in the last few years there's been a lot of exciting brands entering the mass market, compared with what there used to be 10 to 15 years ago," said Maria Hatzistefanis, founder of Rodial and Nip and Fab. "They realize if they keep selling the same old, same old, L'Oréal and all those brands, consumers aren't interested. They want something cool that has social media buzz." Nip and Fab certainly has it – the brand has partnered with Kylie Jenner.

"The mass retailers realize what's winning is these small niche brands with expert viewpoints," agreed Michel Dallemagne, chief executive officer of Lumene, a Finnish skin-care brand that is in the midst of a major overhaul, complete with updated packaging, formulations and marketing tapping into the brand's wellness-oriented Nordic heritage. Industry sources estimate Lumene's valuation could quadruple over the next two to the three years, after increasing shelf space at Target and Ulta Beauty, and expanding internationally.

And the French pharmacy brands such as Pierre Fabre's Avène and L'Oréal's La Roche-Posay and Vichy are increasingly competitive and trend-driven as well. Vichy just launched a range of clay masks, and La Roche-Posay is rolling out probiotic-based skin care in the U.S. market. Though the lines have been in the mass market on the coasts for some time, it is only a matter of time before they permeate the flyover states. "We'll see more of a national distribution strategy behind these brands, as awareness starts to increase and retailers have begun to realize category growth on the coasts," said Martin Okner, cofounder and managing director at SHM Corporate Navigators. "With the point we're at now with social-influencer marketing, we're going to see more mid-America interest in these brands [very soon]."

Of course, the mass versus prestige war also boils down to something very simple – cost. With prestigelike innovations hitting the mass market at all angles, prestige skin care will have to step it up to retain customer attention to the higher end of the market. "The challenge for premium brands is to prove that it's really worth spending more to achieve benefits that you can't get from mass," said Margie Nanninga, beauty analyst at Mintel. "I don't know if that's possible at this point because mass has become so [advanced]." ■



1 GARNIER SKINACTIVE MOISTURE BOMB THE ANTIOXIDANT SUPER MOISTURIZER, \$16.99

A hyaluronic gel-cream moisturizer infused with goji berries, pomegranate and Vitamins C and E aims to strengthen the skin's moisture barrier.

2 ST. IVES EXFOLIATE & NOURISH COCONUT OIL SCRUB, \$6.99

Formulated with coconut and grapeseed oils, this formula is an update on the classic St. Ives apricot scrub.

3 L'ORÉAL HYDRA GENIUS MATTIFYING WATER GEL OIL, \$13.99

A hyaluronic-acid-based moisturizer said to lock in hydration for up to 72 hours.

4 CLEAN & CLEAR ACNE TRIPLE CLEAR BUBBLE FOAM CLEANSER, \$6.99

An aloe and mint formula made to de-clog pores with salicylic acid within a Korean-inspired bubble foam.

5 OLAY LUMINOUS MIRACLE BOOST CONCENTRATE FACE BOOSTER, \$24.99

A tone-perfecting concentrate meant to be used as a "booster" for other products, lightening dark spots and evening out skin tone.

6 CERAVE SKIN RENEWING CERAMIDE BOOST FACIAL OIL GEL, \$23.99

A hydrating blend of ceramides designed to improve skin's radiance factor.

Briefs: Fashion, Beauty & Accessories



RETAIL

British Sensibility

● Max Studio London will be launching an exclusive in-store shop concept at 107 Macy's Inc. doors, as well as its e-commerce site. Geared to the Millennial consumer, the collection will hit stores in February.

The line features lifestyle-focused pieces that transition from day to night. It has more than 100 versatile separates retailing from \$58 to \$198. Special design touches, clean silhouettes and textural details define the collection.

According to Robert Bronstein, president of Leon Max: "Macy's came to us and challenged us. They had a white space in their modern and contemporary area." The line is geared to women 25 to 35, but can meet the needs of any woman with a modern sensibility, Bronstein said. "We wanted to design something contemporary and modern and lifestyle-focused,

and they wanted Max's taste level and vision."

Leon Max designed the collection in London, and it is being manufactured globally. While it has plenty of sportswear, there's also a heavy dress offering. Among the key trends are utilitarian, new romantics (florals, feminine dresses, romantic blouses and ruffles), Russian-inspired embroideries and casual cool-knit dressing.

Macy's will build shops-in-shop for Max Studio London. The collection will have a major presence in Macy's stores including Herald Square, Dadeland, Santa Monica, Sherman Oaks, San Francisco and South Coast Plaza.

"Max Studio London is romantically feminine, but with an edgy, cool-girl sensibility our Millennial shopper adores. The clothing is youthful and on trend, but also refined and versatile — there are fabulous statement pieces she can mix and match for any occasion," said Cassandra Jones, senior vice president of Macy's fashion. — LISA LOCKWOOD

DENIM

Finding True Religion

● The path that Nikki Lane followed to land in True Religion's spring ad campaign wound through Los Angeles, New York and Nashville. After dropping out of high school, the sprightly South Carolinian started a hand-painted shoe line in Southern California, managed Ron Herman's influential denim bar, opened a vintage store called High Class Hillbilly and emerged as a country music rebel. Releasing her third album, "Highway Queen," on Feb. 17, the 33-year-old talks about her journey through fashion and music, unique sound and retail vision.

How would you describe your ride through fashion and music?

I learned how to manufacture and make things and sell things. My merch is better than almost everybody's because I understand. I make it here in L.A. through a real production company. And music is a wild ride. You tour 275 days of the year to play 180 shows. Your life is just a high, fast-moving gamble, but it's been fun to interchange between the two. I still get the fulfillment of all the fashion stuff by creating my own image and living that out and

creating a character.

You've been called the "first lady of outlaw country." Does denim fit with what that first lady wears?

I think so. Outlaw country in itself is different than pop country in the sense that it's not highly funded. What it means is basically indie, that people are doing it on their own. When I moved from New York, I was wearing a lot of dresses and heels. Now I function like a touring musician. I'm in jeans. I'm ready to change attire at all points.

What are your plans for your store in Nashville?

I'd like to start carrying some basic high-waisted jeans, some basic white T-shirts that are new brands that are made mostly in the States and places that I'm comfortable with things being made, meaning like the quality. — KHANH TL. TRAN



BEAUTY TRAVELS



46%

That's the share of consumers who pack their beauty products in carry-on bags while traveling. Keeping beauty products nearby is a must for 38 percent of those consumers, according to Poshly, who say they have a beauty routine in the airport bathroom.

ONE COMPLETE THOUGHT

"Someone who comes from where I come from doesn't get this opportunity. I'm an orphan. I'm an independent designer, female-owned business, a first-generation minority woman."

Norisol Ferrari, on dressing Melania Trump in a military-inspired suit for her inaugural debut at Arlington National Cemetery



BEAUTY

The Melania Effect

● Could Melania Trump do for beauty what Michelle Obama did for fashion? The beauty industry is experiencing a major indie upsurge, and Trump, who formerly fronted a skin-care business, is already involved, even if unintentionally. Unlike their predecessors, her makeup artist Nicole Bryl and hairstylist Mordechai Alow each have founded their own brands, which have been incorporated into Trump's beauty looks to afford the brands considerable exposure they might have otherwise struggled to achieve.

Although fashion brands Trump has gravitated toward — Gucci, Reem Acra and Roksanda among them — may get a sales bump from her wearing their clothes, their price tags soaring into the thousands make them unobtainable for most Americans. The beauty products used, on the other hand, aren't prohibitively expensive. Several products from Alow's natural hair-care brand Yarok can be bought for less than \$20.

With top makeup artists and hairstylists as well as beauty brands at her disposal, Trump as the beauty influencer-in-chief isn't hard to imagine. She's already made widely recognizable statements with makeup and hair marked by wavy blowouts and bronzed skin. Beauty historian and personal brand strategist Rachel Weingarten said, "Melania's overall beauty ethos seems to be composed, polished and always perfectly groomed." Behind that orchestrated facade are choices that convey someone who isn't sticking to accepted standards. She doesn't "embrace tired tropes of women of a certain age. Popular beauty wisdom would have you believe that women in their mid-40s should not wear their hair long or their makeup too dewy or girly. Melania seems to reject that while flaunting her own version of what works," said Weingarten, adding, "Love her or hate her, she will definitely influence beauty and trends."

— RACHEL BROWN

BEAUTY

Dear Rose Expands in U.S.

● Chantal Roos returned to the fragrance scene in 2014 with a new company, Roos & Roos, created with her daughter Alexandra and a collection of scents, called Dear Rose. After painstakingly planting the roots of a business, primarily in Europe with a toe hold in the Middle East, she is ready to take on America.

The start-up has signed on Alan Beck and The Fragrance Group as U.S. distributor and a breakfast has been scheduled for Jan. 31 in New York.

The mother-daughter team got a head start in North America last year, first with the West Village perfumery Aedes de Venustas in New York, and then in two doors of Neiman Marcus. The brand entered the Paramus, N.J., store last June and the Hous-ton unit in mid-November.

The Fragrance Group is lining up some independent

perfumeries and Chantal Roos intends to hold meetings in New York. Her strategy for the U.S. is the same as the path she followed in Europe: High-end perfumeries and department stores. "If you think about the U.K. — Harrods, Liberty, Fenwick, Selfridges; France, Le Bon Marché — we start at the highest level of distribution."

Alexandra Roos had convinced her mother to come out of semi-retirement and take the leap back into the turbulent fragrance.

Oddly, Chantal Roos — who had gained fame as the mastermind behind the fragrance launches of YSL, Issey Miyake and Jean-Paul Gaultier — never launched a brand of her own.

There are nine fragrances, created by Fabrice Pellegrin, in two collections. The original set has five fragrances with 3.3-oz. bottles priced \$135 each. The second is the song collection, with a \$200 price point for the same size bottle. — PETE BORN



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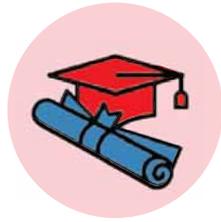
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M.B.A. Start-ups

Recent business school graduates are heading out of universities not just with fancy diplomas, but ideas to remake the world.

By MAGHAN MCDOWELL

● **Top business schools** have become more than just places to hit the books and nab a door-opening line on that LinkedIn profile; they've become a breeding ground for future founders of the next big thing. ¶ The next idea to push the envelope (or attract top venture funding) might well be hidden away in the notebooks – or laptops – of the latest graduates. ¶ And it could be anything: an algorithm for finding something as intimate as lingerie, tech to customize something as personal as a wedding dress, data mining to make online shopping better for everyone involved. ¶ They're all in the works. ¶ "It's definitely a normal thing at Stanford to join a start-up as a cofounder early or start their own thing," said Slyce cofounder Bryant Barr, whose company helps facilitate the relationship between influencers and the brands who depend on them for marketing through social media. "Instead of an internship between the first two years, I started my own company."

Although some at Stanford frown on starting a company in favor of focusing on academics, Barr found the atmosphere ideal for incubating an idea.

Even without any intention of making his own firm, he said, "I think the academic experience influences you to do that – a lot of classes are on how to come up with an idea, nurture it and move it along."

At Harvard Business School, "a student is going to do what they want to do," said Jodi Gernon, director of the school's Arthur Rock Center for Entrepreneurship.

"We encourage students to get experience at a start-up so that they can learn to apply it elsewhere. But while they are here, if they have

ideas, we can teach them how to approach their ideas and build them into a company," Gernon continued.

At Harvard, Gernon said the focus is on teaching students how to look for problems and to question how things are currently done, not only within technology but in everything. Current students, for example, are looking at redesigning the bra and the belt.

Here is a look at ideas from some of the latest crop of students from Harvard Business School, the Wharton School of the University of Pennsylvania and Stanford Graduate School of Business, who follow in the footsteps of alum such as Facebook's Sheryl Sandberg, Nike's Phil Knight and Tesla's Elon Musk.



MAGPIE
DISCOVERMAGPIE.COM

"Discovery," "data" and "path-to-purchase" are all areas of intense interest and continuing mystery in e-commerce. But technology company Magpie is looking to provide clarity by giving retailers analytics on how consumers interact with their products outside of their site. The firm also provides tools for online publishers, including fashion bloggers and magazine web sites, to optimize content and maximize revenue by allowing consumers to buy products on any web site without leaving the page.

Funding: Closing a seed round in March

Founded: April 2016

Founders: Gerrit Orem, Andrea Fantacone and Damjan Korac, Harvard Class of 2017



Gerrit Orem



Andrea Fantacone



Damjan Korac

"We encourage students to get experience at a start-up so that they can learn to apply it elsewhere."

Jodi Gernon, Arthur Rock Center for Entrepreneurship



TROVE
THE TROVE APP . COM

Trove app was founded by a husband-wife team with roots in both Wall Street and fashion blogging: Mary Orton, who runs professional dress blog Memorandum, and Stanford business school grad Rich Scudellari. The shopping app aggregates outfit posts from top bloggers and lets users save or shop images, while keeping affiliate links intact. That means the blogger and the merchant relationship doesn't change, but the discovery process for the followers is streamlined and simplified.

Funding: Not disclosed

Founded: November 2014

Founders: Mary Orton, Memorandum founder; Rich Scudellari, Stanford Graduate School of Business (M.B.A.) Class of 2016



Mary Orton



Rich Scudellari



NUDEST
MYNUDEST.COM

To the founders of e-commerce platform Nudest, "nude" can mean one of more than 50 shades ranging from mahogany to ivory. The company uses a proprietary algorithm to match customers' complexions to lingerie, hosiery and shapewear from brands such as Naja. Its "Nudemeter" combines photo analytics with textile color and fabric data to make recommendations, with plans to introduce additional fashion categories in the coming months.

Funding: Self-funded

Founded: January 2016

Founders: Atima Lui and Nancy Madrid, Harvard Business School Class of 2016



Atima Lui (left)

Nancy Madrid



SLYCE
SLYCE.IO

In the Wild West of social media and sponsorships, Slyce is a platform that helps brands and influencers manage and track posts to social media. The brands use a desktop web site to manage content and timing, and deliver it to the talent on the Slyce app. Thus, a company like Under Armour can deliver tailored and timely social media content to Slyce cofounder and NBA player Stephen Curry.

Funding: Angel round of \$1.6M

Founded: July 2015

Founders: Bryant Barr, Stanford Graduate School of Business (M.B.A.) Class of 2016; Golden State Warriors basketball player Stephen Curry; Jim Cai, Stanford School of Engineering (M.S.) Class of 2015



Bryant Barr



Stephen Curry



Jim Cai

"It's definitely a normal thing at Stanford to join a start-up as a cofounder early or start their own thing."

Bryant Barr, Slyce



ANOMALIE
DRESSANOMALIE.COM

With a background in mechanical engineering, Leslie Voorhees managed product development and factory operations for brands such as Nike and Apple, while husband Calley Means worked in corporate strategy, marketing and operations. While shopping for her own nuptials, she formed relationships with wedding dress suppliers and formed Anomalie, which sells custom wedding dresses for about \$1,000 and lets customers have a major say in the design process.

Funding: Seed round

Founded: Mid-2016

Founders: Calley Means and Leslie Voorhees, Harvard Business School Class of 2015



Calley Means



Leslie Voorhees



KOIO COLLECTIVE
KOIOCOLLECTIVE.COM

At a time when high-tech tools are seen as the solution to, well, everything, Johannes Quodt and Chris Wichert just wanted a "personal dream shoe" – a luxury leather sneaker. They linked up at business school and formed Koio Collective, starting with a men's high top made in Italy, sold online directly to customers and starting at about \$300. They've since expanded into women's and have attracted funding from those including Winklevoss Capital and Andy Dunn of Bonobos and Brian Spaly of Trunk Club.

Funding: \$1.3 million seed round

Founded: February 2015

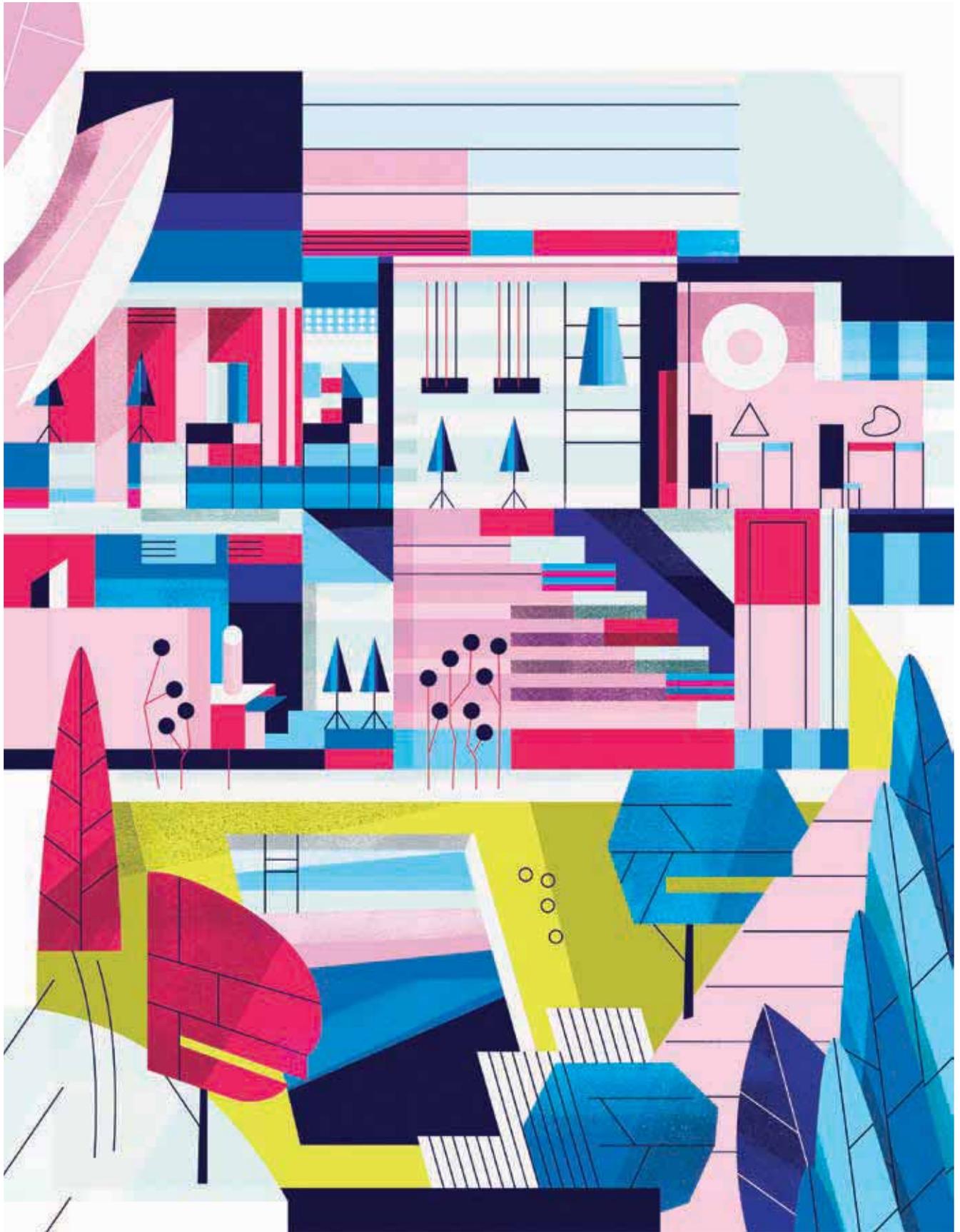
Founders: Johannes Quodt and Chris Wichert, Wharton Class of 2015



Johannes Quodt



Chris Wichert



Code is envisioned as a lively, art-filled meeting place where designers can sell their brands to retail buyers and the public.

A New Code

Moshe Lax has created a new Upper East Side address for designers looking for a New York boost.

By SHARON EDELSON

Designers looking for a leg up and a home on the Upper East Side have a new place to turn: Code. The 10,000-square-foot hybrid store, showroom, café and event space for designers at 800 Fifth Avenue — a

port in the storm of New York's fashion scene — is the brainchild of Moshe Lax, who was nudged into his new fashionable life by his wife, Shaindy, Hillary Beckman and Ivanka Trump.

When Shaindy found that it was no easy feat to break into department stores with her detailed fashions for kids, Lax turned to Beckman, a friend with a long list of fashion industry contacts, including childhood pal Tracy Margolies, sister-in-law and filmmaker Fabiola Beracasa Beckman and Bergdorf Goodman executive Elizabeth von der Goltz.

"I told him that the stars have to align, and even then, you may be a blip on the radar and never gain traction," Beckman said.

Lax and Beckman concluded that the fashion industry is fragmented, struggling to stay one step ahead of consumers' shifting tastes and still reconciling e-commerce with brick-and-mortar.

"There's a hole in the market," Beckman said. "There's nowhere a new designer can go to get all the eyes, especially those of editors and heads of fashion departments."

Lax hopes to change all that with Code, which also owes a lot to the newly minted first daughter, who has moved away from fashion to establish herself in Washington.

"I learned about the fashion world and business from Ivanka Trump," said Lax, who is also president and chief executive officer of Dynamic Diamonds and partnered with Trump to launch her jewelry business.

"I don't know if I would have had the vision and clarity for this project without her. Diamonds was my late father's business. Real estate is really my comfort zone," said Lax, noting that retail rent is one of the biggest costs for designers opening a shop. "Even department stores are real estate plays with the shelf space."

Code will offer help with lining up investment capital, mentorships, public relations, branding and marketing services and business expertise to

the 20 to 30 designers chosen to participate in its six-month residency programs.

Designers will have access to shared work spaces and meeting rooms and can get assistance in developing or refining their business plans. Signage, visual merchandising and marketing will be provided by Code.

There's a monthly fee based on a sliding scale and no deposit or leases required.

"The high price of leases is strangling designers," Beckman said. "We're not taking a percentage of their sales. If a designer is taking off, would we invest in that designer? Yes. If we put together a bank/investor, we might want a piece. We can also provide factoring."

Code is removed from the Fifth Avenue shopping corridor, which starts two blocks to the south. Situated in a residential apartment building opposite Central Park, the space lacks the elements traditionally considered essential for retail success, such as frontage and neighboring brands to generate foot traffic. But then Code's creators see it as an oasis from the scrum.

"We have a very long lease," Lax said, adding that his investment in Code "is not economically burdensome. Eliot Spitzer is the landlord. My fa-

"I look at Code as being at the center of a symbiotic relationship with the market."

Moshe Lax. Code

ther was a big admirer of Eliot."

Code is an idealistic venture — at least for now. The project has the luxury of being picky about the talent it chooses.

"We're OK financially for a couple of years," Beckman said. "The first year isn't about revenue. We're lucky we're in a position to do that. It gives us the freedom to choose amazing talent. It would be really cool if we were the catalyst for the upward trajectory of several designers every season."

Lax added: "The spirit of Code is a community and gallery, rather than just a space. We're going to preserve that feeling. I look at Code as being at the center of a symbiotic relationship with the market."

With exposed brick walls, polished concrete floors, custom furniture and rotating art exhibitions, Code aims to strike an upscale tone. A complimentary café serving wine opens onto a 15,000-square-foot garden with reflecting pools that will be used for events.

Gray Kunz will be the first in a series of rotating chefs at Code. Lax was an investor in Kunz's Manhattan restaurants and said: "Gray will run the program and find young chefs. He'll help choose the talent going forward."

"We want Code's café to be the next Freds," Beckman said, referring to the restaurant at Barneys New York's Madison Avenue flagship.

Code is trying to line up interest for its designers. So far, Aruna Seth has joined up. The London designer's shoes were worn by Pippa Middleton to the wedding of her sister, the Duchess of Cambridge, to Prince William. Tiffany Trump also wore Aruna Seth to the inauguration of her father, Donald J. Trump.

Lax had a front row seat to all of the inaugural events.

"I introduced Jared [Kushner] to Ivanka," he said. "I knew him from real estate. He had just bought the Observer and it was launching commercial real estate coverage."

Trump and Kushner were an instant hit. "I was at lunch with them and it was like I wasn't there," Lax said. "The whole paradigm shifted."

The fashion industry is experiencing its own seismic shift and Lax is positioning Code to benefit. He hopes the space will appeal to European designers having difficulty breaking into the U.S. market and established brands trying out new concepts.

"We're looking to create a web site that's social, newsy and streamlined and customized for consumers on one side and the industry on the other," Beckman said. Added Lax, "Our goal is to take Code all over the world."

"We're talking to retailers and e-commerce platforms, including [Karen Katz,] chairman and ceo of Neiman Marcus and Moda Operandi's Lauren Santo Domingo," Beckman said. "Kering and Richemont are interested in launching new concepts by established and new designers at Code. We've had many meetings with LVMH."

"Elizabeth intends to recommend designers," Beckman said, referring to von der Goltz. "The CFDA said it's happy to push overflow designers our way."

Code is expected to grow organically. Designers may be added or subtracted. And those who achieve success may leave and return later.

"We listened to designers," Beckman said. "We're reflecting their needs. We're creating a safe place for the industry. Code is about curating the designers just right."

"We don't have a boxed-in vision for Code," Lax said. "The beauty of Code is that it's fluid. We'll adapt very quickly." ■

Briefs: Retail & Markets



RAPID FIRE

Picking Up After American Apparel

● It's a mad dash now in Los Angeles to help the 2,400 workers put out of jobs by the mass layoffs at American Apparel. The cuts came in waves last week, with workers lining up outside the downtown factory store in the early hours of the morning to sign off on paperwork and collect their final checks.

Now, the Los Angeles Rapid Response Team – a coalition including the city and county workforce development boards and California Employment Development Department – is working to provide assistance with unemployment insurance, potential job opportunities, credit counseling, training and other resources at orientation sessions.

Two county supervisors along with the director of the county's Workforce Development, Aging and Community Services division, tried last-minute appeals to a bankruptcy court judge in hopes of crafting agreements that would retain the local jobs. Then, it didn't work.

The court approved several asset sales, the largest totaling \$103 million to Gildan Activewear Inc. for the intellectual property and some equipment.

While none of the sales safeguarded any jobs, it's expected the buyer of the company's Garden Grove knit and dye house will hire back some of the laid-off workers. The company's La Mirada, Calif., distribution center and retail stores remain in operation for the next few months. It remains unclear what happens with the roughly 1,000 American Apparel positions not shed last week once the wind down and sale deals close. — KARI HAMANAKA



BYE BUY

Twitter Moves From 'Buy' Button to Conversations

● In just the latest sign that e-commerce remains a work in progress for just about everybody, the Twitter "buy" button is coming to its end. Shopify told its merchant clients they would no longer be able to have a "buy-now" option on tweets.

The multichannel commerce platform said it would begin "sunsetting" its Twitter integration by the end of March. Twitter stopped product development related to its "buy-now" feature last year.

Instead, the platform is focusing on products such as "web site conversions," a program to help marketers target ads, showing someone who has been browsing for shoes an ad from DSW while on Twitter, for instance. — MAGHAN MCDOWELL

STAT



The size of the global apparel and footwear industry, which grew at 3.8 percent last year, the slowest pace since 2008, according to Euromonitor.

LUNAR LIFTOFF

Target's Clicks Top Bricks

● Target Corp.'s combined comparable sales for November and December fell 1.3 percent – a disappointing decline for the all-important holiday season. But the real story was in just where the weakness came from.

Holiday Comp Sales



Keeping Tabs

● It's rough out there. If the first few weeks of the year are any indication, 2017's going to be another tough one for retailers. It's the heritage brands feeling much of the pain as they rationalize store fleets and headcounts in a market no one has figured out – including the digital incumbents slowly eating away at market share. Here, a look at some of the retailers feeling the pressure. — KARI HAMANAKA

THE NEW ECONOMIC TEAM

Capitol Grilling: Trump's Cabinet Picks Under Fire

● Lawmakers leaned on Donald Trump's picks to run the Treasury Department and Commerce Department, trying to divine exactly how the new President's rhetoric will translate into policy. But while much still remains to be seen, the Senate confirmation hearings at least tested the political mettle of both Steven Mnuchin, the Treasury pick and former Sears Holdings Corp. board member (and former roommate of the retailer's chief executive officer, Edward S. Lampert), and Wilbur Ross, a turnaround specialist who has invested in the textile industry. Here, a taste of the new reality in Washington, D.C.

"Here's where my concern is. You were director of Sears for 12 years where you had oversight over the administration and the investment into the pension fund. That pension fund has been underfunded. Its benefits were cut right around the time period that you were there. It now faces a \$2.1 billion funding obligation debt. Sears has sold off most of its valuable assets while you've been on the board."

Sen. Bob Menendez, (D, N.J.)



"My original involvement with Mr. Lampert was in Kmart coming out of bankruptcy, where all of the professionals thought that Kmart should be liquidated and Mr. Lampert, and I working for him, saved tens of hundreds of thousands of jobs."

Steven Mnuchin, Treasury Secretary-designate



"If you are confirmed and as you consider in that position a particular trade deal or action taken in relation to trade, will you take into account the potential retaliation [of punitive tariffs] on American consumers and the American supply chain, what spillover consequences these might have?"

Sen. Mike Lee, (R, Utah)



"Sure, having been part of those supply chains, I have some fair understanding as to how they work and how they are essential. But on the topic of retaliation, my mind-set will be that the world's largest customer is dealing with its vendors. I view these other countries with whom we have trade as vendors. While you need to treat the vendors with respect, they must also treat you as their largest customer both with respect."

Wilbur Ross, Commerce Secretary-designate



American Apparel

Just shed 2,400 workers as the company winds down following a bankruptcy auction.

BCBGMAXAZRIA

Closing some stores to focus on online, licensing.



Laying off workers and closing stores under the New World Fossil turnaround.

THE LIMITED

Filed for Chapter 11 last week after shuttering its stores.



To close 63 stores in the spring. Workforce reduction of more than 10,000 people.



Closing 150 stores as it struggles to keep afloat.

CFDA.COM
JANUARY 30 - FEBRUARY 2

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MEN'S

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TENNIS | DEVEAUX | DIM MAK COLLECTION | DYNE | EFM ENGINEERED FOR MOTION
GARCIAVELEZ | GENERAL IDEA | JAHNKOY | HAERFEST | JEFFREY RÜDES | JOHN ELLIOTT
JOHN VARVATOS | JOSEPH ABOUD | KENNETH NING | KOZABURO | KRAMMER & STOUTD
LANDLORD | LORIS DIRAN | MAIDEN NOIR | MATIERE | MATTHEW ADAMS DOLAN
MAX 'N CHESTER | MIANSAI | N-P-ELLIOTT | N.HOOLYWOOD | NAUTICA | NEW REPUBLIC BY
MARK MCNAIRY | NICK GRAHAM | OAK | ORLEY | OVADIA & SONS | PALMIERS DU MAL
PALOMO SPAIN | PATRIK ERVELL | PRIVATE POLICY | R.SWIADER | RAF SIMONS | RALPH LAUREN
RAUN LAROSE | REPRESENT | ROBERT GELLER | BY ROBERT JAMES | ROCHAMBEAU
SAMUELSON | SCOSHA | STAMPD | THADDEUS O'NEIL | TIM COPPENS | TODD SNYDER | TITLE
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Amazon Fashion EAST DANE



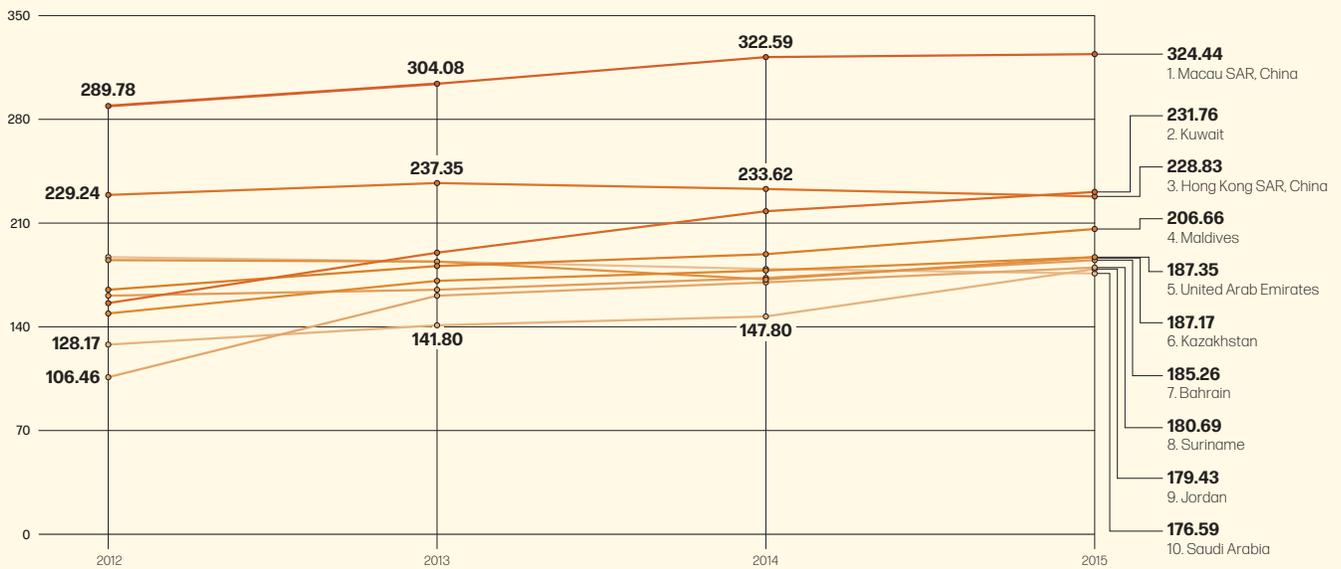
Data Points On the Line

By ARTHUR ZACZKIEWICZ Infographic by CARLOS MONTEIRO

According to the World Bank, Macau, Kuwait and Hong Kong top the list of countries with the most mobile phone subscriptions per 100 people. Interestingly, the U.S. comes in at 92. Most of the countries topping the list are emerging markets where multiple subscriptions are needed due to inconsistent service. Some consumers have separate subscriptions for other reasons, which include frequent travel to areas with limited service. Either way, from a marketing perspective, this list suggests ripe opportunities.

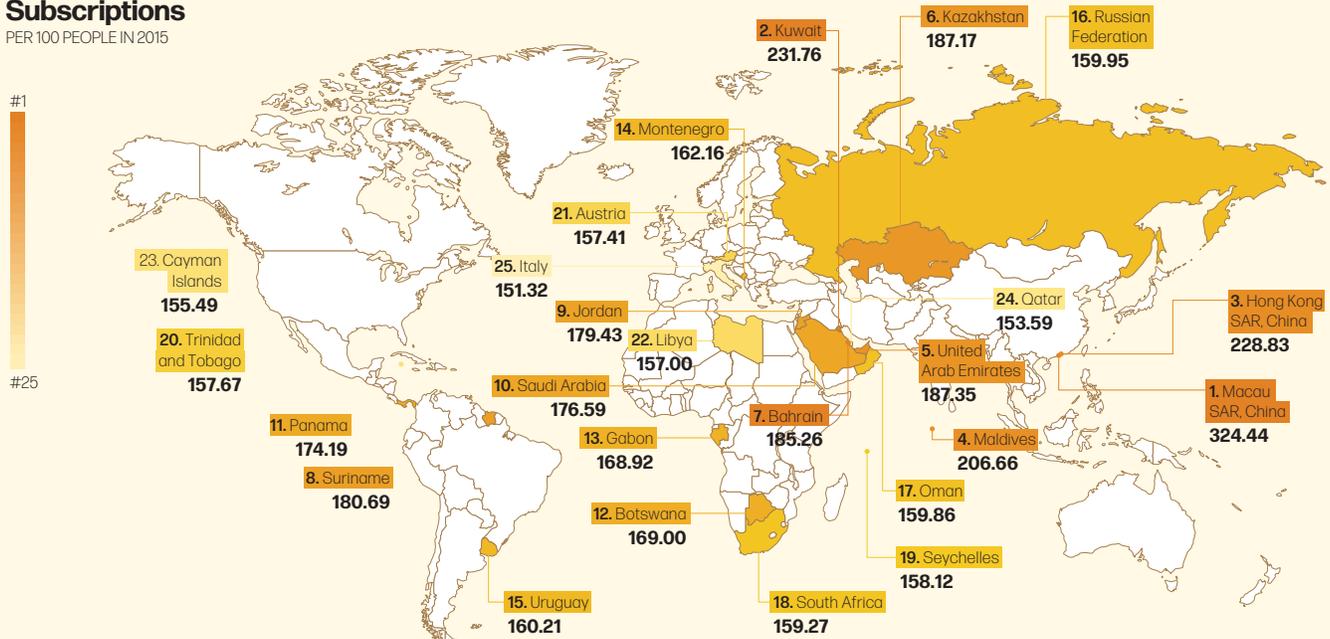
Mobile Cellular Phone Subscriptions: Growth of the Top 10 Countries

PER 100 PEOPLE



Countries With The Highest Mobile Cellular Phone Subscriptions

PER 100 PEOPLE IN 2015





Sundance Marches On

The opening weekend of the Sundance Film Festival brought celebrities to the snowy ski town for parties and premieres, which were overshadowed by protest.

By LINDZI SCHARP





Cold-weather street attire at Sundance.



Street style at Sundance.



The Women's March in Park City, Utah.



Mary J. Blige at her birthday dinner.

SAT 21 "Before anyone criticizes us for having a March at Sundance and for only walking four blocks," Mary McCormack said Saturday afternoon from Main Street, "keep in mind we are at 7,000 feet. That's like walking 12 blocks in Washington."

McCormack was one of several actors who were present in the ski town for the Sundance Film Festival, but who took a break from promotion to join in the worldwide political statement of the women's march. Though the festival's founder, Robert Redford, had previously told journalists that the official organizers "stay away from politics," that didn't stop a crowd of 8,000 from turning out, including stars like Kristen Stewart, Charlize Theron, John Legend, Laura Dern, Maria Bello, Joshua Jackson, Connie Britton and Laura Prepon, as they marched through Old Town Park City in conjunction with the Women's March on Washington, D.C. and other cities around the country.

The party scene at Sundance so far has paled in comparison to past iterations of the event, but actors and filmmakers still promoted their indie darlings over the weekend.

Dianna Agron, Aubrey Plaza, Jenny Slate and Dree Hemingway were among the stars who helped launch the first weekend night of the festival. Following its well-received Friday evening premiere at the Eccles Theater, "Landline" celebrated with an early evening cocktail party held at the base of Main Street in the Acura Studio.

"It was extremely emotional," Slate said of watching their drama-comedy with an audience for the first time. "You want to go and celebrate and rah-rah-rah," Duplass added, "but I'm kinda heartbroken right now,

so I'm still processing it." Even so, he found some humor in the experience. "There's a lot of sex in it," he chuckled. "It's weird to watch other people watch you have sex."

The Stella Lounge also played host to the cast of "Ingrid Goes West," Elizabeth Olsen and Aubrey Plaza's comedy about a mentally disturbed woman who becomes obsessed with a social media star.

On Saturday, Elijah Wood and Brittany Snow stopped by the XYZ Film cocktail party where Snow eagerly talked up her new film, "Bushwick" while hanging out with her longtime friend and former costar Paul Wesley. "We've been best friends since we were teenagers. He played my boyfriend on 'Guiding Light,'" she said. "He was going snowboarding here and I was like, 'You have to come see my movie.'"

Having waded through unusually high snowfall on Sunday evening, Keanu Reeves and Lily Collins introduced their new film "To the Bone," which tells the story of a young woman battling anorexia.

Collins referenced her own past struggle with an eating disorder. "It was nerve-racking at first to step back into the shoes of someone that I was very much 10 years ago," she said, "but also what a gift because I get to look at it from an outside perspective and play a character that can start a much larger conversation with young women and men alike."

Later in the evening, Chloé Sevigny attended the "Golden Exits" party at the Chase Sapphire on Main space. When asked if she could discuss her new drama, the indie veteran replied, "Quick! I need a cocktail!" Luckily for her, the party was presented by Francis Ford Coppola Winery.



Street style at Sundance.



Dianna Agron at the "Novitiate" party.



Street style at Sundance.



In the snow at Sundance.



Michelle Morgan and Nora Zehetner at the L.A. Times premiere.



Brittany Snow at Sundance.



The Women's March in Park City, Utah.



Chloé Sevigny at the "Golden Exits" premiere.



The Women's March in Park City, Utah.



Bundled up on the street at Sundance.



Lily Collins at the "To the Bone" party.

Report Card



Laid-back and Buttoned Up

From the casual attire of Sundance to the suited uniform of the new administration, the fashion underwhelmed.

Keough photograph by George Frey/EPA/REX/Shutterstock; Mara by Debby Wong/REX/Shutterstock; Stewart by MJ Photos/REX/Shutterstock; Trump Jr. by Chris Kleponis/EPA/REX/Shutterstock; Pence by Rob Carr/POOL/EPA/REX/Shutterstock; President Trump by Alex Brandon/AP/REX/Shutterstock; Eric Trump by Win Manames/POOL/EPA/REX/Shutterstock



- ✓ Ah, the sarcastic take on Trump's Make America Great Again hat. The trend may have reached its peak, but we can't fault the Standing Rock advocate for using fashion to make a statement.
- ✓ Hat aside, the rest of this look is incredibly stripped down and straightforward. The boyish statement coat drives home the tomboy vibe of her outfit, and the plum lip is flattering. But when paired with the red ballcap, it appears gimmicky.
- ✓ The real question here is how she managed to keep those white sneakers so spotless.

B-

Riley Keough



- ✓ We'll get this out of the way: the Marilyn Manson comparison is eerie. We know Rooney likes a Goth look, but taking fashion – and beauty – cues from the Pale Emperor is a mistake.
- ✓ We're down with a strong brow, but a bloody painted pout and severe slicked hair transports us to Halloween. You can dress appropriately for the season (and the country's morale) without emitting a funeral vibe.
- ✓ A fitted silhouette for the trenchcoat would've elevated the fashion angle, while keeping a moody feel.

C

Rooney Mara



- ✓ We'll never be sure why Stewart decided a grungy red-white-and-blue sweatband was just the finishing touch her Sundance outfit needed. Is her belief in America as dejected and tattered as the headpiece? Is she working up a sweat fighting for her rights?
- ✓ We'd hereby like to issue a headcount on the number of leather jackets and white T-shirts in KStew's closet. She looks like she wandered onto the carpet en route to the corner store, rather than her directorial debut. She was on such a red-carpet roll!

D

Kristen Stewart



- ✓ Dern has a lot on the horizon for 2017 and she's upping her fashion game accordingly with this luxe Bottega Veneta ensemble. Coordinating shades of red are tough to pull off, but we're digging the fashion-forward look.
- ✓ Red and black makes for a rather aggressive color scheme. The black buttons are punchy and cool against the sickness of her tomato skirt, yes, but the tights and pumps water down the edge.
- ✓ We get that it's freezing in Park City, but the black stockings really kill the look.

B-

Laura Dern



- ✓ Trump Jr. is also a devoted user of hair gel and should opt for a more natural look. He seems to be the son with better natural hair.
- ✓ The double-breasted coat suits him well, but the heather gray texture seems more suited for Sunday brunch than inauguration weekend.
- ✓ The matching dark gray pants and brown tassel loafers indicate he is the most fashion-conscious of the clan, with an inclination for personal style. We'll keep our eye on him.

C-

Donald Trump Jr.



- ✓ The Vice President has good hair. The white shade suits him and the cropped cut reinforces his toughness. He could use some face moisturizer though.
- ✓ The solid light blue tie is a flattering color for him, but the shirt collar is half a size too big. It doesn't rest evenly on his neck.
- ✓ A narrower pant width would be more flattering and it is definitely time to go shopping for new shoes. The chunky lace-ups that he is wearing are not very vice presidential.

B

Mike Pence



- ✓ Trump's shorter hair is more flattering than the longer locks from past months. But cotton candy hair is cotton candy hair. He also seems to have found a better facial shade of orange.
- ✓ The boxy oversize suit is Trump's trademark. It is not very flattering but at this point, it's not surprising either. But the repp striped blue tie is chicer than the bright red silky one that he normally favors.
- ✓ The ultra-baggy pants make his feet look very small and that is unfortunate because he wears nice shoes.

C+

President Trump



- ✓ Eric Trump has been losing some weight in the past year, which helps create some chin definition. But he should go lighter with the overwhelming amount of hair gel – it's very Eighties Wall Street of him.
- ✓ The medium length of the coat is unflattering. It resembles an extralong blazer more than a overcoat.
- ✓ The red tie is very predictable. It must run in the family.

C

Eric Trump

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10 OF TOMORROW

● **There's little time for looking in the rear-view mirror in fashion, which is energized by who and what is on the horizon. In this special report, WWD looks at 10 emerging figures in design, beauty, retail, business and technology who have the potential to lead their respective fields.** Launched in 2013, WWD's annual Ten of Tomorrow highlights future leaders. The report, sponsored by Seaport District NYC, highlights individuals who are building brands and creating designs across multiple platforms. While WWD reports on these incubators of unique design, The Howard Hughes Corp. is leading the way by investing in developing a revitalized Seaport District set to open this year, encompassing seven buildings on multiple blocks and Pier 17, totaling 365,000 square feet. More than 80 new stores and restaurants will make the district a premier destination in New York for cutting-edge shopping, dining, entertainment and cultural experiences.



SAM CHEOW

Beauty Innovator

He's the one who makes beauty innovations relatable – and marketable.

By ALLISON COLLINS

Gut to shelf. That's a simplified version of the formula that L'Oréal USA's trend guy, Sam Cheow, uses to keep products from the company's brands on and ahead of beauty trends. Cheow – officially L'Oréal USA's chief product accelerator, vice president of trends, reverse innovation and incubation for skin, hair, makeup, men's and alternative retail métier, and head of L'Oréal's CMO agency – also backs up his instincts with a hefty dose of data and the occasional beauty tutorial before they are poured into packaging.

"Instinct is a wonderful thing, but it cannot be explained or taught or illustrated to anyone else," Cheow said. "What I do, embarrassingly, [is] take selfies of myself doing step-by-step, for example holographic makeup...or video. It is one way of [me] being authentic in what I do – I need to show them that this is what's happening outside, and this is how I'm actually experiencing a product."

The "them" to whom Cheow refers is a group of L'Oréal senior executives. "When you show someone video, they can see how you apply, how the product actually glides on your skin – sometimes I actually hold the phone on a close-up just to [show] no more pores, or whatever," Cheow said. "If you don't allow them to experience it, then you're not making the trends accessible to anyone else and it's not relatable. If it's not relatable, then it's not a trend you want to jump into."

After starting as a strategist in the agency world, Cheow joined L'Oréal in 2004 to take a job in the U.K. at Redken Fifth Avenue New York. From there, he was scouted for L'Oréal's DMI [division marketing international, essentially global marketing and product development] program and moved to New York – eventually expanding his brand experience to Matrix, Pureology and Maybelline, and joining L'Oréal's corporate digital marketing team as vice president of incubation and trends, he said. His current gig was one he pitched for, he said. "I actually created the role myself," Cheow said. "And pitched it to my [chief executive officer], Frédéric Rozé, and he approved it in July 2015 – I remember that because I became the first L'Oréal USA chief product accelerator."

Cheow was a catalyst behind things such as L'Oréal Paris' new clay hair line, which ties into the skinification of hair,

Giorgio Armani's new Him/Her unisex products (beauty lines are becoming more gender-inclusive) and Lancôme's Le Teint Particulier foundation (personalization and customization are all the rage).

That last product, which is exclusive to Nordstrom, is on Cheow's list of favorites. Customers can walk through their color, skin-care and coverage needs with a consultant, and then their custom foundation formula is whipped up by a machine that lives in the beauty shelf space.

"Not a lot of people fit in the standard shade spectrum, so it's nice for people to have an avenue where they can actually go and get a foundation that really matches their skin tone," Cheow said. "It also challenged us in a different way – not just from a product point of view, but how we work together cross-functionally in terms of IT, R&I [research and innovation], digital incubation with the Nordstrom partner and with Lancôme in launching this project from the pilot phase in just 10 months."

L'Oréal is part of a beauty landscape that is being altered by the proliferation of indie beauty brands – which Cheow said he expects to keep popping up, specifying that at some point, the game will shift to become the "survival of the most authentic."

"Consumers will go back to their roots and start looking at the brands and the influencers very differently. They are going to see authenticity in terms of the heritage of the brand, they are also going to look at it from instant efficacy, immediate gratification and claims," he said.

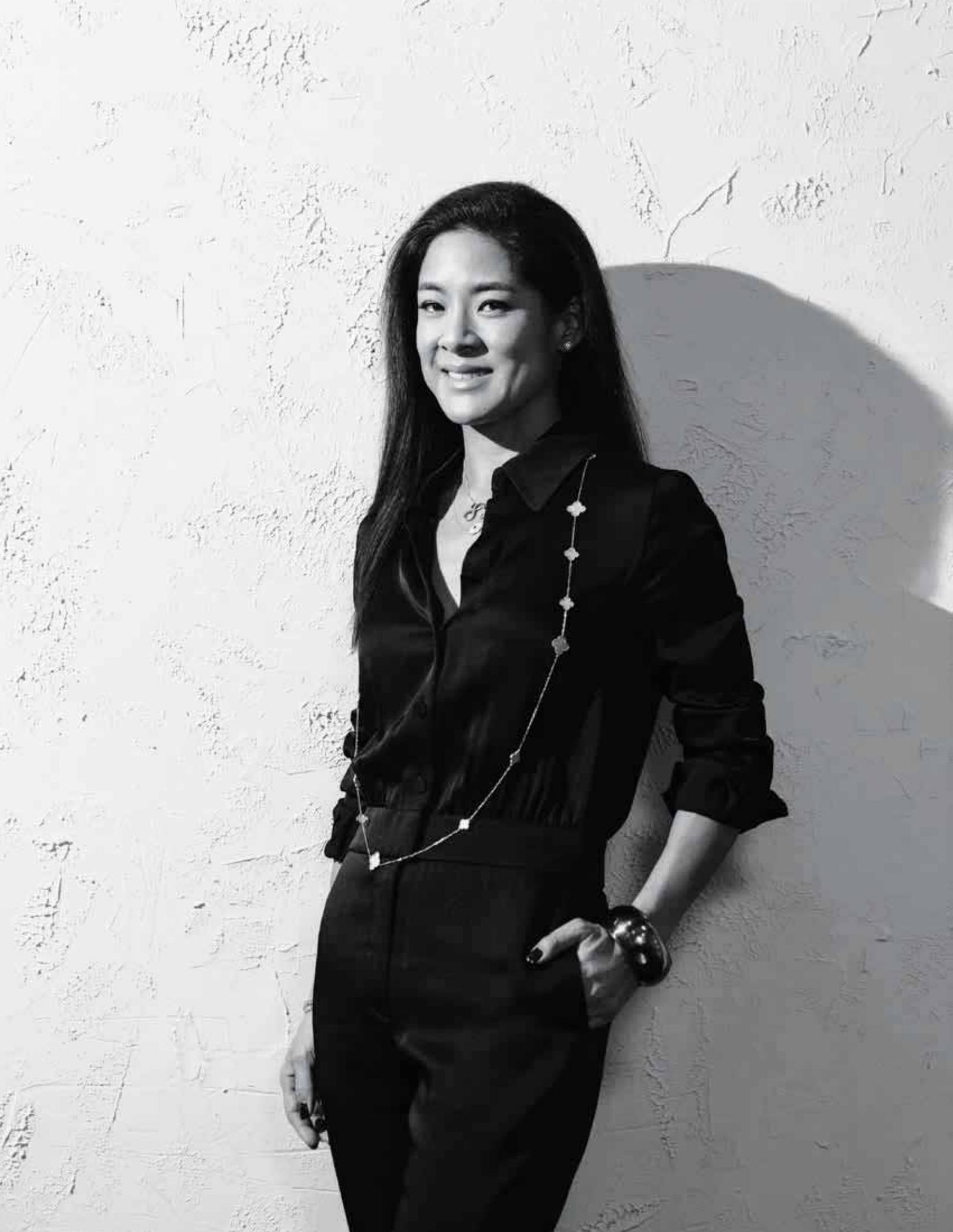
Those consumers are also likely to be drawn into the gray areas between product categories, like skin care and makeup, where a host of products live in the middle, providing the benefits of each category. "That is going to change the industry a lot – change the way our supply chain actually works," Cheow said. And as for beauty services, he's predicting more and more as consumers continue to crave experiences.

"When we acquired IT Cosmetics, for example, how many women in this company said, 'Oh my God, I love [Jamie Kern Lima, founder], not just because of her, I love her because of the Bye Bye foundation – it works,'" he said. "So they become an advocate in that sense. Imagine if she were to offer even more interesting services? That could change the whole game plan."

For 2017, Cheow's betting on glow – the kind you get from skin care or makeup, or both. "You're going to see more from makeup in terms of new delivery systems, new concepts, new pigments, new packaging – but the whole point is everyone wants different types of glow," Cheow said. "Glow is between glossy and highlighting – right in the middle, where you can take a very nice skin-care approach and people will say 'oh you have really nice skin' or 'you're really dewy' – that's why glow could be an even bigger thing."

"Instinct is a wonderful thing, but it cannot be explained or taught or illustrated to anyone else."

SAM CHEOW, L'Oréal USA



SABRINA FUNG

Retail Executive

The Fung Retailing exec melds eastern and western cultures to push business to the next level.

By AMANDA KAISER

Sabrina Fung is not a person who approaches tasks casually.

When the group managing director of Fung Retailing Ltd. made the decision a year-and-a-half ago to shed the weight she accumulated from having three kids, she embarked on an ambitious regime: working out as much as two or three times a day and squat-jumping uphill while wearing a down jacket on sweltering summer days. Even the preparations for her interview and photo shoot with WWD had a certain element of extremism to them, like the hairstylist on hand and her two wardrobe changes. Fung ultimately decided to wear two Sonia Rykiel silk-blouse-and-pants combos (one in all black and another in a black-and-white pairing), but she was pondering a colorful jacket and jeans at one point. “I don’t want to look like a Hong Kong banker,” she said, according to an e-mail from a member of her public relations team.

It’s hardly surprising that Fung applies that same boundary-pushing logic to her work as well. The New York-born, Harvard-educated executive and daughter of Li & Fung Ltd. honorary chairman Victor Fung, said her greatest professional challenge is motivating employees who already have highly decorated careers to break through to the next level.

“The philosophy is if everyone’s objective is just to meet the budget, I’m just going to make a very conservative budget – I’m going to grow 5 percent next year. But our motto is, like, grow 80 percent in three years and if you make 60, that’s already way more than the 5 that you intended,” said the executive, perched on an exercise bench at a private gym frequented by Hong Kong elites and their personal trainers – Yun-Fat Chow, star of “Crouching Tiger, Hidden Dragon,” was seen exiting the premises just before Fung arrived.

Fung spent her early life and formative years ricocheting between Hong Kong and the East Coast of the U.S., studying in New York and Boston. That experience shaped her world view and she considers herself a blend of eastern and western cultures. Fung, who worked in finance before joining her family’s business, said she taps into both sensibilities. For example, Chinese workers can be respectful to the point of being afraid to speak up, but Fung said she encourages them to be more communicative and assertive. Meanwhile, she might remind a European brand to be mindful of the Chinese

holiday calendar while doing its planning, she recounted, citing wisdom passed down by her father.

“No matter how multinational we are – you know, we have 250 offices around the world – the way we treat people...is distinctly Chinese. So I always try to keep that in mind,” Fung said. Family values take pride of place chez Fung. Victor Fung gave young Sabrina and her brother Spencer Fung (now chief executive officer of Li & Fung Ltd.) free rein to party all night in Hong Kong’s Lan Kwai Fong, as long as they made it back for 8 a.m. Sunday breakfasts.

Over the years, Fung has held a number of roles within the complex – and often confusing – web of her family’s companies, spanning trading, logistics, sourcing and branding activities. Today, Fung’s role as the head of privately held Fung Retailing Ltd. means she has a diverse hodgepodge of assets to manage across multiple price points and formats. She is charged with overseeing the revival of British men’s brand Kent & Curwen through a partnership with David Beckham, just as she manages ventures with Macy’s and Toys “R” Us to develop those businesses in Asia. Sonia Rykiel is one of the 50 brands under her purview, which explains her wardrobe choices for the shoot.

Fung Retailing does not disclose financial information, but one of its most significant assets, Trinity Ltd., does. The publicly traded men’s wear group, which controls Kent & Curwen, Gieves & Hawkes, Cerruti 1881, D’Urban and Hardy Amies, has been struggling over the past few years as the Asian market for men’s wear has softened. Most recently, Trinity saw its net loss for the six months ended June 30 grow by more than four times to 200.4 million Hong Kong dollars, or \$25.84 million, from its loss a year earlier.

Still, Fung said she’s bullish on the long-term prospects for Trinity as well as the other businesses she oversees. The company is taking the portfolio approach to hedge its bets and ride out the ups and downs of various market segments. What is most critical is that the company can tap into the explosive growth of the middle class in Asia rather than rely too heavily on any one brand, she reasoned.

“We actually don’t believe in that [brand-specific] strategy,” she said, “because we believe brands come and go in terms of popularity.”

“We actually don’t believe in that [brand-specific] strategy, because we believe brands come and go in terms of popularity.”

SABRINA FUNG, Fung Retailing Ltd.



MOLLY GODDARD

Designer

This London creator looks to her own backyard for inspiration.

By SAMANTHA CONTI

There's a homespun heart to Molly Goddard's off-kilter collections, and even to the pieces that hang in her closet, like the tablecloth she once wore to a British Fashion Council awards nominees dinner at Soho House in 2015. "I'm surprised I still fit in it," said the designer of her long, doilylike white skirt, a piece from her B.A. show at Central Saint Martins, where she graduated with a degree in knitwear.

Wearing a tablecloth to a fancy dinner may sound like a London fashion cliché, but everyday objects – be they from the kitchen table, the home closet or the baby's bedroom – are rich fodder for Goddard's galloping imagination – and the industry is paying heed. The 28-year-old redhead is one of London's breakthrough designers and the winner in the Emerging Talent category at Britain's 2016 Fashion Awards.

She's making a name with skirts and dresses that have volume and flourish, thanks to generous layers of tulle and the hours Goddard clocks ruching, smocking, shearing. Her collections are inspired by old knitwear patterns and children's wear, including the gingham and frilly outfits her mother and grandmother made for her when she was a child.

She loves skewed proportions and puts a glamorous spin on the awkward, so it's no surprise she's a big fan of *Comme des Garçons*. She sells at Dover Street Market in London, New York and Singapore as well as at the Trading Museum in Paris and Tokyo. Other outlets include I.T. in Hong Kong and Beijing, and Nordstrom Space, while late last year she launched her first e-commerce site.

For fall, she's looking at different generations of women, starting with babies and ending with grannies.

"It's a real celebration of everything that I love and am inspired by. I'm hoping that the setting is going to feel like an ageless party, at the end of the night, with everyone lounging around. I'm thinking a lot about age and the way women wear clothes throughout their lives," said Goddard in an interview at her studio. Its walls are papered with her minimal, elegant sketches while a shrunken version of a bright pink tulle dress from a past collection doubles as a lampshade.

"I like babies in clothes because of how weird they look – christening gowns are so big and long and often ill-fitting. Teenagers, too, have that awkwardness of dressing up and

feeling a bit grown up, but also still being half a kind of kid," Goddard added. Her fall collection, she said, will also be inspired by an "ultra-confident 30-to-40 year-old," women in big glamorous evening dresses, and the "comfort and layering" of granny dressing.

Her focus at Saint Martins was knitwear rather than textile design, and Goddard has said she loves the idea of creating textures – and then wrapping them around the body. "I like gathering fabrics and seeing what shapes I can make. It's kind of like fabric manipulation, I suppose," she said.

For her first art installation, which opened last fall and runs until the end of February at the Now Gallery in London's Greenwich, Goddard hung six big tulle gowns from its soaring ceilings, and is inviting everyone to embroider them. The idea is to create a communal artwork.

"I wanted it to be a bit interactive, and about other people rather than about me, and the space is so big, slick and ultra-modern, so this is a bit more crude."

Goddard never thought her career would take off so quickly. After graduation, she returned to Saint Martins for a master's degree, studying under the late professor Louise Wilson, who had famously taught and mentored designers including Alexander McQueen, Mary Katrantzou and Christopher Kane. She quit the program a year early to focus on putting together her spring 2015 collection, hoping it would help her get a job; little did she know she'd soon be running her own company.

This coming year will be all about growth – controlled growth. "I think I am probably quite entrepreneurial. I get involved in everything, which isn't necessarily a good thing, I need to find that separation. That's why I think it's nice to be quite small and take it slowly."

One thing is for sure: Like any proper catwalk couturier, she'll always design the fantasy pieces, even if they never go into production. "I loved John Galiano, I loved Dior, I loved *Comme des Garçons*, but I also loved Valentino and those amazing evening gowns." She added that, for her, seeing the pieces in those shows was like going to an art gallery to admire the one-off works.

She realizes that not everyone thinks like her. "I think everyone wants to wear everything that's on the catwalk nowadays, which is kind of a shame. Hopefully, this season, we're going to do some pieces that you just won't be able to wear," said Goddard, the designer in the tablecloth skirt.

"I think everyone wants to wear everything that's on the catwalk nowadays, which is kind of a shame."

Molly Goddard



TIFFANY
MASTERSON*Beauty Entrepreneur*

The founder of Drunk Elephant is forging a new path in the skin-care jungle.

By RACHEL STRUGATZ

Drunk Elephant's T.L.C. Sukari Babyfacial shot up to the best-selling skin-care product on sephora.com within a week of its launch on Jan. 10. In October, a spokeswoman for Sephora confirmed that Drunk Elephant is one of the fastest-growing skin-care companies in the history of the retailer's business, and an industry source said it was Sephora's top-growing skin-care brand last year. At press time, the T.L.C. Sukari Babyfacial was the number-one skin-care stockkeeping unit year-to-date on sephora.com and the sixth best-selling product overall on sephora.com (the product enters Sephora stores Feb. 4).

This is impressive for a two-and-a-half-year-old brand that has yet to become a household name. But it won't be flying under the radar for long.

Drunk Elephant is the most buzzed-about brand to infiltrate the beauty world since It Cosmetics, NYX, Becca Cosmetics and Urban Decay. Private equity firms and beauty giants have been vying to get their hands on it, with rumors swirling late last year that the Estée Lauder Cos. Inc. had strong interest in acquiring the brand. Tiffany Masterson, founder of Drunk Elephant, said in late 2016 that she's been in talks with private equity and strategic partners, but a deal has yet to be made.

"The brand is not being acquired at this point. I'm not done raising the brand. I need more time," said Dallas-based Masterson in an interview when she was in New York this month to launch the T.L.C. Sukari Babyfacial, the brand's 11th product, and its first mask.

The quick-talking mother of four started the company with a \$300,000 investment from her brother-in-law in 2012, and brought on a few small investors between 2014 and now, but has yet to raise a significant amount of capital. In addition to Drunkelephant.com, the range is sold in all of Sephora's 360 U.S. doors and on sephora.com. This year, the brand will roll out to retailers in the U.K., Mexico, Southeast Asia, Canada and parts of Europe. Her products, packaged in white, airless pumps with brightly colored twist caps, retail from \$18 to \$90.

Masterson said she never expected to be an entrepreneur. After graduating from the University of Texas, she settled down and had four children, who are now between the ages of 11 and 16. When her youngest was two, she started selling

a bar skin cleanser for a few years to earn some extra money, and this taught her about ingredients and skin – and was the starting point for her own line.

"I had found that there were certain ingredients that my skin didn't like and I couldn't find any lines out there that didn't contain at least one of them, if not all," she recalled.

She hired a chemist to create the product based on these parameters. Once she had the formula, she wrote to Sephora, eventually got an audience and the retailer picked up the line.

The name is based on the myth that elephants eat fermented marula fruit and become drunk. "Marula represents the first moisturizer in my line and is threaded throughout, so I called it Drunk Elephant," she said.

Masterson said she views Drunk Elephant as a new category of skin care: clean clinical. She combines a host of natural ingredients and "really good" synthetics that are high in antioxidants to create products that are "clean" and yield results. She has a strong stance on not using certain ingredients, rattling off a list of six materials that will never be found in any of her products, including essential oils. While a key ingredient for many brands trying to adhere to an "all natural" classification, essential oils could cause skin sensitivity, irritation and inflammation, she explained. Other ingredients she steers clear of are silicones, fragrance, chemical sunscreen, drying alcohol and SLS, or sodium laurel sulfate.

"It's a preventive approach, not a treatment approach. I'm not using ingredients that are going to get rid of your acne. I'm thinking of it backward; I'm going to ask you to stop using the ingredients that created it to begin with, and then you use my products to prevent it from happening again," she offered.

When she unveiled the T.L.C. Sukari Babyfacial at matcha bar Cha Cha Matcha on Broome Street in NoLiTa, she discussed its benefits and how it materialized. "The few times in my life that I've gone to get a facial, I've asked for the enzyme peel...but I would always break out the next week. I wanted to [develop] one that I could use at home, get the same feeling, but not break out," Masterson said.

The Babyfacial contains fruit enzymes from pomegranate to pumpkin and is packed with "lots of different acids" – namely a 25 percent strength alphahydroxy blend largely made of glycolic acid. Masterson, who often looks to food and wellness industries for inspiration, put garbanzo bean flower into the mask to give it the feel of a clay mask but without the drying effect. She said she also selected garbanzo beans for the formula because of their cleansing effect, noting that they've been used for centuries by brides in India to cleanse and brighten the skin before they get married.

Masterson said two more products will launch this year – a tinted product and a cleanser – and she's already formulated the six products she plans to introduce next year with her chemist in Southern California.

"It's a preventive approach, not a treatment approach. I'm not using ingredients that are going to get rid of your acne. I'm thinking of it backward; I'm going to ask you to stop using the ingredients that created it to begin with."

TIFFANY MASTERSON
Drunk Elephant



Raan and
Shea Parton

APOLIS

Sportswear Brand/Retailer

Entrepreneurial brothers Raan and Shea Parton say it's all about engagement.

By KHANH T.L. TRAN

On California's picturesque coast, Montecito has gained a reputation as an exclusive enclave of entrepreneurs. Media mogul Oprah Winfrey, former Google chief executive officer Eric Schmidt and Lucky Brand cofounder Gene Montesano all have found respite there, some 90 miles north of Los Angeles' hustle and bustle.

Another pair of local businessmen marked their start in the apparel industry from their high school's parking lot. Using their car as an early outpost of their growing retail empire, Raan and Shea Parton sold graphic T-shirts, printed with high-minded phrases such as "global citizen" and "defend tomorrow," under the label Apolis to their teen peers. Born three years apart with the same blonde hair and blue eyes, the Parton brothers represented quintessential Southern Californians who played water polo for their high school and surfed competitively under the sponsored banners of Oakley, Nixon, O'Neill and Arnett.

"It gave us the ability to travel a ton," said Raan Parton, 35, who serves as Apolis' creative director. One stop during a break from college was in San Sebastián, Spain, where he discovered a clothing brand called Loreak Mendian.

"It was the first product where there was an artistic approach, textiles from Europe and Japan, organic denim left outside three months to bleach. The world we had grown up in was removed from the process of the actual garments," he recalled. "It was an artful approach....There was a motive behind it."

Almost 20 years following their mobile mercantilism and a period of shipping orders out of Shea Parton's college dorm room in San Diego, the brothers have found "passion with a purpose" in Apolis, now based in L.A. with a staff of 30 and sales totaling less than \$20 million. They preside over flagships in Los Angeles and New York, a collaboration with Freak's Store to make clothes out of cotton grown in tsunami-ravaged Fukushima, Japan, and a global network of artisans, including a women's co-op in rural Bangladesh that has sewn more than 200,000 jute bags carried by customers in Zurich; New Zealand's Waiheke Island; Lubbock, Tex., and other locales. They buck traditional retail practices, avoiding redline discounts, skipping runway presentations and curtailing the wholesale business for their men's apparel. Some have initiated talks on Apolis boutiques in Japan and France, perhaps in 2018.

With his wife, Lindsay, Raan also operates a multibrand chain called Alchemy Works, which carries fashion and home brands such as Janessa Leone and JFM and hosts Warby Parker's showrooms, in Los Angeles and Newport Beach. Another L.A. spot and an expansion to Denver are slated for this year.

Advocates of nurturing relationships and encouraging transparency, Apolis has been certified as a B corporation — meaning it needs to pass rigid requirements for environmental, employee and other standards — and gathered a community of creatives, including Off-White founder Virgil Abloh, artist Tom Sachs and architect Taavo Somer, to share ideas with their customers through a speaker series.

"The generation of brands preying upon people's insecurities is kind of dead," said Shea, 32, the company's ceo. As he sees it, the new way of doing business has become "so much more collaborative, totally valuing the personal relationship, whether it was with a vendor or someone who loves our brand. The second you don't value that, you become very isolated."

Helping the Partons find their purpose has been an eclectic group of mentors. There's Dale Denkensohn, who was their neighbor in Montecito and an early advocate of organic cotton at Patagonia. Tom Adler, a publisher of tasteful books on surf culture, also was one. Their father, also named Lindsay, who headed a construction company, passed down a strong work ethic and the advice to always pay employees first, even when money was tight. "He also instilled in us this relational aspect to business," Shea said. Proving his father right, he doesn't hesitate to excuse himself from a conversation with his brother and a visitor to help a customer who wanders, slightly confused about the varying sizes of jute bags, around Apolis' store in L.A.'s Arts District. Minutes later, he's handing a brown shopping bag to the customer. "It comes down to customer engagement."

Raan realized that, with its emphasis on deadlines and materials, "the apparel manufacturing side is way closer to the construction industry." It's a lesson that escaped him when his father allowed him and his pre-teen friends to demolish three vacant homes. In a roundabout way, he has become enmeshed in the construction sector he vowed never to enter because, as his brother explained, "it's so risky, so cutthroat, so unglamorous."

Through DJM Capital Partners, where their father is president and their youngest brother, Stenn, leads the merchandising, Raan and Shea Parton reassured Steven Alan and Clare Vivier to expand to Orange County at DJM-developed Lido Marina Village in Newport Beach, where Alchemy Works also has a retail presence.

They place importance on relations. "We're able to get access to people that wouldn't be in the same room together," Raan said. "Building that environment is a metaphor for the philosophy we're trying to drive home."

"The generation of brands preying upon people's insecurities is kind of dead."

Shea Parton, Apolis



HARPER REED

Mobile Commerce Developer

Reed aims to put PayPal in the driver's seat in the realm of mobile commerce.

By **MAGHAN MCDOWELL**

Harper Reed has made it a bit of a professional habit to be at the crux of digital zeitgeists. His latest efforts place him on the front lines of the efforts to nail down what is often referred to as contextual commerce, which means enabling transactions in a range of contexts when inspiration – and intent to buy – collide. This might happen on Pinterest, in an e-mail or while browsing a retailer's mobile web site.

Reed, 38, works in next-gen commerce at PayPal in the PayPal-owned Braintree office in Chicago, where he helps digital merchants of all sizes sell to customers in a range of contexts on web sites and in mobile apps. His official title is entrepreneur in residence, next-gen commerce.

He's been at PayPal since August 2015, when the company he cofounded with Dylan Richard, Modest, became the first PayPal acquisition since it separated from eBay for an undisclosed sum.

Modest, a mobile commerce platform, also had a present mission: mobile commerce. The company, founded in 2012, helped merchants create an app or add a mobile store and let merchants add "buy" buttons into spaces such as e-mails, blog posts or ads.

He wet his whistle in the world of e-commerce in the mid-Aughts when he became the chief technology officer at Threadless, which was an early pioneer of user-generated content. It printed customer-submitted designs on apparel and accessories, and Reed said it inadvertently invented the concept of crowdsourcing. There, he learned about selling online at a time when people didn't trust e-commerce, in way that felt trustworthy and quick. He also learned the value of hiring a diverse team.

"The team that I had built was all white dudes with the same perspective on things that was at times comfortable and easy, but we weren't as innovative as our competitors" due to lack of diversity, he said.

Afterward, a year and a half of "wandering the Earth" paid off when he was asked to become the chief technology officer for former President Obama's reelection campaign.

He considers Obama to be the first tech-friendly president,

and admires the former president's management skills. "He finds people he can trust and lets them do their job," Reed said. "I think he is technologically inclined, but the success of the campaign in regards to tech was due to the fact that he was not scared of tech – he trusted the decisions that were made."

He called starting Modest an "aggressive reaction to his own experience" with low conversion rates in e-commerce, at a time when mobile commerce was still considered an outlier.

"We were orbiting around the idea of intent and context. We would take the bus into work, and if you said, 'here's a shirt you might like' and I open it on my mobile phone, I'm not going to pull out my credit card and wallet. We thought, 'How does someone do this? An e-mail to yourself, or you try to remember?' This isn't working, and we are losing so much."

Today's efforts at PayPal are a continuation of his mission at Modest to help smaller merchants navigate the increasingly murky world of mobile shopping. It's a tricky prospect from which retailers as well as shoppers stand to gain, but the recent cancellation of Twitter's "buy now" button, for example, is a testament to the uphill battle that is contextual commerce.

Reed agrees that it's "absolutely correct" that there are concerns that social media users might not necessarily be in a buying mind-set while they browse. "That is why 'contextual' is a perfect word. Instead of context, we were using 'intent,'" he said. "What we don't want and what people are worried about is turning every space into a buy button, because that won't solve the problem. We have trained our users not to pay attention to those spaces."

Instead, the hope is that when the user intends to make a purchase, the retailer can facilitate that. He uses Pinterest as an example. "The problem they are trying to solve is when you say, 'I want this.' It isn't that every Pin you look at you want, and that is where it becomes interesting. Not every time you open Messenger do you want an Uber, but when you do want an Uber, it appears. That is the goal."

"What we don't want and what people are worried about is turning every space into a buy button, because that won't solve the problem. We have trained our users not to pay attention to those spaces."

Harper Reed, PayPal



JAY SAMMONS

Investor

The new head of Carlyle's global consumer and retail team is looking for big-time growth.

By EVAN CLARK

Jay Sammons is used to being on the prowl for big game. But now, the buttoned-up, 41-year-old private equity executive with a Harvard Business School pedigree is leading the expedition, looking for consumer-focused companies that not only have scale, but the potential to flourish under the auspices of investing giant Carlyle.

Sammons was promoted to head of Carlyle's global consumer and retail team last year, giving him the platform to marshal potentially billions of dollars (\$150 million or so at the minimum) to buy into the next big consumer company.

Carlyle is working on its sixth U.S. buyout fund – a \$13 billion pot of money that is being put to work across a number of sectors, including consumer.

Since joining the Washington-based fund in 2006, Sammons has helped lead its investments in skin-care brand Philosophy, which was acquired by Coty Inc. in 2010; Dr. Dre and Jimmy Iovine's headphone standout Beats by Dre sold to Apple in 2014, and hair-care firm Vogue International, sold to Johnson & Johnson last year.

The trick is not to find a company that's looking for some money, but to find the right kind of venture.

"We have generally a lot more opportunities to invest than we have time to spend on them, so we have to focus our time and resources," Sammons said. "Every time I go to my investment committee, I'm asked 'Why are we the right owners of this business?'...It can't just be that I'm willing to pay more. It has to be that we have differentiated capabilities to create more value in this investment opportunity."

Sammons has a team of 10 consumer-sector specialists combing over deals.

He also works with the top-shelf names Carlyle has recruited as operating executives, including Mike Duke, former Wal-Mart Stores Inc. chief executive officer, and Susan Arnold, who served as beauty guru at Procter & Gamble Co.

Big private equity players focused on growth companies, like Carlyle, are often thinking in decade blocks, with five years to help build up a business and five years to exit the investment.

"It's less about what's hot now or next year and more about what are the businesses or business models or brands that are going to endure for a very long period of time," he said.

"It's less about what's hot now or next year and more about what are the businesses or business models or brands that are going to endure."

Jay Sammons, Carlyle

Sammons is looking to invest behind broader consumer themes, such as the move toward health and wellness brands, the impact of technology or changing demographics.

The consumer overall continues to be "very resilient," supported by low unemployment, rising wages, a stock market near record highs and low interest rates, he said. There are still plenty of Americans looking for their economic footing, while others are seeing even more robust growth.

Sammons, who lives in Manhattan with his husband and their two sons, noted that much depends on where people live and where they work: "All of these [economic] indicators do seem pretty positive, but when we look at some of the data in the marketplace, everybody says retail is tough."

And it looks like it will continue to stay tough this year, with many companies rejiggering in the face of slipping sales and softer foot traffic.

"There's a big market-share shift away from what I would refer to as traditional retail into modern retail," Sammons said. "Modern retail is going to be very important – and it can be brick-and-mortar and it can be e-commerce."

"I don't think retail is dead," he said. "Consumers still want to buy things that have taste and preferences that are evolving and changing. Companies are coming up with new and innovative ideas and products. I think great ideas can be built into big companies faster and with less capital than ever before....And I think traditional retail was not built to be nimble in that kind of environment. I think there's a technology component to that, there's an innovation component to that, there's a generational component to that. That, to me, is the rub – and I think there will be winners and losers."

The biggest winners, right now, at least, seem to be in the beauty world, where brands are being pumped up on social media, sold through Ulta and Sephora and acquired for big premiums by the established players, such as the Estée Lauder Cos. Inc. and L'Oréal.

"It is the ultimate accessible luxury," Sammons said, noting that lower ticket prices on beauty products help build broader audiences. "It really democratizes the category a lot more than some other categories, like luxury; more people have access to it...."

Apparel is in a tougher spot. Sammons said there's no one formula, but that the winners in the category would likely have geographic growth opportunities and different ways to get to the consumer.

"Both fashion and beauty generate a lot of emotional connectivity with consumers," he said. "It can't be just about the function of a product, the consumer has to feel connected to it. And the combination of emotional and functional connectivity to a brand or product is what, in our view, creates a lot of loyalty."

And with customer loyalty comes growth and, hopefully, a good investment.



JULIA HAMILTON TROST

Business Development Executive

This Google executive leads the effort to meld the seemingly incongruous worlds of fashion reality and virtual reality.

By MAGHAN MCDOWELL

Fashion and virtual reality can be two seemingly inaccessible, and rather unrelated, industries, but Google's Julia Hamilton Trost sits at the intersection of the tech giant's efforts to introduce both to a wide audience.

Trost, 34, works in business development and content partnerships at Google VR, leading on fashion and VR, and she was behind the recent collaboration between Google's new Daydream View headset and Rag & Bone, which created a virtual reality video before and during New York Fashion Week.

The six-minute documentary was paid for by Google and produced by VR firm Two Bit Circus and appeared on the Council of Fashion Designers of America's YouTube channel as a 360-degree video.

While it is viewable to all, it's one of the first projects to come out since Google introduced its \$79 VR headset, the Daydream View, in November, which is the first VR headset made with fabric. For now, the headset requires a Daydream-ready phone, which only includes a Motorola Z or Google's Pixel, but as more creators and viewers gravitate to VR-powered experiences, Google hopes to be first in line.

Virtual reality content such as the Rag & Bone project allow viewers to experience content that previously wasn't accessible to most people, Trost said, whether that's being in the workshop or at the casting call, or seeing what the office looks like.

Google's new headset is also fashion-world friendly in that its fabric construction was made to feel natural — "more like a wearable and less like a piece of tech on your head," she said.

While VR is still a nascent concept to most fashion followers, Trost sees a range of immediate applications in the space. Besides the obvious behind-the-scenes immersion, it invites innovations such as virtual fitting rooms, in which a user can see a virtual version of themselves trying on clothes by uploading their measurements, she said.

She also sees applications to help designers create and view three-dimensional designs with a program, or they can use a video tutorial for training purposes. And then there's the usage in marketing; VR headsets have been referred to as

"empathy machines," due to their uncanny ability to transport a viewer into a realistic-enough seeming environment.

VR happens to tap into that ultimate marketing characteristic du jour: authenticity, which helps to build loyalty among customers.

"The more a potential customer gets to understand your brand, the more they will be a loyal fan," she said, after watching the Rag & Bone piece.

Although Trost sees opportunities in a range of industries, "the unique thing about fashion is that fashion can be a mystery, and the behind-the-scenes aspect is not easy to come by," she said. "I see VR unlocking a lot of doors that, for whatever reason, might be constrained in some way."

Before beginning a decade-long career in various roles at Google, Trost worked for media companies such as The Atlantic and at "Larry King Live" on CNN.

Media and storytelling have always been passions, and she came to Google to be on the digital media side, working with tech brands to tell marketing stories through platforms such as Google-owned YouTube.

Virtual reality reached her radar when Google came out with its Cardboard device, and she immediately identified it as a new medium for storytelling and worked to understand the space.

"You can be teleported, and I saw the promise of this that Google has," she said, "that this tech had so much potential, and how do we get in the hands of other people who are not tech adopters?"

Going forward, she sees the way to drive people to adopt VR is to focus on content.

"That's one of my main missions for 2017, to bring great content to brands and fashion houses that people are really excited about," she said.

To that end, she is talking to retailers and fashion brands, creators and filmmakers who know how to tell good story, building on what was done with Rag & Bone.

"I'm watching content to understand what works better, and iterating and testing and learning," she said. "I think we all learned something from the first one."

"The unique thing about fashion is that fashion can be a mystery, and the behind-the-scenes aspect is not easy to come by. I see VR unlocking a lot of doors that, for whatever reason, might be constrained in some way."

JULIA HAMILTON TROST, Google



LOTTA VOLKOVA

Stylist

The Russian stylist's aesthetic evolved from growing up after the collapse of the Soviet Union.

By JOELLE DIDERICH

Lotta Volkova, one of fashion's most coveted stylists, is having trouble keeping a straight face long enough to have her picture taken. Crossing her arms, she shoots the photographer the kind of impassive look familiar to fans of her Instagram feed, but repeatedly collapses into fits of giggles between poses.

In less than five minutes, the session is over, with Volkova opining that the first image was the best. The session was fast, fun and instinctive, an insight into the working process of the 32-year-old Russian stylist who is instrumental to cult label Vetements and new-look Balenciaga.

Volkova is part of a cadre of creative types from Eastern Europe that has taken the fashion world by storm with a raw, underground aesthetic shaped by the experience of growing up after the collapse of the Soviet Union.

Alongside Demna Gvasalia, the Georgian designer who heads both Vetements and Balenciaga, and Russian street-wear star Gosha Rubchinskiy, she is championing a lo-fi aesthetic marked by oversize volumes, garish color and a fluid approach to gender. It's a group that thrives on a collaborative approach and a postmodern take on references borrowed from Nineties sportswear, uniforms and subcultures. Collectively, they are revolutionizing luxury fashion.

"I just feel like we have energy to believe that it could be fun and it could be different," Volkova said in an interview between appointments in the run-up to Paris Fashion Week Men's. "It doesn't necessarily have to stay in one place."

Volkova is also fashion director at large for Re-Edition and Man About Town magazines; styles shoots for other publications, including System, Dazed and Confused and i-D, and models in Vetements' runway shows, which have been held everywhere from a Chinese restaurant to a sex club.

Growing up in the port city of Vladivostok on Russia's eastern border, she had limited access to clothes and magazines.

"We looked at fashion as something quite inaccessible, in a sense, and that's why it was quite exciting. You couldn't necessarily go and buy whatever you wanted. You either needed to have it made for you by a seamstress or get somebody to go abroad and to buy it," Volkova said.

Her father, the captain of a cargo ship, would return home with foreign clothes and music. Her mother, a physics

professor, instilled in her an early love of art and dressing up. But Volkova said her wake-up call came from watching "Eurotrash," the irreverent program presented by Antoine de Caunes and Jean Paul Gaultier. "I was like, 'Wow, I want to be like these people,'" she recalled.

By her early teens, Volkova was devouring images of fashion shows on her computer. "It's funny how kids have such an ability to find out all this information. I knew when the fashion weeks were, I knew who was showing where," she said.

Her mother suggested she attend London's Central Saint Martins, which produced many of her favorite designers, like John Galliano and Alexander McQueen. In between studying fine art and photography, she immersed herself in the electro-clash club scene and started customizing clothes for friends.

"It was nothing crazy special. It was very punk rock, studied – all embellished by hand. Then it just sort of caught on real fast. I think that's what's great about London: whenever something new comes around, people are so thirsty for information...that they give you a chance," she said.

Her hobby rapidly evolved into a unisex men's wear line, Lotta Skeletrix, carried by stores like Kokon to Zai, The Pineal Eye and Dover Street Market. Still, Volkova said she never envisioned building a brand. "I was 19 years old. I just did it because it was fun," she said.

Her move into styling happened just as spontaneously. After moving to Paris in 2007, she started working with photographer Ellen von Unwerth and – aside from a short-lived foray into women's wear in 2009 – dedicated herself to editorial work. "In a way, it was sort of a natural evolution. I was happy to not have to produce a collection, to be really honest, and just to make pictures with it," she said.

Her career spiked after she met Rubchinskiy and Gvasalia, with whom she shares a spitfire approach to using cultural references, which she credits to social media. Volkova wryly noted that her signature DIY aesthetic was shaped initially by a lack of access to clothes from leading brands. Recently, labels like Mulberry and Kenzo have enlisted her help to bring that edgy look to their collections.

"It's a challenge to adapt your taste, your vision to the vision of another brand," she said.

At Vetements, she not only has a hand in the casting and styling, but also acts as a creative catalyst for Gvasalia. But even though she is recognized as a talent in her own right, Volkova does not envision branching out on her own.

"To be honest, I think the best work I have done has always been through collaborations with people. I really value that idea of collaborating and mixing different ideas together, different tastes, different backgrounds," she said.

"It's about the energy of how these people fit together and what they bring. I think that's much more interesting, to be honest, than me doing something by myself."

"I think that's what's great about London: whenever something new comes around, people are so thirsty for information, for new things, that they give you a chance."

LOTTA VOLKOVA



WEN ZHOU

Apparel Brand Chief Executive Officer

This ceo says destiny played a role on the path from Chinese village to U.S. apparel company.

By BRIDGET FOLEY

When Zhou got her first pair of real shoes, the store-bought kind, when she was nine years old, a gift from her father, who'd traveled outside their small Chinese village. Four years and thousands of miles later, Zhou got her first job, packing and seam clearing at the garment factory where her mother worked on New York's Lower East Side. Today, she is chief executive officer of 3.1 Phillip Lim.

From those three bullet points, one can infer of Zhou intelligence, grit, a superhuman work ethic and utter mastery over her professional life course. On the last point, she begs to differ. "I have a very philosophical way of thinking about people, about business," she said. "Phillip and I are together because we were destined to be together. That's just it."

Consider destiny kind. In the 11 years since they launched the company as equal partners, they have garnered the respect of the industry while remaining independent, growing steadily through good times and holding their own through bad. Currently, 3.1 Phillip Lim has 16 freestanding stores and 450 points of sale around the world. Last year was a bad one across fashion; the company maintained its women's and men's ready-to-wear levels and experienced healthy growth in footwear, offset somewhat by a dip in accessories. Why? "It's all become too much. How many bags do you need?"

Zhou presents as both forward-thinking and old-school in her business vision. On the hot topic of instant fashion, see-now-buy-now, she's all for two-thirds of that equation, arguing that shipping clothes out of season paves the way for markdowns. Yet she considers in-season shows more marketing ploy than solution. Creativity and longing are what matters and if powerful enough, it's worth the wait.

Asked if she and Lim shape their brand's aesthetic together, Zhou offers a forceful "no." Design should remain the exclusive domain of the designer, no business-side interference allowed. Yet a shared perspective brought the partners together. "It was a very innocent and naïve time," Zhou said. "We decided we would just make clothes we wanted to wear. We knew we couldn't afford designer. We also knew we didn't want fast fashion. We wanted things that were made to last, with a

point of view, integrity and design. We wanted Phillip's vision to come to life." The brand launched to raves, she recalled.

Zhou has been aware of the power of fashion her entire life, going back to those first store-bought shoes. She recounted that story sans self-pity or congratulation, but as an example of an early enlightenment. It's not as if she spent her early childhood running around barefoot; her grandmother made the family's shoes and most of its clothes. She thus grew up with an understanding of artisanship. As for her childhood factory gig, she recalled it fondly. Zhou and her younger sister went there after school because it beat staying home alone. After homework, and then some paid work, the sisters would leave for home, an apartment at the nearby Vladeck Houses public housing facility. Zhou's father, a professor in China, worked for 25 years as a dishwasher in Chinese restaurants. (His current gig, as the janitor, where every day he brings the boss a homemade lunch: 3.1 Phillip Lim.)

She also developed academic skills. Newly arrived in New York at almost 13, she had no English. By 16, she'd tested into Brooklyn Tech, one of the City's lionized specialized high schools. "All of the Asian kids did well in math," she deadpanned the stereotype. When it came time for college, FIT made sense. "I loved clothes," she said, before correcting herself: "I don't know if I loved clothes then. Clothes were what I knew."

While in school, Zhou secured a job at a fabric company that would prove life-changing, moving rapidly from swatch-cutter to salesperson. In that capacity, Zhou visited showrooms. What she found, at Vivienne Tam, Cynthia Steffe, Dana Buchman, left her awestruck. "The showrooms were beautiful. There's carpet; it's silent. They have beautiful receptionists. It was not the world I knew. I knew the factory end."

At 21, she opened her own fabric import company, Aegis, which she retains today. Through Aegis, she met Lim. She added a production arm, and started making clothes for various brands. One, Development, employed Lim as its designer. When that gig ended, he and Zhou went into business together.

Today, Zhou is "always dreaming" of expansion, and finds personal care (skin care, shampoos) particularly compelling. Belief in their brand ethos and each other lies at the core of how Zhou and Lim operate, and is one reason their independence has served them well. Which is not to say they wouldn't consider an investment partner – but not just for the money. "They'd have to share the vision," Zhou said. "I couldn't work with someone I don't connect with philosophically."

In the mean time, there's always opportunity to do better, to broaden perspectives and rethink the status quo. "It's been 11 years and I still feel that I know nothing," Zhou said. "This industry is so incredible, things we've learned or know how to do – [the situation] may be different today. So I always wake up thinking I know nothing about this industry, and I have to go into it with a fresh eye and a naïve eye."

"Phillip and I are together because we were destined to be together. That's just it."

WEN ZHOU, 3.1 Phillip Lim

CHANEL

FROM THE SILVER STREAK AT CHANEL TO VALENTINO'S GARDEN OF DELIGHTS, THE SPRING COUTURE GOT OFF TO A SOPHISTICATED START.

PHOTOGRAPH BY STÉPHANE FEUGÈRE



C O U T U R E
S H I N E S O N



GIAMBATTISTA
VALLI



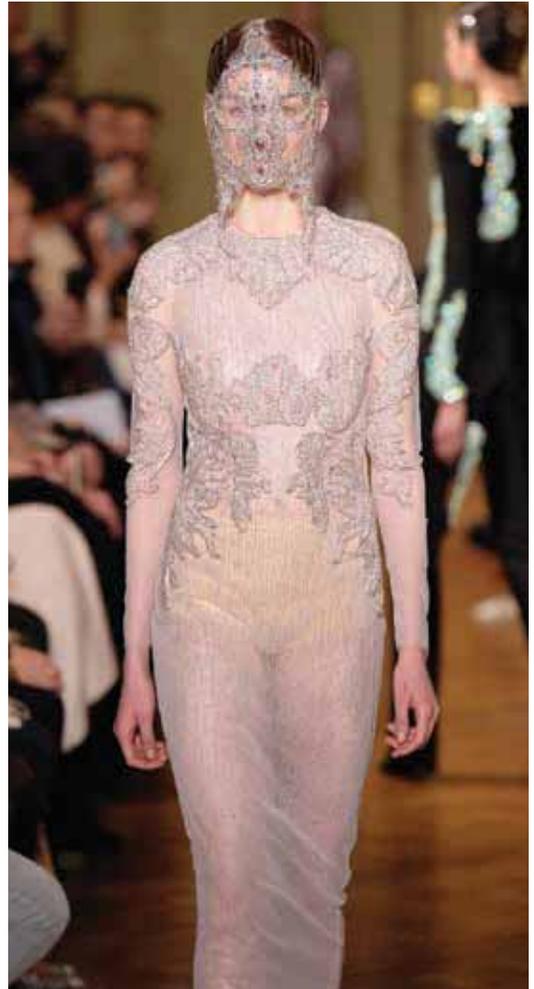
DIOR



Schiaparelli photograph by Stéphane Feugère; Giambattista Valli and Dior by Delphine Achard

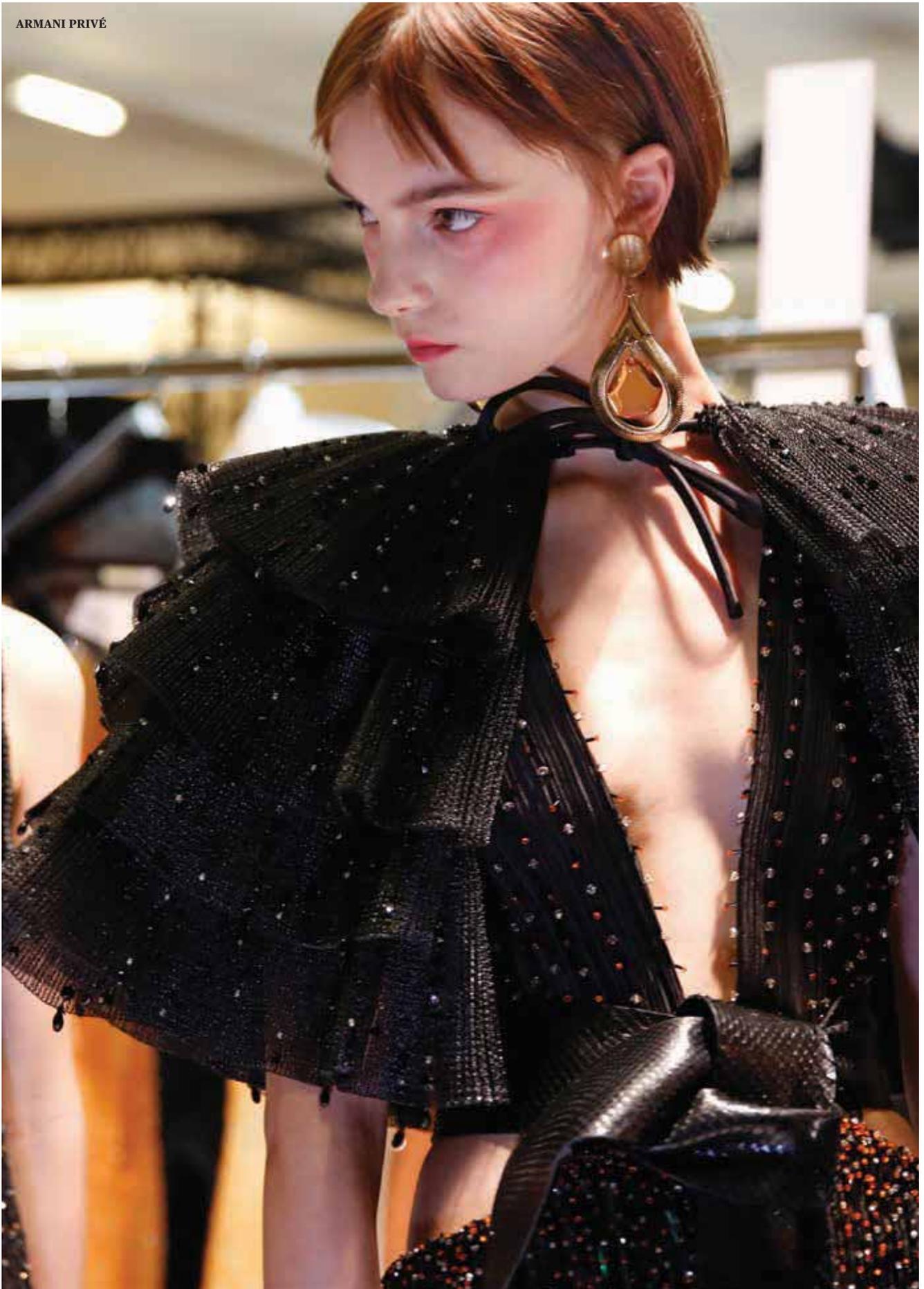


IRIS VAN
HERPEN



SCOGNAMIGLIO

ARMANI PRIVÉ



Von Herpen photograph by Dominique Maître. Scognamiglio by Giovanni Giamoni. Privé by Delphine Achard

Think Tank

Controlling Costs In a Shifting Landscape

By Antony Karabus

Shifts in consumer behavior and expectations have permanently changed the American retail landscape, and as a result, physical store traffic and sales are clearly being impacted. ¶ The bottom line is also under attack, which is going to require retailers to rethink prior assumptions about the role of physical stores as well as ongoing investments in e-commerce, and more specifically omnichannel strategies.

How Did We Get Here?

Over the past five years, these changes in shopping behavior have forced retailers to establish duplicate infrastructures to enable consumers to interact with the retailers when, where, how and in whatever channel they desire.

In addition, numerous brick-and-mortar retailers are experiencing a loss of market share to Amazon.com, which is growing North American merchandise sales at almost 30 percent annually, versus a low- to mid-single-digit increases in top-line sales for most traditional brick-and-mortar retailers with online operations.

Moreover, Amazon continues to add distribution centers and categories (while going deeper into its existing ones), while promising shorter shipping lead times, coupled with additional benefits for Amazon Prime members.

Added Infrastructure Costs

In response, retailers have tried to battle against the “Amazon effect” while also meeting the needs of a consumer-centric environment. In a number of instances, retailers have made substantial investments in omnichannel while neglecting their most important physical stores, which still provide most of their operating profits.

But what has played out on the income statement is what’s troubling. The historic, largely fixed-cost infrastructure of the physical store channel has now been joined by a variable-cost-driven infrastructure to enable online sales.

Start by Asking Some Key Questions

So, the need to meet consumer demands for online shopping while protecting profits has created a conundrum for retailers. But there are tactics that can be deployed to address these issues.

First, retailers should conduct a self-assessment as a way to create a sustainable and profitable model in this complex retail environment. Some considerations:

1. Decide which omnichannel capabilities will be most valued by each chain’s particular customer, rather than investing in all capabilities.
2. Prioritize important decisions such as price-matching, free shipping, free returns, direct-to-customer dedicated fulfillment centers and full inventory visibility.



The historic, largely fixed-cost infrastructure of the physical store channel has now been joined by a variable-cost-driven infrastructure to enable online sales.

3. Establish the right methodology to better exploit data and related insights to drive customer-focused decisions.

4. Determine how to rethink and enhance real estate decisions in the light of the channel sales productivity issues.

5. Ensure store, supply-chain and home-office infrastructure cost is properly sized and structured to profitably serve store and omnichannel customers to enhance shareholder returns.

The answers to these issues should serve to assist retailers to address their competitive position relative to competitors and pure-play e-tailers, and to

making the right capital and operating investments to protect and even enhance earnings in the face of this new operating paradigm.

Understanding This New Operating Paradigm

Numerous retailers are incurring at least an additional 300 basis-point increase in the cost of enabling and fulfilling online orders and related returns, relative to the cost of physical store orders. These numbers are without allocating the cost of shared services infrastructure (such as IT, finance, human resources, payroll, executive management and other areas) to the online channel’s P&L. This additional cost burden is not sustainable in the long term if one considers the historically low earnings margin experienced by retailers.

Meanwhile, for public companies, there’s been a bit of bias on Wall Street. Shareholders and analysts have not been patient in expecting earnings from traditional retailers who are hard at work transforming their businesses to better compete and remain relevant, while they’ve been extremely patient in waiting for acceptable profits from Amazon and other pure-play retailers. And in the current climate, traditional brick-and-mortar retailers face extreme pressure from financial analysts, shareholders and activists not only to maintain, but deliver higher earnings.

The result is an increasing de-leveraging of physical store cost infrastructure as sales per square foot decline with the shift to the online channel. The exception to this de-leveraging reality is when major competitors exit the market or experience restructuring and significant store closures, allowing the remaining retailers to increase their market share in the sector, albeit in the short term. And the de-leveraging of store-cost infrastructure increases as the e-commerce penetration rate of total sales in the market increases.

Going on the Offensive

The best response to this new cost of doing business is for retailers to “take command of the game” and really go deep into leveraging their strengths and inherent advantages relative to Amazon.com and other pure-play e-tailers rather than trying to compete directly with these emerging competitors.

This is the Wal-Mart effect of the Eighties and Nineties, but is being repeated at a more rapid pace. So while it would be a mistake to take on Amazon head-to-head, retailers can deploy some offensive strategies. And the absolute best offensive tool that a traditional brick-and-mortar retailer has is its ability to introduce an online customer to a tactile experience in its stores, which means rethinking the role of the physical store so that it becomes an omnichannel service center and a holistic introduction to the brand, rather than just being a place to transact. Retailers need to take a more omnichannel view of their P&L rather than trying to attribute sales and overhead costs by channel.

Antony Karabus is chief executive officer of HRC Retail Advisory.

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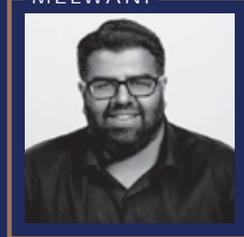
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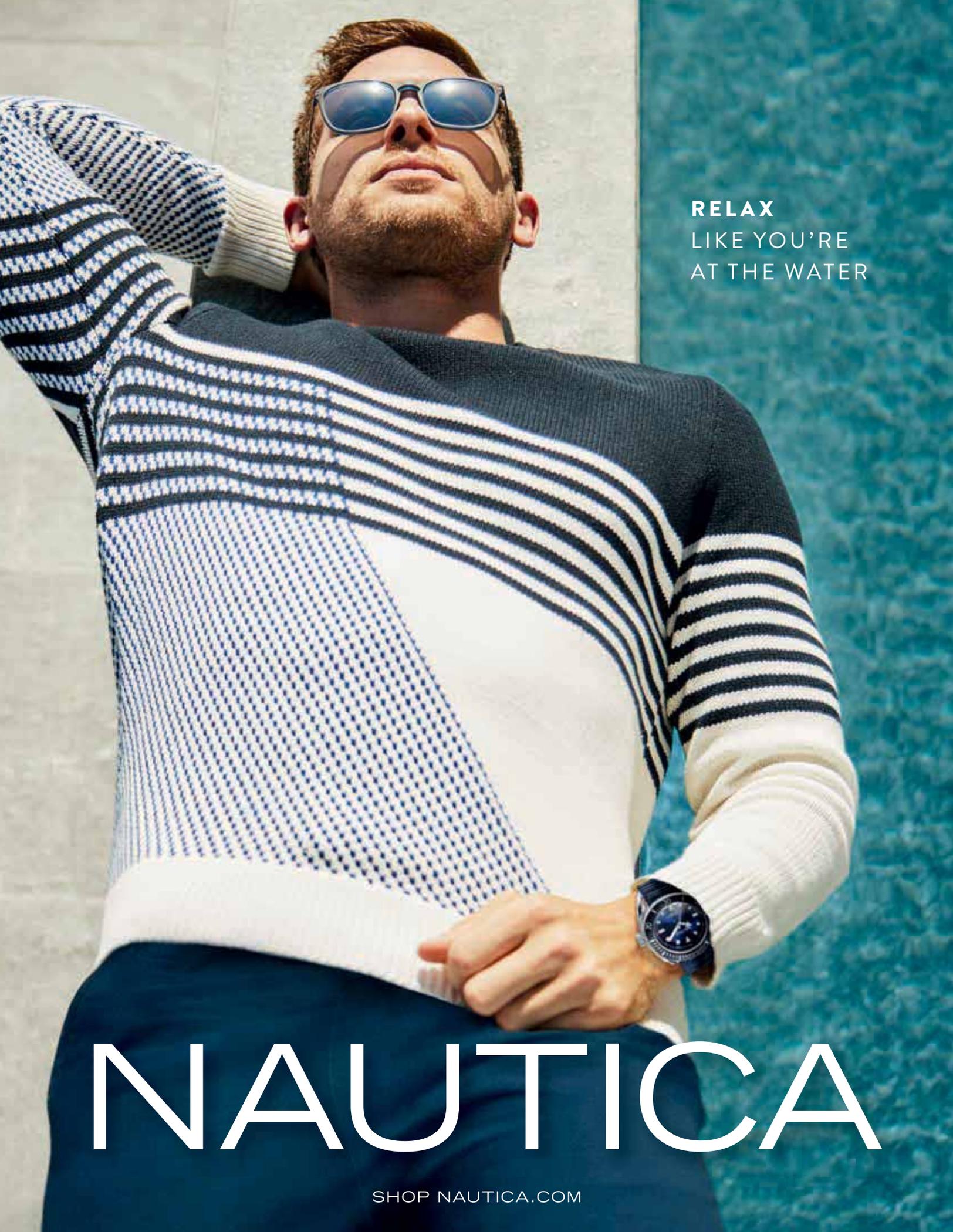
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