CHRISTIAN DIOR'S NEW FLAGSHIP ON RED SQUARE/3

Women's Wear Daily • The Retailers' Daily Newspaper • October 24, 2006 • \$2.00

Ready-to-Wear/Textiles

Petal Power

NEW YORK — After a relatively quiet week of bridal shows in New York, Vera Wang closed out the season on Friday with a breathtaking, imaginative collection of bridal gowns. Dramatic silhouettes and proportions with layered techniques and treated fabrics were key elements. Here, Wang's column dress with tone-on-tone eyelet petal embroidery. For more on the season, see pages 6 and 7.

Slowing Expansion Plan: Wal-Mart Cuts Openings, Tweaks Fashion Formula

By Katherine Bowers

Wal-Mart announced plans Monday to adjust its growth model, scoring a hit with Wall Street.

The world's largest retailer will slow the pace of U.S. expansion and spending next year as it seeks to improve returns and jump-start its stock price.

In another key shift, the company intends to halt a market saturation strategy in which giant supercenters — stores of at least 100,000 square feet or more — were built a mile apart, which cannibalized existing store sales and was unpopular with some investors. Wal-Mart, which has been lagging

See Wal-Mart, Page 14

Liz Said Close to Acquiring Spade

THE LONG-AWAITED SALE OF KATE SPADE LLC appears to be nearing fruition. Industry sources indicated Monday that

pade could be finalizing a contract with Liz Claiborne Inc., with one minor issue left to be ironed out.

Spade, the New York-based accessories firm founded in 1993 by husband-and-wife team Kate and Andy Spade, and two other partners, Pamela Bell and Elyce Arons, was put on the market by Neiman Marcus Group in September 2005.

Neiman Marcus acquired 56 percent stake in Spade in 1999 for \$33.6 million from Alex Noel Inc. Texas Pacific Group and Warburg Pincus LLC, two equity firms, bought NMG for \$5.1 billion in May 2005.

Industry sources have said the reasons for the drawn-out sale were that the brand had

lost its design appeal and because of discussions over the Spades' roll in the company under any new owner. Other sources said that Spade was not worth the reported \$100 million asking price. However, in July a Spade spokeswoman told



WWD, "The selling price has absolutely nothing to do with why that sale has not been finalized This next move for Kate Spade is an important one, and they want to make sure it is in the best interest of the brands. Kate and

Andy Spade and their partners are not in a hurry to negotiate the future of their company, but are only interested in the right strategic partners."

VF Corp. and Accessory Network Group also were said to be looking at Spade earlier this year.

Kate Spade, a former fashion editor, became one of fashion's darlings in the early Nineties with her signature utilitarian, but feminine, nylon bags bear-ing the brand's minimal blackand-white logo. The company has since veered into myriad categories, including footwear, evewear, fragrance, tabletop,

stationery and a luxe line called Collect, featur ing exotic skins.

Spade has 19 Spade stores, one Jack Spade men's store and four outlet stores. - Sophia Chabbott

Morris Evokes Warhol in Two Collections

7.20

NEW YORK - Robert Lee Morris goes way back with Andy Warhol.

The 59-year-old jew-eler is a Warhol devotee and even opened his first retail venture in 1977 — Artwear on 74th Street and Madison Avenue, near where Warhol was then planning on opening his Andy Mat restaurant - in hopes of hobnobbing with the artist. Although the restaurant never did open, Warhol eventually inducted Morris into his infamous clique, which in-cluded Liza Minnelli and Stephen Sprouse. Now Morris is returning the favor by introducing two jewelry lines based on his mentor.

"Andy was a hero and a peer," said Morris, who collaborated with the artist on covers of Interview magazine, which Warhol edited. "He would be so happy [that I'm doing this]. It's a dream come true to him. He would always say, 'I wish I had the time to make jewelry.' He loved

jewelry — he was a freak for it." The collections are divided by price and materials. The Andy Warhol by Robert Lee Morris line is made with silver and will retail for \$60 to \$900. Styles include famous Warhol icons

like the dollar sign, Pop Art flowers and logos such as Brillo. The Factory X collection will retail from \$1,000 up to \$10,000 and uses materials such as 18karat gold and diamonds, with an emphasis on oneof-a-kind and limited-edition pieces. Warhol-mania has crept into the fashion lexi-

con again. In addition to Barneys New York celebrating the artist in its holiday windows, the Andy Andy Warhol by Robert Lee Morris necklace and cuff.



and Warhol collaborated on.

Warhol Foundation for the Visual Arts has given out several licenses recently, including Seiko for fashion watches and Levi's for jeans. Inspiration for the jewelry collec-

tions was vast, according to Morris, who has not yet shown either to retailers, although the firm is aiming for major department stores for the lower-priced line and upscale spe-cialty stores for the higher-priced one. The collections are slated to bow at retail in February.

The Warhol collection is a de-parture from the flagship brand's organic and earthy jewelry with hand-hammered hoop earrings and oxidized metal necklaces. But Morris, who often sells his wares on QVC, has previously dabbled in licenses. Robert Lee Morris which is co-owned by M. Fabrikant & Sons and Clover Corp., also holds the jewelry licenses to

- S.C.



VWDTUE

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FASHION

Bridal designers are looking to rtw for inspiration, drawing on elements such as bows, pockets and high necklines to create more modern gowns.

GENERAL

- Wal-Mart said expansion has become more expensive and it will scale back in the U.S. as it seeks to improve returns and boost its stock price.
- Robert Lee Morris is evoking his old friend in two new lines: The Andy
- Warhol by Robert Lee Morris line and the Factory X collection.
- Sharon Stone used scissors once belonging to Christian Dior to cut the 3 ribbon on Dior's new flagship at Moscow's GUM department store.
- EYE: Talking with Ricky Lauren about her new book, "Ricky Lauren: Cui-sine, Lifestyle and Legend of the Double RL Ranch," due out this week.
- TEXTILES: When designers, vendors and retailers come to the Los Angeles International Textile Show, they won't find too many basic fabrics.
- The fashion industry is keeping a close eye on key Congressional races, 1 as Democrats seek to tip the balance of power in the House and Senate. Classified Advertisements.

To e-mail reporters and editors at WWD, the address is firstname. lastname@fairchildpub.com, using the individual's name.

In the individual of the in

SAKS CHANGES: Continuing to downsize its corporate office in Birmingham, Ala., in the wake of sell-offs, Saks Inc. said three executive vice presidents — Douglas E. Coltharp, chief financial officer; Kevin G. Wills, finance and chief accounting officer, and Charles J. Hansen, general counsel — will resign on May 4. At that time, Michael G. Archbold will become executive vice presi-dent and chief financial officer, assuming responsibilities han-dlod by Colthorm and Wills. Awheld in currently chief financial dled by Coltharp and Wills. Archbold is currently chief financial and administrative officer for Saks Fifth Avenue Enterprises. A search for Hansen's replacement is under way. Saks Inc. recently sold Parisian and its Southern Department Store Group to Belk Inc. and its Northern Department Store Group, consisting of Carson Pirie Scott, to the Bon-Ton Stores Inc., to focus on Saks Fifth Avenue Enterprises. Corporate executive functions are being folded into the Saks offices in Manhattan.

• ARMANI IPO A NO-GO: A Giorgio Armani SpA spokesman Monday denied an Italian press report suggesting the firm is preparing to list shares on the stock market. "Any meetings that we may be having with members of the financial community are simply part of our overall approach of providing information in an open and professional way to those who follow our sector as exemplified by the way in which we publish our annual report." the spokesman said. The article, which ran in Monday's Corriere Della Sera, said Armani has been in contact with both Morgan Stanley and Merrill Lynch regarding a stock market float. The paper cited unnamed sources valuing Armani between 3.5 billion euros, or \$4.42 billion, and 5 billion euros, or \$6.31 billion.

Corrections

The photos of Mariana Ximenes (left) and Melanie Doutey (right) were transposed in "Rising Stars," page 18 of WWDFast, published Oct. 19.

• . Bobbi Brown's Bath scent is made by Firmenich. This was incorrect in a story on page 8, Friday.



Warner Bros. and DC Comics.

Dior Takes Big Step With Red Square Flagship

MOSCOW — Following her fashion instinct last Thursday, Sharon Stone hoisted scissors that once belonged to couturier Christian Dior and helped cut the grav satin ribbon on Dior's latest highprofile flagship: a 3,650-square-foot unit in the GUM department store on Red Square here.

"Luxury is really booming" in Moscow, said Dior president Sidney Toledano, citing brisk sales over the weekend of fur coats, diamond jewelry and high-end handbags. "The market is becoming more and more sophisticated.'

Eager to tap into the country's burgeon-ing wealth, European luxury brands are fortifying their presence in the Russian capital. And Dior is among the latest to

start operating stores in Russia directly, rather than with a local partner. These include its eight-year-old unit on Stoleshnikov Pereulok in central Moscow, which will now be operated by a Dior subsidiary.

Toledano declined to give sales figures for the region but characterized Russia and Eastern Europe as "one of the key markets" for Dior over the next three years, where sales are already on par with the best of western European countries. He hinted at additional openings in the next 18 months in Russia and neighboring republics. He also stressed that Russians

rank among Dior's most important clientele worldwide, snapping up luxury goods in Paris, Saint-Tropez, Geneva and the United States. "And they will be traveling more and more," Toledano predicted. "The look is so up-to-date when you go to restaurants in Moscow, you can't believe it.

Dior feted its Red Square arrival in lavish style, with a press con-ference given by Bernard Arnault, chairman of LVMH Moët Hennessy Louis Vuitton, and a cocktail party in the store for about 600 VIPs, among them the ballet dancer IIse Liepa and assorted Russian actors and television stars.

A dinner of beluga caviar and

roasted lamb — washed down with Belvedere Vodka and vintage Dom Perignon — followed for 250 guests at Turandot, a gilt-encrusted new restaurant with a giant cupola. In specially de-signed salons, models posed in couture dresses by John Galliano. Guests were also treated to a performance by the jazz singer Vittoria Tolstoy, the great-grand daughter of Russian writer Leo Tolstoy.

"We see how quickly the wealth of Russians grows," Arnault told the Russian news agency Prime-Tass. "Not long ago Russia was in debt, but now it miraculously restores its financial position." Stone gave a press conference of her

own at the Maly Theatre, which was rent-ed specially for the event. "I am glad to get back to Russia. I cannot help admir-ing the beauty of Russian women," said the 48-year-old actress, in town to promote Dior's Capture Totale and boost an

already rosy beauty business. "The brand acceptance and desirability is very strong among the Russians," Toledano said, characterizing the company's beauty business as number one in the market.

"Russia is a fragrance-oriented market with a deeply anchored gifting tradition,' said a Dior spokesman. "Makeup is also very strong," he added, noting Russian women love novelties. "For a brand like Dior, [which is] capable of offering a range of sophisticated glamorous products with a sustained rate of innovation consistent

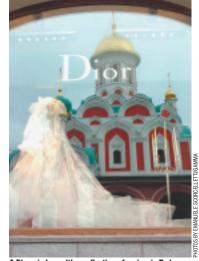
with the brand, the success is huge." Skin care lags behind fragrance and makeup in the market, however, it's "catching up rapidly," the spokesman said. "Russian women read a lot and are [becoming] more and more educated about products." To be sure, Dior has a long and color-

ful history in Russia, stretching back to 1959, when its founding couturier staged a series of high-profile fashion shows in Moscow to promote new business agree-ments there. Some 11,000 people took in the glamour, prompting a delegation of Moscow fashion houses to pay a visit to the Paris couture house and its lingerie manufacturer in Lvon.

But Dior's retail presence in the Russian capital is far more recent. The first boutique, selling fragrances and accessories, opened in 1989. A Dior Parfums unit opened in GUM in 1994, followed by the freestanding fashion bou-tique on Stoleshnikov.

The new three-level store takes in-spiration from Dior's Avenue Montaigne flagship in Paris, mixing 18th-century and





A Dior window, with a reflection of an iconic Red are building.

> modern elements. With its Louis XVI sofas, high molded ceilings and hardwood floors in a herringbone pattern, the space is rem-iniscent of a grand Parisian apartment.

Shoppers entering from Red Square en-counter a large video wall broadcasting the latest runway images, flanked by displays of handbags and small leather goods, includ-ing Dior's latest volley, the My Dior bag. A grand staircase in brushed stainless

steel leads shoppers up to the shoe de-partment and a large showcase for ready-to-wear designed by Galliano, including gowns, furs and evening dresses, offset by breathtaking views of Moscow's most iconic landmarks.

Fine jewelry by Victoire de Castellane is in an adjacent room that reflects the whimsical interior of the Dior jewelry unit on Paris' Place Vendôme, with its earl-gray walls, panther prints and baubles displayed on tiny chairs.

A third level, which will be devoted to fragrances, skin care and makeup, complete with treatment rooms, is still being readied.

In an interview, Toledano said the Russian market had evolved rapidly. "Five years ago, they were looking only for brands," he said. "Now, they're looking out for very high-quality products. The so-phistication is there, plus a lot of energy." Over the weekend, Toledano visited

several museums, including the Pushkin, and was heartened to see them packed with young culture mavens. "In Moscow, you see buildings going up everywhere, he said. "It's hot."

Toledano said operating Dior's Russian business directly will allow the company to "further develop the market" and to meet the demanding service needs of its VIP clients. "We need to have our best people to serve these customers," he added.



The ribbon-cutting, with Bernard and Hélène Arnault, Sharon Stone and Sidney Toledano

Dior had partnered for eight years with Jamilco, which still works with such brands as Hermès, Salvatore Ferragamo, Sonia Rykiel, Timberland, Naf Naf and Levi's. But the industry trend is toward direct control. Louis Vuitton entered the Russian re-

tail market with its own stores in 2003, and others have followed suit. Last April, Chanel stopped its contract with partner Mercury — the retailer for such brands as

Gucci, Dolce & Gabbana and Ermenegildo Zegna — and opened a company-owned boutique on Stoleshnikov. Like Dior's, the Chanel unit also gives watches and fine jewelry a prominent showcase.

Swatch Group, also long associated with Jamilco, plans to open a directly operated Omega store here in about a month

With contributions from Miles Socha, Paris, and Brid Costello, London

Ranch Dressing

Dylan, Andrew, Ralph, Ricky and David Lauren on horseback.



NEW YORK — As a child, Ricky Lauren dreamed of being a cowgirl. She would sit at home on Saturday afternoons

glued to the television set, watching her favorite heroes — Dale Evans. Roy Rogers, John Wayne — shoot 'em up on the plains and ride off into the sunset. "I always wanted a big brother who was a cowboy," the fresh-faced blonde says, sitting in the posh Ralph Lauren offices in Midtown

While she may not have been able to conjure up her fantasy sibling, Lauren did finally secure her own home on the range and the idyll to go with it. For the last 24 years, she and her husband, Ralph, have owned Double RL Ranch, a sprawling compound in Ridgway, Colo. This week, she releases a book, "Ricky Lauren: Cuisine, Lifestyle and Legend of

the Double RL Ranch" (Assouline), which is a love letter of sorts to the state, including serene photographs of expansive fields, vivid stories about the time she spends there and scores of recipes for Western-style cuisine.

A devoted journal writer, Lauren has long recorded tidbits about her three children (Andrew, David and Dylan) and reflections on the nature that surrounded her. "When something strong was in my mind, something I really wanted to say, I just would jot it down and start elaborating on it," says the former English major. "I enjoyed it. I never thought I wrote anything too important until I read it a long time afterward." Lauren was raised in New York, the only daughter of Austrian

immigrants. Her father grew up in Vienna around the time American novelist Zane Grey's Western-themed books were in vogue, and Lauren credits her dad's passion for them with igniting her own curiosity about cowboy culture. "I know children in Europe were fascinated by Grey's stories of the American West, so in a way I had a little bit of that infecting me, too," she says.

Of course, when she met Ralph over 40 years ago, she never dreamed their lives would become the picture of Americana that it is today. While they were dating, he would give Ricky tests, like which jean jacket she liked better in a store window and why. She contends he was only joking, but from then on her about Shakespeare and Chaucer, too," she laughs.

The couple spent years collecting Native American rugs and pottery and eventually began looking for acreage to buy out West, finally coming across Double RL. "Toward the very early part of having the ranch, I remember Ralph telling me that he drove up the road and came around the corner and saw the mountains early in the morning." Lauren recalls. "The sun was coming up, and he said it took his breath away." In the early part of their marriage, Lauren cooked all the meals for the family, and many recipes in the book one once abody earlier of form hear methors in luw. They have of course hear edgeted since does not be the said to be the said to be the said to be the said to be an edgeted since does not be the said to be the said to be the said to be an edgeted since does not be been edgeted since does not be been edgeted since does not be an edgeted since does not be been edgeted sin

book are ones she's collected from her mother and mother-in-law. They have of course been adapted, since these days the family is more health-conscious; for example, they now lay off butter and cream, and most nights the Laurens dine on fish or lean steak from the cattle they raise on the grounds. "Maybe for a treat." says, "we'll do something that came from one of our mothers, like Wiener schnitzel

For the most part, the family keeps to themselves on the ranch, opting to spend time together rather than play host to a revolving cast of visitors. They horseback ride in the summer and fall, cross-country ski in the winter and shop nearby farmers markets for fruits and vegetables in the summer. When friends do come by, however, Lauren is the ultimate hostess.

"Ricky always anticipates, before you even formulate it, your wishes and your desires," says Françoise Labo, a confidante since the Eighties. "She creates events, she proposes visits, runs, horse rides, motor trips, In other words, Lauren encourages her guests to find the magic in the West she's always seen. Or, as she

puts it, "When you have an experience and you love it so much, what good is it if you have it all alone? If you can share it with people, then you enjoy it so much more."

A patriotic winter place setting - Emily Holt

Ricky Lauren

NANA'S BROWNIES

Ingredients

- cup unsalted butter
- 6 oz unsweetened chocolate 3 cups sugar
- 6 eggs 3 teaspoons vanilla extract

2 cups all-purpose flour

- 1 1/2 teaspoons baking powder
- pinch of salt 1 1/2 cups chopped walnuts

- Frosting: 6 tablespoons unsalted butter
- 4 oz. unsweetened chocolate
- 2 oz. confectioners' sugar 2 teaspoons vanilla extract
- rum or brandy, to taste
- walnut halves

Directions 1. Preheat oven to 375 degrees. Grease and flour a 13x9x2-inch pan. Melt butter,

- chocolate and sugar in a double boiler. 2. In a small bowl, beat eggs with vanilla extract. Sift together flour, baking powder and
- salt. Add chocolate and egg mixtures and stir in walnuts.
- 4. Pour batter into prepared pan. Bake for 35 to 40 minutes. Allow to cool before frosting.

Frosting:

1. Melt butter and chocolate in a double boiler. Remove from heat. 2. Mix in all other ingredients, then spread evenly on cooled brownies. 3. Cut into squares and decorate with walnut halves. Refrigerate. Makes 24.



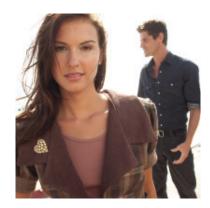
TOS COURTESY OF ASSOULINE: TABLE, BOOK JACKET BY GILLES DE CHABANER; HORSES, LAUREN BY BRUCE WEBEF

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Bidding Adieu to E

By Rosemary Feitelberg

NEW YORK — Looking beyond the trappings of traditional wedding attire, several designers are kicking up the fashion quotient in their bridal collections.

Last week's bridal market packed plenty of options for fash-ion-minded brides-to-be, from deconstructed dresses at Vera Wang to laundered gowns at Lela Rose. Aside from having room-ier silhouettes designed to look dramatic from a variety of angles, not just for the standard full-length portrait, some of Wang's dresses are also convertibles — essentially two dresses in one.

"I'm trying to push them away [from traditional dresses] to get them to go forward," Wang said of her customers. "Brides have to evolve from a fashion point of view — and why shouldn't they?" The emphasis on more stylish dresses is more in step with

brides who are jetting off to destination weddings, which con-tinue to be a driving force in the \$120 billion bridal industry. Many are more willing to spring for a designer dress since they are footing the bill for their weddings and often have more are footing the bill for their weddings and often have more money to burn because they are tying the knot later in life. Even pets that follow the bride down the aisle now have dressier op-tions. Hamptons Hound, the luxury pet accessories label, has introduced a bridal collection of hand-beaded leather collars. Women have faced their own fashion challenges in choosing wedding gowns, according to William Calvert, who has been sell-ing customized gowns for years and is now pursuing wholesale. "It's either Cinderella or a slipdress," he said. "But now more people are thinking, 'I'm smart. I want something inter-esting. I don't want to look like Barbie." Calvert introduced his line of wedding gowns at a cocktail party.

Calvert introduced his line of wedding gowns at a cocktail party in his Hell's Kitchen town house last week. The guest of honor was Oprah Winfrey's niece Chrishaunda Lee Perez, who appears in the current issue of Town & Country Weddings in the gown Calvert de-signed for her nuptials in the Bahamas. Her dress, which required 55 yards of fabric and featured white chifton over layers of ivory habotai and gold habotai, was among the dresses displayed. The

average retail price of one of Calvert's gowns is \$10,000. A newcomer to the wedding dress scene is Lela Rose, who approached the category from a ready-to-wear point of view. "We wanted to have a totally different take on weddings," she

said, and did so by using unexpected fabrics such as laundered duchesse satin and muslin.

There are also touches like embroidered cotton silk voile and a kimono back with a bustle. The nine-piece collection, which whole-sales from \$1,800 to \$4,500, will be sold initially in about 17 stores do-mestically and internationally. Aside from naming the dresses after places where people get married, such as City Hall, The Estate and The Castle Dress, Rose will embroider the wearer's wedding date in

blue thread inside the dress and will ship it in a keepsake box. JLM Couture president Joe Murphy said "body-conscious brides" are looking for more fit-and-flare styles and trumpet silhouettes. Longtime industry designer and retailer Anne Barge said, "Brides are reaching out for more unique, never-been-seenbefore, sophisticated gowns that make a fashion statement.

As for how the business has changed in the past year, Angel Sanchez said, "There are so many choices, but not necessarily all of them are good. Many people are more or less doing the same thing. Last season, there was so much ornamentation that it looked too forced, too romantic. This season we have gone

back to clean and simple dresses, but with fashion." Fashion-forward designer dresses are the big draw at Warren Barrón, a bridal store that opened in Dallas last month and carries such labels as Oscar de la Renta, Vera Wang, Carolina Herrera and Ulla Maja, according to the store's co-owner, Elle Warren. As the former sales and marketing director for Angel Sanchez, she and Cecelia Flores-Barrón, a former Saks Fifth Avenue bridal executive, said they buy wedding dresses from much more of a "Everyone gravitates toward fashion if you offer it to them,

said Warren, adding that 14 Angel Sanchez dresses were sold in the store's first month.

Warren pointed to Lela Rose and Angel Sanchez as last week's bright spots. "Lela Rose was the one thing we saw that we couldn't believe how much we loved," she said. "It is ex-traordinary. She used all sorts of unusual fabrics like muslin. It is very different and so beautiful. Lela is from Texas and we will have the exclusive for the collection in Dallas."

Mark Ingram, owner of the Mark Ingram Bridal Atelier here, was talking up plans to launch Karl Lagerfeld's bridal collection in the U.S. He expects the label to generate "hundreds of thousands" in sales.

Kleinfeld owner Ronnie Rothstein was talking dollars of another kind. He said some labels have raised prices to \$4,500 from \$2,500 to try to cover the expenses of staging runway shows or beefing up their ad budgets. The Fashion Calendar listed 32 bridal shows — four times the number of shows held five years ago — and that excludes designers who showed at the Waldorf-Astoria Hotel or the Essex House.

Yolanda Cellucci, owner of Yolanda's of Boston, has also seen a jump in prices due to what vendors have told her are manufacturing and material costs.

'In our salon, there are dresses that are \$3,500, \$4,500, \$5,700 and \$6,900, and they are spending it," Cellucci said. "Somehow girls find a way to buy the dress they want."



WWD, TUESDAY, OCTOBER 24, 2006 **7**

Borrowed and Blue



Textile & Trade Report











A Decorative Touch

NEW YORK — At next week's Los Angeles International Textile Show, multidimensional fabrics will be at the forefront for fall 2007, along with rich textures such as burnouts, quilt-like jac-quards and flashy metallics. As for color, expect mostly neutrals — browns, navy blues and a variety of black tones — and some that will be touched with gold or silver.











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TECHNOLOGICAL TURNS LYRICAL

FROM THE FIRE IN THE MIND'S EYE LIGHT BLAZES FAR BEYOND BRILLIANCE AS CRYSTAL REACHES ITS EXPONENTIAL POTENTIAL



Textiles & Trade L.A. Show Vendors Focus on Higher Quality

By Khanh T.L. Tran

LOS ANGELES — Fashion designers, apparel manufacturers and retailers that make private label will be hardpressed to find anything basic at next week's Los Angeles International Textile Show at the California Market Center here.

To gain the upper hand with lower-priced competitors from China, exhibitors from the U.S., Canada and Europe said they are focusing on novel fabrics and adding extra features, such as stain repellency, to give cus-tomers more value. Still, others said that because it's difficult to beat Chinese firms, they can join them by im-porting more fabrics from China and offering full-service packages where clients can have textiles cut and sewn into clothes at the same factory.

Whatever the tactic, textile producers and sales agents said it is crucial to rise above the competition and offer something for next fall and winter at the three-day expo starting Monday that customers can't find anywhere else.

"Everyone's tight with their money," said Jeanne Brosseau, merchandiser for Montreal's Telio, which will be making its fifth appearance at the trade event. 'You've just got to find that special item.

For companies that continue to produce fabrics do-mestically, the high-end market is key to survival. One example is Los Angeles' Design Knit, which shifted tack to focus on the high-end market with blends of cashmere, bamboo and silk.

We changed our strategy from being basic to fashion We charged our stategy from leng basic to lashion five years ago when we saw the effect of China on our business," said Shala Tabassi, a principal of Design Knit. Founded 21 years ago and catering exclusively to U.S. customers, Design Knit has been increasing the

variety of its cashmere blends. In addition to offering cashmere mixed with rayon, the company also has cash-mere blended with micromodal. Also, it expanded its cashmere portfolio from a single jersey to more than 10 styles ranging from single and doubleknits to thermal and pointelle weaves. The emphasis on fashion helped

boost business by 20 percent in the last year. Tabassi de-

boost business by 20 percent in the last year. Tabassi de-clined to disclose exact sales figures. Montreal-based Manoir Inc. also began moving into what it calls "enhanced basics" when its sales dropped due to escalating competition from China, said sales manager Patrick Regan. Although sales at the 35-year-ed compary hours boun flot though hour size of the part of the p old company have been flat, there have been signs of growth in the last three months, he said.

To maintain that momentum, Manoir, which knits, dyes and finishes its fabric in Canada and specializes in organic fibers and better-grade cotton like Giza and Supima, aims to expand its business in the U.S., particularly in California. Customers include Lululemon, Puma and Tommy Hilfiger in Canada. Making its third consecutive appearance at the show, Manoir will unveil a micromodal and supima cotton blend. Customers are

searching for fabrics with a soft hand, Regan said. "A lot comes down to the hand and feel of the product. " he said.

One product that is gaining popularity is Tencel, which not only has an eco-friendly image because it is made of wood pulp but also shows durability in washings. After introducing plain Tencel last summer, Telio will debut a Tencel and wool blend.

"That's what we're really hoping to bank with," Brosseau said, adding that Telio also will exhibit leopardspot prints with colorful backgrounds, fake furs printed with foil, smaller geometric patterns and plaid prints.

Increased foreign competition hasn't been the only challenge facing mills. Material costs continue to rise, as well. On Sept. 25, by the pound, cotton cost 55.40 cents, wool totaled \$2.57 and polyester filament was 82 cents. Those prices reflected increases of 12 percent for cotton, 8 percent for wool and 14 percent for polyester filament from a year ago. Over the same period, however, the price

of a barrel of crude oil decreased 6 percent to \$60.55. "Usually the most expensive thing in making a garment is the fabric," said Maria Cervantes, a sales representa-tive in the Los Angeles office of New York-based Malibu Textiles. "It's not the cutting and the sewing and the trim."



Though Chinese companies have become popular sources of textiles, European mills strive to hold their own by setting trends.

They are the innovators, the Europeans," said John Malone, president of a textile company bearing his name in New York.

Representing Malhia Kent, Setarium and eight other lines from France and Italy, Malone offers high-quality tweed, tulle and lamé, as well as his own beaded lace line called Lily. He said he noticed a trend for lamé and techy fabrics that have stretch and a slick metallic look. Tweed, which was big two years ago, is also making a comeback for next fall and winter. "The last two seasons, I couldn't give it away," Malone

Malibu Textiles said it saw a surge in demand for lace and crochet. To get lower prices for its customers, some of which are junior clothing manufacturers that can't af-ford to pay top dollar for superior lace, the company is

increasing its use of imported fabrics from China. Malibu's Cervantes said that three years ago 95 per-cent of the company's stock was made in the U.S. Now, 70 percent of the products are domestic and 30 percent are imports.



Election '06: Key Races Grab Industry Attention

By Kristi Ellis

WASHINGTON - The fashion industry is keeping a close eye on two dozen tight Congressional races in an election year that has Democrats threatening to tip the balance of power in the House and Senate. Contests in Ohio, Pennsylvania, Kentucky,

Tennessee, Washington and Connecticut have the attention of retailers and apparel manufacturers, while a few key races in the Carolinas and Georgia are being closely watched by the textile industry.

Ohio — home to industry heavy-weights Federated Department Stores, Limited Brands Inc. and Procter & Gamble — is a key area of focus for executives and corporate and industry as-sociation political action committees. Retailers and apparel firms have con-centrated their political contributions in Ohio this two-year election cycle as pro-business, pro-trade Republican incumbents find themselves in tight contests. The impact of the Bush administration's trade policies on U.S. manufacturing jobs, which have been in a long-term decline, and a lawmaker's vote on trade deals are significant factors in races around the country. Rep. Sherrod Brown (D., Ohio) has

mounted a formidable challenge on an antitrade platform against Sen. Mike DeWine, the Republican incumbent. Brown, stressing Ohio has lost 195,000 manufacturing jobs since 2001, has run TV campaign ads condemning DeWine's "yes" votes on the Central American Free Trade Agreement, the North American Free Trade Agreement and granting China permanent normal trade relations status. J.C. Penney Co., Sears Holdings

Corp., Target Corp., Wal-Mart Stores Inc., Limited Brands, Gap Inc. and P&G, all proponents of free trade, have combined to give \$34,000 to DeWine in the 2005-2006 election cycle, according to Federal Election Commission records

The fashion industry is also contrib-uting heavily to Rep. Deborah Pryce's campaign in Ohio. Pryce, first elected to the House in 1992, is part of the GOP leadership there, and is in a neck-and-neck race with Democrat Mary Jo Kilroy, a Franklin County commissioner. Underscoring the importance of the

Ohio races, Leslie H. Wexner, chairman and chief executive officer of Limited Brands, and his wife, Abigail, hosted a fund-raising event for Pryce and Ohio Victory 2006 (a state party get-out-the vote effort) at their home in New Albany at the end of September, an event that was attended by President Bush, according to George Rasley, director of communications for Pryce's reelection campaign. The event netted \$650,000 for Pryce's reelection campaign, he said.

"Retail and warehousing are impor-tant sectors of the Ohio economy and Congresswoman Pryce has been very supportive of federal policies, which would advance employment in this industry and encourage location in Central Rasley said, noting the Wexners

have been longtime Pryce supporters. Rasley said Pryce is an advocate of the retail industry and pointed to se-curing \$120 million in funding in fiscal year 2006 for improvements to the Rickenbacker International Airport, a multimodal cargo airport, charter pas-senger terminal, U.S. Foreign Trade Zone and industrial park, warehousing and distribution hub near Columbus.

"Brown clearly has a difference of opinion with the majority of retailers on trade issues," said Paul Kelly,

senior vice president, federal and state government affairs at the Retail Industry Leaders Association, which counts Wal-Mart among its members. "He would be one more vote in the Senate for things we don't like: protectionist provisions and stricter mandates on businesses relating to employee benefits."

As for Pryce potentially los-ing her seat, Stephen Lamar, senior vice president of the American Apparel & Footwear

Association, said, "You would lose an important pro-business, pro-trade...voice and a leader who is trying to implement a strong agenda.

In the Southeast, textile executives and trade groups are closely watching two competitive races where voting records on trade agreements are a factor.

In one, Rep. Robin Hayes, the Republican incumbent and scion of the Cannon textile family, is in a tough campaign against Democratic challenger Larry Kissell, a former textile employ ee, who blames the loss of jobs in North Carolina's textile industry on a shift to foreign production.

Kissell, now a teacher, has attacked Hayes for changing his vote last year from "no" to "yes" in favor of CAFTA, which squeaked through the House by two votes, after Speaker Dennis Hastert pressured him.

'Certainly, jobs and economic development are a top issue in the 8th Congressional district and Robin has said



DeWine (left) and Democratic Rep. Sherrod Brown (above) are in a tight race in Ohio.

all along the reason he voted for CAFTA was because the administration gave him the

assurance they would try to curb textile imports from China," said Carolyn Hern, communications director for Hayes. "The U.S.-China textile agreement covering 34 categories was a win for the industry." She also noted that several textile

companies, including International Textile Group, which has two plants in Hayes' district, were in favor of CAFTA. Hern said Hayes is addressing the job losses in North Carolina and his district with voters by emphasizing the impor-tance of economic development projects, which he has been instrumental in bringing to his district, and retraining for displaced workers.

"Hayes is a leader on textile issues," said Cass Johnson, president of the National Council of Textile Organizations. "He knows how to pull the levers and make things happen on textiles like no one else I've ever seen, and he's a real asset to the industry because of his knowledge of Capitol Hill and his ties to the administration."

Dow Fiber Opens Garment District Showroom and serving them in the heart of the industry, and doing so in a credible way," said Brad Miller, global commercial director for DFS.

By Ross Tucker

NEW YORK — Dow Fiber Solutions is looking to draw the apparel industry's attention to its XLA stretch fiber with a new, multipurpose showroom.

Dow hired architect Thierry Peltrault to transform the 2,500-square-foot space at 1411 Broadway, in the heart of the Garment District. into a venue that would showcase XLA and make a larger statement about its commitment to the industry. Peltrault recently headed Cartier's design team for the merchandising and bottle design of the Must de Cartier Pour Homme fragrance.

The showroom, a \$1.5 million investment, opened Oct. 11 and has a fabric library, con-cept gallery, meeting room and even a bar.

Putting the showroom in place has been a natural next step for us to communicate to the industry that we're serious about our business



and serving them in the heart of the industry,

Miller expects the showroom to be used to highlight innovations for the use of XLA, which was introduced in 2002 and targeted to the denim market. XLA has since been incorporated into the ready-to-wear, swimwear, intimate apparel and workwear markets.

"We have sought to find significant opportunities where traditional stretch fibers cannot be used, such as non-iron with stretch or a chlorine-proof swimsuit." Miller said.

He said the showroom will allow DFS to serve designers and customers faster and in a more comfortable setting. The company plans to use the space to hold customer events for particular apparel segments and will be the site of regular trend seminars. "This will help us position the product and

penetrate brands in the current markets that we're looking to serve more quickly," he said, adding that the showroom should also become an incubator for new ideas. "We can begin building our pipeline with this."





JETTING IN: So much for those tight budgets at Time Inc While most

editors and publishers attending the American Magazine Conference at the Arizona Biltmore Resort & Spa shuttled in by commercial flights, the Time Inc. brigade — including chief executive **Ann Moore**: People group editor Martha Nelson; Ed Lewis, chairmar and founder of Essence, and several major Time Inc. advertising clients — breezed in on a private jet. And just to rub it in, they landed at 3:45 Sunday afternoon, 15 minutes before AMC conference chair

Christie Herner took the stage to welcome attendees. During the opening panel, People assistant managing editor Jess Cagle grilled Food Network impresario Rachael Ray about how she keeps her brand motoring across both TV and print platforms. While Ray has grown into a multiplatform brand pinilize to areather earth modilin provid Marthe similar to another crafty media mogul, Martha Stewart, the perky chef insisted she's not modeling her empire after Stewart. "I never have. I can't make coffee. I can't bake. I'm not crafty."

After Ray's interview, Ad Age passed out its A-list awards, where Vogue earned two top nods: Anna Wintour was named editor of the year and Vogue was named to the A-list (Wintour was not on hand to accept either honor). While such accolades are honorable, Ad Age made a boo-boo in its two-page profile of the editor. The magazine incorrectly identified the Wintour-esque character played by **Meryl** identified the Wintour-esque character played by Meryl Streep in "The Devil Wears Prada" as Amanda Priestly. The character's name is actually Miranda Priestly. Even more ironic is that "The Devil Wears Prada" was the in-flight movie on the America West flight the article's author and several top magazine executives took from New York to Phoenix on Saturday morning. Then, most attendees gathered on the Squaw Peak Lawn for a buffet of Mexican fare and free-flowing margaritas. And what conference would be a bit without drinks in the bar? During the welcome

a hit without drinks in the bar? During the welcome reception, Niche Media founder Jason Binn did the publisher hustle and recruited Hearst Magazines president **Cathleen Black** and executive vice president Michael Clinton, Readers Digest chairman Tom Ryder,

Men's Health editor Dave Zinczenko, Playboy editorial director Chris Napolitano and a host of journalists to join him for an after-hours drink in one of the hotel's private dining rooms. The group ate, drank and laughed in wide-eyed awe (and confusion) of Binn's overcharged personality as he patted backs and kissed the cheeks of his attendees, propelling Black to call Binn during a toast a "force of nature." (Binn is also a force of exuberance — his bill for the private affair totaled close to \$5,000.) - Stephanie D. Smith

GROWING THE BRAND: Another In Style book, "Instant Style: Your Season-By-Season Guide for Work and Weekend," hits the shelves this week — the fifth forestical, initial and a start and the and the initial of the start o Media Metrix traffic numbers for the first half of 2006 show instyle.com's monthly unique visitor figures beating those of its nearest competitor, Style.com, with approximately 1.2 million, versus about 650,000 for its Condé Nast-owned rival. New features on the Web site are taking the idea of

shopping the pages one step further: The new "Where Can I find?" is an upscale version of its Look for Less, a long-standing feature where editors find cheaper versions of celebrity outfits. Now, "Where Can I find?" will provide an online link to sites where readers can buy the actual products trotted out by celebs (or their sans the prominently displayed photos of Suri). The magazine does not get a cut on the sales from the feature, though it hasn't ruled out the possibility for the future, said **Amy Keohane**, vice president of instyle.com. In an attempt to ride the wave of interest in

online video advertising, In Style also has been offering its advertisers one-month exclusives on pre-roll segments on "How To" videos on the site. In the latest, **Ken Pavés**, of the Jessica Simpson confidences and hair extensions, has extended his own ubiquity with a valuely hypnas extended in the site on how to get the perfect blowout. Keohane, of course, emphasized content over commerce: "If you build it and there's a consumer engagement, that's when the advertiser wants it." — Irin Carmon

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Albrecht & Dill Opens German Shop

By Melissa Drier

HAMBURG, Germany — German beauty distributor Albrecht & Dill Cosmetics GmbH has opened a freestanding store here called Sahling — Best of Beauty.

While A&D Cosmetics has made its name wholesaling traditional premium beauty brands, it also operates in-store boutiques in department and specialty stores around Germany.



The firm's first stand-alone store, a cozy, 430-square-foot space, is located in the tony Levantehaus shopping passage. Outfitted like

WWD COM

an old-fashioned apothecary, it spotlights the entire A&D Cosmetics portfolio, namely Annick Goutal, Lalique, Floris, Maître Parfumeur et Gantier, Penhaligon's, Caron, T LeClerc, Erno Laszlo, Orlane, Ingrid Millet and Parks.

Sahling is an expanded version of A&D Cosmetics' shop-in-shops, the first of which was opened two years ago at KaDeWe, the department store in Berlin



Philipp Sahling inside his firm's new store, Sahling - Best of Beauty.

A&D Cosmetics now has more than 15 in-store shops in Germany, in department and specialty stores including Alsterhaus, Hamburg; Ludwig Beck, Munich; Galeries Lafayette, Berlin, and Breuninger, Stuttgart, as well as perfumeries such as Pieper in Krefeld and Goldkopf in Cologne. All share the signature apothecary look, bilipp Sahling, 31, managing director of A&D Cosmetics, said

that after 18 months, its headang unection of actor of where we want it to be." With the spaces' positive impact on image and sales, "we thought, *Why not open a little store*?" he said. "But the main point is that we have 12 brands, and with this inte-

rior design concept, we can sell skin care, makeup and perfume all in one place. All the various segments are working, for we wouldn't have done this if only Annick Goutal had functioned.

Sahling expects the Hamburg store to generate about 250,000 euros, or \$313,616 at current exchange, in its first year. Negotiations are already under way for stores in other major German cities.

With distribution rights for Germany, Austria and Switzerland, A&D Cosmetics generates annual sales in the double-digit millions In euros, according to Sahling. It is a subsidiary of the 200-year-old Hanseatic trading company Albrecht & Dill, which primarily deals in cocoa and coffee. The company got into the cosmetics business in

When a sked if there was room for more under the A&D Cosmetics of under the distribution rights for Chanel in Germany. When asked if there was room for more under the A&D Cosmetics umbrella, Sahling said, "We've said no to about 50 brands in the last five years. Everything we touch must suit each other. But yes, we're carefully looking for other brands," he acknowledged, "but only in areas where we're not active, like hair care, men's [or] shaving accessories. Our brands need to have tradition, a story, credibility." The Parks can-dle range was the most recent addition to the A&D Cosmetics family.

"Our brands are not in stores like Douglas, Kaufhof and Karstadt," he noted. "We don't want a broad distribution for our brands, but we must generate turnover, which is another reason why our own [Sahling] shops make sense," he asserted. "We prefer fewer but moreexclusive points of sale. What we're doing takes longer than giving the brand to more stores, but we think it's healthier in the long run."

Hurley Dazzles Trafalgar Square

LONDON - Elizabeth Hurley lit up London Thurs day as part of the Estée Lauder Cos.' 2006 Global Lighting Initiative for Breast Cancer Awareness. The Estée Lauder spokeswoman gave Nelson's

Column in Trafalgar Square a hot-pink makeover as part of the event, which is part of the company's drive to raise awareness about the disease.

"It's unlikely that anyone in this room hasn't been affected by breast cancer in some way,' Hurley told a crowd of journalists and retailers in the Trafalgar Hotel overlooking the bustling square. Hurley went on to highlight the advan-tages of early detection in the fight against breast **Elizabeth Hurley** cancer and the benefits of a low-fat diet for women who have suffered from the disease, a regime that Nelson's Column.



may also have preventative effects, she said. Hurley had earlier signed copies of Pink Ribbon Diaries in Harrods, which are sold to benefit the Breast Cancer Research Foundation. — Brid Costello

SPECIAL ISSUE

WWD/DNR CEO Summit Meeting of the Minds.



Terry J. Lundgren

Chairman, President and CEO Federated Department Stores Inc.





Maureen Cl President and COO Chanel Inc.



Ross Levinsohn President Fox Interactive Media

hn Fleming Executive Vice President and CMO Wal-Mart Stores



Gela Nash-Taylor Co-Founder and Co-Designer Juicy Couture Inc.



Gianni Versace SpA

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Tony Hsieh CEO Zappos.com Inc.





lan Hoffn President and CEO Neiman Marcus Direct

Other Speakers Include: Elie Tahari: Chairman and CEO; Elie Tahari LTD | Arthur C. Martinez: Chairman and CEO Emeritus, Sears, Roebuck and Co. | Adrienne Ma: President, Joyce Boutique Ltd. | Chris Anderson: Author of The Long Tail: Why the Future of Business is Selling Less of More | Susan McGalla: President and Chief Merchandising Officer, American EagleBrand, American Eagle Outfitters Inc.

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Wal-Mart to Ease U.S. Expansion

Continued from page one in apparel, will also remove the trendy Metro 7 line from stores after getting a mixed reception.

"For the past several years, our company goal was 8 percent annual square footage growth," said Wal-Mart vice chairman John Menzer, speaking Monday during the company's annual two-day presentation to Wall Street analysts in Teaneck, N.J. "We believe now because of the company's size...this level would be difficult to achieve in future years.

Wal-Mart, which has more than 6,500 stores in 15 countries and reported sales of \$312 billion last year, said it would grow square footage by 7 percent in the U.S. and 10 percent abroad in the next year. It plans to build 305 to 330 stores in the U.S. Of those, 265 to 270 will be supercenters.

Capital expenditures for building and remodeling stores will only grow 2 to 4 percent next year, compared with about \$18 billion in 2006, which was a 15 to 20 per-cent rise over the previous year, chief financial officer Tom Schoewe told analysts. "We can still grow very rapidly, but what you're going

to sense is a lot more concern about capital efficiency he said.

Wal-Mart shares, which have mostly been stuck at less than \$50 for years, jumped \$1.91, or 3.87 percent, to close at \$51.28 in New York Stock Exchange trading, the highest level in about 20 months.

Propelled by optimism about earnings reports, cheap-er gas and Wal-Mart, the Dow Jones Industrial Average jumped 115 points, or 0.95 percent, to close at a record 12,116.91, breaching the 12,100 mark for the first time after crossing 12,000 just last week. Several retail stocks traded heavily, with teen specialty retailer Abercrombie & Fitch up \$3.97, or 5.29 percent, to close at \$78.99. Shares of Pacific Sunwear jumped 95 cents, or 5.85 percent, to \$17.18, after Bank of America upgraded the company's stock on the anticipation of a turnaround under new lead-ership. Shares of Gap Inc. also rose by 76 cents, or 3.94

percent, to close at \$20.06. The Standard & Poor's 500 index increased 8.42, or 0.62 percent, to 1,377.02, and the Nasdaq composite index was up 13.26, or 0.57 percent, to 2,355.56.

Wal-Mart's projected "lower square footage growth should benefit comps over time," Lazard Capital ana-Just Todd Slater said in a research note, as he raised the stock's target price to \$59 from \$54. "The decrease in U.S. square footage growth not only serves to enhance ROIC [return on invested capital], but should also decrease cannibalization and benefit future productivity.

Wal-Mart said it will be selective about building new stores and place more emphasis on getting better perfor-mance from existing units. Comparable-store sales have been sluggish — in the low-single digits and lagging rival Target Stores — in recent quarters. In September, Wal-Mart reported a 1.3 percent sales increase in stores open at least a year — at the low end of its projection.

The U.S. business is tracking 1 percent up this month, said Eduardo Castro-Wright, president and chief executive officer of Wal-Mart U.S. "Certainly we're not pleased with that, but we believe we have a lot of progress in place and we feel very good about our prospects for holiday," he said.

Women's apparel, in particular, has been underperform-ing. Skinny jeans and the Metro 7 line, which the retailer

has ambitiously expanded after initial success, did not connect with many customers.

"We expanded it too far," said Claire Watts, executive vice president in charge of product development, apparel and home, referring to Metro 7. "There are still 800 to 900 stores where it worked and is still working."

Wal-Mart is clearing out skinny jeans from some stores, along with Metro 7, but the fashion miscues will continue to affect softline sales into the fourth quarter, Castro-Wright said.

'With our lead times, it's hard to get the volume in basics to make up for" fashion misses, he added. Wal-Mart has been tinkering with its apparel business as

it tries to convince more affluent and style-conscious women to purchase its apparel. The retailer has run ads in Vogue, staged Manhattan runway shows and opened a New York trend office. This fall, Wal-Mart teams seem to have gotten ahead of customers' acceptance of trends. Despite mistakes, the company does not appear to be backing off apparel.

Slides shown during the presentation to analysts listed apparel as one of five "power categories" for the Bentonville, Ark.-based retailer, along with electronics, home décor, fresh food and health-wellness.

The company is testing a new supercenter layout that shifts the location of women's apparel. In older stores, the merchandise runs along the front of the store, parallel to the cash register. The new scheme would create an "H", with men's and women's wear as the two sides, running in narrow bands from front to back. Jewelry, accessories and intimates fill in the space between men's and women's wear

Apparel isn't the only thing shifting. A committee of top company officers, including Wal-Mart president and ceo H. Lee Scott, vetted each of 1,300 U.S. new store projects and approved only those that would produce the highest returns

New units that would draw 50 percent for more of their sales from existing stores were placed at the bottom of the list, said Schoewe, who has until recently defended a satu-ration strategy that clusters new doors around stores with more than \$100 million in annual sales. Wal-Mart executives have argued in favor of market saturation, saying that it allowed the company to take market share from competitors and to alleviate crowding at high-volume supercenters.

Now Wal-Mart is investigating ways those stores can better handle customer load, particularly at checkout. Executives have also swapped out plans for 195,000-square-foot stores for a 176,000-square-foot model "where we believe we can get similar volumes in a small-er box, therefore higher ROI [return on investment]" Schoewe said.

In 2007, the company will build 50 stores in disadvantaged zones, defined as sites that are environmentally contaminated, vacant or in areas where there is high unem-

Wal-Mart has been struggling with reputation challenges and community resistance to its expansion. At the analyst meeting, Wake-Up Wal-Mart, an opposition group funded by the Union of Food and Commercial Workers handed out letters to analysts alleging the company's pub-lic image was hurting its performance.

Wal-Mart staged its own media event, unveiling a ecofriendly retail exhibit in partnership with MTV at the MTV TRL store in Times Square

With contributions from Jeanine Poggi

Democrats Seek State-Mandated Minimum Wage

By Kristi Ellis

WASHINGTON — Democrats are pushing for a mini-mum-wage increase state by state, after failing to secure

a federal wage hike in Congress this year. Sen. Edward Kennedy (D., Mass.), former senator and vice presidential candidate John Edwards and state orga nizers urged approval of minimum-wage initiatives on ballots Nov. 7 in Arizona, Colorado, Montana, Missouri, Nevada and Ohio, in a conference call with reporters Monday.

Proponents of the increases, including organized labor and community and religious groups, hope the hot-button minimum-wage proposals will boost voter turnout and help tilt the balance in key Democratic races. There are 23 states as well as the District of Colombia that currently have a minimum wage above the federally mandated \$5.15 an hour, according to the National Conference of State Legislatures.

The minimum-wage measures include an increase to \$6.85 from \$5.15 in Ohio and Colorado, \$6.75 from \$5.15 in Arizona, \$6.50 from \$5.15 in Missouri, and \$6.15 from \$5.15 in Nevada and Montana.

"The reason we began these ballot initiatives in these states is because the Republican leadership in Congress thwarted the will of the American people," in helping to vote down efforts in the House and Senate to pass a minimum-wage increase this summer, said Edwards, who has traveled around the country this year to build a grassroots campaign for the state ballot initiatives. "This is the kind of

work from the ground up that takes place when Congress does not meet its responsibility."

Edwards said he is optimistic the ballot measures will pass in all six states.

Democrats are threatening to take control of the House or Senate in the midterm elections and trying to mobilize voters in key states and districts around the country, while jump-starting efforts in Congress to address the minimum age again.

The House approved GOP-backed legislation in July linking a \$2.10 increase in the minimum wage to \$7.25 to a permanent cut in inheritance taxes for multimillionaires and other tax breaks, but Senate Democrats defeated the bill in August, largely due to the tax cuts for the wealthy that Republican leaders insisted on includ-

ing in the package. Kennedy, a longtime advocate of increasing the min-imum wage, said Monday he would try to quickly push a bill in the Senate if Democrats take control. Kennedy would become chairman of the Health, Education, Labor & Pension committee with a Democratic majority.

"For me, personally, if we recapture the Senate, I hope to get the minimum-wage [increase] out right away," said

Kennedy. "That would be our first order of business." Rep. Nancy Pelosi (D., Calif.), the leading Democrat in the House who is likely to become speaker if her party wins the majority, has pledged to make a minimum-wage increase a top priority.



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Rowley Channels Prom For P.S. 1 Fund-raiser

NEW YORK — "Isn't this the most uncon-**NEW YORK** — "Isn't this the most uncon-ventional benefit you have ever been to?" asked Cynthia Rowley, who chaired the PS. 1 Contemporary Art Center 30th Anniversary Homecoming Gala Sunday. "PS. 1 has never had a benefit, so I kept saying that we can't just have a rubber-chicken benefit." The sold-out, homecoming-themed event miced obset \$500 000 for PS. 1 Cuent were

raised about \$500,000 for P.S. 1. Guests wore carnation corsages and boutonnieres handed out at the door, and big spenders had their pic-tures taken in homecoming outfits that Rowley designed. "I love the theme and getting to dress up," said

curator Yvonne Force Villareal, who donned a glowing wrist cor-sage made by her hus-band, Leo. "I've been to every prom since I was a freshman, but I always went with quarterbacks. This is my homecoming date with an artist.

Rachel Feinstein. on the other hand, didn't go to her high school homecom-ing. "Like a typical artist, I was not ap-



Mayor Michael Bloomberg

preciated in high school," she lamented. A lot has changed, the fashion darling noted. "That Cynthia is so involved with this shows how dif-ferent the art world is today," said Feinstein, who wore a Cynthia Rowley dress to the fete. "I wish people had dressed me when I was 21.

The evening's dress code of "homecoming attire" confused Mayor Michael Bloomberg, attire confused mayor Michael Bioomberg, so he "came as a chaperone" in a blazer over a sweater and khaki pants. "We have this great museum just across the Queensborough Bridge," the mayor said. "This is the next great community, and it has PS. 1." A self-described "goody-two-shoes in high

school," Rowley planned every high school-inspired detail, from designing capes for the prom queen and king down to hiring the caterers who did her wedding to sculptor Bill Powers. "The only thing I forgot to get was kegs of beer," said the designer. She did plan a slew of performing art, which

ran throughout the entire dinner. Beginning with Ann Magnuson and ending with Rufus Wainwright, a series of artists saluted the New York club life of the Seventies and Eighties, with nods to drag culture and neo-burlesque performances. As P.S. 1 director Alanna Heiss proclaimed, the audience was half artists and half art lovers — "lovers of art or lovers of art-- the latter of which raised Upper East Side eyebrows during the racier bits - Whitney Beckett



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