

# RECESSION-PROOF FASHION BECOMES THE NEW TREND IN LICENSED APPAREL

by Laurie Hahn

Articles in the January '09 issues of *Real Simple* and *Glamour* advised women on how to get the most out of their wardrobes using clothes they already owned. As many consumers are cutting back on spending, recycling or "making new" what they already own seems to be the hot trend these days, especially when it comes to apparel. "When the economy is not doing well, the first industries to feel the major effects are apparel and publishing," says Nora Wong, senior manager, consumer products, FremantleMedia Enterprises. "Consumers hold on tighter to their purse strings on these particular buys not because they are luxury items but because they are not considered must-haves if you have a

budget. Licensed apparel takes an even harder hit as consumers have to limit their buys to their absolute favorite brands."

Retailers are limiting in-store stock to favorite brands, also, looking only for the top licenses that are sure to sell. Steve & Barry's, which carries clothing lines from actresses Sarah Jessica Parker and Amanda Bynes, filed Chapter 11 bankruptcy protection and began closing more than 100 of its stores last year. (BH S&B Holdings LLC acquired the chain in August, allowing Steve & Barry's to continue to operate 173 stores.) With many stores shutting their doors and downsizing, retailers and buyers must be extra careful. At the same time, licensed apparel that makes it through retailers' doors must be extra special in appearance, as well as affordable, in order to convince consumers to open their purse strings.

## FASHION FOR ALL

Many licensors are taking their brands into additional retail outlets as a way to reach a wider audience and offer their apparel at more affordable prices. The Farm Boy/Farm Girl brand attributes its continued success to its expansion into more stores, including 40 Boot Barn stores and 830 Tractor Supply stores. "We were primarily focusing on farm stores and we noticed that Western stores also did well with the brand, so we started marketing more and selling more to Western stores," says Brian Goldenman, partner and director of sales and operations, Farm Boy/Farm Girl.

Bradford Licensing has restructured the Aspen brand, taking it from a high-end apparel brand into a more affordable and eco-friendly

active lifestyle brand. "Licensed apparel offers a distinctive lifestyle that consumers are not a part of otherwise," says Michelle Minieri, president of Bradford Licensing. "We offer the luxurious lifestyle that is attached to the Aspen brand image and pass that along to the mid-tier consumer. They then can act as a part of the larger community that they previously were not able to afford."

Wal-Mart has become the go-to retailer for many brands as of late. CopCorp placed the It's Happy Bunny brand into Wal-Mart "as more and more consumers headed to mass retailers to stretch their apparel dollars," says Carole Postal, CopCorp's president. Last year, CBS Consumer Products introduced an America's Next Top Model direct-to-retail program with Wal-Mart. Liz Kalodner, executive vice-president and general manager, CBS Consumer Products, says that the line, which targets 12-24-year-old females, "makes fashion accessible but celebrates the uniqueness of each young woman."

Making fashion accessible is something that Target has been doing for several years through its GO International program. Target teams with fashion designers to produce limited-edition lines of fashion-forward clothing at affordable prices. "Designers partnering for mid-tier and other channels of distribution other than high-end continues to be really important to most retailers," says Lisa Reiner, senior vice-president of brand management, The Beanstalk Group. She also mentions last fall's partnership between H&M and Comme des Garçons and Vera



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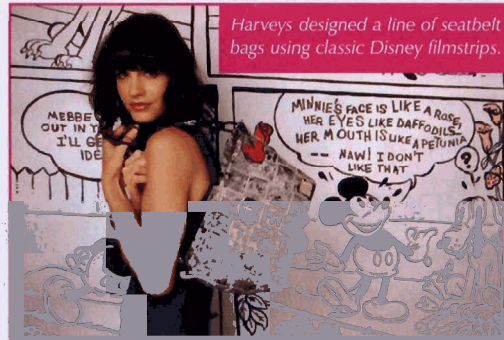
Wang's ongoing partnership with Kohl's. Celebrities such as LL Cool J, who partnered with Sears for apparel, are also entering the mid-tier and mass-market arena. These days, when consumers shop for their favorite brands, they also want those brands to be within their price range.

### KEEPING IT COOL

However, there is a second part to licensed apparel that must be met. Selling at lower price points and in more mass-market stores will not attract consumers if the apparel itself doesn't properly reflect the brand or today's trends. "The most important thing is to really understand what fans will want from that property and tailor your program accordingly," says Virginia King, vice-president, U.S. licensing, Twentieth Century Fox Licensing and Merchandising.

The whole purpose of licensed apparel is to extend the experience a consumer has with a favorite brand. "Whether it's sports, fashion, music, or a character, branded clothing resonates with consumers and motivates purchasing," says Roz Nowicki, executive vice-president, licensing and marketing, 4Kids Entertainment. "These products provide comfort, good feelings, and make a statement about who consumers are or what they believe in." Creating products that don't resonate with consumers will cause them to pass up apparel for something else. With the competition among brands so high right now, the last thing licensors, licensees, and retailers want is a product that doesn't sell. "We're being more choosy about the licenses that we get because of the climate out there," says Randi Kagan Spieker, vice-president of marketing and licensing for JEM Sportswear. "We want them to be good, strong partnerships."

What will make a strong licensed apparel program? Number one, the brand has to be translated well and the apparel must exemplify its message or its artwork. Secondly, because this is fashion, the apparel has to be fashionable. Bold prints are very popular right now in the fashion world, as are a variety of embellishments—studs, rhinestones, jewels implemented onto the shirt. Kagan Spieker says that JEM Sportswear is



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using specialty washes, specialty printing techniques, and embellishments on its line of Bruce Springsteen tees for licensor Live Nation—all to keep consumers looking trendy when they showcase their love for The Boss.

For the Disney Couture line, which focuses on classic Disney characters, trends and fashion come first and "then we try to weave the story in with our characters in a wink to be contemporary," says

Stephen Teglas, vice-president/general manager, home and fashion, Disney Consumer Products. Disney's Bloc 28 line; baseball caps from New Era feature street artists' interpretations of Mickey Mouse, but also blend fashion with the use of a silk lining inside the caps. Harveys, the company that designed the original seatbelt bag, used classic Disney filmstrips in an assortment of seatbelt bags. Innovation not only in product design but also in how Mickey and other characters are used will attract consumers who are looking for something new and different.

### THE MAGIC OF APPAREL

New graphic packages featuring new logos for Pepsi and Mountain Dew give the brands a refreshed push for 2009, but The Joester Loria Group (TJLG), which represents the brands, is still entering the new year cautiously. "Consumers are cutting their discretionary spending and generally buying less," says Debra Joester, president of TJLG. "Based on recent retail results, apparel sales have significantly declined, and with closets full of clothing, it is one of the easier discretionary spending cuts."

At MAGIC, being held at The Las Vegas Convention Center & Las Vegas Hilton February 17–19, the conversation over what consumers want to buy and if they will buy at all will be a big focus. Some feel that consumers will still buy licensed apparel. Others are using 2009 as a year of testing. TJLG will support existing programs while developing new projects for introduction in 2010 when the market is more robust. "We are looking forward to see what happens at MAGIC," she says, "and expect to see improved confidence by February that may impact fall 2009 and provide renewed opportunities in spring 2010."