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Sportswear/Men's



Well Suited

Men don't have to be tightwads to see the value in a suit retailing for \$600 or less — and given the economy, more and more of them are buying suits at that price point. "We've definitely seen a large increase [at this price] over the past few years in both branded and private label merchandise," said Ron Wurtzburger, president of Peerless Clothing International. Suits at more than \$600 retail, meanwhile, are suffering as consumers tighten their belts. And the trend is expected to continue until the economy picks up. For more on tailored clothing at moderate prices, see pages 6 and 7.

Tailor-Made for China: Levi's Targets Market With Denizen Rollout

By WWD Staff

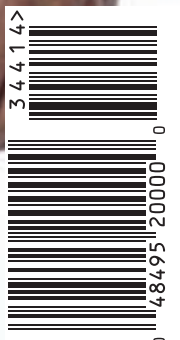
SHANGHAI — Levi Strauss & Co. is embarking on an aggressive expansion in China this year with the launch of a global brand targeting the youthful emerging middle class in the world's fastest-growing economy.

The brand, named Denizen, is a first for Levi Strauss, the iconic purveyor of Americana that introduced jeans in the U.S. in 1837. It is rolling out in China, Singapore and South Korea with 50 stores by the end of the year, marking the first time the company has started a brand outside the U.S.

Aaron Boey, president of the Asia-Pacific division of Levi Strauss, said during the runway launch here that the China market is crucial for the San Francisco-based denim giant.

See **Levi's**, Page 4

DKNY's wool suit, \$595, and Tallia Orange's cotton shirt, \$69.50. Robert Talbott tie, \$135; The Tie Bar tie bar, \$15; Nautica belt, \$40.



Men's

Ben Sherman's wool suit, \$495, and Nautica's cotton shirt, \$59.50. Robert Talbott tie, \$135; Ralph Lauren belt, \$175; Imperial pocket square, \$39.

Suit Smart



Tommy Hilfiger's wool jacket, \$375; vest, \$95, and pants, \$120, and Izod's cotton and polyester shirt, \$42.50. Polo Ralph Lauren tie, \$115; Ralph Lauren belt, \$175; Calvin Klein shoes, \$140.



Tallia Orange's wool suit, \$395, and Boss Black's cotton shirt, \$95. Nautica tie, \$45, and belt, \$40; The Tie Bar tie bar, \$15.

Photos by Eli Schmidt
Styled by Alex Badia

Prime Target: Value-Priced Suits

Jean E. Palmieri

THERE'S A NEW SWEET SPOT IN THE MEN'S SUIT MARKET.

With their popularity bolstered by the lingering recession, branded and private label offerings hovering in the \$500 retail range are continuing to gain traction.

"The \$495 suit has become a meaningful price point," said Jim Ammeen, president and chief executive officer of Neema Clothing Ltd.

"We've definitely seen a large increase [at this price] over the past few years in both branded and private label merchandise," said Ron Wurtzburger, president of Peerless Clothing International.

Brands such as Calvin Klein, DKNY, Lauren by Ralph Lauren and Haspel — strong names in the consumer's mind — are among those getting a boost during these tough times. "Lauren and Calvin have gotten the biggest play," Wurtzburger said of the labels he manufactures, "followed by DKNY. But there's not one brand that we produce that hasn't shown growth over the past three years."

Ammeen said Haspel, which is undergoing a revitalization campaign under his company's oversight, along with the BCBG and Emanuel Ungaro brands, has garnered more consumer attention. "And we think that will continue for the foreseeable future — at least for the next year or two," he said.

The men's suit market overall continues to feel the impact of the economic malaise that just won't release its grip on the U.S. According to The NPD Group, overall suit sales in department stores dropped 10 percent in

July 2010 compared with 2009 — and that was on top of a 24 percent decline in 2009 versus 2008. But suits that retail for less than \$500 still account for a larger share of the business — 28.5 percent of all suits sold in that channel in the past year. In contrast, suits retailing for more than \$500 accounted for 18.1 percent of sales this year.

Looking back at the two prior years — at the height of the recession — the market share for suits selling for less than \$500 is even more dramatic. In July 2008, they accounted for 29.8 percent of all suits sold, and in July 2009 that number had risen to 31.2 percent.

During those same years, NPD reported, suits selling for more than \$500 lost more ground. In July 2008, they accounted for 21 percent of the market, but by the summer of 2009 that had dropped to 16.8 percent — indicating that men who were still buying suits were buying cheaper ones.

Marshal Cohen, chief industry analyst for NPD, said that even though the inexpensive suit market may have lost some ground in the past year, he attributed that in large part to the fickle young men's customer. "Young men were buying suits as a fashion trend," he said. "But that has changed. It's not so much 'Mad Men' anymore. Now they're back to staple items, wearing sport jackets, T-shirts and hats."

Nevertheless, Cohen expects suit sales to increase as fall's cool temperatures approach and men realize they need "to return to wearing a suit to hold onto their jobs."

One retailer that may benefit from that change in mind-set is H&M.

Nicole Christie, a spokeswoman for the Swedish fast-fashion retailer, said the chain has seen steady growth in its men's suit business over the past two years. "Our average price for a full suit is \$249. In suit separates, blazers are priced at \$129 and trousers are priced at \$49.95. The popularity of the blazer as a separate has increased. We have maintained our average pricing on our suits over the past few years, and we find that our customers appreciate the high level of quality and fit that we offer at these price points."

Christie said the stores' most popular model is the slim fit — and that lightweight year-round woolens are the top fabric choice.

Ammeen said retailers that had previously sold suits with an opening price point of \$695 to \$795 have now lowered their offerings to the \$595-or-below range. "Other retailers will bring in product in the \$499 or \$399 zone or do promotional deals where you buy two suits for \$399," he said. "There's no question this is an active zone. That market has always been there, but when the bottom fell out of the business in 2008, it opened the door a little wider."

Ammeen said the younger customer who might have reached for a suit selling for \$600 to \$700 before the recession is the one driving the \$500-or-less market now. "A couple of hundred bucks makes a big difference these days," he said.

He doesn't expect the situation to change anytime soon. "It'll inch up eventually, but not right away," Ammeen said. "We need less uncertainty in the economy to see a major trade-up."

Wurtzburger agrees. "The \$500-and-under guy can't go to \$600," he said.

However, for many suit manufacturers, keeping price points below the magic \$495 retail price may get harder next year when they're slammed by rising costs on both the material and production ends.

"It's a domino effect," Wurtzburger said. He projected that wholesale costs will increase by 5 to 10 percent as the market is hit by higher raw material, production and transportation costs.

"There's no way to be able to escape it," he added.

Wurtzburger said men's tailored-clothing prices haven't risen in at least eight years, so some price increases are inevitable. Nevertheless, he's confident that he'll be able to hit a \$500-and-under price point for some styles within his company's moderately priced brands. "The big companies have an advantage because we can get better deals, so we'll be able to maintain those prices," he said.



Perry Ellis' wool jacket, \$175, and pants, \$69.50, and Calvin Klein's cotton shirt, \$49.50. Tommy Hilfiger tie, \$49.50; The Tie Bar tie bar, \$15; Imperial pocket square, \$39.

Etiqueta Negra's wool suit, \$600, and Calvin Klein's cotton shirt, \$49.50. John Varvatos tie, \$125; The Tie Bar tie bar, \$15; Nautica belt, \$40.

Calvin Klein's wool and polyester suit, \$595, and Van Heusen's cotton and polyester shirt, \$40. Robert Talbott tie, \$135; The Tie Bar tie bar, \$15; Imperial pocket square, \$39; Nautica belt, \$40; Calvin Klein shoes, \$140. ▶

MODEL: STEVE GOLD/MAJOR; HAIR AND GROOMING BY ANNA BERNABE FOR REDKEN AND CLINIQUE; FASHION ASSISTANT: LUIS CAMPUZANO; FASHION INTERN: HEATHER EVITTS AND MADISON MOORE