

Greenspan Warns on China Tariffs

Bv Kristi Ellis

WASHINGTON Federal Reserve Board chairman Alan Greenspan warned Congress Thursday that imposing tariffs on Chinese imports would have a negative impact on the U.S. economy and pressuring China for a more flexible exchange rate would not boost manufacturing and jobs.

Greenspan, appearing before the Senate Finance Committee, clashed on monetary policy with Treasury Secretary John Snow, who also testified. Snow agreed that trade sanctions would be a mistake.

The Fed chief engaged in tense exchanges with senators who said China's trading practices have driven up the U.S. China trade deficit and decimated the manufacturing base.

"Some observers mistakenly believe that a marked increase in the exchange value of the Chinese [yuan] relative to the U.S. dollar would significantly increase manufacturing activity and jobs in the United States, Greenspan said. "I am aware of no credible evidence that supports such a conclusion.

China has maintained an exchange rate of 8.28 yuan to \$1 since 1995. U.S. manufacturers and many lawmakers charge

that China artificially undervalues the yuan, lowering prices of exports by as much as 40 percent and putting U.S. companies at a competitive disadvantage.

Greenspan said should continue moving toward a more flexible exchange rate because it would be "helpful to China's economic stability and hence to world and U.S. economic growth."

Snow took a harsher view, telling the committee, "If current trends continue without substantial alteration, China's policies will likely meet the technical requirements of the statute for designation" as a "currency manipulator," which might lead to World Trade Organization sanctions.

Sen. Jim Bunning (R., Ky.) asked Snow why China doesn't already meet the requirements of being a currency manipulator.

"It is only recently that we concluded that progress in China with respect to its banking system and financial institutions, and modernization of the way its financial infrastructure works, achieved sufficient robustness that it could accommodate flexibility," Snow replied.

"It's time for them to move and we've made it clear in no uncertain terms that it's time

for them to move," Snow said of the Chinese

Bunning responded, "I hope the Congress of the United States doesn't have to force you to make that move."

Greenspan and Snow said several legislative proposals for sanctions against China's trading practices would be "counterproductive." Congress is reviewing six bills that would impose sanctions or change U.S. laws to allow companies to file countervailing duty cases against China if it doesn't reform its currency policy.

One measure discussed at the hearing, sponsored by Sens. Charles Schumer (D., N.Y.) and Lindsey Graham (R., S.C.), would mandate an across-theboard tariff of 27.5 percent on Chinese imports if the yuan isn't revalued over a set period of time.

"After years of inaction, we are frustrated," said Schumer, who said failing to convince China to "play by the rules of the game" will lead to a "withering away" of global support for free trade.

Greenspan said, "The problem with putting a tariff of 27.5 percent at the end of the process...is that if it ever gets implemented...the consequences will be extraordinarily negative.

BEALITY: A fragrance celebrity bonanza is shaping up for fall with the launches of Fantasy Britney Spears and Live Jennifer Lopez

Fed chairman Alan Greenspan told Congress that imposing tariffs on Chinese imports would hurt the economy, but many senators disagreed.

A former factory owner in American Samoa was sentenced to 40 years in prison for holding Chinese and Vietnamese workers in forced servitude.

SUZY: Looking at the giddy social scene in London First Niece Lauren Bush is celebrating her 21st birthday tonight with a buffet supper at 21, naturally.

EYE: The DeBeers LV store opening party was met by protesters, including Gloria Steinem, complaining about how the diamonds were mined.

Avon Products has named former Stila executive Claudia Poccia president of its young-spirited Mark brand, a post vacant since January

Mulberry, the British accessories and ready-to-wear brand, saw profits blossom to \$3.6 million for the year, propelled by sales of leather bags.

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

44The really wonderful thing about it

one will read it. He worked his whole

life just to get to the point where he

- Ron Galotti

had the time to write a book."

is. since it's Steve Florio's book. no

Ouote of the Week

Vendor Group Meets on Chargebacks

NEW YORK — Vendors have followed through on a promise and formed a coalition to work with retailers on key business practices

cially chargebacks.

The group met for the first time Thursday at the Phillips Nizer law firm in Manhattan, said Donald Kreindler, a lawyer at the firm. However, Kreindler declined to name those who attended, citing the coalition's agreement that meetings and the identities of those involved stay confidential.

"We had a very encouraging and positive first meeting," Kreindler said. He described the meeting room as "overflowing."

Kreindler said the group named itself the "Vendor Coalition for Equitable Retailer Practices." The mission is to create a better partnership with the retail community so both retailers and their vendors can make a fair profit," he said.

Four guiding principles of the organization were established: Educating the vendor community and retailers about the applicable laws governing their relationship; developing, in partnership with retailers, practices that are more fair and equitable to both sides of the business partnership; recognizing that retailers need to be viewed as partners, not adversaries, and acknowledging that the organization represents the vendor community. not individual vendors.

The movement to organize a vendor group gathered force

after Saks Inc. disclosed issues surrounding markdown allowances for the bridge collec-tion of its Saks Fifth Avenue division. As a result, Saks said in March it would need to restate its financial statements for certain periods. The retailer has since widened its internal investigation to include chargebacks. It also is reviewing whether related accounting issues at its Saks Fifth Avenue unit extend to categories be-

yond the bridge area.

Kreindler said that the coalition represents all vendors, not just those in a particular merchandise category, and that a key goal is to address the "grossly abusive practices by some, but not all, retailers

- Vicki M. Young

• INTERMIX HITS SOUTHAMPTON: Intermix is to open its first store in the Hamptons today, a 3,600-square-foot boutique at 64 Main Street in Southampton, N.Y. The chain's ninth location was designed by Manhattan-based L.E.F.T. Design and incorporates an innovative racking system with custom-made tubular fixtures crafted by Lee Irvine, a Brooklyn sculpture artist. The store will carry some 60 collections, ranging from footwear to apparel, with exclusive collections from Chloé, Circle by Mara Hoffman, Manoush and Zimmerman. Intermix will open its 10th unit in Manhattan's SoHo in August. The 4,000-square-foot store at 98 Prince Street will be the company's flagship.

 \bullet RITE AID PROFIT SLIPS: Rite Aid Corp.'s first-quarter profits fell amid disappointing pharmacy sales as the drugstore chain on Thursday also lowered guidance for fiscal year 2006. For the three months ended May 28, net income fell 47.5 percent to \$33.4 million, or 4 cents a diluted share, from \$63.7 million, or 10 cents, in the same year-ago quarter. Revenues inched down by 0.5 percent to \$4.22 billion from \$4.24 billion. Same-store sales dipped 0.3 percent, reflecting a 1.2 percent decline in pharmacy comps that was offset by a 1.4 percent gain in front-end comps. The firm lowered guidance for fiscal year 2006, with sales expected in the range of \$17.1 billion and \$17.4 billion.

Human Trafficker Gets 40 Years

WASHINGTON — The former owner of a garment factory in American Samoa was sentenced Wednesday to 40 years in prison for holding more than 200 Chinese and Vietnamese workers in forced servitude, closing the biggest human-trafficking case brought by the U.S. Justice Department.

Kil Soo Lee was charged in 2001 in connection with conditions at the Daewoosa plant and convicted in 2003 in federal court in Hawaii, which has jurisdiction over Samoa, a U.S. territory. A manager and a garment worker at the factory pleaded guilty to trafficking charges and were sentenced last year, receiving 70 months and 51 months, respectively.

"Human trafficking is a moral evil that is nothing less than modern-day slavery," Attorney General Alberto Gonzales said in a statement Thursday. "The Department of Justice will continue to pursue and prosecute all those who attempt to profit from human suffering.

The workers paid fees of \$5,000 to \$8,000 to work at Daewoosa and some were recruited through state-owned labor-export companies in Vietnam. J.C. Penney was one of the U.S. stores that bought goods made at Daewoosa, A spokesman said the company returned the merchandise and cut off orders from their third-party supplier when the situation was disclosed.

After months of laboring in poor conditions and with little pay, the workers complained in March 1999 and tried to get food from local residents, according to the Justice Department. Lee retaliated with food deprivation and beatings that continued through November 2000. The government seized the factory.

— Evan Clark

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London Calling • Weekend With the Wards • Bush Bash



By Aileen Mehle

The giddy social scene in London at the moment might as well be a combination of New York, Palm Beach and Beverly Hills manqué. The international out-everynighters have just switched continents for

the season. It is the perfect time to be there and all those lucky people you know and love are taking advantage of it, crowding the marvelous little restaurants and clubs that London is famous for. A few of these swells are even picking up British accents. Again. And all is fun and frolic.

You are guaranteed to see the smart set having the time of their lives — almost — at such famous watering holes where the elite meet to eat as Annabel's, Harry's Bar, Mark's and the private club George. There is a distinctive ambience to all these cunning little spots, chic to swoon, that you don't find in restaurants in New York. Maybe it's because **Mark Birley**, London's aristocratic restaurateur, is the creator of all of them.

Then, of course, the fine-feathered friends of the Prince of Wales Foundation, one of Prince Charles' favorite charities with headquarters in Washington, D.C., have all been in town celebrating.

The crowd spent the weekend at Lucknam Park, an

absolutely beautiful old manor house built in 1720. Lucknam has now been converted into a luxury country hotel with 41 bedrooms and naturally 21st-century amenities. A two-hour drive from London, it sits on 500 acres practically covered in birch and lime trees.

Back in London-town, Tom Quick, the New York and Palm Beach philanthropist-entrepreneur was entertaining the *beau monde* at a big dinner party at that perfectly darling and so-cozy club, George. Dear Tom rounded up some of the luminous London locals plus such folks "from the Colonies" as the present **Winston Churchill** insists on calling them. Dear Winston, who has been lecturing at what seems like hundreds of venues all over, was there with his wife, Luce, along with such worthies as the Duchess of Marlborough (she will always be Rosita to us), Pauline Pitt, who's staying at Kathy Forbes' Belgravia flat,

Astrid and Kip Forbes, Deborah Norville and Karl Wellner,



Hilary and Wilbur L. Ross, Joanne and Roberto de Guardiola, Liz and Peter Ward, the just-married Amelia and Jeremy Ward, Dina and Brad Martin, Carol Mack, in from Finland where her husband, Earle, is our ambassador, and the one-and-only thrillingly handsome Duncan McLaren, who along with Robert the Bruce is the man who made Scotland famous. Oh, he did, too.

Yes, it was one of the most glorious weekends in England when Liz and Peter Ward gave a glorious dinner dance at their magnificent house, Cornwell Manor, one of the most beautiful houses in the country, standing on 300 acres. Most of the guests were British and they all agreed it was one of the most beautiful parties they had been to in years. The black-tie affair was for their son **Jeremy** and his wife, **Amelia**, to celebrate their recent wedding anniversary. At the four-day celebration with guests arriving from all over the world, Liz Ward arranged for her out-of-town guests to stay with friends in nearby country houses. They celebrated again with a big lunch at Daylesford, again one of the most famous country houses of song and story. And **Sir Anthony** and **Lady Bamford** gave still another lunch for 100, again at magnificent Daylesford, which they own.

There were 300 guests at the Wards' dinner dance held in a great white tent in the gardens, decorated with a dark blue ceiling and twinkling star-like lights. The guests dined on spring lamb from the Wards' estate and danced to the music of Fret Monkey. Among the guests was the Countess of Dudley (she will always be Grace to us), Arriana and Dixon Boardman, Nicky Haslam, Viscount and



Viscountess Linley (they will always be David and Serena to us), **Hilary Pilkington**, **Bluey Mavrolean**, the **Marchioness of Northampton** and others too overcome by it all to mention.

Lauren Bush, the niece of President Bush, an Elite model and a student at Princeton, is celebrating her 21st birthday with a buffet supper in the upstairs private $\,$ dining room of 21 tonight. The room will be done up in a black-and-white theme with masses of white peonies and black ostrich plumes on view. The party will also mark the 16th birthday of her little sister, **Ashley Bush**, who goes to high school in Houston and who will spend the summer in New York studying acting at the Lee Strasberg Institute. Their Mommy, Sharon Bush, is giving the party and has asked everyone to come in Twenties-inspired cocktail attire, Sharon herself will wear a black period dress by Chanel. Lauren's choice is an ivory vintage sleeveless sheer silk knee-length sheath, while Ashley will wear a vintage silver-sequined flapper number. Of course, Lauren's beau, David Lauren, Ralph and Ricky Lauren's handsome son, and Sharon's beau will be there. Lauren and Ashley will blow out the candles on their favorite ice-cream cake while the guests sip champagne and sing happy birthday to the two young beauties, La!

Rock Stars



NEW YORK — "Shame on you people. Why are you doing this? People are dying in Botswana!" yelled one of the 15 protesters standing on 55th Street and Fifth Avenue, across the street from where the De Beers LV store opening party was taking place.

"I feel like I should bring them lemonade or something," said Alvce Alston, the new chief executive officer of De Beers USA, "How would that go over, me being the **Martha Stewart** of De Beers'

No thanks, was the essential response that came from Gloria Steinem, who made a guest appearance at the protest, wearing a black-and-white poncho and holding onto a placard with a photograph of a naked African man that read "The Bushmen aren't forever."

The Kwei people had been living in their very learned and balanced way for 50,000 years before De Beers began supporting their removal from the lands to camps that are unspeakable," Steinem said. "If people knew what was going on in Botswana, they would not be attending this party.'

It didn't appear partygoers were paying much attention to the

protest outside, as **Lindsay Lohan** was on the inside. The teen starlet was flitting around in a fuchsia Roland Mouret dress with an army of security people and press handlers

Asked if the Kwei people should be allowed to remain on their land, the "Herbie: Fully Loaded" star, trying on a gigantic diamond pendant barked, "I have no comment on that." Lohan looked to her publicist for approval.

Then, Kathy and Rick Hilton walked in and made a beeline for her. Hilton was wearing a pair of mammoth diamond earrings. Had she been concerned about where the diamonds came from?

"Um, no, I hadn't thought about that when these were given to me as a gift," she emphasized.

She then began to talk about her new reality show.

Soon after, **Teri Hatcher** showed up in a blush Versace dress. As the very peaceful protesters began to disperse, a minidisaster of another sort occurred when singer Vanessa Carlton arrived and it turned out she had no loaner jewelry. Publicists for the event then shuttled some baubles to her car, where she remained for at least 20 minutes trying them on. She emerged with a respectable rock on her finger. When did she get that gorgeous ring? "About five seconds ago," she cooed, "but I'm hoping to wear it for longer than that.'

- Jacob Bernstein



Uma Thurman.

Tag Heuer.









Fashion Scoops

DRESSED FOR SUCCESS: Tom Cruise appears to be obsessed with something other than **Katie Holmes**. In his new flick, "War of the Worlds," which arrives in theaters Wednesday, Cruise wears Paper Denim & Cloth GT001 jeans throughout. In fact, 200 pairs of the jeans were sent to Cruise while filming. He is said to have liked the jeans so much that he placed an even bigger order for his role in "Mission: Impossible III," slated for release next year. Cruise wannabes can get their own pair of GT001

jeans at Barneys New York or Bloomingdale's, where they retail for \$182

DIAMOND FICTION: For an actress, timing is everything. "I'm obsessed with punctuality," said **Uma Thurman** at the George V Four Seasons hotel in Paris, where she was making her debut Thursday as the new face for timepiece brand Tag Heuer. In the role, she joins golf pro Tiger Woods and tennis diva Maria Sharapova. can't believe I actually convinced Tag Heuer that I could be an athlete," quipped Thurman. "It was like receiving the bronze." At the event, she sported the brand's square case watch dripping with diamonds, called Diamond Fiction. Could "Kill Time" be in production?



designers and board members of the Council of Fashion Designers of America held a fund-raising auction Wednesday night titled, "Style & Sound: A Case for a Cause," to benefit the Fashion Targets Breast Cancer charity. Fourteen designers created their own iPod cases (to be auctioned with an iPod) and teamed with an A-List partner to create the corresponding playlist. The designing duos included Ecko and Mary J. Blige; Max Azria and Brittany Murphy; Carmen Marc Valvo and Vanessa Williams, and Sean Combs as designer of both the case and the playlist. "This can be the biggest fundraising event for the CFDA," said Ecko, who, as the youngest CFDA member, wanted to create a project that combined style, music and fashion. Valvo's iPod and case was auctioned for \$600. The auction raised more

than \$20,000 but will continue to raise funds, as Ecko created a case that will be sold exclusively in Apple stores for \$24.99. All proceeds will go to Fashion Targets Breast Cancer

STARS AND STRIPES: Mariah Carey will supply the soundtrack for this year's Macy's Fourth of July fireworks spectacular in New York. Carey will have the spotlight to herself because this is the first year the show will feature just one musical performer. Carey's latest album, "The Emancipation of Mimi," has gone double platinum, securing Carey her spot as the most successful female recording artist of all time.

The Beautv Report

J.Lo vs. Britney: Leave It to the Divas

Continued from page one celebrity who blew out \$30 million worth of her first fragrance in a mere three months last fall, earning her number-one launch props.

Spears' sophomore effort, Fantasy Britney Spears (see related story on opposite page), and Lopez's fourth scent, Live Jennifer Lopez (see related story on opposite page), are both being hotly anticipated by department store retailers, most of whom credit the duo with drawing in a younger consumer who previously had not shopped at department store fragrance counters, and luring lapsed shoppers back

While Lopez's first fragrance had drawn skepticism before its launch, its naysayers were soundly rebuffed by the results — and hordes of fragrance companies rushed to sign their own celebrity deals. The field currently includes, among others, Coty's stable for its Lancaster and Coty divisions — Lopez, Sarah Jessica Parker, Kimora Lee Simmons, Shania Twain, David and Victoria

Beckham, Mary-Kate and Ashley Olsen and Celine Dion — Elizabeth Arden's Spears deal; the Estée Lauder Cos.' agreements with Enrique Iglesias, Beyoncé Knowles and Donald Trump; Parlux's deal with Paris Hilton, and Alan Cumming's deal with Christopher Brosius.

"My feeling is that this trend is going to last as long as celebrities do - I don't see it ending, only accelerating," said David Wolfe, creative director for Doneger Creative Services. "Anybody who crosses the celebrity radar is in a viable position these days to do a fragrance, given the public's overwhelming appetite for stars. What it's saying is that the consumer has no sense of self-identity. The same thing is happening in apparel - everyone wants the style of a celebrity.'

But how long does a star brand stay on top? While Glow by JLo did \$100 million globally its first year, sales have cooled. Lancaster, Lopez's fra-

grance licensee, has kept the afterglow going by launching a raft of other Lopez-backed projects, including Still Jennifer Lopez, a scent intended for slightly older consumers, in October 2003, and Miami Glow, a flanker to Glow by JLo, this past February. They've also expanded the franchise with limited-edition color cosmet ics kits, launched last year, and a body care line tied to the Glow by JLo franchise, launched in May 2004.

In February, Bernd Beetz, chief executive of Coty, Lancaster's parent company, conceded that, during the life cycle of celebrity brands, there are "certain phases" that fluctuate on a global basis. He acknowledged that, for instance, Glow by JLo is no longer doing \$100 million a year: "It's in year four and it's generated the launches of other products," he said at the time. "It's a brand which continues to have global appeal." Lopez's license remains Lancaster's second-largest fragrance license; its largest is Davidoff.

Executives at Arden, Spears' fragrance licensee, don't deny that they're looking to create a stable of Spears-branded products and, in fact, structured the initial deal so that Spears was locked in for skin care and color cosmetics, not just fragrances.

The laws of declining returns are something that E. Scott Beattie, chairman and

ceo of Elizabeth Arden, frankly acknowledged during the launch interview for

Fantasy Britney Spears. "The reality in the U.S. market is that you have a great launch, and then it stabilizes," said Beattie. "The trick is to stabilize the business, but not to lose it. We're doing that with the Britney Spears business by growing it internationally as well as sustaining our [advertising and promotional] spending against both of the brands.'

Both brands also are paying close attention to where their target consumers are spending their time — notably, with their mobile phones and their computers. Beattie and his team employed interactive Web site banners, e-mail blasts, text messages and voice-mail messages from Spears at Curious' launch, and will do the same for Fantasy, Over at Lancaster, a number of Internet initiatives are planned for Live Jennifer Lopez's launch, including an interactive dancing game.

"One thing we've learned [with Jennifer and our other celebrity licenses] is that the concept has to be one that many people like, and it has to be bigger than the

name of the celebrity," said Catherine Walsh, senior vice president of cosmetics and American licenses for Lancaster Group Worldwide, during the launch interview for Live Jennifer Lopez. "Take Glow. We called it that for a reason — among them, the suggestion that the scent would give you Jennifer's glow."

There's a reason for the continual addition to celebrity scent empires, Wolfe believes. "It's all about this constant need for reinvention," he said. "There has to be a new J.Lo scent every six months because there has to be a new J.Lo every six months.

For better or for worse, say many, this is a trend that has deep roots.

"The trend for celebrity fragrances can be traced to a confluence of factors, namely, the consumer mind-set, the current state of the fragrance industry and the goals of celebrities themselves," said Daniel Rachmanis, president of fine fragrances Americas at Firmenich. "Each of these three elements is contributing to the wave of successful celebrity brands,

and all three appear to be here to stay. Consumers right now are ravenous for celebrity information — and celebrities have become 360 degree brands, with an unprecedented number of magazine titles, television shows, Web sites and other media exclusively devoted to celebrity news and lifestyle content.

"Fragrance is another medium for experiencing a connection to a beloved celebrity; at a time when the pace of new fragrance launches has never been more frenetic, celebrity brands help cut through the clutter at counter," continued Rachmanis. "Furthermore, celebrity awareness and appeal crosses international borders in an especially evocative way, with a clarity that transcends conceptual or olfactive appeal alone. But we couldn't do this without the enthusiastic participation of the celebrities, and this is something relatively new to the marketplace. Until recently, many A-list movie stars, musicians and sports figures were only willing to become the face of a brand outside their primary markets. Today, so many celebrities are supporting brands, it's just become an accepted business practice. This is not likely to change anytime soon.

But who will win the Spears-Lopez showdown? Only the market will tell, although Wolfe thinks he knows

"Jennifer," he cracked. "Have you seen 'Monster-in-Law'? She's tough!"







Mercier's Passion for Amber

NEW YORK - Laura Mercier's new fragrance, Ambre Passion, which launches in September, may be the makeup artist's third entry in the category, but she's calling it her first "true signature" scent.

"Amber is my favorite thing, it's been my favorite smell since I was like 16 years old," she said, adding that she discovered the scent in its absolute form, ambergris, during a trip to Morocco at that age. "I had a chance to smell the real amber stone," she said. "And I would use it on my skin, so the smell would marry with my skin's smell — it's sensual, so warm and

The fragrance itself is almost purely amber, from top to bottom note. A bit of geranium was added to give it an unexpected, unique twist, said Mercier. "It's a real, basic amber," she said. "A lot of perfumes have a base of amber but it's mixed up and surrounded by other things. This is a pure amber with just a little sparkle of geranium." Ambre Passion will be available at Mercier's distribution of 250 doors in the U.S. and globally and will retail for \$65 for a 1.7-oz. bottle. While executives would not comment on sales figures, it is expected to do up to \$1.5 million in first-year retail



Gurwitch added that a line of bath and body products featuring the Ambre Passion scent is a strong possibility in the future, depending on the success of the fragrance. "We probably will expand into body and bath if this has the success we think it will," she said.

- Brvn Kennv



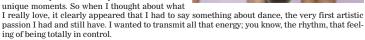
Lancaster Goes Live With J.Lo

By Julie Naughton

NEW YORK — For her fourth fragrance, pop icon Jennifer Lopez said she is looking to showcase a few facets that helped catapult her to stardom: among them, her vivacious energy and

"Live Jennifer Lopez is probably revealing the core of my inner being, more an attitude and a way to think," Lopez told WWD. Her fragrance portfolio includes Glow by JLo, launched in September 2002; Still Jennifer Lopez, launched in October 2003, and Miami Glow, launched this February. The new addition launches in October: "[I see it as] a complex and still changing, evolving spirit with a constancy that is the fast-paced living, sexy, vibrant energy I express through anything I commit to."

The plan to head back to her roots, so to speak, was hatched after the decision was made to launch a new Lopez scent project. "When we decided to do a new fragrance, we looked back to what we had already," said Lopez. "Glow by JLo is about natural beauty, skin, youth. Still Jennifer Lopez is more sophisticated and for unique moments. So when I thought about what



'This fragrance is really complementary of the previous ones," continued Lopez. "All of them are different, but at the same time, a facet of my personality. [For instance,] Glow was more about intimacy, while Still was about sophistication and glamour.

The successful Lopez franchise is Lancaster's second-largest after Davidoff, and Catherine Walsh, senior vice president of cosmetics and American licenses for Lancaster Group Worldwide, has every intention of making Live as large as its predecessors. "We feel, hands down, that this fragrance will be very trendsetting — it goes to the core of who Jennifer is, said Walsh, noting that the brand did significant consumer research among a large database of Lopez fans at its jenniferlopezbeauty.com site.

As far as age targets go, Walsh noted that they're somewhat fluid. "With Glow, we had positioned it at 18- to 24-year-olds, and we saw 14- and 15-year-olds buying it; for Miami Glow, it

441 had to say something about dance, the very first artistic passion I had and still have.77

— Jennifer Lopez

was the same thing. Still Jennifer Lopez we'd positioned for the 25-plus market, and 18-yearolds bought it. No matter what we do, [we] found that this brand is youthful. Hands down, it

starts around 18, but doesn't quite go to the 45-year-olds that Glow did at first."

Lancaster is aiming for a top-10 positioning with the scent. Walsh declined to give a dollar figure, although industry sources estimated that it could do \$20 million to \$25 million at retail in the U.S. in its first year on counter.

Live Jennifer Lopez, concocted by Lopez in cooperation with Dominique Ropion of

International Flavors and Fragrances, is an upbeat fruity floral. Top notes are of sparkling Sicilian lemon, vivacious Italian orange and juicy pineapple; a heart of fruity redcurrant, heady peony and piquant violet, and a drydown of caramel, tonka beans, vanilla and sandalwood.

The lineup will include eaux de parfum in two sizes, 1.7 oz. for \$39.50 and 3.4 oz. for \$49.50, as well as a 6.7-oz. shower gel for \$20 and a 6.7-oz. body lotion for \$25. In selected global markets the portfolio will also include a 1-oz. eau de parfum. This size will not be distributed in the U.S.

The faceted glass bottle, which has touches of purple, yellow and green, appears to change shades depending on which way it is turned, noted Charlotta Perlangeli, vice president of global marketing for the Jennifer Lopez brand at Lancaster Worldwide. Lancaster will reinforce that feeling of constant movement with spinning platform displays in store. The bottle

was designed by Lopez and Guy Williams.

The Lopez franchise is distributed in 60 countries, all of which will get Live Jennifer Lopez in October, with the exception of Austria, Switzerland and Germany. Those markets will get it

in spring 2006. In the U.S., it will be available in 2,200 U.S. department stores.

Outside of the U.S., the United Kingdom, Germany, Spain, Italy and the Netherlands are large markets for the brand, said Perlangeli. Australia and Japan are also significant, and

emerging markets for the Lopez oeuvre include China and Latin America, she added.

National print advertising, featuring an energetic Lopez dancing across the page, will break in November fashion, beauty and lifestyle magazines, added Perlangeli. It was shot by Jean-Baptiste Mondino. A TV campaign, the first the Lancaster team has ever done for the Lopez line, will begin running in early December. Also shot by Mondino and directed by

Select's Olivier van Doorne, it features Lopez in 5-inch stilettos, energetically dancing.
"The war chest behind this will be huge," promised Walsh. "We plan on making this almost like the rebirth of the brand." That war chest will include more than 18 million scented strips and 25 million blowins, as well as eight million vials and scented postcards. As well, added Perlangeli, the brand is working on a number of Internet initiatives for the launch, including an interactive dancing game that will debut on jenniferlopezbeauty.com. Video installations featuring Lopez are planned in department stores.

Now that Lopez is on fragrance number four, the question naturally arises — are there more scents in store for her franchise? "If the success goes on, why not," Lopez said. "I truly

enjoy developing fragrances and I have so many ideas that I'd like to explore."

Could one of those concepts include a men's scent for husband Marc Anthony? "One day, maybe," said Lopez, "but you know, before getting to a men's fragrance, I'd love really to build solid women's lines and to feel the right moment to develop a male fragrance.

A Fragrance Fantasy for Spears

NEW YORK — Britney Spears has gone from being Curious to having - and Elizabeth Arden executives hope that her fans will a Fantasy make the leap along with her.

The pop princess' sophomore fragrance, Fantasy Britney Spears, will hit U.S. department store counters in September, and will be bol-stered with advertising not only for Fantasy, but also with a new round of promotion for her initial effort, the best-selling Curious Britney Spears.

Curious is said to have done \$30 million at retail in its first three months on counter, and Elizabeth Arden, Spears' fragrance licensee, clearly has similar hopes for Fantasy. Arden chairman and chief executive officer E. Scott Beattie declined to comment on numbers, simply saying that he wants a number-one ranking for Fantasy and plans to make every effort to keep Curious in the top 10. A numberone ranking for Fantasy would put it in the \$30 million at retail range for the fall season, and to stay in the top 10, Curious will need to maintain retail sales of at least \$30 million for the year.

One way the brand will do that, noted Tamara Steele, senior vice president of marketing, fragrance for Elizabeth Arden, is to strongly differentiate the personality differences between the brands — and to spend heavily against both, running TV and print for both scents. None of the executives would comment on that budget, although it is said to be upward of \$15 million between the two.

"Our aim with Fantasy is to capture Britney in a new phase of her life," said Steele. "Curious was about taking chances, being rebellious, bold and young. Fantasy is more romantic and sexy. Now that Britney is married and starting a family, it's time for a more seductive, elusive fragrance. We're developing brand concepts that resonate with consumers.

The Fantasy juice, developed by Ann Gottlieb and Givaudan, has top

notes of red lychee, golden quince and exotic kiwi; a heart of cupcake accord, jasmine petals and white chocolate orchid, and a drydown of creamy musk, orris root and sensual woods.

Its bottle, designed by Jean Antretter, is a fuchsia orb studded with pale green Swarovski crystals, with a neck of interlocking rings meant to symbolize the pursuit of everlasting love and a cap of transparent fuchsia

Fantasy will be available in 1,800 U.S. department store doors in September. The target market for the scent is 18- to 30vear-olds, although Steele is quick to point out that the brand has fans "well into their 30s." The Fantasy collection will

consist of eaux de parfum in two sizes, 1.7 oz. for \$45 and 3.3 oz. for \$55. Ancillaries, available in

October, are a 6.8-oz. Body Soufflé, \$25, and ColorKit, a limited-edition color cosmetics palette that will retail for \$25.

TV ads for Fantasy will break first at launch, run for five weeks

and return for the holiday selling season, said Steele. In between TV flights, the company will run print advertising, which will break in November fashion, beauty and lifestyle magazines.

In addition to what he terms "traditional venues," Beattie is turning back to one of the strategies that he feels was a key element in the blockbuster success of Curious: a viral Internet campaign. "What resonated with us, both for Curious and now for Fantasy, is that you can't just reach this demographic in a traditional way, because they're not shopping in the same ways that consumers have in the past, and they're not reading the same media as the traditional fragrance consumer.

Instead, said Beattie, this age group lives on the Internet and text-messages constantly, and for the launch of Curious, both strategies were employed. Beattie said that similar strategies are planned for the launch of Fantasy, although he declined to offer specifics, citing competitive concerns.

When Curious launched, Arden previewed the TV ad on its Web site. Curious consumers "crashed our server three times, they were so anxious to see what was going on," said Ron Rolleston, executive vice president of global marketing for Elizabeth Arden, who said that the campaign was being downloaded 500,000 times a day during that period.

We reached millions of people that way, and created a pent-up demand," said Beattie, who plans to repeat the strategy with the new launch. "The great thing is that the Internet strategy complements the traditional advertising vehicles. It's a much more effective way to

leverage the ad spend, and the two reinforce each other."

Going forward, said Beattie, "Our objective is to build a family of products, an entire beauty franchise around Britney Spears." While the deal that Arden signed with Spears allows for the possibility of separate color cosmetics and skin care lines, Beattie noted that nei-



occia Recruited to Head Mark

By Molly Prior

NEW YORK - Avon Products has named former Stila executive Claudia Poccia president of its young-spirited Mark brand, a post that has remained vacant since Deborah Fine left the company in January to join Limited Brands as chief executive officer of Pink.

Avon's chairman and chief executive officer Andrea Jung said the selection of Poccia, 'speaks volumes about Avon's commitment to Mark." She added that Poccia is the right leader to build the next generation of Avon consumers.

Poccia previously served as senior vice president and general manager of Stila Cosmetics, owned by The Estée Lauder Cos. She will begin her new role Nov. 1 and report to Brian C.

Connolly, executive vice president and president of Avon North America.

The pair worked together in the early Nineties when Poccia served as Avon's field director of marketing. "She was a superstar even then," said Connolly, "What she's done at Stila has been aspirational," referring to the impact Poccia's success has had on the development of Mark. He added that Poccia has a keen sensibility for what young women want.

She will be charged with driving Mark's growth in the U.S. and leading the two-yearold brand's international ex-

pansion. In the second quarter, Mark expanded south to Mexico, its first international market. The brand has plans to enter Canada and Puerto Rico next year and has earmarked Europe, Japan and Latin America for early 2007.

Mark also continues to evolve into a lifestyle brand, expanding into categories such as accessories and loungewear. strongly about having a lifestyle brand that would help regenerate Avon," said Jung. "And I think we've accomplished that with Mark.'

In 2004, Mark generated sales of \$47 million, and is on pace to end the year with \$70 million in sales, reported Jung.

"This brand has been on my radar," said Poccia. She added that Mark's focus on empowering young women through financial independence, and Avon's corporate commitment to be the premiere company for women has added a new dimension to beauty. "That whole

spirit really resonates with me," said Poccia. For her new assignment, Poccia will relocate from L.A. to New York. Her first order of business, she acknowledged, will be to get comfortably entrenched within the Mark team. She

noted, "There is such a dynamic team at Mark that I think the wise thing to do is listen and learn" before delving into strategy. Since 1994. Poccia has held various marketing and sales positions at The Estée Lauder Companies, including posts at Estée Lauder USA and Canada, She joined Stila in 2000. She has also held positions at Giorgio Beverly Hills and L'Oréal.

Jung is credited with drumming up the concept for Mark. She recruited former magazine publisher Deborah Fine in 2001 to lead the company's efforts to court a vounger demographic. Avon introduced Mark in August 2003. Today, the brand is sold by an army of 20,000 representatives, who rely on 12 yearly "magalogues" to peddle their wares.

The brand was created to target women 18 to 24 years old, but has expanded its focus somewhat to include

thirtysomethings as well, noted Jennifer Sagawa, product marketing director for Mark/Avon Future. That demographic now overlaps with Stila's core: women 17 to 34 years old.

Part of Avon's growth plan includes promotional alliances. For instance, it has partnered with American Legacy Foundation, raising \$1 million to support the organization's antitobacco efforts. Also, in July Mark will kick of a promotion with Fresh Look contact lenses. Those who purchase Fresh Look at eye care

outlets, such as Lens Crafters - some 10.000 stores are included — will receive a makeup bag filled with four Mark eye shadows, and a brochure that details how to apply the shades.

Poccia will leave Stila at the end of June. Stacy Panagakis will fill Poccia's former post, and has been named vice president and general manager, Stila Cosmetics North America. She will report to Patrick Bousquet-Chavanne, group president, Stila cosmetics and The Estée Lauder Cos.

Panagakis most recently served as vice president sales for Stila Cosmetics North America. She has worked on several Lauder brands, including Origins and Clinique, serving as vice president global education and vice president of North America education. Panagakis joined Clinique in 1986 as a counter manager at Macy's West in northern California. "Stacy is the perfect candidate to lead the

Stila North American business into the future She possesses all the leadership skills needed to empower the team and take Stila to the next level," said Bousquet-Chavanne in a statement. "Her sales and marketing experience will only enhance the brand's success in the marketplace.

Mark Offers Packed Fall Lineup

NEW YORK — Avon's Mark brand may have been without a president for the last five months, but the team Deborah Fine left in January has been readying a full slate of products for fall.

The lineup includes several new categories, such as hair care and spaareas that Avon representatives had been requesting, noted Michelle McCabe, product development manager for Mark/Avon Future.

In August, Mark will introduce three hair care collections: Salon Straight, Mega Volume and Curl Goddess. Standout products include No-Iron Smoothing Fluid, a serum that mimics the results of a straightening iron, and Mega Volume Spray Gel, each for \$5.

The spa collection — which has a hydrotherapy bent — leverages the name

of Mark's existing specialty bath assortment, Self Sanctuary. The first spa col-

lection will launch in October and features a seawater theme. The assortment will include everything from the \$5 Purifying Facial Mud foam cleaner to a dual-ended Pulse Point Fragrance Concentrate — with an algae aroma (bergamot and lemongrass) on one end and a mud (wood cedarwood) scent on the other for \$10.

Prior to the spa collection's entry, Mark will introduce an eau de toi-



ifer Sagawa, Michelle McCabe and Cindy Lin of Mark.

lette spray called Karmala. The fragrance, which is described as a "spiritual was developed by Robertet. It has top notes of "Sacred Tonic Accord," cloverleaf (for good luck) and white cracked pepper; a heart of pink cassis, white heliotrope and Tahitian candole flower and a drydown of incense, white musk and Turkish myrrh. Karmala will be available in September for \$20

Mark will extend that mysticism and romanticism to its fall color cosmetics collection. Called Romantified, the assortment gives a modern spin to vintage looks. Compacts, which house semimatte lip colors, are based on an antique

iewelry box Mark executives found at a flea market. Jewel-toned eye shades, with names such as Retro Peacock and Victorian Lace, and new shades of Hook Ups — Mark's number-one seller round out the collection.

Mark will pepper its fall assortment with a host of standout items, including Glamazing Lip and Cheek Rouge for \$7 — shade names, such as Audrey and Ava, pay homage to former Hollywood starlets — and the \$6 Comb Out Lash Lifting Mascara, Mark's first full-sized mascara.

Mark kicked off a new ad campaign in March. The print ads and TV spots feature Mark's tag line, "Makeup you can buy and sell," and "goal models," representatives basking in the glory of financial independence. The ads include quotes from reps, such as "Foundation furnished my apartment" and "Eye shadow expanded my shoe collection

- M.P.

Two of Mark's fall launches: ala fragrance (top) and hair care (bottom shelf).

Brad Johns Joins Clairol

NEW YORK — Clairol announced inking a multivear partnership with celebrity colorist Brad Johns Monday night, naming him the company's global color director, a new position. The event drew the likes of loyal Johns clients Natasha Richardson and Iman along with dozens of beauty editors — and was hosted by Marc Pritchard, president, global retail hair color, cosmetics and personal care for Procter & Gamble, and Patrice Louvet, vice president, global hair colorants, Wella/Clairol retail hair color.

Johns, who is the artistic director at the Avon Salon & Spa here, will be responsible for several tasks, including graphic design on product packages, product development, consumer education and updating Clairol execs on trends, in-salon tips and techniques. Johns will also write a column for Color Source, a quarterly magazine sent by Clairol to millions of consumers. Johns also will consult on in-store marketing



tools that best reach the consumer.

"I've been using Clairol for 30 years in the salon. This was meant to be," Johns said, adding that he is especially excited to bring his expertise to the mass market. "I can't help a woman in Iowa [with her hair]. Now I can. I'll be bringing what I see in the salon to the mass retail environment.

The party, held at Bisazza in SoHo, a leading glass mosaic product innovator, was symbolic: Clairol's inhouse inspirational mantra aims to create a "mosaic masterpiece of color.

"Johns is a color genius among stylists and colorists....He will be a very prominent part of the mosa-

ic we are putting together," Louvet said. Louvet is also looking for "Brad to help us with new hair color solutions to get the category to grow. He has modern ideas and a fresh approach. [Hair color] is not an easy category to use. We are looking to develop the right education for consumers, when to

use the products, and which products to combine." Louvet said he "wouldn't rule out" a Johns hair color line, but added it was too early to discuss 2006 plans

While Johns was the highlight of the evening. Clairol also celebrated its recent product success

"We are feeling good about how the business is progressing," Louvet said. "We started building the mosaic through initiatives such as Nice 'n Easy Root Touch Up, which has been driving growth. Root Touch Up is exciting because it is an innovative hair color solution. Consumer reaction has been very positive."

— By Andrea Nagel and Sarah Ascione

Dermatologist Creates CVS Exclusive

partment for yet another exclusive brand. The drugstore chain has teamed up with a leading dermatologist to create Skin Effects by Dr. Jeffrey Dover, the first derm-created skin care line for the mass market.

The nine-item antiaging collection will launch in most CVS stores this August, and bow chainwide in October.

CVS' consumer research revealed that there was still a niche left to fill in the burgeoning skin care category. "We wanted to bring our customers high-quality products at a good value — with the dermatologists' seal of approval," said Eileen Howard Dunn, vice president of communications for CVS. She added that the concept has been in development for approximately a year.

After an extensive search for the right dermatologist, CVS inked a deal with Dover, founding partner of SkinCare Physicians in Chestnut Hill, Mass. In addition to his own practice, Dover holds the position of associate clinical professor of dermatology at Yale University School of Medicine.

The dermatologist acknowledged that during his 20-year career he has been approached by several beauty companies. In fact, just prior to linking arms with CVS, a French beauty house was actively courting the dermatologist. Although Dover would not divulge the name, he hinted that the company was of the same ilk as EOréal and Coty.

Ultimately, he chose CVS because his patients match the same spectrum of women who walk into CVS stores, "CVS offered me something I've always wanted to do," he said.

CVS executives also managed to alleviate Dover's main concern, promising exceptional product quality. one that would not tarnish the reputation he has spent 20 years building. Although he could not reveal who his retail partner was at the time, Dover said his friend Tina a consulting dermatologist for Lancôme couraged him to accept the offer.

Dover attempted to create his own line five years ago, but shelved the project after realizing the cost of the products would have been too high for consumers to swallow

He added, CVS' network of more than 5,000 stores allows him to use the "most expensive products money can buy" and sell them for an affordable price. Items in the line range from a \$6.99 Purifying Effects Deep Cleansing



Enzyme Scrub to \$29.99 for Wrinkle Effects Relaxing Cream, which is said to relax facial muscles and reduce the appearance of fine lines for 24 hours. Other standout items include Resurfacing Effects Micro-Dermabrasion Kit, Lip Effects Lip Magnifier and Flawless Effects Advanced Brightening Complex, a daily-use formula developed to lighten dark sun spots and even out skin tone.

Each of the items are designed to improve overall skin tone and texture, and "help reclaim a vibrant com-

plexion" without cosmetic surgery.

CVS will merchandise the products in the skin care aisle, within a 2-foot-wide fixture that includes a photo of Dover and consumer brochures. As it has done for its exclusive Finnish beauty brand Lumene, CVS will promote the brand though in-store signage, within its circulars and through a direct mail piece tied to its Extra Care loyalty program.

For the initial launch, CVS presented Dover with a list of potential products. He modified the line and added several more products to the list. The dermatologist will drive all future product development and is currently testing five additional Skin Effects products at his practice

- Molly Prior

SNIPPETS

JEWEL'S GARDEN: Coty Beauty has signed songbird-poet lewel to serve as the face of The Healing Garden Organics' upcoming "Save Your Skin, Save the Planet" campaign. Next month, The Healing Garden will introduce its first organic specialty bath collection, Organics Wild Honey. During the print campaign, the firm will donate a portion of proceeds from the sale of Organics products to The Nature Conservancy. The Healing Garden will kick off the effort in September with a gift-with-purchase promotion featuring a bracelet made of organic materials — designed by Jewel. The singer will wear the bracelet in print ads, slated to break in September beauty books, Jewel — who is currently finishing her sixth album, due to be released this fall also will participate in various consumer events and promotions for the Organics collection.



CHARLES WORTHINGTON SALON BIDS ADJEU: Charles Worthington will shutter his lone New York City salon located in SoHo — on Saturday. This week's announcement, which took salon employees by surprise, came two weeks after the British hairstylist was in town hyping his namesake product line, Charles Worthington London, which he sold to consumer products giant PZ Cussons in June 2004. Worthington — who, along with his business partner, Allan Peters, retains ownership of the Charles Worthington salons said the closure will allow the pair to focus their efforts on the European market. "The Charles Worthington salon in New York City has been a wonderful success," said Worthington in a statement, "However, we have made the difficult, but strategic decision to focus our resources on our salon business plans in Europe." Worthington continues to operate five salons in London.

STEP RIGHT UP: Physicians Formula — which dominates the mass market bronzing category with nearly 20 items plans to deepen its consumer appeal by setting up freestanding bronzing stations (think carnival photo booth). Passersby can step inside the bronzing booths — plastered by images of Physicians Formula bronzers and ad visual to be instantly bronzed by a makeup artist. The newly bronzed participants then can get a digital photo of themselves snapped in front of a tropical backdrop and send off the e-postcards to their friends. Featured Physicians Formula products will include Solar Powder with SPF 20 the first powdered bronzer to include sun protection. The company will kick off its effort in Times Square on Wednesday, and take the booths to Los Angeles next month.

TEEN SPIRIT: Raven, the teen star of Disney Channel's TV show, "That's So Raven," and Disney Consumer Products have inked a deal with Boom LLC to create a fragrance targeting the show's core audience, girls 6 to 14 years old. Raven — known professionally as Raven-Symoné and best known to adults for her role as Olivia on "The Cosby Show" — has amassed a following of young fans. She was voted Favorite Female TV actress at the Nickelodeon Kid's Choice Awards for the past two years. The fragrance is described as a blend of vanilla bean, white lily and lemon zest. The collection, which includes a cologne spray and shimmer stick, is slated to bow in midtier and mass stores in October, Price points will range from \$7.50 to \$12.

HAMILTON RECOGNIZED BY CANCER GROUP: Carol J. Hamilton, president and general manager of L'Oréal Paris, last week received the Oliver R. Grace Award for Distinguished Service in Advancing Cancer Research for her efforts to educate and raise funds to support research for ovarian cancer detection, prevention and treatment. Since 1997, L'Oréal Paris has helped raise almost \$10 million for the Ovarian Cancer Research Fund with celebrity events, including the "Because I'm Worth It" photo exhibit-auction and the annual Legends Gala

Lierac Adds Cachet to Duane Reade Centres

Items from Lierac Paris.

NEW YORK — The latest French import isn't wine or cheese, it's luxury skin care brand Lierac Paris, which just found its way into Duane Reade's SkinFitness Centres.

Lierac, a 30-year-old global skin care brand owned by The Ales Group USA, joins Avene, Vichy and Eucerin in the 100- to 200-square-foot Centres, of which there are four in total, all in Manhattan. Lierac is sold internationally and generates \$100 million in sales, according to Ales Group USA president Eric Domel. It hadn't been offered in the U.S. until last week when the brand entered Duane Reade.

We were looking to add more brands. It seemed like a good fit," said Tim Labeau, senior vice president of mer-chandising for Duane Reade. More importantly, Lierac rounds out the Centre's offering as a line that uses plant extracts and aromatherapy as the basis of its formulations to treat specific skin care problems, such as dry skin, wrinkles, sensitive skin, hyperpigmentation and cellulite.

In addition to shaking up the product mix, Lierac ups price points in the Centre to as high as \$89, which is the price for Coherence antiaging products for the face and neck. They contain collagen III to help firm, smooth and moisturize the skin.

"That makes it complimentary, not a me too," said

There are 46 products under the Lierac brand. Within Lierac is Thekoa, a product line that marries plants and aromatherapy in Mediterranean-type treatment oils. Thekoa uses glass bottles and ornate designs on its containers — some of which take up a full facing on a box — an esthetic rarely seen on American products. Thekoa oils retail for about \$55 to \$65 each

Eight eye treatment products are available, too. Most notable is the Diopticreme Anti-Wrinkle Cream, which is formulated with horsetail, prune, ivy and alchemilla. It retails for \$34.

One of the newest Lierac products — just launched in France — is Ultra Body Lift 10, a body contouring gel targeting cellulite. The gel contains aspartame and 10 percent caffeine as its active ingredients. It retails for \$45.

Domel plans to support Lierac's U.S. launch with a 2006 print advertising campaign in high-end beauty magazines, such as Harper's Bazaar and Vogue. Ads will portray Lierac's positioning of bringing luxury into

the world of the pharmacy.

To make room for Lierac's large range of products Labeau simply condensed existing lines, some of which are mer-chandised adjacent to the Centre, such as Goody hair care products. Depending on a Centre's location, Labeau turned promotional endcaps into permanent Lierac displays. The Centres can be found at Duane Reade stores located at 773 Lexington Avenue, 535 Fifth Avenue, 1 Penn Plaza and 625 Eighth Avenue.

Labeau said the introduction of Lierac has already exceeded expectations. He would not comment on sales estimates, but Domel said Lierac looks to generate \$1 million in U.S. sales in 2005. By year-end 2006, that figure looks

to jump to \$5 million, according to Domel, However, those sales figures will not be generated solely by distribution in Duane Reade. Domel said he just finished solidifying Lierac's entry into 30 Brooks Eckerd Pharmacy stores in the fall. Domel is also in conversations with CVS. But he maintains he will not grow the brand too quickly in the U.S.

"Our line deserves for us to take care of it. We are going with a baby-step policy for the long term. It's not big distribution we are looking at. We want to work closely with our partners," Domel said.

Andrea Nagel

The HBA Report WWD.COM

Wet n Wild Takes Fresh Skin Approach

 $\textbf{NEW YORK} - \mathsf{At}$ a time when mass market skin care prices are going through the roof, Wet n Wild is bringing value to the category.

With the launch of Wet n Wild Fresh Face Skincare and Fresh Face Skincare Acne, the company hopes to duplicate its color cosmetics success in skin care. Pricing on the 11 stockkeeping units ranges from \$3.99-

\$5.99. In comparison, some drugstores are now offering items priced as high as \$100.

We aren't trying to trade consumers down," explained Tina Perez, vice president of marketing for Markwins International Corp., Wet n Wild's parent. "We are trying to bring new users who would love to buy skin care, but have to spend money on other needs." Many busy young women and moms find budgets are stretched tight with buying gasoline, diapers or school supplies, she noted. Wet n Wild

believes women shouldn't have to forgo good skin care.
"The only differences between our Fresh Face formulas and some very expensive department store brands are the price, the packaging and the label," said Kellie Lambert, an aesthetician and co-developer of Fresh Face. "Our formulas contain many of the same high-quality ingredients and, more importantly, deliver the same end result - beautiful, healthy skin.'

Given the product's niche as a quality value brand, industry sources expect sales could exceed \$20 million within the first

Unlike many skin care regimens that offer a one-size-fits-all strategy. Fresh Face is divided into general skin care and an acne collection. Each offers a full range of skin care essentials including

cleansers and moisturizers for all types of skin. The lineup is pH-balanced, noncomedogenic and dermatologist- and sensitivity-tested to be safe and nonirritating. The system includes a gentle cream cleanser, a face wash, an exfoliating scrub, a refreshing toner and a total moisturizer. There is also a starter kit with trial sizes of the items. The acne system includes an acne daily cleansing scrub, an acne clarify-

Critical Mass

By Faye Brookman

ing astringent, an acne spot treatment, a clear skin oil-free moisturizer and an acne skin essentials starter kit.

Wet n Wild suggests retailers merchandise the two systems side by side on the

shelf, rather than segregating acne with other teen remedies. The thought is that not all acne is experienced by young women. Also, those using one line may eventuate the second of th ally need the other

While the acne specialty products and pricing set Fresh Face apart from mounting skin care competition, the link to Wet n Wild cos-

metics is also a strong factor convincing retailers such as Kmart and Albertsons to add the line to skin care planograms. "We feel this is a transitional line. Women who like the skin care will try color and those who use the color already will try skin care," explained James Koeppl, executive senior vice president and general manager of Markwins. To further inspire that crossover, Wet n Wild products will have on-pack coupons and other promotional information about the full lineup of

skin and color cosmetics items.

Fresh Face will hit retail shelves in the first quarter of 2006. An advertising campaign will kick off behind Fresh Face next year.

The skin care department is bulging at mass stores as hundreds of companies come out of the woodwork with launches. In addition to nationally known brands such as L'Oréal and Neutrogena, retailers are adding exclusive lines from Europe. Wal-Mart even created its own collection in tandem with Elizabeth Arden called Skin Simple.

At a time when many beauty categories are declining, facial moisturizer sales rose 2 percent to \$263 million during the 52-week period ended Dec. 26, 2004 (excluding Wal-Mart). Olay is still the leader of the pack, but brands including Pond's, Neutrogena, Aveeno, Dove and L'Oréal are rising on the bestsellers' list. In acne, sales rose 2.8 percent for the same period to \$286 million (excluding Wal-Mart). Clearasil is the top seller, but Neutrogena and Clean and Clear are nearby challengers



back to San Diego — a favorite spot with many buyers and suppliers. In 2007, NACDS will bring the show to Boston and the city's state-of-the-art Convention &



Wet n Wild's acne skin

Wexler Taps New Skin Technology

NEW YORK — As Bath & Body Works continues its course to become a retailer offering world-class beauty brands, executives saw it was remiss in not being part of the explosive dermatology skin care category.

"This is not a trend. The stakes are being raised for credibility. As space gets cluttered, it is important we work with someone who will have a clear vision about technology and a fresh philosophy on patients and customers," said Camille McDonald, executive vice president of merchandise and brand development at BBW.

Thus, they began a search for a dermatologist with a point of view.

But it was important to McDonald and her sales and product development team that their intended have a message, a clear one — without fairy dust.

Enter Dr. Patricia Wexler, one of the country's leading dermatologists who, despite her fame — she has appeared on several morning news shows and "Oprah," and contributes a column to Allure magazine — still runs a practice in Manhattan and is an associate clinical professor at the Mount Sinai School of Medicine. She also teaches at its dermatology surgery clinic. Wexler, who had been approached several times over the course of her 20-year-plus career to launch a product line with her name on it, was waiting for the right retail partner opportunity as well as cutting-edge technology to bring to patients outside her prac-

tice. Last year, she hit the jackpot. With BBW courting her, Wexler had the retail part of her equation solved. For the technology aspect, she turned to an in-office antiaging treatment she administered over the past three years

called Gentle Waves LED Photomodulation, which uses light pulsating at a certain frequency to shut off the enzymes or matrix metalloproteinase, or MMPs, that are responsible for degrading collagen and elastin. Results from eight 45-minute treatments (at \$150 a pop) included improving the texture and tone of skin, decreasing fine lines and tightening pores, Wexler said. This technology — stopping the degrading activities of MMPs and preventing the production of new ones — is here to stay Wexler said, and it is one she wanted to bring to the mass market via her own derm line.

With that, she and BBW sought out topical technology and were able to find research partners from Stony Brook University to help formulate a product line. Patented Niacy technology is used to accelerate benefits, boosting skin's strengthening barrier for a younger complexion.

Beginning in September, both Wexler and BBW will realize their long-term

goals. It's then that the two-phase launch of Patricia Wexler M.D. will begin, first in about 80 BBW stores as well as Henri Bendel in Manhattan and eight C.O. Bigelow units. McDonald is evaluating other retail partnerships for the line, too, including QVC.

"We are not just marketers, we are brand builders," McDonald said of the planned expansion.

Stores first will receive a kit that includes six products: Universal Anti-Aging Cleanser, Microbrasion System (two products), Deep Wrinkle Eye Repair, MMPi (inhibiting) Skin Regenerating Serum, Universal Anti-Aging Moisturizer SPF 30 and Universal Anti-Aging Serum PM. The oversized cartons look to introduce consumers not only to the products, but to Wexler, complete with a photo, mission statement and biography of the dermatologist. "What is your skin concern?" scrawled along boxes, mimicking what Wexler asks of her in-office patients. Carton copy also includes skin types, name of products, ingredients and key benefits. Kits will retail for \$45 for one month, and then return to their normal price of \$75.

In October, stores will receive the full line of products, about 19 stockkeeping units, which comprise items meant for everyday use as well as products to be used for special skin concerns. It is important to note that each item contains MMPi technology to fight the signs of aging

"MMPi is throughout the line and has an over-arching antiage philosophy. It is fine to be used by all ages. It is just as compelling for a teen acne sufferer as it is for an older woman concerned about fighting the signs of aging," said Kecia Coby, director of brand development BBW.

Daily items have been formulated to cleanse, exfoliate, restore and moisturize for both the day and night. In addition to the daily items that are launching in the kit, there is also AcnoStat Acne Cleanser. Glyco Peel (a kit including three products), Oil Free Hydrator SPF 30 and Brightening Moisturizer.

Items developed for specific skin care needs not included in the kit are an AcnoStat Acne Spot treat-

ment, No Injection Wrinkle Relaxer, Resurfacing Microbrasion Skin Brightening Daily Moisturizer SPF 30, Skin Soothing Calming Mist, Exfoliating Glycolic Peel System, Spot Damage Lightening System, Under Eye Brightening Cream, De-Puff Eye Gel, Damage Reversal Lip Treatment and No Injection Lip Plumper.

Prices start at \$18 for the cleansers to \$55 for the MMPi serum. The glycolic peel kit retails for \$65.

Several products are slated to be bestsellers, including the lip plumper, the moisturizers, the microbrasion kit and the depuff eye gel. The MMPi serum, McDonald said, can be used with any skin care regimen for immediate results.

Packaging, too, was not an afterthought.
"It's not too cold or clinical, or too feminine, to be credible," said McDonald, who described the white and merlot containers as the perfect blend of fashion, femininity and credibility - aspects missing in the derm space.





COSMOPROF NORTH AMERICA TO BEAUTIFY LAS VEGAS

Beauty professionals from across the world will gather in Las Vegas for Cosmoprof North America, July 24-26, 2005 at The Mandalay Bay Convention Center, the premiere showcase of the beauty industry in America.

"I think it's the only event in North America that brings together the complete, global beauty industry," asserted Steve Sleeper, manager and executive director of the Professional Beauty Association (PBA), which along with SoGeCos Spa owns and operates the event.

"We have a wide offering of products and services and four distinct pavilions that break the market out by individual sectors. We truly have an international exhibitor base, and it is an industry gathering that's concentrated and focused all at one point in time. There is no counterpart to Cosmoprof North America in the U.S.

"It's all about trends, fashion, new releases and what's happening in the beauty world. For a long time, a lot of people thought of our industry as separate from fashion; but beauty and fashion now go hand-in-hand."

Educational sessions at the event also have been stepped up, with a new wellness summit and keynote speaker lineup that is "bigger and better than ever before," he proclaimed. "This is the place visitors can come and do a year's worth of business in just a few days. It's a great way to get to the pulse of the industry quickly, efficiently and in one swoop."

Highlights will include:

- Pavilions devoted to foreign countries like Spain, Brazil, Argentina and Germany, each featuring unique products in all categories.
- New ground-breaking technological developments from across the world.
- The unique Las Vegas Wellness Quest spa tour.
 Speakers Dr. Barry "Zone Diet" Sears, Jane Buckingham of Youth Intelligence, health advisor to the stars Oz Garcia, bestselling author and TV personality Tim Sanders, renowned motivator Rudy Ruettier and more.
- The North American Hairstyling Awards, the "Academy Awards of Hair," hosted by comedian Rachel Dratch from "Saturday Night Live".

Sleeper noted 25 percent of exhibitors are international, with pavilions organized by country and individual nations arranging contingents of manufacturers and exhibitors. With an expected 20,000 attendees and 700 exhibitors, the two million square foot show is so large "it wouldn't fit in a few other places but Las Vegas. We have dedicated international buyer delegations and arranged with different countries to bring visitors in and hook them up with exhibitors in those markets.

"Visitors who come to Las Vegas for the show can explore pavilions, discover new products and companies, and basically do all their business in just three days. You can strengthen existing relationships, develop your year-long business

strategy and educate yourself and your team."

Business education speakers and events feature insight to the latest industry ideas and concepts, he said. "(One can see) what's new, what's developing, the most innovative business trends. Visitors can come and really get educated and up-to-speed on the pulse of the industry."

The Wellness Summit, which premiered last year, is "an event within an event," Sleeper said. "It really surpassed all of our expectations and it's just getting better." Spa tours examine the workings of high-end spas in Las Vegas, he added.

Educational offerings include industry leaders and smaller, focused classes on issues like ware-housing, technology, distribution, sales, marketing and customer service issues, he noted. "Things where you can bring your staff and get them real classroom time.

"Explore, discover, strengthen, develop and educate, those are key words for us. If you come to this event your investment will be paid off ten-times over," he said.

"You go to your doctor for health care, you go to your dentist for dental care, you go to your beauty professional for all of your beauty care needs. From hair to nails to cosmetics to wellness, that's what we do."

COSMOPROF

COSMOPROF NORTH AMERICA:

the international rendezvous

BUSINESS, EDUCATION and STYLE

Plunge into the Beauty Paradise at the most comprehensive marketplace ever for buyers and sellers: specialty, chain, department, gift and drug stores, wholesalers/distributors, mass merchandisers, premium buyers, on—line retailers, import/export firms, buying offices, product development teams, suppliers of ingredients, raw materials, packaging and contract manufacturers.

An attractive and comprehensive platform for communicating and ordering as well as an ideal forum for marketing, selling and launching new products in the world of Beauty: Cosmetics & Personal Care, Wellness & Spa, Packaging & Private Label, Professional Hair, Nail & Teatre.

INTERNATIONAL WELLNESS & SPA SUMMIT AT COSMOPROF NORTH AMERICA 2005

Expand your craft and renew your energy with the second-annual Wellness Summit at Cosmoprof North America: a two day education program for day spa, destination and resort spa, salon and spa owners and managers, make up artists, skincare professional, estheticians, massage therapist.

Dr Barry Sears The Zone Sunday, July 24

Dr. Barry Sears, pioneering medical researcher behind the best-selling series of Zone books, sees wellness from a revolutionary new perspective. His programs include steps to reduce the risk of cancer, heart disease, neurological and autoimmune diseases - in addition to realistic exercise programs and simple stress - management techniques. He'll empower you with his positive and scientific message about wellness.

Francesco Morace

Worldwide Beauty and Wellness Observatory: Body Visions
Future Concept Lab presents and expiores the values and behaviors
concerning the perception and experience of well-being and beauty,
with a special focus on retail and spa. Francesco Morace shows trends
across five continents and presents examples of successful case
studies among retail and spas, beauty salons and perfume shops.

Oz Garcia

Look and Feel Fabolous Forever

Monday, July 25

Oz Garcia, internationally renowned longevity coach and nutritionist to the stars, discloses his healthy high-tech secrets for anti-agingoptions, optimal living and enhanced health, body and mind. Whether you're looking for a simple herb to calm your stomach or the most advanced medical treatments, Oz Garcia can provide you the answer!

Mind, Body and Spirit SPA Tour 2005

Las Vegas boasts some of the most outstanding spas in the world. You will have the opportunity to step behind the scenes at the most prestigious ones, including: Canyon Ranch Spa at the Venetian, The Grand Spa at the MGM and the Spa at Wynn Las Vegas.



For further information: www.cosmoprofnorthamerica.com



Cosmetics & Personal Care

Packaging, Contract
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- Wellness & Spa
- Professional Hair, Nail & Tools



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Organized by North American Beauty Events LLC

COSMOPROF SETS THE TONE

Cosmoprof North America is giving beauty professionals a new, easier, more efficient way to do business.

"Before in North America there were different, specialized trade shows, all focusing on individual beauty segments," and visitors often found attending so many shows was time consuming and costly, remarked Laura Zaccagnini, general director,

Cosmoprof shows worldwide.

But with Cosmoprof North America, manufacturers, distributors and salon professionals now have just "one unique place where they can all gather together and do business," she noted.

"The original idea for the show was to have an event that gathered all the different players of the market – the big ones, small or medium ones," Zaccagnini explained. "So you have the entire salon community – suppliers to hair salon owners, all the people who actually deliver product to the consumers – all in one place."

Cosmoprof North America offers attendees from across the U.S. and the world a unique venue to find new business opportunities and interact with other professionals, she said. "It becomes a phenomenal meeting point not only for doing business and signing contracts, but also for networking, exchanging ideas and understanding where the market is heading in the future.

"If I am a buyer of cosmetic products, I can go to Cosmoprof North America and in just one place, in just three days, shop for all my needs, and at the same time look around and really understand what the industry is all about."

Presented in four pavilions in The Mandalay Bay Convention Center in Las Vegas, Nev., the event

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Laura Zaccagnini, general director, Cosmoprof shows worldwide.

provides a gathering for the beauty industry unlike any ever staged before. "We had focused on attracting to Cosmoprof North America the entire U.S. beauty industry, as well as those from Canada and Central America. Now, we're also looking into attracting more South American visitors and importers. Geographically speaking, Las Vegas could be considered very central to the market," Zaccagnini stated.

Cosmoprof North America, now in its third year, benefits from the experiences of Cosmoprof Bologna, which has gathered beauty professionals from throughout the world since 1967, now

drawing about 130,000 visitors from five continents, Zaccagnini said. "Cosmoprof North America brings to North America the concept of Cosmoprof Bologna."

Since SoGeCos also produces the different Cosmoprof shows throughout the world, it works with companies from every country. "In Bologna

we have Brazilian manufacturers, Korean manufacturers, Russian manufacturers, European and American manufacturers – exhibitors from all the five continents. That means we know what is happening in every cosmetic industry throughout the world, and can monitor what the market really is looking for and wants."

Based on its expertise and experience, Cosmoprof North America will draw not only

attendees from the U.S., Canada and Central and South America, but also delegations from nations targeting U.S. consumers based on feedback from other Cosmoprof shows, with representatives from Russia, Dubai, India and other nations attending.

Special pavilions from Brazil and Argentina also will introduce visitors to a variety of new products, Zaccagnini stated. "We believe for importers, distributors and buyers from department stores to chain stores to salons, these are areas of newness that are very important to the U.S. market."





Unipro To Bring the Look of Italy To Las Vegas

The face of Italian beauty will grace Las Vegas as Unipro brings Italian cosmetics to Cosmoprof North America.

Unipro, the Italian Association of Cosmetic Industries, represents each element of the Italian cosmetics industry, from manufacturers to distributors with a mission promoting international growth and prestige of its members.

Its exhibition, in collaboration with the Italian Trade Commission's Los Angeles office, which specializes in the beauty sector and also will participate in the show, will be in the Punto Italia stand in Cosmoprof's Hall A.

With so many exhibitors and thousands of visitors, Cosmoprof North America "has made its mark as the largest, most complete international show dedicated to beauty held in the U.S.," stated Gianfranco Di Natale, managing director, Unipro.

Building on international recognition of Beauty made in Italy, Unipro partnered with the Rome and Los Angeles offices of the Italian Trade Commission in a series of events supporting the Italian industry for the show at The Mandalay Bay Convention Center, he said.

Unipro promotes the overall Italian beauty industry, with 500 member firms representing 90 percent of the industry's sales and 35,000 employees. Sales last year were 8,462 Euros.

For over 30 years, Unipro has assisted Italian firms, stimulating growth, development and

offering a panorama of the Italian cosmetics industry.

Purchases of Italian cosmetics continue to rise, reaching 8,462 million Euros, with U.S. sales over 191 million Euros, up eight percent. The largest export increase to the U.S. was bodycare, up 46.6 percent since 2003, followed by perfume products, haircare and make-up.

The Italian beauty industry is the third largest in Europe, Unipro reported.

Unipro's Punto Italia stand at Cosmoprof will highlight the image of Italy and products made in Italy, including a guide to Italian firms at the show, a catalogue of exhibitors via the Internet, branded shopping bags, banners, and ads in trade journals like Women's Wear Daily.

Serving an array of sources, Unipro also oversees consumer sales for perfume shops, pharmacies, herbalist shops, professional products for hairdressers and cosmetics for beauticians.

The association also participates in the Cosmoprof shows in Bologna, São Paulo, Hong Kong, North America and Moscow.

For further information about the Unipro booth, attendees can contact the Italian Trade Commission's Los Angeles office, which is cooperating with Unipro for the event, by calling 323-879-0950; fax 310-203-8335; or e-mail losangeles@losangeles.ice.it or info@itcla.net.

ADVERTISEMENT

ATTENDEES TO SCOUT THE HOT NEW TRENDS AND ST

The temperature in Las Vegas may be high, but Wichita, Kan. "We're always looking for motivation, trends and new products to be shown at Cosmoprof North America are even hotter, according to show attendees.

Colleen Camp, director of salon education for Beauty First Inc., with 76 Beauty First salons in 19 states, said the company enthusiastically scouts the show for the latest introductions and trends.

Most importantly, it allows buyers and merchandisers to meet one-on-one with important suppliers, she said. "We always enjoy having face time with the major manufacturers we deal with."

Cosmoprof North America lets Beauty First Inc. keep a step ahead of new trends, letting it preview lines and meet top sources from across the world, she stressed.

"It's fascinating to actually watch and see what the people at Cosmoprof gravitate to. That really helps give a true indication of what's new and hot."

Camp, who entered the hair profession 23 years ago, commended Cosmoprof North America for offering attendees "one-stop shopping."

Camp also praised the event's Web site, www.CosmoprofNorthAmerica.com, noting her firm often accesses it for additional information.

Cosmoprof North America is a much needed opportunity for beauty professionals to reconnect and find new inspiration, remarked Anita Belt, who oversees five Fantastic Sands salons in

inspiration and new ideas to keep us pumped up and interested in our professions.

Belt, who also attended the last two Cosmoprof North America shows, confirmed the international element adds tremendous appeal. "One of my favorite things is to see the guest artists from different countries. Some of the things that they do, we don't necessarily do here in the U.S. They're a lot bolder and exaggerated with their looks."

Besides finding new products, Belt also uses the event to build relationships around the world. 'We get a chance to not only see new things in our industry, but reinvigorate our friendships. It's really a great bonding experience."

Jeffrey Cornett, who has been in business eight years and opened Hair Soup Salon in Oakridge, Tenn., noted he researched the market and found Cosmoprof offered the latest hair cutting trends, color techniques and styling information. "I'm very excited about attending Cosmoprof. It just sounds wonderful to me."

Emma Mehan, a hair stylist for 30 years who opened Lori's Cutting Edition in Nanaimo, British Columbia on Vancouver Island a year ago, will be another first time attendee.

"We had heard from salesmen in the industry that for the latest new products, new styles, new methods and inspiration, Cosmoprof was the place to be."



European products to be exhibited at Cosmoprof North America





COSMOPROF NORTH AMERICA PAVILIONS GO BUSINESS-TO-BUSINESS

Cosmoprof North America will highlight core business-to-business pavilions in its third year, with products and services in four easy-to-find

• Pavilion A: Cosmetics and Personal Care

The pavilion showcases a comprehensive array of cosmetics and personal care products from throughout the world, with highlights including new products and established brands from companies in Asia, Europe and South America as well as major U.S. manufacturers.

• Pavilion B: Packaging, Contract Manufacturing and Private Label

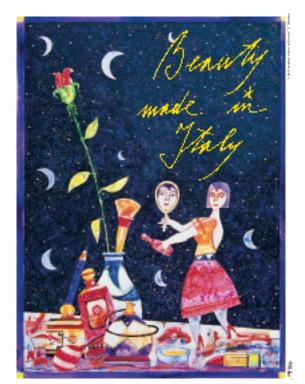
Unprecedented in North America, the pavilion spotlights everything required in the making of a product—from raw materials to product development, packaging to private label. Buyers will discover innovative ingredients, cutting-edge components, technological advances, new marketing angles and more to help showcase products. Pavilion B will take business owners from concept to creation.

· Pavilion C: Wellness and Spa

The world's most prestigious skincare and spa companies will exhibit the newest products, equipment and tools in a specialized environment. Visitors also will be able to customize a schedule of complimentary wellness and spa education in the Wellness Avenue to expand their craft and renew their energy. Attendees also can participate in the Wellness Summit, an intensive two-day seminar exploring total-body wellness.

• Pavilion D: Professional Hair, Nail and Tools

Attendees can expand their reach and increase new business-to-business opportunities. International and domestic distributors and wholesalers can meet manufacturers of professional salon products, while buyers discover new products and explore established lines.



Cosmoprof North America 2005 Visit us at booth A12443









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the source. — Jeff Bercovici

SPIN FOR MIN?: So it's happily ever after for Janice Min and Us Weekly? It would certainly appear that way. Speaking to WWD Thursday, Wenner Media vice chairman Kent Brownridge confirmed a report in the New York Post that Min has agreed to a new contract. (He declined to discuss the details of the deal, which the Post said was a two-year package worth \$1.2 million per year, plus bonuses.) Brownridge added that Min accepted the terms last week.

But some well-placed observers, noting that Min herself has studiously avoided confirming anything, wonder whether the whole thing might be a stratagem aimed at pressuring her into signing at once rather than haggling over the fine print. "It's a ploy," claimed a source with extensive knowledge of Wenner's inner workings. "This is Kent's spin." The source cited a February 2003 report in the Post claiming that then-editor Bonnie Fuller had agreed to a new three-year contract, with quotes from both Fuller and Jann Wenner. Four

months later, Fuller left for American Media, never having signed anything. Of course, that actually worked out rather well for Wenner, with Min building on her predecessor's momentum. Which may explain why Wenner let it go until now rather than lock her in with a new deal weeks ago. "Jann doesn't feel he needs anybody," said

OVER BUDGET: Budget Living just lost another top editor. Alex Bhattacharji has resigned. Bhattacharji was executive editor under founding editor in chief Sarah Gray Miller and was promoted to head editor shortly after Miller quit in April. Under their leadership, the magazine won a National Magazine Award for general excellence in 2004. While Bhattacharii was expected to serve as the magazine's top editor going forward, he chose to resign instead, saying in part, "It was just time to Also apparently factoring into his decision was the new direction in which chairman and chief executive officer of Budget Living LLC, **Don**

Welsh, has indicated he wants the magazine to go. Welsh told WWD in April, "We launched...right after the World Trade Center attacks. I think there's more optimism now, more spending going on, and I think the magazine will reflect that in the future." The push to take the frugal title more

The June/July cover of Budget Living.

upscale was also said to be the reason behind Miller's departure. She left shortly after completing a redesign that downplays the word "budget" in the magazine's title

Budget Living, currently a bimonthly, will go monthly this fall, so it is a particularly inopportune time for a top-level staff shuffle. Bhattacharji is said to be staying on until July 15 and then is off to Italy before he tackles two consulting jobs. According to a source at the magazine, he may have his eye on another launch next. - Sara James



SLOW OUT OF THE GATE: At last, a sign that there are limits to the American consumer's appetite for celebrity gossip. Sales for Inside TV, the tabloid-style TV Guide spin-off launched in May, have been underwhelming, according to projections supplied by competing publishers. Those projections show Inside TV posting average single-copy sales of about 108,000 in its first month on newsstands. That would give it a sell-through rate of about 11 percent — far below the — far below the industry average of 33 percent.

Officials from TV Guide disputed those numbers, saying the sample they were based on was not representative of the overall sales picture, but declined to provide their own estimates. "We've seen very significant growth," said Chuck **Cordray**, senior vice president of consumer marketing. "We've more than doubled our average

sale." He added that the magazine has acquired close to 100,000 checkout pockets, up from around 65,000 at launch. "Our pocket goals have been ambitious and we've delivered on them." He added that the magazine was on track to reach its target circulation of 400,000 by the end of the year.

Still, by the standards of the explosive celebrity category, those numbers are hardly cause for celebration, said **Kent Brownridge**, vice chairman of Wenner Media. "If you're selling under 200,000 [copies] in this market, you're an unmitigated, unqualified failure." — **J.B.**

LENSMEN SET LOOSE: Three photographers who were arrested for violating French intellectual property laws in Paris following the March 2003 ready-to-wear shows have been cleared of all charges. **Don Ashby, Marcio Madeira** and **Olivier Claisse** were taken into custody after the Chanel show in 2003 and spent 33 hours in a French jail before they were released on bail. At issue were the rights to images taken at the collections. In France, designers own all imagery of their shows, regardless of the photographer. The French Fashion Federation also, according to Ashby, prohibits any publication from showing more than six or seven pictures from a collection and embargoes all



Firstview.com images from the spring 2005 French collections

ridiculousness of the charges.

magazines.) "And if every magazine or newspaper wrote in and asked for permission to use images, each designer would have to have another person or two on staff, just to handle all the requests....The court, I guess, saw through some of the

photography for the first three months after

photographers were being uploaded to the Web site Firstview.com without permission

French law. However, when their case finally made it to court this year, their lawyers argued that the legislation is outdated, and

last week, a ruling was finally handed down

"We're not sneaking into the shows. We were invited," said Ashby, who is an accredited photographer for The New York

Times. (Madeira and Claisse shoot for

from the designers, Ashby, Madeira and

Claisse were technically in violation of

in favor of the defendants.

a show, though rarely are these rules

enforced. Since images taken by the

Regardless, the photographers still amended their practices and now seek permission from designers before posting images on Firstview.com. Said Ashby: "After sitting in jail for 33 hours, we decided to be a little more flexible." — S. J.

PAPER CHASE: The season of 800-page September issues is almost upon us. Normally, that's something for publishers to get excited about, but this year, it has them worried, too. That's because all that paper has to come from somewhere, and much of it comes from a place — Finland — that isn't making any of it at the moment. A six-week-old strike has shut down the country's entire paper industry, which generates roughly 15 percent of the global paper supply. On Thursday, unions turned down the latest proposal from a government-appointed mediator, meaning production won't resume until mid-July at the earliest. When it does, it will still be another eight weeks before

Finnish paper is again flowing into the U.S.

What does that mean for American magazine publishers? So far, not much. "The metrics would indicate there should be chaos in the market, but there isn't," said a paper-industry source who wished to remain anonymous. In part, that's because U.S. publishers are much less dependent on Finnish paper than their European counterparts. At least two, Wenner Media and Hearst Magazines, buy no Finnish paper at all (although Hearst's U.K. counterpart does). But others, including Time Inc. and Condé Nast, rely at least partially on coated groundwood from Finnish mills. As the strike wears on and that becomes scarcer, magazines may be forced to print on more expensive coated freesheet, normally used only for covers. For the biggest publishers, that could translate into hundreds of thousands of dollars per month in added costs, according to the paper-industry source.

The situation is not yet that dire. The strike "is contributing to an overall climate of increasing prices," according to a production executive at a major magazine company. But as printers gear up for those September issues and Christmas catalogues, the specter of a spike looms. "Price can be affected by irrational behaviors," said the executive. "What's always at risk is somebody who could not get paper makes a silly offer for it and starts to drive pricing as a result." - J.B.

ALL THE VIXENS: Vibe has declared victory for Vixen. The new beauty and fashion spinoff will appear four times in 2006, according to **Len Burnett**, who recently joined Vibe as group publisher. Its rate base will be 425,000. **Mimi Valdés**, who serves as editor in chief of both titles, said the next issue of Vixen, due out Aug. 23, will differ considerably from the debut issue that appeared in February, with a new design including a reconfigured logo and more beauty, fashion, health and relationship coverage. "The first one we did was very much a special issue," she said. "It was a girly version of what we do at Vibe. This one will have its own identity."

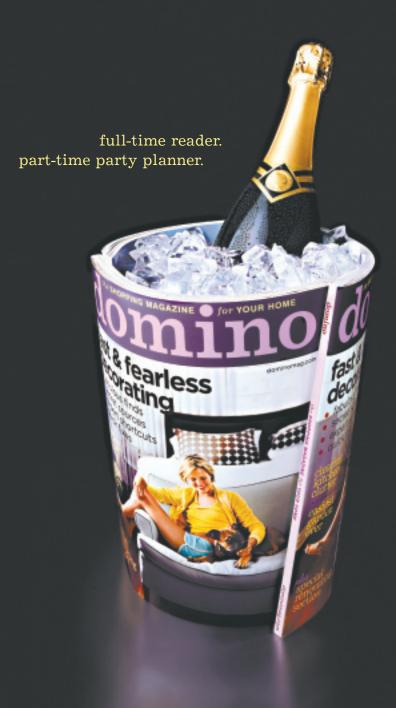
ART AND COMMERCE: On Wednesday, Visionaire and D.A.P. opened a guerrilla bookstore in Visionaire's SoHo gallery space. The store will be open until Sept. 8 and features close to 400 new, rare and limited-edition titles distributed by D.A.P. Last night, **Tina Barney** was there to sign copies of her new book of photographs, 'The Europeans." Barney, who built her career taking pictures of patrician Americans, said on Thursday by phone, " think [Europeans are] more formal [than Americans], in their mannerisms, anyway. Just in the way that they move and speak and address others." Discussing what or whom she hopes to photograph next, Barney said, "I'm not sure yet. I definitely want it to be at home, in America. After working for these many years, it's hard to find a subject that I want to connect to, with how I feel about the world and how I feel about America and where it's headed." Artbook at Visionaire events with Jenny Holzer, Vanessa Beecroft, Richard Prince and Alex Katz are planned for later in the summer. - S. J.



An image from Tina Barney's new book, "The Europeans."



The Artbook at Visionaire guerrilla bookstore



domino bring your style home.

Taking Taxis Into the 21st Century

- For many, a ride in a New York City taxi can be memorable, but not necessarily for the right reasons. Now a handful of design firms are vving for the chance to scrub away those memories with some new concepts.

By the time of its 100th birthday in 2007, the New York City taxi might, with some luck, look considerably better. Glass roofs for skyscraper sightseeing, futuristic yellow benches from which to hail cabs and vivid signals to indicate a passenger exiting are some of the proposals. About a dozen design firms showed off sketches and booted up PowerPoint presentations for "Designing the Taxi," a workshop assembled this month by the Design Trust for Public Space and Parsons School of Design. An exhibition about the proposals will be at Parsons this fall.

The aim is to get the city's Taxi & Limousine Commission to implement some features for the centennial. As one workshop presenter, Tucker Viemester, president of Springtime USA, said, "There are a lot of good ideas all over the place. Everyone should look at this as a quick stab of what people could do."

Here, a snapshot of some of the proposals.

The Company: Pentagram The Pitch: The New Checker is a bio-diesel/electric hybrid car with large sliding doors for easy entry, an ergonomically designed "cockpit" to reduce

driver stress and fatigue, an individual ventilation and cooling system, and wider windows for a better view.

The Payoff: Wheelchair-accessible, more comfortable seating, extra storage space and ideally a more pleasant ride. To boost the New Checker as a brand, the yellow-and-black checkered design will be used

for other products such as Tshirts and a CD compiled of taxi drivers' favorite tunes.



Hybrid's cab with a view

The Company: Imagination

The Pitch: Riders use "Hailstone," a cashless paymentloyalty card for taxi transactions. With a swipe of the card, passengers can earn reward miles for the distance covered and/or pay for the fare like one uses a prepaid

phone card.

The Payoff: With an incentive program, New Yorkers would be more inclined to take a cab than to walk or take the bus or subway. Taking cabs to certain neighborhoods at designated times will result in double points and will

Times Square around 10:30 p.m. will help the post-theater crowd Drivers find fares faster and leasing companies earn revenues through unused portions of prepaid cards.

The Company: Antenna Design

The Pitch: Oversized rooftoop "Vacancy" signs with super bright LEDs. A control panel on the partition has an outlet for laptops, a computerized map with route and traffic information, adjustable air vents, temperature controls, indication of the vehicle's speed and a slot for credit card payment.

The Payoff: A hassle-free way to find a cab. Automated sliding doors are safer and less strenuous to open. Riders have a more comfortable trip and bet-

ter sense of where they are going and how long it will take.

The Company: Weisz + Yoes The Pitch: Passengers can use a designated button on their cell phones as a pinging device to signal any cabs within a fewblock radius. Drivers can signal back with an ETA. Airport taxi stands will have plasma screens for passengers to chart their route, check the traffic or learn about the city.

The Payoff: Taxi seekers will not be standing with hands overhead when a cab is only a block away. Airport travelers will pick up more than a pamphlet while waiting for a taxi.

The Company: Hybrid Product Design & Development

The Pitch: Drivers steer an electric-methane hybrid. Passengers will be able to hail cabs using their cell phones. Drivers will be seated higher, better to see the traffic

The Payoff: The hybrid is more compact than standard cabs even though it would have ample baggage space and is wheelchair-accessible. With a glass top and sides, passengers will catch all the sites.

The Company: Imagination
The Pitch: Cabbies learn yet-to-be-defined behavior guidelines for dealing with passengers. The Taxi & Limousine Commission might provide the training. In London, for example, passengers must speak with taxi drivers before they enter the cab.

The Payoff: Everyone gets along

- Rosemary Feitelberg



Monumental Gallery Opening

NEW YORK - The World Monuments Watch program, an offshoot of the World Monuments Fund, is celebrating its 10th anniversary by opening a gallery here adorned with colorful photographs of some of the architectural gems that it has helped preserve

Images of Ghana's Larabanga Mosque, Russia's Alexander Palace, Turkey's Hagia Sophia and Italy's Temple of Hercules are among the pictures that line the walls at the World Monuments Fund's Gallery at the Prince George at 15 East 27th Street. The space, which will be available for other architecturally intensive exhibitions, is a piece of work in itself.

Working with the firm of Beyer Blinder & Belle, architecture students from Parsons School of Design renovated the space last summer. They were determined to leave behind remnants of the building's past as evidenced by traces of exposed brick walls and decayed molding.

The fund is counting on visitors en route to the refurbished Prince George Ballroom, built in 1904 as a hotel and listed on the National Register of Historic Places, to help spread the word about the gallery and to catch the current exhibition. Partygoers must pass through the gallery to get to the ballroom.

The WMF is trying to line up an exhibition about the Church of St George's Bloomsbury in London, which was designed by the architect Nicholas Hawksmoor in the early 18th century.

On another front, for the fund's 2006 watch list of en-

dangered sites, nine 20th-century buildings were pegged more than double those on any other previous list. Included are the International Fairground designed by Brazilian architect Oscar Niemeyer in Tripoli, Lebanon; Lisbon's Art Deco theater, the Teatro Capitolio; the Edward Durrell Stone-designed building at 2 Columbus Circle in Manhattan, and in Moscow, architect Konstantin Melnikov's house and studio and the Narkomfin Building, Richard Neutra's Cyclorama Center in Gettysburg, Pa., the Ennis-Brown textile block house designed by Frank Lloyd Wright in Los Angeles, Finland's Helsinki-Malmi Airport and the historic center of Asmara, Eritrea.

— R.F.

Pompidou Spans the Globe for Latest and Greatest

PARIS - Design goes beyond sleek hotels and groovy chairs. It also is being applied to portable phone rings and even eliminating the hanging chads that helped decide the 2000 U.S. presidential election.

Showcasing design's varied faces and highlighting some of its underappreciated trends is the idea behind "D.Day: Design of Today," an exhibit bowing June 29 at Paris' Centre Pompidou Museum of Modern and Contemporary Art and running through

The field of design is much larger than what people often think," said Tatiana Fernandez, who organized the exhibit with Valerie Guillaume. "Today design is much more than furniture."

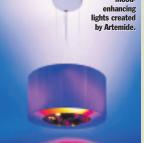
Indeed, the show features few pieces of furniture. Instead, it tackles ideas such as the political implications of design and how biotechnology advances could potentially influence the field.

Among the other themes that are explored is how design can affect behavior, how it can be used in humanitarian missions, and the growing trend for customization.

Fernandez said practical concerns — at the heart of the old form versus function debate — continue to influence the design process. But she emphasized that designers are making their know-how useful on more complex

AIGA, a New York-based association of designers, is an example. The collective has been working on projects that would streamline voting ballots while also creating more enticing voter registration banners.

Such "socially engaged" design, as Fernandez described it, takes on many forms,



from the inexpensive solar ovens that were created for refugee camps to a conical device that purifies salt water, created by Stephan Augustin, who also works for BMW.

Design's impact on the senses is another trend.
"There's a lot of research being done on how design can positively affect a person's psychology," Fernandez said.
For example, Carlotta de Bevilacqua, managing director of brand strategy at Artemide, the Italian light company, has devel oped lights that change colors so as to influence moods

Sound and taste are also being designed.

New gastronomical tastes and textures in food have been created by Swiss designer Luki Huber and Ferran Adria, the chef at El Bulli on the Catalan coast near Roses, Spain,

As for sound, Fernandez points to sounds developed for household appliances

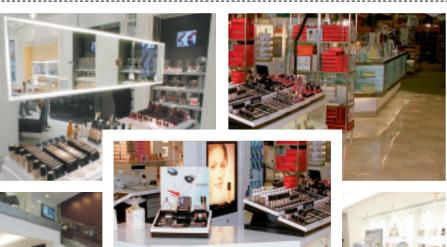
"Today you can make a vacuum cleaner that is silent," Fernandez said. "But consumers expect it to make a certain noise, and that noise is designed.'

At the same time, technology's influence is being felt, whether in the realm of mobile phones or video games. The uniformity of much of this technology, though, has led many designers to customize products or transform old pieces with new technology.

German designers Markus Bader and Max Wolf, for example, outfit old stereo com-

onents such as turntables with high-tech technology to play music. Several of the duo's so-called "Bootleg Objects" are displayed.

Robert Murphy













August: The Retail Issue

Save the Date

Issue Date: August 12

> Close: July 8

Between consolidations and acquisitions, the retail landscape has never been so volatile. Find out what the implications are for the future of beauty.

This issue will make sure retailers across all channels of distribution afford your brand a place in their roadmap to success.

Special Feature: A look at the most cutting-edge, innovative stores that are breaking the mold and stimulating beauty-hungry consumers to shop.

A Closer Look: Ethnic Market

The "It" List: Consumer research analysts

Bonus Distribution: ECRM Skin Care and ECRM Hair Care

Growing Mulberry: Net Climbs for 'Insider' Brand

By Samantha Conti

LONDON - Mulberry, the British accessories and ready-to-wear brand is blooming

Profits at Mulberry Group plc shot up to \$3.64 million, or 2 million pounds at current exchange, from \$56,420, or 31,000 pounds, for the fiscal year ended March 31, propelled by sales of its no-logo, weathered-looking leather handbags.

The spike in profits was the initial phase in a turnaround that began in 2002, when new management replaced Mulberry founder Roger Saul in an effort to stem years of losses and develop a viable

"It's the first step in the right direction, and it's very encourag-ing," Lisa Montague, chief operating officer, said. "But we're checking ourselves at every step along the way and keeping our feet on the ground. The brand name is still bigger than the actual business."

The company said in a statement Thursday that sales for the fis-

cal year rose 19 percent to \$55 million, or 30.1 million pounds, from \$46 million, or 25.3 million pounds, because of a vigorous leather accessories business. Accessories are the brand's engine, and generate about 85 percent of group sales. Mulberry is looking to boost sales to about \$91 million, or 50 million pounds, by 2009.

As part of its growth strategy, Mulberry has been expanding into the U.S. and the Far East, and has been consolidating its distribution networks in Europe. The U.S. is a major focus for Mulberry now, and the company has said it would like to boost sales from 10 percent to at least 20 percent of the total during the next few years.

Last fall, Mulberry launched exclusively at Bergdorf Goodman. Since then, it has begun to sell at stores including Barneys New York, Neiman Marcus, Fred Segal, Jeffrey and Intermix, Mulberry is to start selling at Saks Fifth Avenue in the fall. Montague said the company also was looking for retail space in Manhattan, and the plan is to open a stand-alone store by spring.

In August, Mulberry's fall ad campaign, shot by Paolo Roversi, will break in U.S. Vogue, and later in Tatler and the British editions of Vogue and Glamour.

Mulberry's momentum is building in the current fiscal year.

The statement said autumn wholesale orders were 80 percent ahead of the previous year, although a lower growth rate is expected for spring sales because of difficult comparisons with the previous year. The company said retail sales for the nine weeks until June 4 increased 47 percent. However, Mulberry pointed out that growth rates were expected to decline in the second half due, once again, to tough comparisons with the previous year.

Sales are split evenly between wholesale and retail channels. Europe, including the U.K., generates about 75 percent of all business, followed by North America and the Far East, each with 10 percent. The rest of the world accounts for the remaining 5 percent

During the past year, Mulberry opened a stand-alone unit in Notting Hill, bringing the total number of U.K. stores to five. Mulberry also opened stores at Heathrow Airport's terminal one and terminal four, and concessions at the U.K. department store House of Fraser. The brand has nine doors in continental Europe and Scandinavia.

In the Far East, the company opened standalone stores in Hong Kong, Bangkok and Kuala Lumpur in partnership with Club 21, which belongs to Mulberry's majority shareholders, Christina Ong and Ong Beng Seng. Mulberry also has formed a joint-venture distribution company with the Ongs, Mulberry USA LLC, for its U.S. wholesale clients.

The Ongs, Singapore-based hotel and fashion entrepreneurs, own 52 percent of Mulberry, and the remaining shares are quoted on London's AIM stock exchange. The Ongs, who provided the initial financial muscle for the turnaround, injected almost \$2 billion into the company in 2000. They also replaced Saul, with whom they had a bitter boardroom clash in 2002. Later that year, Saul, who founded Mulberry in 1971, was replaced by Godfrey Davis as chairman and chief execu-

Robert Burke, vice president and senior fashion director of Bergdorf's, which also carries Mulberry's rtw line exclusively in the U.S. market, said the collections were a hit from the start. "The collection came on very strong," he said. "The bags were an immediate success — and they've maintained their momentum.

Mulberry's semicircle

bag with long strap.

Burke attributed part of Mulberry's success to "pent-up demand" before the bags even hit the U.S. market. Until now, Mulberry hadn't focused on advertising, but relied instead on celebrities to relay the message. Kate Moss, Beyoncé Knowles and Kate Winslet all have carried the Bayswater, a slouchy satchel, while Madonna, Julia Roberts and Gisele Bündchen all have the Roxanne, which has buckled front pockets.

Mulberry has been clever at positioning itself in the U.S. as an "insider's brand,"

and trading on its discreet charms, Burke said. The bags have no logos, they are vegetable dyed (an unusual way to treat leather) and are decidedly not precious.

Indeed, the bags are meant to become increasingly slouchy with wear. The leathers are heavily drummed, which gives them a worn finish with a vintage feel. Mulberry even gives customers a tube of cream to rub into the bags to nourish the bat-

"Mulberry is for customers who want the most important bags of the season — and who



were designed by Nicholas

Knightly, who left the company earlier this year. He has been replaced as design director by Stuart Vevers, whose first collection bows for spring.

Montague said the change — while un-

expected - has been a positive one: "Nicholas' departure was unplanned, and initially felt disruptive. But that's been replaced by the joy of Stuart's joining. He's giving his

energy to every single part of the collection." Vevers, who has designed accessories for companies including Louis Vuitton, Givenchy and Bottega Veneta, is working on tweaking the bestsellers for spring. "We're doing some really exciting versions of our classics: A vintage python Roxanne bag, a tassel Bayswate, and fun, decorative stitching and hand-painted designs on the Roxanne. There's also a new size of the

Roxanne called Rosie," he said. As for rtw, which accounts for about 10 to 20 percent of Mulberry's

business, Vevers is taking his cue from the bags. "I would like the clothing to fit very closely with the bags, which have a very English point of view. The collections are very 'day,' just like the bags, and we are introducing a bohemian and eclectic feel,

again taken from the artisanal techniques used for the bags," he added.

Craftsmen in Mulberry's Somerset factory hand-drum the leathers and hand-stitch the trim of all the bags. The whipstitch they use for many of the bags is traditionally employed for horses' bridles. Vevers is in constant contact with the artisans via a video-phone link between the company's West London design studio and the factory floor:

Montague said Mulberry's future growth will continue to come from accessories rather than rtw. "The rtw keeps us fashion-focused and fresh. It's a nice little business — and that's OK. I can't really see it becoming more than 20 percent of overall sales," she said, adding that accessories will continue to be the driver. "We will continue to build our library of bag styles and focus on offering great product, and on sell-throughs. We're on track with our strategies, and we're not looking too

Bergdorf's Burke said all the ingredients for success are there. "Mulberry has a rich history and they've been smart in positioning themselves. I think they have as good a shot as any of the major brands at achieving longevity."





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Narciso Rodriguez Expands With Second Scent for Her

By Bryn Kenny

NEW YORK — "Fragrance is something I personally love," gushed Narciso Rodriguez, celebrating the launch of his new scent, Narciso Rodriguez for her Her Eau de Parfum.

Over an intimate dinner with 17 newspaper and magazine editors, Rodriguez spoke about the process of creating a new fragrance interpretation, a new version of his original scent, Narciso Rodriguez for her, which launched as an eau de toilette in September 2003. The new edition sports a different, pink floral top note containing rose and peach pulp.

"The [original] has been so well received. Women have said so many nice things," he said. "It's great to be able to expand on the initial concept, but also keep the integrity and all of the creativity and passion that went into the first."

When the conversation changed to fashion, Rodriguez had celebrities on his mind, citing the recent influx of bold-faced names making their way on Seventh Avenue. "The nature of fashion has changed," he said, adding, "There are so many celebrity collections — but it's like comparing a comic book to a Eugene O'Neill play." Apples and oranges aside, the Cuban-American designer is not one to judge: "I think it's fantastic that fashion has reached a broader audience," he said.

And, with the launch of Her Eau de Parfum, Rodriguez is hoping to do just that, if not at least expand on the following he's been building since the launch of the original eau de toilette. Nathalie Helloin-Kamel, vice president of marketing for

Nathalie Helloin-Kamel, vice president of marketing for Narciso Rodriguez Parfums, hopes the eau de parfum will appeal to existing Rodriguez fragrance fans and also attract a new contingent. "This is the chance to recruit a new customer, but it's also important to maintain the loyalty of the original customer," she said. Louis Desazars, president of Beauté Prestige International USA, Rodriguez's licensee, added that the original fragrance has been building a loyal following since its launch two years ago. "We have an extremely high repeat purchase," he said.

"We have an extremely high repeat purchase," he said.

When asked if he has any plans to introduce an additional scent—women's or men's—separate from the "for her" franchise, Rodriguez would only say, "I have a long list. I'm always dreaming up new things. It's more, 'Can we get it done in this lifetime?" He added with a grin, "The fragrance industry works in top secret—we have a lot of top-secret documents." Rodriguez did, however, grow visibly excited at the thought of moving into color cosmetics. "I have thought about it. Who doesn't?" he said. "I started thinking about it when I was a teenager. I love color."

Helloin-Kamel did not rule out the possibility of introducing additional fragrances, but stressed that the company was in no rush. "We're not only launching new fragrances, we're building a new house," she said. "To build it the way we would a house, with pillars and a strong foundation, we want to be careful and make sure we are faithful to the spirit of the designer — we want to be consistent with the brand."

Featuring soft pink packaging with black letters — an insideout version of the original bottle, which featured black packaging with pink letters — Her Eau de Parfum will be on counters July 1 at Saks Fifth Avenue, where it will remain exclusive until mid-September, when it will roll out to Bloomingdale's and 88 Nordstrom doors, according to executives.

Nordstrom doors, according to executives.

At \$70 for a 1.7-oz. eau de parfum and \$94 for a 3.3-oz eau de parfum, it is priced slightly higher than the eau de toilette, which ranges from \$62 for a 1.7-oz. size to \$84 for 3.3 oz. Executives would not comment on sales figures for the fragrance, but industry sources said they expect it to do up to \$3 million at retail in its first year.

Macy's Home Store Gets New Chief

By David Moin

NEW YORK — Federated Department Stores replaced the head of its Macy's Home Store, signaling that a year-old strategy is not progressing as smoothly as anticipated, retail experts said.

ed, retail experts said.
Timothy M. Adams, a Federated veteran, was named chairman of the Macy's Home Store, effective July 25. He succeeds Eric Salus, who resigned, Federated said in a statement Thursday. Executives were not available to comment on the change.

Macy's Home Store, based here, is a central organization responsible for the buying, merchandising and marketing of home furnishings for 423 Macy's stores in the U.S. It has been in place about 10 months. Macy's home business is said to have done no worse than before the centralization, but improvements are overdue and Federated exec-

utives have been disappointed, retail sources said.

The Bloomingdale's division of Federated operates its home business separately.

Generally, home merchandise has not been selling as well as apparel, though some improvements have been seen in furniture and luggage has been consistent. Retailers blame the results on a lack of newness in areas such as home textiles, housewares and china. For Federated, the situation is complicated because centralizing operations represents a major cultural change. It gives one individual oversight for the entire home business at Macy's, which has five divisions operating out of New York, Miami, Atlanta, Seattle and San Francisco, Previously, each division handled its own home buying, marketing and merchandising.

Federated's home centralization is a key initiative orchestrated by chairman and chief executive officer Terry Lundgren to update assortments and tap into trends relevant to consumers. It becomes even more crucial because of Federated's pending merger with May Department Stores, which shareholders are expected to approve on July 13. The merger will double the size of Federated's home business.

Adams was chairman of the Miami-based 61-unit Macy's Florida chain, which last year was the corporation's best-performing division. Federated said his successor will be named soon.

Salus had been president of the home division since its April 2004 inception. "Getting the Macy's Home Store organization off the ground was a daunting task, and we appreciate Eric's contributions," Federated vice chairman Janet Grove said in a statement. The Macy's Home Store operation reports to her.

EU Trade Breaks Favor Poor Countries

GENEVA — The European Union on Thursday agreed to a new list of products that receive reduced duty rates, which is likely to benefit textiles and apparel exporters from poor African, Asian and Latin American nations.

"This is our single-most-important trade tool for development," EU Trade Commissioner Peter Mandelson said in a statement marking the end of three months of negotiations. "It will focus EU trade preferences on the countries most in need, including those hit hard by the Asian tsunami last December."

The big loser under the new general system of preferences scheme is China and to a lesser extent India, which will only be entitled to preferences for apparel, but not textiles. Under the new terms, thresholds for GSP rates will be set at a 15 percent share of most exports from qualifying countries. However, access for textiles and apparel will be at a 12.5 percent share, but assessed separately and on an annual basis.

If a poor country also qualifies for a special "GSP plus" program linked to adherence to labor, environmental and human rights standards, it can enter duty free. The new GSP levels are slated to go into effect Jan. 1, but the GSP-plus program will began July 1 for countries that qualify.

The EU Council will formally adopt the agreement on Monday.

- John Zarocostas

Doneger Group Highlights European Trends

By Katie Freedman

NEW YORK — After surveying the latest looks in Europe, Doneger Group trendspotters David Wolfe and Amanda Hallay believe the future of American fashion lies in the ever-popular tunies and gypsy skirts, "razzle-dazzle" accessories and a splash of orange as well.

"I feel about 100 years old," joked Hallay, after noting that "Nineties Brit Pop" is now the new "vintage" look coming out of Berlin

Hallay, Wolfe's daughter, is the newest member of Doneger's creative team, serving as the European trend analyst, reporting exclusively on European retail and trade events. Wolfe is creative director of Doneger Creative Services.

They made their observations during a presentation Wednesday titled "In Search of Style" at the Doneger headquarters here. Representatives of Macy's, Neiman Marcus, Liz Claiborne, Estée Lauder and Phillips-Van Heusen were among those attending.

While other retro motifs such as skull and crossbones and Seventies-inspired smiley prints are hot in Berlin, Wolfe and Hallay found gypsy skirts, paisley prints and flashy accessories to be some of the key must-haves





"Razzle-dazzle" accessories were seen in Saint-Tropez and London. Orange was the hot hue throughout Europe.

in Saint-Tropez and London. And while London showed a down-and-dirty denim look for men, they said women were in "street sweeping" skirts paired with crocheted tops.

And what would a trend analysis be without a few style tips from Paris?

This season, Paris is morphing from elegant looks to something downright sassy. Fun accessories and a sudden curiosity over voodoo dolls have Parisian women wearing good luck charms on their Louis Vuitton purses. Meanwhile, Wolfe said knockoffs of the "self-fringed"

Chanel-styled jacket are over. Printed skirts, multicolor striped men's dress shirts and a touch of citrus seem to be everywhere.

As these trends flourish in Europe, Wolfe and Hallay believe the looks will soon hit these shores, bringing colors such as turquoise and brown, stylish, big-beaded jewels, and men's harmoniously colored shirts. They also expect to see a transformation of the tunic from boho to chic.

But while European fashion may be leading the trends, Wolfe invoked a Coco Chanel statement: "Clothes don't become fashion until someone wears them."

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Fairchild offices will be closed for the holiday at 1pm on 7/1

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All replies to box number ads should be addressed exactly as indicated in ad copy. For from box num-bers without a street address, mail to: Box WOMEN'S WEAH DWLY

7 West 3dth Street, New York, NY 10001

A NOTE OF INFORMATION AND ENTREATY TO FASHION EDITORS, ADVERTISERS, COPYWRITERS AND OTHER WELL-INTENTIONED MIS-USERS OF OUR **CHANEL** NAME.

CHANEL was a designer, an extraordinary woman who made a timeless contribution to fashion.

CHANEL is a perfume.

CHANEL is modern elegance in couture, ready-to-wear, accessories, watches and fine jewelry.

CHANEL is our registered trademark for fragrance, cosmetics, clothing, accessories and other lovely things.

Although our style is justly famous, a jacket is not 'a CHANEL jacket' unless it is ours, and somebody else's cardigans are not 'CHANEL for now.'

And even if we are flattered by such tributes to our fame as 'Chanel-issime, Chanel-ed, Chanels and Chanel-ized', PLEASE DON'T. Our lawyers positively detest them.

We take our trademark seriously.

Merci.

CHANEL, Inc.