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Gas Prices Hurt Margins, Dampen Sales for Some

By NATALIE ZMUDA

NEW YORK — Soaring fuel cost is spurring concern among footwear retailers, who are grappling with mounting freight charges and slimmer margins.

While store owners across the country were mixed about the impact of higher gas prices on consumer spending, most retailers said rising fuel-related expenses are already forcing them to raise prices and change shipping strategies.

Last week, the average nationwide price for regular unleaded gasoline hit \$2.91, according to the Energy Information Administration. Looking ahead to summer, the EIA expects prices for one gallon of regular gas to average \$2.71 across the country,

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Well Suited

There's a new sense of sophistication in the men's market for fall, as designers encourage guys to embrace more elegant clothing and footwear. From luxurious materials to artisanal details, classic looks are being revisited for a new generation of gentlemen. Here, brown bluchers from PRADA.



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Ron White Rebrands Retail Roster

Toronto's six The Foot Shoppe locations have been reborn under the new Ron White The Foot Shoppe banner. White has been working to reimage the chain he founded in 1993 as a more modern boutique concept since last fall. He completed the sixth and final renovation late last month. Sleek chocolate-colored leather chairs and a champagne-colored Berber carpet have replaced antique dining room chairs and Persian rugs, and the walls now feature wide champagne- and vanilla-colored stripes.

"It's much more young and modern and fresh, but our older consumer is not offended by it," White said. "We had to keep our existing customer but change so dramatically that people who weren't our current customers wanted to poke their noses in, thinking we were a brand-new retailer."

White's plan is already reaping returns. The stores are reporting high-double-digit, and in some cases, triple-digit, comp-store sales improvements. Investors and high-profile mall owners have also been circling, White said. "I'm getting more response than I thought I would," he admitted. "There are some really neat opportunities right now. I'm just going to digest, assess and see what I want to do."

DC Shoes Preps First Store

DC Shoes is putting the finishing touches on its renovation of a 1,500-sq.-ft. space in Manhattan's Soho neighborhood. The store, which is slated to open late this month or early next month, will mark the company's first foray into retail. Fixtures in the store will be suspended from the ceiling and free floating, while the floor will be a stark black. The rear wall of the space will feature 16 plasma screens running loops of DC film projects, video clips from tours and contest footage. DC's entire collection of footwear, apparel and accessories will be on display at the store, along with exclusive product.

Benjamin Lovell Heads to Baltimore

Benjamin Lovell Shoes is looking to a new market for its latest store opening. The Philadelphia-based retailer, which counts doors in Pennsylvania, New Jersey and Delaware, recently opened its seventh store in Baltimore, Md.'s trendy new Harbor East community. The 2.4 million-sq.-ft. mixed-use project on the city's waterfront has already attracted a Whole Foods Market and a Four Seasons property.

"I've been coming to look at this market, especially this area, for 10 years," said President Ben Lovell. "It just seemed so right for us, and then the developers approached us."

The developer, Struener Bros. Eccles and Rouse, which is partnering with H&S Properties Development on the project, helped Lovell to secure a prime 1,400-sq.-ft. corner unit. Lovell expects the store will be among his most profitable.

Saks Looks East

Saks Fifth Avenue is hoping to cash in on Asia's burgeoning population of luxury consumers.

As early as 2008, the department store plans to begin building its portfolio in China and Macau with Roosevelt China Investments Corp. as a partner. The retailer's first store will open in Shanghai, a city of 18 million. The proposed site (pictured at right) spans 300,000 square feet and four levels, which would make it the company's largest door to date.



The store will be located in the city's Bund district, a pricey downtown area which has been undergoing an extensive redevelopment and restoration. Established and emerging Asian, European and American designers will be showcased at the location, which will carry a full offering of footwear, apparel, accessories, cosmetics and gift items. The store will also include specialty cafés and a spa.

"China, with its explosive growth underway, is destined to become the commercial and tourist hub of Asia and is the logical location for our third international licensed Saks Fifth Avenue store," Stephen Sadove, CEO of Saks Inc., said in a release. "Based on the success of the Saks Fifth Avenue store in Shanghai, we will consider future expansion into other cities in the region."

In Brief

New York-based **Lounge** has completed an extensive renovation, doubling the number of labels it carries. The 6,000-sq.-ft. footwear department now boasts more than 100 brands in a serene, garden-like setting. Wood and glass fixtures display product, while trees and cacti sprout from the center of green leather seating units. ... **Mephisto** and **TF Firma** recently bowed a 2,600-sq.-ft. store in the Montreal Eaton Centre. The shop features the first Allrounder by Mephisto shop-in-shop concept. ... **Christian Lacroix** is slated to open a boutique at Las Vegas' The Forum Shops at Caesars in early July. ... The first **Marc by Marc Jacobs** store bowed in San Francisco on Fillmore Street this month. The store spans 2,000 square feet and is the company's fifth Marc by Marc Jacobs concept store. ... **Geox** has signed leases for three more stores in an effort to increase its presence in the U.S. market. The Italian company plans to open at Atlantic City, N.J.'s new Caesars shopping complex in June, at Los Angeles' Topanga Mall in October and on San Francisco's Market Street in November.

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