

The Sure Things

Accessories brands are capitalizing on product extension. BY JENNIFER HIRSHLAG



Bags from Gucci's Flora collection.

WHEN IT COMES TO LANDING AMONG THE TOP 10 BRANDS FOR accessories, having a name supported with advertising, celebrity endorsements and a well-thought-out distribution strategy is just a start. This year, what really makes the difference is an emphasis on an innovative assortment.

Luxury brands especially are capitalizing on this formula. Christian Dior, Gucci and Chanel all occupy the top 10 list for 2005, bringing the number of European fashion houses making the cut up from two in 2004. American accessories brand Coach rounds out the higher-end participants, climbing up one notch from last year to seventh place. Liz Claiborne, Nine West, Ray-Ban, Totes-Isotoner, Candie's and FosterGrant all carry over from last year, in roughly the same order, with the exception of Candie's, which tumbled three spots to ninth place.

Dior, the newcomer to the top 10, had a 14 percent increase in sales of its fashion and accessories for a total retail volume in the last year of \$740.1 million. It is striving to reach a target of \$1 billion in sales by 2007 by kicking off a major expansion of its product offerings, according to Dior designer John Galliano, in a WWD interview in June. Galliano said he believed the growth of the brand in the marketplace hinged on appealing to more age groups, dressing occasions and fashion tastes.

Product also is key at Gucci. Tom Ford's departure from the house in early 2004 generated a lot of headlines. However, a strong showing by Ford's current successor, Frida Giannini, who took over as the brand's creative director for women's ready-to-wear and accessories after the short tenure of Alessandra Facchinetti, really pushed the brand ahead.

In the spring, Gucci parent PPR reported the retail volume of leather goods grew by more than 25 percent in 2004, driving sales at the company up 14.2 percent to a retail volume of \$564.2 million.

Executives at PPR attributed the jump to Giannini's Flora line, which revived an archival Gucci print in handbags, footwear, watches and luggage, among other items, and added a dose of femininity to the brand. This fall, Gucci intends to expand its success with the double-G logo on canvas by introducing it in leather.

Chanel's New Mademoiselle handbag line was similarly created from an archival style. The bags, which feature ribbed and softly padded leather, metallic interiors, flat-link handles threaded with reflective canvas, and cell phone and iPod pockets, were based on a look from the Sixties that was created by Coco Chanel herself. The collection, slated for delivery in October, will be backed by an ad campaign shot by Karl Lagerfeld and fea-



Vanessa Paradis shows off the New Mademoiselle bag from Chanel.

1. Liz Claiborne
2. Nine West
3. Gucci
4. Ray-Ban
5. Christian Dior
6. Chanel
7. Coach
8. Totes-Isotoner
9. Candie's
10. Foster Grant

A fall 2005 runway look at Christian Dior.



turing actress-singer Vanessa Paradis.

Coach continues to roll on; sales are up 29 percent. Andrea Shaw Resnick, vice president of investor relations for the brand, said the company had benefited from an overall increase in the handbag and accessories category, and from its range of products. Coach launched an evening collection, extended its weekend styles and introduced a new "scribble" logo line that was snapped up on the retail floor in silhouettes that included eyeglass cases and shoulder bags.

Ed Bucciarelli, group president of LCI Accessories and Cosmetics Group, agreed that it was strong year for accessories. But he added that what has kept Liz Claiborne in the number-one position is its commitment to keeping its assortment relevant and modern.

"We need to continue to remain contemporary with the customer as she evolves," he said. The brand focuses on key product trends and then seeks to "own the category," according to Bucciarelli. This year, for example, it did well with sales of brooches, soft handbags in exotic patterns, ponchos and sash belts.

Second-place Nine West boosted its product assortment with the introduction and expansion of its higher-end Nine West Studio footwear collection. In March, it also launched luggage. Nine West's extensive array of lifestyle categories includes apparel, footwear, luggage, handbags, jewelry, sunglasses, hats, outerwear, cold weather accessories, legwear, belts and eyewear.

Ray-Ban emphasized its assortment by offering its classic styles and fashion-forward alternatives. These alternatives included new silhouettes and a range of traditional and new shapes with colorful rims in optical white, pastel green and candy pink.

Totes-Isotoner followed a similar strategy. The rainwear company will continue to be a source for the umbrellas for which it is known. It is also building upon those basics with the Auto Brella, an enhancement on its portable Brella franchise. The Auto Brella will be offered this fall in basic and stylish colors and prints.

This month, Candie's will roll out a campaign starring Hilary Duff, as it continues preparing for its 2007 move to become an exclusive within Kohl's department stores. There, the Candie's brand will be associated with 18 product categories, from handbags to shoes and other accessories. Neil Cole, chief executive of Iconix, which owns Candie's and holds the licenses for Bongo and Badgley Mischka, said the new structure should double sales over the next few years, from about \$100 million in 2004.

FosterGrant is taking a slightly different approach. The brand plans to continue to do what it does best on the mass-market level. However, to broaden its customer base, FGX International, which owns FosterGrant, has acquired several lines. They include Anarchy and Angel, which target the surf lifestyle, and several new licenses, such as those for Body Glove and Levi Strauss. ●