

WWD

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LONDON CENTRAL



The runway show season is upon us, beginning this weekend with London Fashion Week Men's. Some major brands may have dropped out, but there are still plenty of new names to see, as always in London, including, from left, Wood Wood, John Alexander Skelton, A Cold Wall and Daniel Fletcher. *For more on the shows, see pages 9 to 12.*

PHOTOGRAPH BY KASIA RUCINSKA

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BUSINESS

Karen Katz Saying Goodbye to Neiman Marcus

- The president and ceo has been at Neiman's for more than three decades.

BY DAVID MOIN

Karen Katz, president and chief executive officer of the \$4.7 billion Neiman Marcus Group and a 32-year veteran of the business, will soon leave the company, according to sources.

"She is ready for a change. The company has seen some turnaround," said a source familiar with the situation. "Karen's had enough."

For a successor, NMG owners Ares Management and Canada Pension Plan Investment Board are likely to select someone from outside the company and outside of luxury retail. "They want someone with a fresh perspective," the source said. It's believed Katz will stay on the Neiman's board.

Second-in-command at NMG is Jim Gold, chief merchandising officer and president of Neiman Marcus, Bergdorf Goodman and Neiman Marcus International. NMG operates the Neiman Marcus department store

chain, Bergdorf's, Neiman Marcus Direct, Mytheresa, Last Call and Horchow.

For the quarter ended Oct. 28, 2017, Neiman's had revenues of \$1.12 billion, an increase of 3.8 percent from \$1.08 billion in revenues in the year-ago period. There was a net loss of \$26.2 million in the last quarter, compared to \$23.5 million in the year-ago quarter. Adjusted earnings before interest, taxes, depreciation and appreciation was virtually flat at \$123.5 million, compared to \$122.9 million a year ago.

The losses are still deep and the long-term debt remains high at about \$4.4 billion. However, in recent months Katz has cited improvements and momentum in the business. The company did narrow its net loss in its last fiscal year, and Katz said the performance at Neiman's stores was stabilizing. She also said the company was "doubling down" on digital growth and online services through a strategy called Digital First, and that the new NMG One inventory management system, after a rocky start, had resolved its operational issues which disrupted ordering and information exchange with vendors.

The 60-year-old Katz began her retail



career in 1978 in the training program of the now-defunct Foley's department store chain in Houston. She joined Neiman's as assistant manager of the Houston store in 1985. She rose up the ranks, becoming divisional merchandise manager of handbags, general manager of the North Park store in Dallas, one of the chain's biggest volume units, and then senior vice president and

director of all stores in 1996. She became an executive vice president in 1998, president and ceo of Neiman Marcus Direct in 2000 and ceo of Neiman Marcus Stores in 2002. In October 2010, she became president and ceo of the entire company.

Neiman Marcus had no comment Thursday, after The Wall Street Journal reported that Katz was leaving the company.

FASHION

Nathan Jenden Returns to DVF

- As chief design officer and vice president, creative, Jenden takes over duties formerly handled by Jonathan Saunders, who resigned last month.

BY LISA LOCKWOOD

That didn't take long.

Diane von Furstenberg said Thursday that Nathan Jenden has been named chief design officer and vice president, creative. He returns to the brand where he worked for 10 years until 2011. In his role, he will oversee all design for the brand.

Jenden takes over duties formerly handled by Jonathan Saunders, who resigned his post as chief creative officer last month.

"It is with joy and pride that I look forward to welcoming Nathan back at DVF. Nathan is an extremely talented and technically skillful designer who also has a great gift at surrounding himself with young, emerging talent. He totally embraces the DVF woman and the brand enjoyed its greatest commercial success during his tenure," von Furstenberg said.

"The fundamental essence of DVF that Diane created is an identity that has empowered women everywhere, delivering accessible style, confidence, independence and a sense of self-worth. Diane delivers that message not only through fashion, but in her approach to life, her love of art, culture, diversity and philanthropy. I see DVF as being more relevant today than it ever was in its message of self-empowerment while being dynamic and modern. I want to give the DVF girl what she wants when she wants it, and with the joie de vivre and sense of purpose

Designer Diane von Furstenberg and Nathan Jenden on the runway after the Diane von Furstenberg spring 2012 show at Lincoln Center's The Theatre.



that epitomizes Diane, DVF, the brand and the spirit of women today. And most importantly of all, I want to make great clothes that resonate with women," said Jenden.

Jenden will report to von Furstenberg and DVF's board. His first collection will be for fall, and will be shown in February.

Saunders had been in the role since May 2016 and was in charge of all product categories, store design, web site design,

a new corporate brand identity and marketing including advertising campaigns. He stepped down from the brand days after von Furstenberg said she plans to sell a stake in her fashion company. She plans to hire Michel Dyens & Co., an independent banking firm, to explore options.

The London-born Jenden studied at Saint Martins and the Royal College of Art before receiving an apprenticeship with John Galliano. Moving to New York in 1998,

he spent three years as design director with Daryl K and then took over the role at DVF. While at DVF, he launched his own label and left to pursue this venture, opening stores in China, Hong Kong and South Korea. Most recently he worked for Global Brands Group as the creative director for Bebe, while also supporting other brands in GBG's portfolio including Hervé Leger and Juicy Couture.

When Jenden left DVF in 2011, he was succeeded by Yvan Mispelaere, who stayed two and a half years.

In a 2006 interview when Jenden launched his eponymous collection while working at DVF, WWD reported that with Jenden in tow, von Furstenberg reestablished herself in fashion. DVF in turn helped Jenden establish a name for himself in fashion circles by taking him down the runway with her at the end of each show to share the limelight.

"Diane has really taught me so much about life," Jenden said in the 2006 interview. "She shares a lot of the values I was brought up with. Cultural references have always been very important to Diane, and they are also important to me. She is surrounded by books about art and poetry. She is inspiring."

At the time, DVF said, "What I like about Nathan is that he is both talented and intelligent. I need to refer to history, to literature, so I need somebody who is talented, intelligent and well-read."

Robert Burke, chief executive officer of Robert Burke Associates, a consulting firm, said Thursday, "I think he is a very solid, talented designer, and he was involved in DVF when it was really at a high so he completely understands the DNA of the brand and also understands the dynamics of the company. In knowing him and dealing with him, he's a very personable, likable, level-headed designer. They had a very good run together. The big advantage is there's no learning curve, and I expect him to hit the ground running."

BUSINESS

2018 Starts With a Beauty M&A Bang

● Five days into the year, BH Cosmetics has landed an investor and Vita Liberata has sold to Crown Laboratories.

BY ALLISON COLLINS

On occasion, the start of a new year marks a slight break in the constant flow of M&A in the beauty world – but this hasn't been the case for 2018.

Crown Laboratories, a recent investment of family office Hildred Capital Partners, has made its first acquisition – self-tanning brand Vita Liberata. Vita makes organic sunless tanning products, and plans to explore distribution through dermatologists under its new owner. The brand has about \$50 million in retail sales, according to industry sources. Terms of the transaction were not disclosed.

MidOcean Partners, a private equity firm with fragrance and skin-care beauty experience, has made an investment in e-commerce-focused makeup brand BH Cosmetics. Terms of the deal were not disclosed, but industry sources estimated that the business does between \$50 million and \$60 million in net sales.

The deals mark the latest transactions in a years-long beauty buying spree. Strategic buyers, private equity companies and venture capital firms have all been active, with many newcomers (like Hildred and Crown) moving into the space. Other recent transactions include Kao's purchase of luxury hair-care line Oribe, Colgate-Palmolive's venture into professional skin care with acquisitions of Elta MD and PCA Skin, and TSG Consumer's investment in HudaBeauty.

HILDRED-BACKED CROWN LABORATORIES ACQUIRES VITA LIBERATA

Crown Laboratories is buying self-tanning brand Vita Liberata.

For Crown, the deal provides access to the prestige beauty category, according to chief executive officer Jeff Bedard. "With the acquisition of Vita, we'll be getting into the beauty premium space and then leveraging the assets throughout the portfolio," Bedard said.

Crown is primarily a vertically integrated manufacturing business – the business has focused on health-care products and also makes Blue Lizard Australian Sunscreen.

Vita Liberata makes a line of organic, sunless tanning products that are sold through QVC, Sephora, Space NK and Ulta Beauty. The company's product lineup includes Ten Minute Tan, \$39; Body Blur Instant HD Skin Finish, \$45; Phenomenal 2-3 Week Tan Mousse, \$54; Self Tanning Anti Age Serum, \$45; Self Tan Dry Oil SPF 50 with Marula, \$27; Fabulous Instant Self Tan Illuminate Wash Off Body Bronzer, \$30, and Self Tanning Night Moisture Mask, \$45.

The brand, headquartered in Ballyclare, Northern Ireland, was founded by Alyson Hogg in 2003. Vita Liberata has introduced new technologies into its formulations that focus on moisture locking, eliminating smells, long-lasting tans and antiaging. The business also uses a Trystal3 technology for dry, crystallized tanning options.

Vita sits in a small but growing segment of the prestige beauty industry. The prestige self-tanning market grew 10 percent for the year ended November to \$52.2 million, according to figures from The NPD Group. For the prior year, prestige self



The eye-shadow palette from BH Cosmetics and Lindy Tsang, aka Bubzbeauty.



Products from Vita Liberata.

tanner was up 5 percent, to \$52.2 million, according to NPD.

For Vita, the deal should expand its access to the doctors' office networks – a new distribution opportunity.

"We're adding not just numbers of people to the potential base of brains, but we're also adding different kinds of smarts and experiences, particularly in the area of distribution channels," Hogg said. "Being a tanning brand, [the physician channel] is not really a channel we've explored before, but part of what was so interesting in the conversation that we've had is that the kind of product we've been making...is very dermatologist appropriate."

Dermatologists are consistently advising their patients to stay out of the sun, but could provide a self-tanner to patients that hadn't been heeding that advice, Hogg explained.

"With this merger we have the opportunity to prove organics aren't just the pretty little sister of real skin care," Hogg said, noting that the deal gives the company more "chemistry brains" to work on product development.

"The combination when we have a chance to get in the lab together....I don't even have the words to imagine what it is we might create," Hogg said, adding that whatever it is will be folded into the retail side of Vita for consumers.

Crown is backed by family office Hildred Capital Partners, which acquired a majority stake in the business in December. Vita Liberata has been backed by Dublin private equity firm Broadlake since 2012.

Vita is Crown's first acquisition under Hildred, but more are likely, according to David Solomon, partner at Hildred. Solomon was part of the team that built pharmaceutical business Forest Laboratories, which is owned by Allergan.

"We were successful at building a company by licensing and acquiring and partnering, and that very much is and will continue to be part of the strategy for Crown," Solomon said.

"Vita represents Crown's first acquisition and is a meaningful step toward building its OTC-branded consumer division," said Andrew Charbin, director at The Sage Group, which advised Vita on the deal.

MIDOCLEAN PARTNERS INVESTS IN BH COSMETICS

BH Cosmetics has inked a deal with private equity firm MidOcean Partners.

BH, headquartered in Los Angeles, makes value-priced makeup, brushes and related accessories. The brand's product lineup includes eye shadow palettes, including the 28-shade Foil Eyes Palette, \$13.99, and the First Edition 120-color Eyeshadow Palette, \$17.99, as well as facial makeup, lip products, brow palettes and a Studio Pro line. The brand's products are sold primarily online, but are also carried at Ulta Beauty, Urban Outfitters, Riley Rose and other retailers.

WWD previously reported BH had hired The Sage Group to consider a transaction – the firm was exclusive financial adviser to BH. Industry sources indicated the brand has between \$50 million and \$60 million in net sales, is very profitable and does most of its sales online. The MidOcean deal will give BH the ability to expand in the U.S., globally and tackle new wholesale opportunities.

"There is a lot of room for expansion and to accelerate the growth opportunities the company currently has," said Sage managing director Arash Farin of BH. "Wholesale will be a major growth driver going forward."

BH has a history of partnering with influencers, including Carli Bybel, who has 5.7 million YouTube subscribers, and BubzBeauty, who has 2.9 million YouTube subscribers, on products. BH has also partnered with actress Ashley Tisdale for several palettes.

That strategy seems to have boosted the brand's earned media value, according to data from Tribe Dynamics. BH's EMV was up 66 percent year-over-year for the third quarter of 2017. BH has also grown its community with a 278 percent increase in ambassadors, and grew its posts by 448 percent, according to Tribe.

Under MidOcean, BH will continue to be led by founders Fred Sadovskiy, ceo; Kirill Trachtenberg, chief strategy officer, and Robert Sefardi, chief operating officer. All three will retain stakes in the business.

"BH was launched in 2009 with a focus on eye palettes and has since developed a full suite of cosmetics with high-quality products at value price points," said Trachtenberg. "The partnership with MidOcean will enable us to dedicate additional resources to key areas of our business including innovation and product development, marketing and branding and customer service. We believe there is a tremendous opportunity to accelerate BH's growth."

"We believe that BH Cosmetics has substantial opportunities for continued growth and expansion fueled by appropriate investments in people, infrastructure and marketing," said Jonathan Marlow, managing director at MidOcean. "We see numerous opportunities to increase BH's presence across channels and geographies." MidOcean's beauty investment history also includes Image Skin Care, which it is currently invested in, and Agilix Fragrances, which it sold to Firmenich in 2017.

The direct tie BH has with its customers is part of the reason retailers want it, according to Sage vice president Andrew Dunst. "You'll probably see more brands like BH pop up that are really born online venture into the brick and mortar world as [retailers] try to bring those experiences into the brick-and-mortar world."

BUSINESS

Some Momentum, More Work at Dept. Stores

● Macy's and J.C. Penney both showed signs of comparable-sales momentum over the holidays.

BY EVAN CLARK WITH CONTRIBUTIONS FROM KALI HAYS AND DAVID MOIN

Better, but not enough – the department store storm hasn't passed yet.

Macy's Inc. and J.C. Penney Co. Inc. both showed signs of life in the holiday season with comparable sales increases. Macy's said its comp sales for the November/December stretch rose 1 percent while J.C. Penney comped up 3.4 percent. (L Brands Inc. also comped up 1 percent for December, but felt the sting of higher promotions at its Victoria's Secret division).

At department stores, Wall Street is looking for more than a little momentum, with analysts prodding retailers to continue to adjust their businesses as more sales go online.

There would seem to be some time for retailers to push that evolution along since the consumer economy is generally seen as steady and strengthening, fueled in part by the still-rolling stock market, where the Dow Jones Industrial Average jumped above 25,000 for the first time on Thursday.

Craig Johnson, president of Customer Growth Partners, believes that the solid holiday 2017 season portends robust consumer spending in 2018. "With the broad-based sales growth and rising real disposable incomes – and now the new tax cut legislation—all the ingredients are in place for a sustained rebound in consumer spending well into 2018 and perhaps beyond," Johnson said.

According to Johnson, retail spending growth is at its best since 2005, with widespread gains in stores and online.



CGP estimates that total holiday spending reached a record \$672 billion, a 5.7 percent year-over-year increase. That's slightly higher than Johnson's mid-December estimate of \$671 billion, or a 5.6 percent increase. His holiday forecast is based on shopper surveys nationally in malls and other shopping venues, and census data. It excludes sales of autos, auto parts, fuel and at restaurants.

Holiday sales were paced by online/direct-to-consumer sales, up 11.7 percent; home improvement, up 9.5 percent; off-pricer stores, 8.4 percent; superstores/clubs, 5.6 percent; apparel, 5.1 percent. However, women's apparel retailers and sporting goods saw sluggish sales at best, Johnson said.

Investors, though, remain cautious on department stores and retailers in general and shares of Macy's fell 3.3 percent to \$24.49, while J.C. Penney's stock dipped 0.3 percent to \$3.69 on Thursday.

Oliver Chen, a Cowen retail analyst, acknowledged "green shoots" at department stores and attributed Macy's and Penney's comp improvement to "improved inventory management and flow; good category momentum in beauty, activewear, and outerwear and digital strength."

Chen said retailers are making progress

in closing stores, cutting costs and reinvesting in their businesses, but acknowledged that traffic is falling in stores, which need to be quick and flexible.

"We also believe the apparel category needs reinvention and new kinds of partnerships are essential with vendors and brands in order to drive differentiation versus both Amazon and low-cost alternatives," Chen said.

Jeff Gennette, chief executive officer of Macy's, played up the company's sales rebound and signaled that changes would keep coming, including store closures, cost cuts and plans to invest \$300 million in annualized cost savings back into the business.

"Macy's had a solid holiday shopping season and we are pleased that our November-December performance resulted in positive comp sales for the period, setting us up for a positive fourth quarter," Gennette said.

The retailer said it would close 11 Macy's stores as part of the August 2016 plan to shutter 100 doors. With these closures, the company will have closed 81 of the 100 stores. Since 2015 Macy's has eliminated 124 doors.

Macy's is also planning to cut costs through a new plan that will see staffing adjustments across the store's organization, with locations losing headcount and others gaining. The effort will also lead to a streamlining of non-store functions as well as a onetime charge of about \$160 million in the fourth quarter.

Macy's will benefit from a lower tax bill in the final month of its fiscal year and, taking that and better sales into account, updated its earnings guidance. Excluding charges associated with the restructuring, the impact of tax reform and a gain on the sale of its Union Square store in San Francisco, Macy's nudged up its range for

earnings per share for 2017 to \$3.11 to \$3.21 from the previously forecast of \$2.91 to \$3.16.

Penney's didn't give any bottom-line updates, but chairman and ceo Marvin Ellison did feel comfortable enough to tout its holiday sales.

"We are very encouraged with our overall comp-sales performance during the holiday season, which was led by home, beauty and fine jewelry," Ellison said. "Additionally, our apparel categories continue to demonstrate improved comp performance, particularly in women's and kids. We are also pleased by our e-commerce business that continues to outpace prior-year results with double-digit sales growth, largely driven by sought-after gifting categories such as fine jewelry, home decor and luggage, toys, boots and athletic footwear."

At L Brands, investors were clearly looking for a little bit more, especially after the company's long-churning restructuring at Victoria's Secret was showing signs of life at the beginning of the holiday season.

Victoria's Secret comped down 1 percent in December overall, while comps at its brick-and-mortar stores fell 6 percent. Amie Preston, L Brands' investor relations officer, said the brand's merchandise margin rate was "down significantly" compared to last year due to increased promotions, which will continue at least until Victoria's Secret starts to focus on Valentine's Day. Inventory per square foot is up 7 percent for the lingerie retailer.

The reaction was strong on Wall Street, with L Brand shares dropping 12.3 percent to \$51.

Mark Altschwager of Baird Equity Research said the drop in shares "reflected some expectation for upside" and that overall, the sales update was "disappointing."

BUSINESS

Bernard Arnault Donates Shares Worth 366 Million Euros

● France's richest man distributed the shares to his children, including Delphine and Antoine Arnault, according to stock market filings.

BY JOELLE DIDERICH

PARIS – Christmas came early for the family of Bernard Arnault.

The French luxury magnate on Dec. 13 donated more than 366 million euros' worth of shares in his luxury holdings LVMH Moët Hennessy Louis Vuitton and Christian Dior SE, according to filings made with France's stock market regulator AMF, and it appears his children were the main beneficiaries.

Delphine Arnault, executive vice president of Louis Vuitton, received 189,020 LVMH shares and 88,222 Christian Dior shares, worth a combined 73.2 million euros, according to the documents filed on Dec. 27.

Antoine Arnault, chief executive officer of Berluti, received 189,020 LVMH shares

worth 46.6 million euros, according to the filings available on AMF's web site. Both are directors at LVMH, and Delphine Arnault is also a director at Christian Dior, which explains why they had to declare the donations they received.

Delphine and Antoine are the children of Bernard Arnault's marriage to his first wife, Anne Dewavrin. He also has three sons with his second wife, the Canadian pianist Hélène Mercier, including Alexandre Arnault, co-ceo of German luggage maker Rimowa.

Benoît Boussemart, an author who specializes in investigating France's wealthiest families, initially reported in a blog post that each of the children received 73.2 million euros. Officials at LVMH declined to comment on the report.

Charles de Crevoisier, a lawyer who specialties include helping family-run businesses optimize the transfer of assets, said this type of donation was designed to take advantage of tax breaks.

"The idea is to anticipate a handover which would have occurred anyway after his death, and I imagine from a fiscal point of view, it is also aimed at taking advantage

of fiscal measures which are currently relatively favorable," he said.

De Crevoisier, who does not work for Arnault, said he likely took advantage of France's Dutreil scheme, which allows three-quarters of the value of a family business to be transferred without any liability for transfer tax.

"I don't know if the donation was indeed made under this scheme, but I imagine it is the case. It's a favorable system because it allows you to benefit from a number of different rebates, thereby greatly reducing donation taxes," he said.

"This scheme has been in place for several years, so I don't think there are any particular factors that prompted this donation, except perhaps for age," he added. Arnault is 68.

"He probably was able to benefit from an additional rebate, because for people under 70, under the Dutreil scheme for transferring businesses, donation taxes can be reduced by half. This is no doubt one of the compelling reasons why this is happening now," the lawyer said.

Arnault, France's wealthiest man,



Bernard Arnault

landed in hot water in 2012 after applying for Belgian citizenship in a move that was widely interpreted as an attempt to escape France's high taxes.

Left-leaning French daily Libération ran a photo of Arnault on its cover under the headline "Casse-toi riche con!" – whose most polite translation is "Get Lost Rich Idiot!" At the time, the businessman claimed he was seeking to protect his Belgian interests and LVMH's in the case of his death.

Stating that he had planned to remain a fiscal resident of France all along, Arnault subsequently withdrew his citizenship application, characterizing his decision as "a gesture of my attachment to France and my faith in its future."

He noted that LVMH companies pay annual French taxes totaling close to 1 billion euros, even though the group generates 90 percent of its revenues outside the country. "Concerning myself, I won't tell you how much how much I pay personally in taxes, but believe me, it's a lot," he said.

Arnault acknowledged at the time that his shares in LVMH – which account for the bulk of his fortune – have been transferred to a Belgian foundation, but that it has no impact on the taxes the group must pay in France, nor on inheritance taxes that would come due when the time comes.

A Brussels court nonetheless opened an inquiry into the luxury titan for "potentially falsely claiming Belgian residence" but shelved the case in 2017 after Arnault agreed to pay an undisclosed "transaction" to end proceedings, without admitting guilt in the case.

BEAUTY

Cosmetic Dermatology's New Demo: The Middle-Aged, Straight Man

● Men love Botox just as much as women do.

BY RACHEL STRUGATZ

The man getting Botox, fillers and any number of skin-resurfacing or tightening lasers (or all of the above) is not who you might think.

More often than not, it's a middle-aged, heterosexual man.

"I see a lot of executive men," said Dr. Ellen Marmur, a dermatologist whose namesake Marmur Medical practice consists of 40 percent male patients, about triple that of five years ago. And the vast majority of them are straight.

"The pendulum has swung from anti-aging fascination to 'preservation' aging," Marmur explained during an interview at her office on New York City's Upper East Side. "There are so many reasons: It's not considered [strictly] a feminine thing to get Botox or fillers, the stigma has gone away...[and] men don't ask questions. They don't come in and ask, 'What do you think I should do?' They sit down and they do it. They have enough money and they are in the professional game so they need to age well. It's a matter of why not? Why wouldn't they?"

Most men who get an injection here or there are reluctant to advertise it, but the rate at which they're visiting their doctors for Botulinum Toxin (the formal name for the family of neurotoxin injectables Botox, Dysport and Xeomin) and more is certainly on the rise – and the spike is hardly unique to Dr. Marmur's practice. It mirrors a trend doctors are experiencing nationwide, and there are numbers to prove it.

According to data from the American Society of Aesthetic Plastic Surgery, there has been a 27.3 percent lift in surgical cosmetic procedures for men in the past five years. Also: men love Botox just as much as women. The market saw a 101 percent increase in the amount of male botulinum toxin procedures performed between 2010 and 2016.

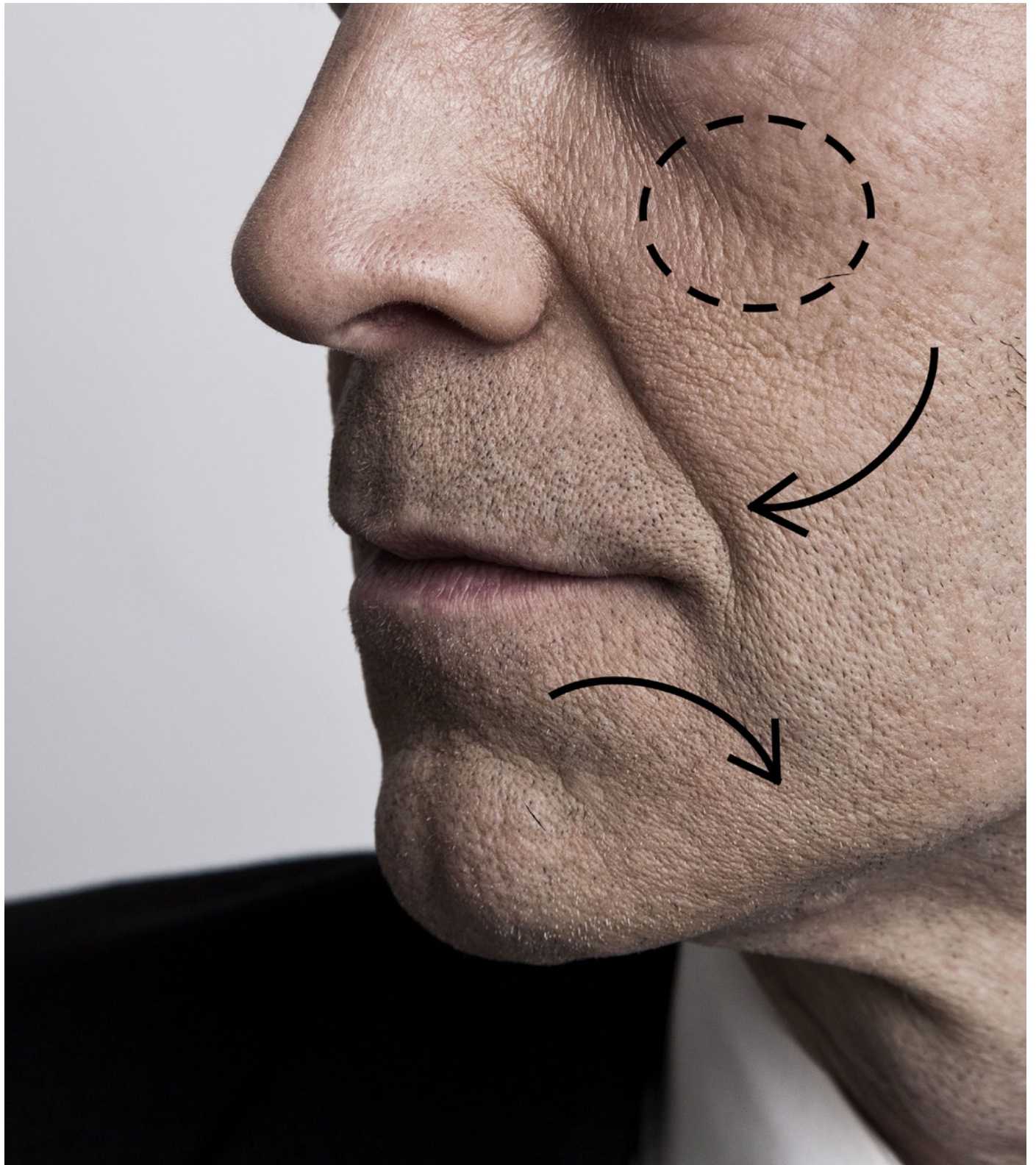
Men have always been part of the aesthetic market – that's nothing new – but the percentage of overall procedures they make up is rising rapidly.

"All the attention has really gone to the women, while in the background it's been steadily growing year-over-year. The [American] Society [of Aesthetic Plastic Surgery] tracks a lot of these procedures, they've been tracking this stuff for 20 years, and over that time they've seen the number of men getting these treatments increase by 325 percent. The growth has been kind of happening in a quiet but steady way," said Colleen McKenna, vice president of marketing, facial aesthetics at Allergan.

The reasons for this spike?

There are several, including an influx of filler options manufactured by medical giants like Allergan and Galderma designed to target specific parts of the face. While products were once limited, fillers today are not only more natural looking but possess unique properties from consistency (Voluma is considered a heavy filler while Boletero is among the lightest) to the length results could last (some fillers wear off after six months and others last up to two years). In tandem, an uptick in products gave way

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Dr. Ellen Marmur

101%

The increase in the amount of male botulinum toxin procedures performed between 2010 and 2016.

Source: American Society of Aesthetic Plastic Surgery

Cosmetic Dermatology's New Demo: The Middle-Aged, Straight Man

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to enhanced techniques that allowed for doctors to use any number of fillers to sculpt different portions of the face.

McKenna believes much of the growth in the men's market has to do with the emergence and widespread adoption of social media.

"That whole medium has really given people more voice, more platforms to talk and share what they're doing, what they're thinking. There's just a greater openness," she said.

There are societal reasons, too.

San Francisco-based dermatologist Dr. Vic Narurkar said the increase stems from a culture where men aren't afraid to take care of themselves appearance-wise anymore. Previously, men were "dragged in by their significant others," he noted, where it was nearly unheard of for a male patient to come in of his own free will for a cosmetic procedure. Surely, men have a lot of catching up to do to women in terms of mainstreaming, but there is definitely an uptick in awareness and acceptance of men who want to preserve their appearance and keep aging at bay.

"I think also there's more awareness that you can do things that don't require a lot of recovery, and that also don't change your masculine features. The biggest fear that men have is feminization of the face," he said.

Narurkar also acknowledged Facebook founder Mark Zuckerberg's infamous quote that companies should not hire people over the age of 30, crediting this sentiment to a surge in male patients – especially those in a competitive work environment. For men in their 40s and 50s, vying for positions being handed to guys decades younger creates a need to maintain the appearance of youth more than ever.

Similar to Marmur, a significant portion of Narurkar's male patients hail from San Francisco and Silicon Valley – the "epicenter of youth" – and are "predominantly straight men." He contended that the percentage of men he sees has "grown dramatically in the last five years," jumping from 10 to 25 percent of his practice. The most requested procedure is neurotoxin injections, largely due to increased awareness.

"Deion Sanders is the face of men's Botox and that's brought in a whole other group of patients who I'd never in my wildest dreams have expected to see. It's the 'man's man,' the sports guy who really 'doesn't care'....But men really do care. As a man I care – and it took 10 years of doing Botox on everyone else to do it on myself," Narurkar admitted.

He added: "There is an intrinsic [idea] among men, which I think stems from our fathers, that you need to be tough, and that this [caring about appearance] is not



Deion Sanders was named the male face of Botox in 2017.



Dr. Vic Narurkar



Dr. Jason Diamond

for the man....That culture is changing, first with the metro sexual and now with an ordinary man who wants to take care of himself."

Marmur, who joked that she is the "iron surgeon for male cosmetic surgery," told a story about a competition that takes place during the American Society for Dermatologic Surgery Annual Meeting each year. A select group of doctors have to present a case in front of 6,000 attendees, she said, comparing the event to the show "Iron Chef," and after being presented with a series of dermatological-related cases, doctors vote on the most favorable outcome. Her "case" just happened to be a cosmetic surgery makeover performed on a man in his mid-50s.

He "got the works," she said, holding up before and after photos as she detailed the various treatments the patient received. Brown spots were removed with lasers, and fillers such as Restylane, Voluma and Radius were injected in the under-eye region, in the cheek bones to "square off the face" and in the jawline and temples, respectively.

Marmur won the competition. And truth be told, this man really did look younger (yet still age-appropriate). Presented with these photos in a different context, one might attribute a lot of sleep, a healthier lifestyle and/or an extended vacation for this "fresher" look. To the untrained eye, it would be nearly impossible to discern that his new youthful appearance was the result of a series of noninvasive facial procedures.

"They like to keep some wrinkles. We put filler in the forehead lines instead of Botox – like Boletero, Juvederm Ultra or Restylane Silk – and use Botox in the '11's' and a little in the upper crows feet because it actually lifts their brow," said Marmur. (For those who don't know, the '11's' is the area between the eyebrows that, over time, can give the appearance of a "furrowed brow" with the appearance of wrinkles.)

She cautioned – as did all doctors interviewed for this story – that retaining a patient's masculine features, or "making sure you don't feminize" a man's face, remains the single most important aspect when it comes to men. Earlier work from decades past often produced male faces that appeared "softened" or feminized,

CONTINUED ON PAGE 8

27.3%

The increase in surgical cosmetic procedures performed on men in the past five years.

Source: American Society of Aesthetic Plastic Surgery

Cosmetic Dermatology's New Demo: The Middle-Aged, Straight Man

CONTINUED FROM PAGE 7

a result of a lack of product options and less-evolved techniques.

Which is why cosmetic procedures for men – both noninvasive and invasive – have gotten such a bad rap. In addition to a fear of walking out of a doctor's office looking “different” or feminine, the notion of a man doing work to his face remained a cultural taboo because it goes against the “alpha male” ideals that define modern society today. (For straight men, at least.)

When asked what the most popular procedure for this group is, Marmur swiftly replied: injecting filler under the eyes. But funnily enough, these patients never rarely come in asking for under-eye fillers because most still don't even know this is a viable option to eradicate under-eye concerns, from hollowness to bags to dark circles.

“They come in and say, ‘I look tired,’” Marmur said, adding that the runner-up to filler is neurotoxins, or “Botox.” “Men come in for the overhaul. They are just like, ‘OK, tell me the executive plan. How much of it can I do at once?’ and then you plan out the year for them and maybe they come in two to three times and optimize their time.”

Then there are doctors who maintain that men have always comprised a healthy portion of their patient bases.

Dr. Jason Diamond, a plastic surgeon based in Los Angeles who appeared in E!'s reality series “Doctor 90210” that documented patients before and after plastic surgeries, said seeing a lot of men is “nothing new to his practice.” Currently, 25 to 30 percent of surgical patients and 25 percent of non-invasive patients are men.

For him, a focus and expertise in men's facial procedures spans more than two decades. Early on in his career he spent two years at a New York-based dermatology practice where about 90 percent of the patients he saw were men (there was also a “very high percentage of gay patients”).

“In my first year in practice I probably did more male cosmetic surgery than most surgeons do in their entire year. I'm not joking. I basically did all men for two

GoodSkin Los Angeles is a boutique clinic specializing in noninvasive treatments.



For Straight Males, Body Contouring Is The Gateway to Botox

Guys are visiting cosmetic dermatologists to rid themselves of love handles – and discovering Botox along the way.

BY ELLEN THOMAS

COOLSCULPTING

Twenty-seven percent of cosmetic patients at Dr. Amy Wechsler's Upper East Side office are men – that's up from just 8 percent in 2014. The sharp rise in male patients is driven largely by Coolsculpting, the fat reduction procedure said to freeze and kill fat cells. Coolsculpting is not new – it first received FDA approval in 2010 – but began gaining traction with men after the publicly traded stock of parent company Zeltiq Aesthetics began gaining attention from Wall Street in 2015, said Laura Dyer, the physician's

assistant who oversees cosmetic procedures at Wechsler's office. Zeltiq was ultimately acquired by Allergan last year. “Many of these male patients are men in the finance industry who became aware of Zeltiq and Coolsculpting on the stock market,” said Dyer, who noted that the Coolsculpt Mini – a smaller version of the Coolsculpting applicator that can be used on the double chin area and just recently received FDA clearance – is another fast-growing procedure for men. Most notably, Coolsculpting has acted as a gateway for men

to discover other noninvasive cosmetic procedures on the market, said Dyer. “They end up coming in for body contouring or to get rid of their double chin and more than 31 percent of them end up converting to ancillary treatments.”

KYBELLA, LASERS AND RADIO FREQUENCY

It's all about the neck at GoodSkin Los Angeles, a boutique Brentwood medical clinic that specializes in noninvasive cosmetic treatments. Men comprise 35 percent of GoodSkin's patient base, said the clinic's founder Lisa Goodman, a physician's assistant. Goodman pointed out that GoodSkin has always attracted male clientele but in the past year she's noted a 10 percent rise in straight male patients specifically, almost all of them coming in after girlfriends and wives visit the clinic. Of the male patient base, said Goodman, almost 100 percent of

them opt for some kind of neck treatment – the most popular being a combination of skin tightening lasers like the Infini or Ulthera and targeted Kybella injections, which melt fat. “It's the highest area of concern for all my male clients,” Goodman said of the neck. Kybella can be used off-label for many areas with fat pockets on the body – including the stomach, back and underarms. Kybella injections are especially popular with men, said Goodman, because there's no downtime. “My straight male clients are more particular than my female clients about avoiding procedures with downtime,” said Goodman. “You can use [Kybella] anywhere there is fat. It can get pricey because you need a lot of vials – that's the case with back fat [for instance] – but I still have some clients doing it because it's completely noninvasive.”

Lauren Abramowitz of Park Avenue Skin Solutions concurred that the uptick of men in her own practice – a 10 percent growth from 2016 to 2017 – is due to the increase in procedures with less downtime, especially when it comes to body contouring. “Back in the day, liposuction was the only option for fat removal and body contouring – now these machines can spot reduce and [men] are back to work the next day. They don't feel intimidated because they don't have [to go under],” Abramowitz targets her male clients' biggest concern – the abs – with combinations of Kybella and BodyFX, a radio frequency technology that destroys fat cells, or Ulthera. Said Abramowitz: “It's about the combination – it's never just one modality or therapy.”

SCULPSURE AND LASER LIPO

At Dr. Paul Jarrod Frank's Upper East Side cosmetic dermatology practice in Manhattan, male patients – about 40 percent of the practice – seeking body contouring procedures are “Type A, frustrated and intolerable of being able to get rid of certain genetic pockets of fat they can't lose by dieting or exercise,” according to Frank, who noted the most popular area on the body for men to treat is the “love handle” region, along with the chin and chest. The most common noninvasive procedures Frank performs are Laser Liposuction and SculpSure, a laser that melts fat – he prefers using heat over freezing technologies because of the skin-tightening benefits of lasers like SculpSure that rely on heat. Laser Liposuction requires general anesthesia and about 36 hours of downtime – a “weekend” procedure, as Frank refers to it – but can garner significantly more results – about 80 to 90 percent fat removal – than a treatment with less downtime, like SculpSure. “The noninvasive person is willing to accept whatever difference it makes because they don't want to deal with downtime,” said Frank, who noted that more awareness and acceptance in popular culture of noninvasive procedures is driving men to his practice. “A lot of men are concerned about the jawline or double chin – if they're told they can do something about it non-invasively it's an easy sell,” said Frank. “Men are just as concerned with being the best versions of themselves as women, they're just focused on different things – they want to be in the best shape or the most competitive.”

years; I did about 400 male surgeries in two years,” Diamond said. “I started off really early taking care of a lot of guys, and because of that, even after I left that practice, I carried a lot of the guys with me. I've always seen a lot of men.”

Once he left the first practice in New York, the tide started to shift. He began to

see a smaller percentage of gay men and an increase in straight men.

Today, the most popular procedure performed on this group, as a gender, is Diamond's signature “The Diamond Tripartite,” a surgical technique he's tweaked and honed for 15 years that addresses every layer of the neck and jawline. The combination of three techniques includes augmentation to the bone, tightening of the muscle to secure and contour the muscle near the bone and tightening of the skin to treat all areas. But before one runs to Diamond's Beverly Hills office to contour his jawline, know that these surgeries don't come cheap. The triple threat starts at about \$25,000.

Diamond also has developed a nonsurgical version of his Tripartite (he calls it “facial sculpting”) that's achieved using a combination of fillers. It was born from the surgical implants he's been customizing for years, obtained by radiology and using putty implants to craft over bones of the face to create the exact augmentation he wants.

“Based on that knowledge and experience, I figured out how to nonsurgically do this without surgically placing an implant. I can inject it [filler] into the bony region the way I want it to be shaped,” Diamond explained of the procedure, which starts at \$3,900. “It's a way to get really sharp angulation to the lateral prominences and elegant contours and it doesn't create puffiness, roundness or fullness. It creates angularity; that's

what I do most for men in-office.”

Even with the documented rise in the number of men getting cosmetic procedures, some doctors claim they still hardly see any men at all.

Dr. Paul Nassif, the Beverly Hills plastic surgeon who starred in “Botched,” another E! reality series about plastic surgery, said he's not seeing the same rapid increase in male patients that his peers have. He called the hoopla a “bunch of BS,” and cited “maybe 10 percent growth” in men undergoing cosmetic procedures like rhinoplasties.

“Men still come and have a few things done – they might have a little Botox once in a while [too]. That's pretty much all I've seen,” Nassif stated, adding that body-fat reduction with Coolsculpting and facial micro-needling and skin-tightening via radio frequency treatments like Profound are picking up speed. “There's no stigma, I just think that men are too busy. I'm just not seeing them do that, I don't see the huge [spike]....They're not coming in for invasive or minimally invasive [procedures].”

The only thing that has grown with respect to men, however, is the Nassif MD skin-care line he launched on HSN about a year-and-a-half ago. He noticed a lift in Millennial and male customers that was reflected on the direct e-commerce site nassifmdskincare.com.

“Men are taking care of themselves a little better. Not surgically, but at home they do,” Nassif said.



Dr. Paul Nassif

Nassif MD
Hydro-Screen
Super-Hydrating
Serum



LONDON MEN'S WEAR ACTION IS ALL ON THE SIDELINES OF THE CATWALK

THE LONDON MEN'S CALENDAR MAY BE SHRINKING, BUT BUSINESS IS LIVELY WITH DEPARTMENT STORES REPORTING STRONG SALES AND M&A ACTIVITY BUBBLING AROUND SPECIALIST BRANDS.

BY SAMANTHA CONTI

The London men's calendar is shrinking as quickly as a merino knit in the tumble dryer with coed shows, direct-to-consumer strategies and financial and environmental concerns all changing the way designers and brands think about the catwalk.

Over the past few weeks two of London's biggest names revealed they were quitting the men's runway and opting for alternative formats: J.W. Anderson plans to fold its London men's show into the February women's outing, while Vivienne Westwood is acting on her environmental concerns with plans to e-mail editors a digital presentation of her fall 2018 coed collection. The designer had been set to show on the last day of London Fashion Week Men's, which runs from Jan. 6 to 8.

Hot London talent Martine Rose will also be stepping off the catwalk and creating a look book and film for fall, while former London calendar stalwarts including E. Tautz, Casely-Hayford, Katie Eary, Christopher Shannon, Gieves & Hawkes and Matthew Miller have opted to focus on private appointments or events and showroom sales.

The real men's wear action is increasingly taking place off the runway, with department stores reporting buoyant sales and M&A deals bubbling around rapidly growing specialist brands, some of which have never been near a show tent.

Men's wear was among the best-performing departments on the first day of Selfridges' winter sale on Dec. 26. The store, which raked in more than 4 million pounds in the first three hours of the sale, said men's wear saw "unexpectedly high" sales growth, including footwear, which performed "well ahead" of expectations.

Harvey Nichols has also been seeing solid numbers. David Aquilina, head of men's wear buying, said the store had robust sell-throughs on sale items and "a really strong reaction to the new season, especially in international designer collections and contemporary, with brands such as Balenciaga and Stone Island performing really well. Men's wear is a growth sector for us, so we expect it to perform well in 2018."

Liberty expanded its men's department last August, adding 20 new brands including Canada Goose, Études Studio and OAMC in addition to a denim department, T-shirt gallery and a grooming service provided by Ruffians.

Other new grooming destinations in London include Tom Ford's first stand-alone beauty store in Covent Garden, which has a room just for men staffed by a barber and a butler. Beast, another Covent Garden store, offers a selection of treatments for men and a mix of products ranging from established names such as Marvis to smaller ones including DS & Durga, Verso and Dr. Barbara Sturm.

So dynamic is the men's retail space that in December, Patrick Grant, owner of the



Charles S. Cohen

E. Tautz and Norton & Sons labels, opened a pop-up shop called Basement at the E. Tautz flagship on Duke Street, selling clothing by London men's designers Lou Dalton, Mathew Miller, Alex Mullins and Louise Gray.

Grant said he wanted to set aside a dedicated space for his fellow designers who don't have bricks-and-mortar stores of their own, and that he plans to take on more brands going forward.

Retail is thriving for the specialist men's brands, too, names that rarely – if ever – show on the catwalk.

Adam Brown, founder of Orlebar Brown, the men's swim and resort brand that has seen sales surge to more than 20 million pounds in 10 years, said that online continues to drive the growth of the

business, while bricks-and-mortar stores are also growing.

Orlebar Brown has a new concession at Harrods, a permanent space in Bicester Village outside Oxford and four stores in the U.S., all of which have opened in the last 18 months.

Indeed, the brand has become so hot that it's likely to find a buyer in the next months. It has been working since last summer with Cavendish Corporate Finance to explore strategic options and, according to The Daily Telegraph, could fetch 50 million pounds. Current shareholders include Venrex Investment Management and Piper Private Equity.

Cycling brand Rapha is another specialty name that's streaking ahead following the sale of a majority stake in August to the

U.S.-based RZC Investments headed by Stuart and Tom Walton, grandsons of the founder of Wal-Mart. The company, which launched in 2004, continues to be run by its founder Simon Mottram and is poised to diversify this year.

Last year Rapha reported sales in excess of 63 million pounds and has been expanding by more than 25 percent every year. It's been a pioneer of experiential retail, operating cafes in many of its clubhouse stores where customers can sip coffee, eat cake (although not too much) and watch cycle races taking place around the world. Last October the brand opened a cavernous clubhouse space at Bicester Village.

Sarah Clark, Rapha's chief marketing officer, said the company ended a strong year with healthy sales over Black Friday and the Christmas period. She said the brand was planning to expand more into the lifestyle arena this year.

"Our on-bike apparel will of course always form the backbone of Rapha's range, but as we look ahead to 2018 we will be paying even further attention to products that fulfill customer needs to look great off the bike while performing on it."

She added that Rapha would continue to put a big focus on community, pointing to the 80,000 cyclists who signed up to ride 500 km (311 miles) over the Christmas holiday in the Rapha Festive 500. "Activities such as this, and the connections generated through them, we see as the future," as much as the products, Clark said.

There are more M&A deals to come. Charles S. Cohen, the American multibillionaire who last year bought two men's wear companies, Savile Row tailor Richard James and Harrys of London, said he's on the hunt for more British brands.

In particular, he said he's looking for a leather goods company to round out his burgeoning British stable. "I'm looking for a company that is maybe older than Richard James – which is the ripe old age of 25 – another jewel that needs an injection of capital and new ideas," said Cohen, who plans to open the first Richard James store in New York, on Park Avenue and 57th Street, at the end of February.

The 1,800-square-foot space, housed in what was once the tallest residential building in Manhattan, will carry all the Richard James ready-to-wear and offer bespoke and made-to-measure services.

"LVMH, of course, is the platinum standard for this, but what I'm doing is much more narrow. I'm not looking to roll it up and flip it – or anything like that. I've never done that with anything. I'm a big believer in walking slowly. Slow and steady wins the race," he said.

Cohen's bigger vision is to sustain small, specialized brands and get them to a place where they can complement each other. "These are companies that without someone coming along as a good shepherd, who knows what would happen to them? Britain has a lot of small silos. What I'm looking to do is create a curated collection of very fine British men's wear companies."

His vision for Richard James, whose co-founder and namesake James just scooped an Order of the British Empire award for services to men's fashion in the Queen's New Year's Honors, is to create a one-stop shop for tailored clothing.

"It's a tailored silhouette; it's not for the rugby player. There's a masculine elegance to it and we're also going to move into sportswear," Cohen said.

From a business perspective, Cohen believes there is a lot of potential for Richard James and other small British brands. "These businesses are profitable to a point, but they need an objective business view connected to them to create economies and efficiencies, to decide what works or doesn't, what we'd like to try and what we shouldn't do anymore."



Lamyland at Selfridges.

LONDON FASHION WEEK MEN'S FALL 2018: THE SCENE

WWD ROUNDS THE NEW RESTAURANTS, STORES AND EXHIBITIONS TO VISIT DURING THE MEN'S WEAR SHOWS IN LONDON.

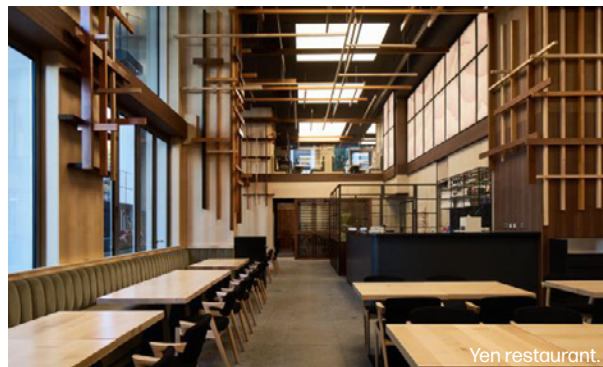
BY WWD STAFF

THE LUXURY CONUNDRUM

Where is luxury going? What does it mean? Is it a material thing? Selfridges is looking to address those questions with a five-month takeover called Radical Luxury. The store's creative director Linda Hewson said Selfridges is looking at the "concentration and dilution" of luxury today, and also at its "uniqueness, ephemerality and transformative nature." Through talks, events and retail, the store plans to explore issues around ownership – asking whether precious or expensive things even need to be owned – and exploring age and time as, potentially, the ultimate luxury.

One star of the show will be Michèle Lamy, the artist, wife and business partner of Rick Owens, who happens to be a passionate, longtime boxing fan. Through her concept Lamyland, she'll be posing the question of what everyone is fighting for today, and she plans to bring in fashion, art, music and sports into the mix. The Lamyland Corner Shop is filled with special collaborations and a mix of labels from fashion to sports. On Feb. 1, an exclusive branch of BXR boxing gym will open in the store's basement.

Later this spring, the store is also planning to open a temporary retail destination dedicated to fashion and singularity. It will be filled with limited editions and one-offs such as Thom Browne's unicorn dress and a selection of Jil Sander shirts, one for each day. In April the store is also planning to take over the Old Selfridges Hotel with a spe-



Yen restaurant.

cial exhibition that explores luxury themes.

— SAMANTHA CONTI

Selfridges & Co.
400 Oxford Street
London
W1A 1AB

FASHION MEETS FLAVOR

Onward Holdings is flexing its muscles beyond fashion. The luxury group is behind Yen, a new high-end Japanese restaurant on Strand, near the London Fashion Week show space. Yen specializes in handmade buckwheat noodles, which are offered with other traditional Japanese dishes including sushi, robata and tempura. The restaurant, which has high ceilings overlooking the Thames, was designed by Sybarite, the architectural firm behind the retail designs for brands such as Joseph and Marni. Sybarite cofounder Simon Mitchell described the restaurant's design as a blend of "traditional Japanese craftsmanship" and "a contemporary, timeless backdrop." He pointed to his choice of Japanese maple

wood on the ceiling to a bamboo sculptural piece, which are offset by more modern accents such as sleek, minimalist furniture and metallic, hand-painted wallpaper. — NATALIE THEODOSI

Yen London
190 Strand, 5 Arundel Street
London
WC2R 3DX

NINETIES APPEAL

As the revival of all things Nineties rolls forward, the Italian sports brand Ellesse is aiming to regain momentum with the opening of its first flagship store in the U.K. The store, located at Covent Garden's Seven Dials, stocks both heritage



The new Ellesse store at Covent Garden.

and new collections in an upbeat, colorful space with the brand's latest, Nineties-inspired campaign splashed across the walls. "This is the first store outside of Asia-Pacific and represents a true statement of intent from the brand – we aim to immerse all visitors in the fascinating history of Ellesse whilst also showcasing our exclusive and latest collections," said brand director Marc Greene. — N.T.

Ellesse
39 Neal Street
London
WC2H 9QG

WILD ABOUT HARRY

There's another Harry in town, in Knightsbridge, not far from Kensington Palace. Harry's Dolce Vita is the latest outing from Caprice Holdings, which also owns The Ivy and Sexy Fish. An Italian restaurant that aims to channel a Fifties/Sixties Fellini vibe, Harry's Dolce Vita offers all-day dining with a menu by chef Diego Cardoso. White truffles are on offer – on pasta, beef, risotto and pizza – and the rest of the

menu offers the peninsula's greatest hits including spaghetti with clams, Margherita pizza with buffalo mozzarella, chicken Milanese and grilled tuna steak. Located between Harvey Nichols and Harrods, it's best to plan that carb-heavy meal after, rather than before, any shopping spree.

— HIKMAT MOHAMMED

Harry's Dolce Vita
27-31 Basil Street,
Knightsbridge, London
SW3 1BB

SHAPE SHIFTING

Lucille Lewin is one talented multitasker. The South African native founded the Whistles high street chain in 1976 and served as the creative director of Liberty from 2007 to 2008. She moved onto sculpture a few years ago, gaining a Diploma in Fine Art and Ceramics from CityLit and an MA from the Royal College of Art where she won the 2017 Young Masters Maylis Grand Ceramics Prize. Today, inspired by the history of 18th-century porcelain, she creates sculptures from porcelain, glass and metal.

feet and two floors, is the brand's largest space and aims to highlight a wide assortment of coats and the brand's 60-year history. It stocks women's, men's and children's outerwear, as well as other winter accessories and archival pieces. The store's design features minimalist black-and-white accents, and other elements such as rustic wooden furniture and photographs of skiers that aim to highlight the brand's outdoors heritage. Also on display are the famous Peace Keeper parkas, designed for the Ontario Provincial Police, who face brutal weather conditions. — N.T.

Canada Goose
244 Regent Street
London
W1B 3BR

GROUP EFFORT

Patrick Grant is lending a hand to emerging London talents with a pop-up shop called Basement at his E. Tautz flagship on Duke Street. He's tapped Topman's creative director Gordon Richardson to curate the offer, which includes clothing



@harrysdolcevita

The Connolly store in Mayfair is hosting Lewin's first solo show with an exhibition of 14 original porcelain and glass pieces. Called "The Time Between the Time: A Journey to Obsolescence," the show is about "the ending of one process and the start of another," said Lewin, adding that she only works in one color: white. "I live entirely in white. My clothes, my bedroom, my home. It is peaceful." The show will run until February. — H.M.

Connolly
4 Clifford Street,
London
W1S 2LG

GOING BIG

Canada Goose has expanded its European retail footprint with the opening of its first U.K. flagship store on Regent Street. The store, which spans 5,000 square

from labels such as Lou Dalton, Matthew Miller, Alex Mullins and Louise Gray. Grant said he wanted to set aside a dedicated space for his fellow designer friends who don't have brick-and-mortar stores of their own and added that he's happy to welcome other brands going forward. Prices range from 20 pounds for a Community Clothing T-shirt to 1,000 pounds for a Matthew Miller leather jacket. Both Gray and Mullins have done one-off exclusives for the store, which is to remain open indefinitely. The basement space has a gallery feel, as it had already housed the E. Tautz 150th anniversary photo exhibition. — LORELEI MARFIL

Basement
71 Duke Street
Mayfair, London
W1K 5NX



LIAM HODGES
"It's about escaping life, going to Noel's house party and the adventures of kids' coloring books."

LONDON FASHION WEEK MEN'S FALL 2018: INSPIRATIONS

DESIGNERS SHARE THEIR INSPIRATIONS AHEAD OF THEIR SHOWS AT LONDON FASHION WEEK MEN'S.

BY NATALIE THEODOSI

From skiing to winning the lottery, London men's wear designers looked to a wide range of subjects for inspiration for their fall 2018 collections. Here, some of the topics that sparked their creativity ahead of the shows, which begin on Saturday.

WOOD WOOD

"The fall 2018 collection is built upon Wood Wood's aim to reflect our core values, taking inspiration from films like 'The Breakfast Club' and 'St. Elmo's Fire.'"

— KARL-OSKAR OLSEN, COFOUNDER

PHOEBE ENGLISH

"The collection explores new surfaces and fine, almost delicate garment details across traditional wearable men's wear shapes. A transition from utilitarian daywear to include clothing with a smarter edge is hinted at."



BELSTAFF
"This season we celebrate the 70th anniversary of the Trialmaster jacket, which gave me an opportunity to revisit our British roots and present our Made in U.K. collection. Looking through our Trialmaster history led me to explore English youth subcultures and how our jackets have been adopted and customized since the Fifties. The iconic silhouettes from this era including the field, parka and biker jackets have been updated this season with added functionality and modern fabrications. The hero piece of the collection is the anniversary Trialmaster, which is entirely manufactured in the U.K., in a new tumbled coated cotton and reflective tape with badges, celebrating our heritage."

— DELPHINE NINOUS, CREATIVE DIRECTOR

CHRISTOPHER RAEURN

"A deep dive into the big blue. The collection stands as a creative call to arms and focuses on responsible design and sourcing to protect both planet and wearer."

QASIMI

"The fall 2018 Qasimi man is a modern nomad. An extreme traveler who tackles life as an adventure to discover new horizons, cultures, lives and customs but also journeys into himself."

— KHALID QASIMI, DESIGNER

BLOOD BROTHER

"This season we have explored the concept of quick wins and instant success looking mostly at the first era of the national lottery and some of its infamous winners."

— NICK BIELA, CREATIVE DIRECTOR

BAND OF OUTSIDERS

"The collection is inspired by winter sports and ski resorts. The chic but playful vibe of the Alpine skier and the good old-fashioned après-ski party fits Band of Outsiders' typical style of mixing great fun with high quality. The theme is the red line throughout the collection as well as the reason for our presentation being on ice."

— ANGELO VAN MOL, HEAD DESIGNER

LOU DALTON

"Raw. Sensual. Calm."

A-COLD-WALL

"Fall 2018 is a conceptual expression and continuation of the A-Cold-Wall narrative that connects parallels found throughout the many facets of British society."

— SAMUEL ROSS, DESIGNER

EDWARD CRUTCHLEY

"This season's collection explores the use of graphics across different textile media to create a contrast of texture and sense of richness. Looking at artisanal craft techniques and how these are still relevant to the future of contemporary fashion grounds, this season's mood has a tactile context."

ASTRID ANDERSEN

"Fall 2018 is about remembering the Buffalo era in London and the huge importance it's had on my design aesthetic."

LONDON FASHION WEEK MEN'S FALL 2018: ONES TO WATCH

BRITISH DESIGNERS ON THE RISE ARE GETTING SET TO PRESENT THEIR COLLECTIONS DURING LONDON FASHION WEEK MEN'S.

BY LORELEI MARFIL PHOTOGRAPHS BY KASIA RUCINSKA

JOHN ALEXANDER SKELTON

Born and raised in York, John Alexander Skelton received his master's in fashion men's wear at Central Saint Martins and took on internships at E. Tautz and Patrik Ervell before launching his label last year. Selected by Giles Deacon, Skelton is a recipient of the Sarabande scholarship, an initiative from The Lee Alexander McQueen Foundation that aids young designers. He is working out of a studio at Sarabande in east London.

Sustainability is a key theme for Skelton, who incorporates repurposed materials into his ranges and takes a DIY approach to his work. He has a loom in his studio and many of his fabrics are handwoven, as is much of his knitwear. "Everything I dye is also done by hand using natural dye. The handcrafted element is my signature, in a way," said the designer.

For fall 2018, Skelton has been working with mills in Ireland, mixing British wool and Irish linen.

"I have been doing a lot of hand weaving, as well, on the loom. I have also done a few natural dyes this time, one using an ancient European dye, the European version of indigo, called woad," he said.

Skelton's main focus has always been on the process and materials with unisex silhouettes that are suitable for men and women, such as a hand-crochet knit sweater or a long-knitted overcoat.

Prices range from 400 pounds for a shirt to 5,000 pounds for a coat. The label is stocked in Dover Street Market London, Dover Street Market Ginza and Ware Mo Kou in Japan.

Skelton, who has shown off-season in the past, will be presenting his fall collection at **8:30 p.m. on Jan. 5 at St. Mark's Church in Dalston**. He said that deciding to show his range during men's fashion week was dictated by his sales strategy. "I have been looking to take my private appointment sales to London from Paris," said Skelton. He said he plans to show annually.

A-COLD-WALL

Now in its fourth season, A-Cold-Wall has been picked up by Selfridges, Oki-Ni, 18 Montrose and Leclairer in France.

Designer Samuel Ross launched A-Cold-Wall in 2015, and the label is known for its deconstructed workwear and oversized silhouettes.

This season Ross said he plans to explore heavy outerwear and expand on his fabric offer. "Wools and knitted fabrics are a new direction for us," he said. "Although it's uncharted territory, I have a concise idea of what I wish to achieve within this specific fabric category. It's building very well."

Ross said the business is expanding: The company has increased its global accounts to 52 retailers and moved mainline production to Italy. "Our goal over this last quarter has been analyzing the data over the course of the past year, and to control and structure our growth further," he said. "It's about forming predictions and forecasting when specific activations, content and targets must be achieved and rolled out."

A-Cold-Wall's runway show will take place at **3 p.m. at the BFC Show Space on Jan. 8**.

DANIEL FLETCHER

Daniel Fletcher plans to shake up the way he showcases his range by opening with a catwalk show at The Institute of Contemporary Arts, where models will assemble in a standing formation. He also plans to collaborate with a number of artists to create the set.

"It's quite grand and traditional," said Fletcher of the venue. "But I am hoping to bring something modern to it. I feel like dressing a little more formally, myself, in the winter, so there are a lot of pieces which people have come to expect from me — silk shirts, leather pieces and sportswear base layers underpin the collection — but it doesn't feel quite as sporty this season."

Fletcher, who launched his label last year, has built quite a résumé since graduating from Central Saint Martins. He was snapped up by Kim Jones at Louis Vuitton to work

on the brand's men's leather accessories. Fletcher also mentored Antonio Banderas when the actor was studying fashion design at Saint Martins. He also consulted on J.W. Anderson's men's wear this season.

"It has actually given me a lot of freedom," said Fletcher of consulting at J.W. Anderson. "The team is a lot bigger there and to have the support of a whole atelier, fabric and product developers and everyone else there has allowed me to be more free in the way I design, as I don't have the restrictions that come with being a small brand."

Fletcher is currently stocked in 16 stores and works with his sales team from Awaykin. "We have focused on working with one key store in major capitals and then making sure we work closely with them to get a good sell through," he said. "This seems to have worked and my production is running smoothly now so we are hoping to increase that this season. But I want to make sure that those stores that have supported me from the beginning are prioritized. I haven't had any investment yet, but this is something I would consider if I find the right person. Cash flow is the biggest challenge for me as well as running the business, so to have some support on that would help me to take the brand to the next level."

Fletcher will be launching with Ssense — his first online-only stockist — in January and he has started working with a few more stores in Tokyo such as Opening Ceremony, Beams International Gallery and Urban Research. He said he wants to develop his e-commerce business next year. "It has been a strong part of my business since I started," said Fletcher. "But I feel there is a lot more I could be doing, and there are huge benefits for a brand being able to sell directly to our customers, both in terms of profits and understanding how people buy and wear the products."

Fletcher will stage his presentation from **1:30 to 3 p.m. on Jan. 7**.



John Alexander Skelton



A-Cold-Wall



Daniel Fletcher



Wood Wood

WOOD WOOD

Danish label Wood Wood will make its London Fashion Week Men's debut with a presentation on Jan. 6 at a location that's yet to be confirmed.

Launched in 2002 by childhood friends Karl-Oskar Olsen and Brian Jensen, the Copenhagen-based brand is known for its streetwear aesthetic. It has shown during Copenhagen Fashion Week, and during Berlin and New York fashion weeks.

"London is important as a fashion metropolis. The best designers in the world are from London and I see it as a test on where we are," said Olsen. "If we can make a successful presentation in London we must be doing something right."

Olsen describes the Wood Wood man as a person with

a mind of his own who has a cultural consciousness and is interested in street culture.

The designers both attended the Royal Danish Academy of Fine Arts and launched their label after Olsen, who studied spatial design, graduated in 2002. Jensen studied visual communication and graduated in 2007.

The brand has collaborated previously with a number of labels including the likes of Nike, Adidas, Converse, Onitsuka Tiger, Champion, Eastpak, Barbour and Penfield.

Prices range from 35 pounds for a cap to 450 pounds for a leather jacket. The label is stocked in Liberty, Goodhood, Harvey Nichols, Le Bon Marche and Isetan.

"We don't change our concept season to season but try to reflect the times we live in," said Olsen. "We have

taken inspiration from films like 'The Breakfast Club' and 'St. Elmo's Fire' — films from our youth about growing up, and the state of mind we were in, going from lazy teens to becoming more 'responsible' as an adult.

"We've taken bits and pieces from here and there and transformed it into a modern 'Americana' look," he added, "a rich variation of fabrics like corduroy, nappy wool, denim and nylon. The most significant artworks are the patchwork story along the youth-addressed placement: 'leave me alone with your own attention,' 'fan club' and 'before and after,' which is a direct hint to the transformation from youth to adulthood."

Wood Wood will stage a presentation from **2:30 to 4:30 p.m. on Jan. 6**.

W2W:
MEN'S

WHAT TO WATCH: THE 2018 OUTLOOK

Sneaker Chains Constrict

ALTHOUGH THE SNEAKER MARKET IS PERFORMING WELL AND SPECIALTY BOUTIQUES ARE EXPANDING, LARGER SNEAKER RETAILERS WILL HAVE TO ADAPT TO THE SHIFTING MARKET.

BY ARIA HUGHES

While the demand for sneakers continues to increase, it's no longer enough to sell them in a run-of-the-mill retail environment.

Larger chains including Foot Locker, which closed 24 U.S. stores in 2017, and Shiekh Shoes, a West Coast retailer with 120 stores that filed for bankruptcy in November, must adapt to a changing consumer who wants to buy special product in a thoughtful space and is inundated with alternative ways to purchase shoes – whether that's an e-commerce site, specialty boutique, resale app, or a festival and marketplace like ComplexCon or Sneaker Con.

"Today I think we have a few too many sneaker stores in the U.S.," said Yu-Ming Wu, the cofounder of Sneaker Con. "There



Sneakersnstuff store in New York.

is an incredible demand for rare sneakers but when it comes to the general release sneakers like Air Jordans, the supply doesn't meet the demand. Some of these guys have relied on the old model that every Saturday an Air Jordan is going to sell out, but that's not always going to hold true today."

Shiekh Shoes owes \$16 million to Nike, and the store's founder, Shiekh Ellahi, attributes his troubles to the shrinking demand for bricks-and-mortar retailers as well as

suppliers' desire to sell their products in premium environments.

Specialty sneaker boutiques are investing in just these types of spaces while regional retailers are becoming global players.

Extra Butter, a sneaker chain that was cofounded by Jason Faustino, Ankur and Nick Amin in 2007, spent close to \$1 million to renovate its Lower East Side shop in Manhattan to mimic a movie theater. Sneakers and clothes are displayed on the

perimeter of the store and theater seats sit in the center. The outside of the flagship features a marquee and a ticket window. When the store is closed, a screen comes down over the storefront that streams movies throughout the night. They've also decreased the amount of inventory they sell in store to only display a top selection of the brands they carry.

Bodega, a Boston-based streetwear and sneaker retailer that's known for its faux-bodega storefront that leads to a store, is opening a shop in Los Angeles. Sneakersnstuff, which was founded by Erik Fagerlind and Peter Jansson in Sweden almost 20 years ago, opened its first New York store in December. The 3,500-square-foot shop, which was designed by Jenny Askenfors of Bofink Design Studio, features a basement bar that will be open to the public and will showcase exhibitions and activations on the first floor.

Fagerlind said Sneakersnstuff does 80 percent of its business online, but physical retail remains a significant part of its growth strategy and maintaining its relationships with big vendors. "In a world where everything is available and accessible, you have to provide a little bit more than product," he said. "You have to provide the service to be relevant with your consumer."

Wu believes that retailers such as Foot Locker are too big to fail, but they will have to respond to the market – quickly – especially as Nike expands its pilot with Amazon.

Men's Market Sees Shift In Areas of Strength

ATH-LEISURE IS SLOWING WHILE STREETWEAR AND CLOTHING ARE SEEING A REBOUND.

BY JEAN E. PALMIERI

For several years it was ath-leisure that was the biggest buzzword in the men's wear industry. Now it's sneakers and streetwear.

As a result, some of the brands that rode the activewear wave have hit a bit of a roadblock, notably Under Armour and Nike.

Once the highest-flying performer in the activewear arena, Under Armour in October posted its first-ever quarterly sales decline, a 5 percent year-over-year drop to \$1.4 billion. Profits fell during the quarter as well, with net income totaling \$54.2 million, compared with \$128.2 million a year ago.

The profits took a hit of \$89 million in costs related to a restructuring plan the company revealed in August that is intended to provide more financial and operational flexibility. After bringing in an outsider – former Aldo executive Patrik Frisk as president and chief operating officer – other moves included several hundred layoffs, a new head of women's and footwear and the discontinuation of the highly touted Tim Coppens-designed UAS high-end fashionable sportswear line. Instead of the Coppens line, Under Armour will now focus on a rotating group of collaborators such as A\$AP Rocky, whose collection for the brand is expected to be released later this year.

Founder and chief executive officer Kevin Plank – who has been criticized of late for paying more attention to his private investment company than to Under Armour – has called 2017 a "reset" year

and characterized the company's slowing sales as more related to growing pains than fundamental problems.

But Under Armour is not alone in having its issues. Even Nike has seen its North American business slow. In the second quarter, the company said profits fell 9 percent to \$767 million and its sales in North America declined 5 percent to \$3.49 billion. Last fall, Nike had said it would fine-tune its distribution and move away from what it called "undifferentiated" retailers. Instead it is extending its initial test partnership with Amazon and also implementing another pilot with Stitch Fix, albeit for women's wear initially.

As Nike ceo Mark Parker put it at the time: "While the athletic marketplace continues to shift, we're very confident in the factors of our business that we control."

But men can't wear sneakers and layered tops all the time – much as they might like to. And so, on the other end of the spectrum, tailored clothing is also experiencing a resurgence.

The leader in the category, Tailored Brands, reported that profits rose 30

percent in the third quarter to \$36.9 million, with strength at both its flagship Men's Wearhouse chain as well as Jos. A. Bank. The company is the largest specialty retailer of suits and formalwear in the U.S. and operates 1,480 stores.

In the period, comparable-store sales at Jos. A. Bank rose 4.9 percent and fell 1 percent at Men's Wearhouse, but company ceo Doug Ewert revealed that both businesses were notching increases in comps in the fourth quarter.

Among the most popular categories, Ewert said, was custom clothing, which is selling at a rate of \$2 million a week, as well as the new Travel Tech collection of Jos. A. Bank.

Sport coats and outerwear were also among the categories cited as solid performers by retailers during the just-completed holiday selling season, with Bob Mitchell, co-ceo of Mitchells Stores, saying tailored clothing actually exceeded his expectations. Rothmans cited sport coats, dress slacks and outerwear as top sellers, and Brooks Brothers did well with shirts and sweaters – the perfect complement to a suit or sport coat.

How Emerging Streetwear Brands Are Navigating 2018

GUILLERMO ANDRADE OF 424, MIKE CHERMAN OF CHINATOWN MARKET, AND LUKE TADASHI OF BRISTOL OUTLINE WHAT THEY HAVE PLANNED FOR 2018 AND WHERE THEY SEE THE BUSINESS GOING.

BY ARIA HUGHES

What's next for streetwear? Critics of the category say the frenzy – see ComplexCon or the crowds that form around Supreme every week – is unsustainable and unhealthy for the market. Newer brands, meanwhile, believe it's an ideal time to expand their businesses. Here, three young streetwear brands detail how they will approach the year and what they believe is in the pipeline for the category.

424

Guillermo Andrade opened his Los Angeles concept store, FourTwoFour, which is located on Fairfax, in 2010. He sold pieces from Fear of God along with more established firms such as Rick Owens and Thom Browne. By 2014, Andrade started his own line, 424, that's been picked up by retailers including Barneys New York and SSENSE.

WWD: What do you think about the current state of streetwear?

Guillermo Andrade: It seems to me that it is very positive. The amount of opportunity out there for a young brand like mine is exponential.

WWD: How do you plan on navigating the industry in 2018?

G.A.: Amongst the sea of hype and all the noise around hot brands, there is one thing that cannot be forgotten and that is product is king. I will continue to focus on the product as well as creative ways of adjusting production to have a faster turnaround time from concept to market. Creating hype and all that is cool, but you need the structure to back it up, or else Zara will come in and make all the money from your ideas.

WWD: What are your plans for wholesale?

G.A.: We open up wholesale accounts every season, but only with partners that we really see as a long-term fit. That approach will remain. The growth of our business will be at a steady incline with honest growth. I try to look at the industry as a sphere, not a point A to B approach. We have to think in every single growth possibility, tangible and intangible.

WWD: What do you think about private equity groups' investment in streetwear? Are you open to this?

G.A.: I think it shows a tremendous amount of growth in our field and that it's demanding real attention from big business because there is big money in it. I am, of course, open to partnership in the right spirit that is aligned with us for the type of company that I want to grow.

Chinatown Market

Chinatown Market was founded by Mike Cherman in 2016. He had previously started ICNY, a line of reflective apparel that was sold in retailers ranging from Pacific Sunwear to Colette. After a series of setbacks with the brand, including a contention of its trademark from DKNY, his investor decided to liquidate ICNY. Cherman, who designs and consults for other companies, has since moved from



New York to Los Angeles and introduced Chinatown Market, a streetwear line influenced by the spirit of Canal Street, in 2016 at ComplexCon. The line is sold at retailers including Zumiez and Urban Outfitters.

WWD: How is the Chinatown Market business different from the way you operated ICNY?

Michael Cherman: After ICNY, I wanted to create something that let me get some fun ideas off. I wanted to remove the headache of running a calendar business and release things when I wanted to. I don't have as much overhead and headache that came with ICNY and having a big wholesale business.

WWD: What are your thoughts about wholesale now?

M.C.: It's funny. We partner with Urban Outfitters and Zumiez and I saw people in the industry tweeting about the brand being dead now because of that, but we've



been in these retailers since the first season. I find the fashion industry game very funny. Streetwear brands are meant to grow. They aren't meant to stay small. Some people just don't want to accept the fact that streetwear can be a viable thing. With all the ugly s-t that's out there, there's also a lot of beautiful stuff happening within the category.

WWD: How are you doing financially? Are you interested in investors?

M.C.: Chinatown Market makes money. There are people who want to be really cool and people who care about the business. I care about the business. At the end of the day it's just cotton and there's no culture left in this industry. But I have no interest in working with investors anymore.

WWD: What's going on for 2018?

M.C.: We got the Smiley license for 2018. For the first season we made a T-shirt with our logo, which is a Smiley face, and Urban Outfitters bought it. Smiley sent us

a cease-and-desist letter. That turned into us getting the license and we are going to use that to work on collaborations with Chinatown Market and other brands. It's a big deal because it allows me to do more global business and more authentic business. I would usually have to go more rogue.

WWD: What do you think is the shelf life for your brand and streetwear brands in general?

M.C.: That's all up to the people who create it. I could let this thing die in a year and I could go start two or five more of these. The reality is it's just about how you adapt. A lot of these people can't adapt. A lot of these brands need to keep that cash flow to upkeep the business. For me it's a one-man show and I work with a bunch of freelancers. I don't have a lot of overhead.

WWD: What do you foresee for streetwear in 2018?

M.C.: A lot of the big players who were middle of the ground are going to have the bottom fall out. Brands like Diamond Supply Co. that have seen massively declining sales. But there is a home for a lot of those brands. They might go to the mall. In general the business is going to keep on pushing more direct-to-consumer. I did a collaboration with Pleasures on a gunshot Smiley T-shirt and a season later 10 Deep came out with the same graphic. It wasn't that he copied us, it's that his calendar is way longer than ours. There is no more information that's unobtainable, but it's about how you use it and how agile you are.

Bristol

Luke Tadashi, a California native, introduced Bristol a couple of years ago. The line, which is sold at American Rag and Fred Segal, draws from NBA players' on- and off-court style during the early Aughts. Tadashi, who won 2016's Gen Art men's wear designer of the year award, has shown at New York Fashion Week: Men's for a few seasons, but he's making some changes to the assortment for 2018.

WWD: What's happening for 2018?

Luke Tadashi: We are restructuring the brand. There's going to be Stud-O, which is a year-round offering of elevated basics that speaks to our sports ethos. All of those garments are going to be reversible and sold direct-to-consumer on our web site to keep the price point down. It will be slightly more affordable than Collect-On, which is the seasonal collection that will have more narrative-driven pieces that are based on a theme. The Collect-On line is also meant to sit in wholesale accounts. The goal is to speak to larger issues in society and culture.

WWD: Why are you dividing the assortment?

L.T.: Just doing a line with a sports influence felt limiting. I felt like I wanted to say more as a designer and I wanted to touch on culture in a way that extended beyond sport influence.

WWD: What do you think about the state of streetwear?

L.T.: Things have gotten kind of crazy. People aren't buying into things because they think it's cool. They are buying stuff because someone else said it's cool. But I think streetwear has space to evolve with a brand like ours through distinct storytelling. I hope we can carve out a space for ourselves within the streetwear culture, but we are saying something a little bit deeper.

WWD: Do you think that's what the consumer will want?

L.T.: That's what I'm betting on. Absolutely. I think that authenticity is superimportant. I think telling an original narrative is superimportant. Taking a stance and standing for something is important as opposed to following the trend wave.

WWD: How are things financially? Are you looking for investors this year?

L.T.: We are starting to look for outside investors. I think that with all of the plans we have this year, financial growth is necessary.

W2W: BEAUTY

Beauty M&A Stays Strong

BANKERS IN THE SPACE SAY DIGITALLY NATIVE COMPANIES ARE LIKELY ACQUISITION TARGETS FOR 2018.

BY ALLISON COLLINS

Forecasting beauty M&A in 2018 is a cinch – there will be more deals.

The dynamics remain auspicious: Large beauty players will look for growth by acquiring smaller companies. An influx of beauty newcomers competing for deals will likely keep prices high. A lack of mid-size targets means deals are likely to be on the large or small side.

“While 2017 was one of the greatest vintages ever in terms of the quality of the assets, 2018 still seems to be a pretty prodigious year,” said Andrew Shore, managing director at Moelis & Co. “We’re just at the tip of the iceberg...I think the pendulum has begun to shift to skin and hair.”

“The beauty M&A environment will continue to be robust in 2018,” agreed Vennette Ho, managing director at Financo. “Even beyond the typical brand acquisition, we

expect to see new entrants to the industry, big companies making small investments and folks playing all along the beauty value chain – from manufacturers to digital agencies to technology to retailers.”

Companies expected to come up for sale or complete an investment transaction in 2018 include Arbonne, Array Marketing, Cover FX, Not Your Mother’s, Derma E, Ouai, Farmacy, Milani and This Works, according to industry sources. Coty has also publicly said it hopes to sell a portion of its portfolio in 2018, and sources have indicated digitally native brands such as Glossier, which is said to be fund-raising again, or Thrive Cosmetics, could generate interest. Anastasia Beverly Hills has also been seen testing the market.

Color deals are expected to slow slightly for 2018, as many large makeup companies have already been sold or taken investment. Plus, consumers and acquirers have taken a renewed interest in skin and hair care.

“You’ll see activity in a bit of a continuation with 2017 with skin and hair, and you’ll see some color peppered in there as well,” said Steve Davis, managing director at Intrepid Investment Bankers.

“I’m not sure chasing more makeup is necessarily what you’re going to see,” said

Stifel analyst Mark Astrachan. “I’m not convinced of it.”

“The next generation of acquisitions are going to be the most digitally inspired, heavy in social media, heavy in influencer marketing and finding [differentiated] ways to consumers,” said Shaun Westfall, managing director at Jefferies.

“If anything, demand should increase because going into 2018 you’ve got all the pieces of the puzzle,” Intrepid’s Davis added. “All major strategics are active.... You’ve got a bunch of platforms in place and new platforms that formed in 2017 that didn’t exist [before].”

Davis is referring to an influx of players in the beauty space. New entrants in 2017 included Winona Capital, which recruited Space NK founder Nicky Kinnaird and Frederic Fekkai alum Lori Perella Krebs for Ancora, which invested in Indie Lee; Eurazeo, which hired former Estée Lauder Cos. Inc. executive Jill Granoff to head Eurazeo brands, which acquired Nest, and Warburg Pincus, which tapped former Revlon chief executive officer Alan Ennis for Glansol, which bought Clark’s Botanicals, Julep and Laura Geller.

In addition to private equity interest, P&G got back into acquisition mode with

the purchase of Native, and a group of executives, including Darryl McCall, who was with Coty and P&G, have joined to form a special-purpose acquisition vehicle, Legacy Acquisition Corp., that lists beauty as one of its focuses in filings with the U.S. Securities and Exchange Commission.

While the large public players – like the Estée Lauder Cos. and L’Oréal – may not have any obvious portfolio holes, it’s likely they will continue to make acquisitions that indicate what future trends they intend to participate in, according to Stifel’s Astrachan. In the U.S., large strategic buyers will also have more money to spend following tax reform, he noted.

Of all the beauty companies, Astrachan predicted Coty would be the most likely to “want to do material M&A” but said that right now, it is limited by the amount of debt it has on its balance sheet. But when the two-year anniversary of Coty’s Procter & Gamble specialty beauty portfolio deal closes in October 2018, it will free up the tax burden on the Coty shareholders, which could potentially set the company up to do another sizable deal, according to Astrachan.

“For these companies, it’s a question of what they think will be the trends they need to play in the future,” Astrachan said. “So skin care and natural skin care would be something any or all believe they’ll compete in, and it’s either innovate on existing products or acquire something new.”



Nestlé's Stake in L'Oréal

THE LONG-STANDING SHAREHOLDER AGREEMENT BETWEEN THE SWISS CONGLOMERATE AND THE BETTENCOURT FAMILY EXPIRES ON MARCH 21.

BY JENNIFER WEIL

Will Nestlé maintain stake in L’Oréal? Only time will tell.

March 21 is the expiration date of the longstanding shareholder agreement between the Swiss conglomerate and the Bettencourt family – L’Oréal’s two largest individual shareholders, with stakes of 23.3 percent and 33.05 percent, respectively.

The principle terms of the pact outline

that neither party could increase its stake in L’Oréal during the lifetime of Liliane Bettencourt, the sole child of the company’s founder, or six months after her death, which happened on Sept. 21. That means the countdown has begun, and starting on March 21 the parties no longer have to work in concert. (Each has been free to offer its shares to any third party since April 2014.)

Financial analysts have outlined a few main scenarios that could unfurl, including the companies maintaining their status quo; L’Oréal buying back Nestlé’s stake – partially financed by the sale of its 9.4 percent stake in Sanofi, or Nestlé either upping its share in the beauty giant or acquiring the company outright. The first and second possibilities are considered the most likely.

During a conference call with analysts on Sept. 26, Nestlé chief executive officer Mark Schneider said the company had no intention of changing its L’Oréal holding. At the time, he explained, “Our approach to this investment is currently not changing. I just wanted to [make] that clear.

“This has been a very close, a very longstanding partnership,” Schneider continued. “This has been a fabulous investment for the company. The contribution to our earnings is not that far away from the share of market cap that it represents and hence, this investment is not diluting anything. It has been a good thing for the company.”

Nestlé already pared down its L’Oréal holding in a multistep transaction that closed in July 2014, when the company trimmed its stake from 29.4 percent to 23.3 percent.

The Swiss concern has been feeling increased pressure regarding L’Oréal since last summer, when activist investor Dan Loeb argued the group should divest its holding, calling it nonstrategic.

Prestige Beauty Considers Amazon

PRESTIGE BEAUTY BRANDS ARE INCREASINGLY WEIGHING AMAZON LAUNCHES.

BY ALLISON COLLINS

Is 2018 the year more prestige beauty brands will bow to Amazon pressure?

Perhaps.

“We’ve had a lot of conversations with high-end brands, especially luxury beauty brands, that are saying, ‘We need to have an Amazon strategy, how do we do that?’” said Elaine Kwon, a former Amazon employee and cofounder of Kwontified, which works with fashion and beauty brands on their Amazon launches before they happen and on their Amazon strategies as they sell through the marketplace.

“More and more brands, especially within the higher-end divisions of not only beauty but also fashion overall, are approaching Amazon in a number of ways,” Kwon said. “The bottom line is ‘we have to do something about it.’ What that entails manifests differently depending on the brand.”

Stifel analyst Mark Astrachan agreed it’s likely more prestige lines will trickle onto Amazon throughout 2018 – especially because even if brands don’t sell on the site directly, their products have a strong chance of winding up there anyway via unauthorized third-party sellers.

“I’d be willing to bet you’d see more, not

Amazing Cosmetics
Illuminate primer in Bronze.

less, bigger prestige-type assets sold on Amazon,” Astrachan said. “Whether it will be a lot of them or a jailbreak is unlikely, but I do think selectively the bigger brands will want to work with Amazon in a bigger way...It’s beneficial to their own revenue trends, it reduces dependence on department stores and if the right deal is struck, Amazon potentially helps police some of the pirated third party-sold beauty products that are already on the site.”

Many prestige beauty brands have taken the Amazon plunge already and for some the platform drives a significant portion of sales. Oribe, for example, a professional hair-care brand with retail has been selling its \$49 shampoos and \$52 conditioners on the platform for a few years. Amazing Cosmetics, a concealer-focused line that sold in prestige retailers, has refocused its strategy to prioritize Amazon, QVC and Ulta Beauty over Sephora.

Wunder2 – more of a masstige proposition – opened Amazon shortly following a launch on its own site after the realization that that’s where the customer wanted to shop. Now the business allows customers to shop for its signature Wunderbrow product, about \$20, and other goods via voice order with Amazon Alexa. About 25 percent of the brand’s sales come from Amazon.

Amazing Cosmetics, a prestige brand

best known for its complexion products, had mulled over Amazon for a while before taking the leap in late 2017.

“We were almost ready to launch last year and pulled,” said Amazing founder Sue Katz in October. “I think the climate’s changed. Everything’s changed about retail – where she’s going to buy and how she’s buying and it’s really up to us as a brand to find her and make ourselves available where she is and cater to her habits. It became extremely clear to us that Amazon is where she is.”

Professional brands have also made the plunge. L’Oréal dipped a toe in the Amazon pool in the U.S. when it launched French pharmacy brand Vichy on the Luxury Beauty site a few years ago – and it’s done well, growing double-digits on the platform, senior vice president Carole Diarra told WWD in 2017. Now L’Oréal is testing the platform with professional hair brand Pureology, which sells its products on a new Salon & Spa page on Amazon’s beauty site, complete with videos and a salon-booking option.

But not all brands are Amazon friendly. At the Estée Lauder Cos., chief executive officer Fabrizio Freda has repeatedly stated that the company’s brands are staying away from the platform, focusing instead on specialty retail, their own e-commerce operations and alternatives like T-Mall.

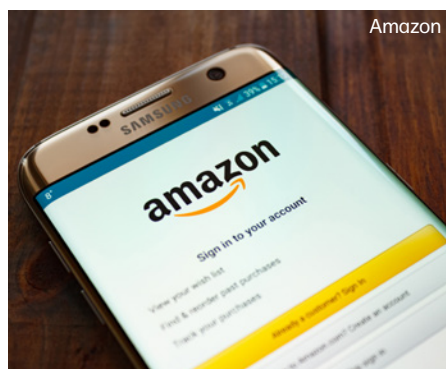
The balancing act for beauty brands between wholesale and retail relationships and Amazon is a precarious one. Amazon debuts are widely known to damage relationships with retail partners, industry sources said.

“There are some luxury brands you’ll find at Sephora [that] are now launching on Amazon,” Kwon said. “Some of them feel confident in the relationship they have with channels like Sephora, and others say, ‘We’re going to be careful,’ but they also say, ‘We have to do this...if we don’t do it ourselves, someone else is going to do it.’”

“Someone else” means a third-party seller, which may be selling a product in a manner that doesn’t provide a good experience, Kwon said.

High-end merchandise hasn’t always been considered a natural fit for Amazon and many beauty sources have criticized the way the beauty category is presented as unsightly. But Kwon says Amazon’s higher-end partnerships outside of the beauty category, like with Zappos and ShopBop, which control pricing, have done well.

“Most of the brands, even if they start out doing it that way to dip their toe into Amazon...realize, ‘Ah, well OK, we’re having good traction on this platform, what would happen if we owned that entirely?’ That’s also turning heads,” Kwon said.



Amazon



Wunder2 Super-Stay Liner

Is Hydrogen the Next Big Beauty Ingredient?

THE ELEMENT – THOUGHT TO NEUTRALIZE FREE RADICALS AND INCREASE ENERGY – IS POPPING UP IN SKIN CARE AND INGESTIBLES.

BY LAYLA ILCHI

Beauty is getting a hydrogen boost.

While the element has been used in traditional healing remedies, like the Japanese Shin’nooru practice of drinking and bathing in hydrogen-infused water, it has recently washed into more skin care and ingestible-beauty offerings.

In South Korea, where beauty companies are on the pulse of the latest innovations, smaller brands have been able to infuse hydrogen – which is purported to neutralize free radicals, hydrate and soothe – into skin-care products. Because hydrogen is the smallest atom, it penetrates the skin faster than other ingredients.

Lisse, a South Korean skin-care brand that entered Anthropologie last year, uses hydrogen as the hero ingredient in its



Perricone MD H2
Elemental Energy

three products: a Hydrogen Rejuvenate Mask, Yuza Snow Ice Cooling Cream and an Exigent Ampoule System touted to firm and brighten skin. This year, the brand is launching an exfoliating oil, oil cleanser,

brightening cream, jelly cleanser and a hot and cold pore mask all containing hydrogen as the main ingredient.

Other South Korean brands that have employed hydrogen include DMCK with

Hydrogen Mist, Hale Cosmeceuticals with H2 Rapid Diffusion Therapy Cream and The Lotus line of Lotus Leaf Mists.

“Because the South Korean market is so competitive, when there is something developed overseas, South Korean companies go to find these new ingredients and differentiate through them,” said Alicia Yoon, founder of Peach and Lily. “Sometimes smaller brands pick up on these new developments first. Once a medium-size brand does, it’ll spread quickly.”

In the U.S. market, Dr. Jart+ carries its Dermaclear line, a collection of six products infused with hydrogen mineral water said to remove impurities and create a healthy complexion. Dr. Nicholas Perricone’s Perricone MD launched the H2 Elemental Energy collection last April, which includes a hydrating serum, firming foam mask, hydrating cream and depuffing eye gel that are said to re-energize the skin.

On the ingestible side, Perricone also launched his Hydrogen Water last year, a drink that is said to energize the user, neutralize free radicals and remove cellular waste. HFactor, a beverage company that launched in 2013, offers a similar hydrogen water that is supposed to reduce muscle fatigue and inflammation.



Retailers Reinvent the Beauty Floor

SAKS FIFTH AVENUE IS EXPECTED TO UNVEIL ITS NEW SECOND FLOOR BEAUTY PLAYGROUND, WHILE ULTA BEAUTY EXPANDS ITS MASS BUSINESS.

BY ELLEN THOMAS

It's not just major makeup brands that are getting a makeover in 2018 — retailers are doubling their efforts to lure beauty shoppers away from online and back into stores.

On the prestige side, Saks Fifth Avenue in April is expected to complete the reinvention of its second floor into a full-fledged beauty and fragrance playground complete with service offerings as part of its ongoing flagship renovation plan. In London, Harrods is working on a renovation of its own. The retailer's signature ground floor beauty hall will take the place of men's on the lower ground floor, with plenty of space for disruptor brands like Huda Beauty — influencer Huda Kattan's product line is among one of Harrods' top five best-selling beauty brands.

"It's about the immersion and the education. That's central. What we want to do is create a new area for beauty, and we're going to broadly double the size of our beauty business to be able to engage with those new trends," Harrods chief executive officer Michael Ward told WWD last year.

In the U.S., department store retailers such as Bloomingdale's and Neiman Marcus are expected to continue growing the Millennial beauty initiatives they introduced in 2017, designed to rejuvenate the department store beauty counter business. For Bloomingdale's, that's Glowhaus — 400-square-foot shops-in-shop formats containing 30 niche, online-born brands targeted at younger consumers and located on the retailer's contemporary floor. Neiman's in late 2017 opened its Trending Beauty Shop at the Dallas North Park flagship, with 650 new products from niche brands in the makeup, skin-care and "self-care" categories. "A handful" of Trending Beauty Shops are expected to roll out to other Neiman's doors in 2018.

On the mass side, retailers are being forced to innovate as they watch sales decline due to slowing foot traffic. While major mass-beauty brands like Cover Girl and Almay are in the midst of reinvention,

retailers are doing their part to stay relevant for a consumer who wants trends fast and would rather shop for them online or in specialty channels.

Target is among the retailers doing the heavy lifting in beauty aisles. Banishing the bland atmosphere endemic to mass-market beauty retailing characterized by rows and rows of pegged cosmetics, Target created a department that invites product discovery. Gondola heights are lower, lights are more conducive to testing shades and there is a service counter for consultations and swatching. More than 400 stores will get the white-glove treatment by the end of 2018. Other core departments in the new look are men's, natural personal care and more South Korean-inspired lines.

Not to be outdone, Wal-Mart is installing more gadgets in aisles, such as iPads to help with product selection. Stalwart brands are being joined by up-and-coming lines, especially those for multicultural consumers. More and more stores will sport sparkling white fixturing and shelves stocked with trends at the same time they are launched at prestige.

CVS is going all in on K-beauty, upscale skin care and niche beauty brands. Select stores are outfitted with enlarged product offerings either from South Korea or inspired by the beauty hotbed. In the coming year, CVS will also expand its proprietary beauty brands to distinguish itself from competitors.

It is full speed ahead for Walgreens Boots Alliance's Beauty Differentiation Program, which places an emphasis on its own brands such as No. 7 and Soap and Glory, as well as new cosmetics lines Sleek Makeup and CYO.

Meanwhile, the specialty channel is becoming an increasing source of competition for mass retailers. At the end of 2017, Sephora introduced ColourPop and Deciem's The Ordinary online and in stores — both primarily focus on products priced under \$10. Not to be outdone, Ulta Beauty is also ramping up its efforts in mass beauty. While the Midwest-based chain has historically carried the traditional mass brands — think Maybelline and Neutrogena — it is fast-growing its lower-priced assortment. In 2017, the retailer added brands like Morphe, Milani, Beauty Revolution and Sleek Makeup to the mix, and WWD reported this week that Wet 'n' Wild is set to enter two-thirds of Ulta doors in February. More mass brands will enter the retailer in 2018.

Ulta is also working to create a beauty experience in its mass department that rivals its prestige area, implementing tester stations — a feature that one-ups the drugstore experience in a fundamental way.

W2W:
BEAUTY

At the newly opened Manhattan store, this concept is being tested on NYX fixtures.

Last year saw the introduction of Forever 21's edgy beauty brand emporium Riley Rose, now in eight locations and set to expand in 2018. At the Bridgewater Crossing Mall in Bridgewater, N.J., the 5,000-square-foot space houses a slew of South Korean brands and niche lines not commonly found at bricks-and-mortar retail. Riley Rose also offers plenty of space to experiment, with ample tester stations and iPads displaying how-to-videos stationed across the store.

Retailers will have to contend with the growing number of monobrand beauty stores as well. In the mass space, E.l.f. and NYX Professional Makeup both ramped up freestanding store efforts in 2017. Both of these rapidly growing beauty logos are aggressively building their own branded stores in major malls or downtowns. The stores are loaded with technology including a new virtual reality experience at NYX. Consumers can use a Gear VR Controller powered by Oculus to select products they would like to learn more information about, and at the end of the experience, users will receive a special offer to purchase the products featured in the tutorial at a special price.

"NYX Professional Makeup is a digitally native brand with millions of followers across our global social media platforms," said Mehdi Mehdi, the company's vice president of digital. "We aim to seamlessly incorporate digital into everything we do, and see virtual reality as the new frontier in the beauty industry."

Although virtual reality was much hyped last year, the human touch is another key component of experiential retail that will continue to progress in 2018. Sephora, for instance, is experiencing with boutique format stores. The first Sephora Studio opened in Boston in 2017 with a heavier-than-usual focus on services. "In today's retail environment where very little is constant and clients' expectations are ever-evolving, one thing has remained true for Sephora: there is no better way to create meaningful connections with clients than through personalized experiences and a customized approach to beauty," said Calvin McDonald, Sephora Americas' president and chief executive officer.

The Kardashian-Jenner Juggernaut Continues in 2018

MORE PRODUCTS AND RETAIL EXPANSION ARE IN THE WORKS FOR KYLIE JENNER'S KYLIE COSMETICS.

BY LAYLA ILCHI

The Kardashian-Jenner beauty dominance is here to stay — at least for 2018.

Arguably one of the world's most famous families, the Kardashian-Jenners have already established themselves as key players in the beauty space with Kylie Jenner's namesake cosmetics line bringing in an impressive \$420 million in sales just 18 months after the brand's launch. With the addition of more products — concealers, lipsticks and brushes launched in December and more products are slated for this year; the brand's first retail partnership with Topshop, and Jenner's prominent social media presence, the brand is on track to reach \$1

billion in sales by 2022.

While the brand's digital flagship remains its primary sales channel, Jenner's five-week pop-up shop in seven Topshop stores allowed her to get more experience in brick-and-mortar and potentially explore additional overseas expansion, considering Topshop is headquartered in the U.K.

Hosting her own pop-up shops in Los Angeles in December 2016 and in New York last February, Jenner has plans to open more this year in top markets like Chicago and Houston. No plans have been released on a permanent storefront, but Jenner has said that when she opens a store it will be owned and operated by the brand, similar to the model that direct-to-consumer firms such as Warby Parker and Bonobos have established.

Following in her younger half-sisters' footsteps, Kim Kardashian launched her own cosmetics line, KKW Beauty, last June



with a Crème Contour & Highlight Kit that sold out immediately after launch, bringing in a reported \$14.4 million. Kardashian's other big launch of the year was KKW Fragrance, a collection of three limited-edition gardenia scents that brought in a reported \$14.3 million. Kardashian doesn't have plans to restock the collection, instead she is releasing a second trio of fragrances in February in time for Valentine's Day.

She will also add to the KKW Beauty line this year with a concealer kit launching in coming months. Although the sisters are playing in the same field, they don't see each other as competition.

"I am older than Kylie. We definitely have a different audience," Kardashian told WWD last year. "We do have a lot of similar things, but we aren't doing the same products, so we won't run into that overlap. We're really cautious of that. We work together to make sure that we don't overlap like that."

Mass Makeup Gets a Makeover

LEGACY BRANDS LIKE COVER GIRL AND ALMAY ARE REINVENTING THEMSELVES IN THE FACE OF HEIGHTENED COMPETITION FROM ONLINE BRANDS AND SLOWING FOOT TRAFFIC IN DEPARTMENT STORES.

BY ELLEN THOMAS AND FAYE BROOKMAN

Faced with a confluence of symptoms – think slowing foot traffic at drugstore retailers and heightened competition from direct-to-consumer newcomers like ColourPop and Kylie Cosmetics – a slew of mass makeup brands are undergoing radical makeovers in 2018.

Re-branding efforts from Cover Girl, Rimmel London, Physicians Formula, Revlon and Almay are slated to hit shelves in the first half of the year, and discount and drugstore retailers are hoping the trend-driven offerings will lure customers back to their doors.

Cover Girl's new campaign is by far the most hyped – and quite possibly the most needed. Now fully divested from Procter & Gamble and under Coty's watch, buyers have earmarked the struggling brand as the one they are most excited to watch transition. This month, Cover Girl is rolling out more than 100 new trend-driven products with an updated logo and tagline and a splashy advertising campaign featuring Katy Perry and five new Cover Girls who blur the line between celebrity and influencer – think Issa Rae, Ayesha Curry, Maye Musk, motorcycle racer Shelina Moreda and fitness trainer Massy Arias.

Almay and Physicians Formula are also both introducing revamps. Almay has adopted a more Millennial-friendly look and tone, tapping Rashida Jones as a brand ambassador. One new product for January, a foundation with an attached blending sponge, is cheekily named "Best Blend Forever." The brand is unleashing a slew of new products, including eye palettes and a South-Korean-inspired eyebrow tint.

While Cover Girl and Almay focus on attracting the Millennial shopper with trend, Physicians Formula is also totally revamping – but with an opposite strategy. The brand has experienced fits and starts since being acquired by Southern Calif.-based Markwins International Corp. – too sharp of a focus on trends like color-correcting and argan oil-infused makeup caused

the brand to see sales decline and it lost prime space in Walgreens. Company executives blame the losses on a lack of a strong brand identity. But this year Physicians Formula is going back to basics and reinforcing its ethos as a brand offering better-for-you ingredients and products that will impart a "you but better" look. The company this month is unveiling a string of beauty essentials formulated with natural and skin-care ingredients, including the Healthy Foundation, which contains hyaluronic acid and a proprietary brightening complex containing Chinese Wu Zhu Yu extract.

"Brands are all investing across the board," said one top drugstore executive. A few years ago, she said, mass cosmetics was bigger than prestige. That flip-flopped over the past 18 months, fueled by specialty stores attracting shoppers with eye palettes, premium mascaras and brow products. The impact of minis also created a sales bonanza in prestige. Shoppers hesitant to shell out for a full-size product in premium doors used to opt for mass alternatives. Now, they have the option of buying the smaller size of an upscale item for the same price as a similar full-size product as mass – a compelling alternative for those are purchasing for fun and experimentation over commodity.

One strategy brands are fighting back with is making their own versions of

pricier items. That was the recipe for success of L'Oréal's Lash Paradise (a retailer favorite of 2017) which buyers said gave them an alternative to Too Faced's Better than Sex mascara. This year, buyers added, the race is to offer a less expensive option to the array of scented eyeshadows hitting the market. Eyebrow tinting products like Almay's – Physician's Formula has one too – and "glotons" from L'Oréal and Cover Girl are also expected to be plentiful. Buyers also welcome faster to market color trends such as holographic palettes and broader shade ranges for face à la Fenty – although they added brands will have to keep the need for inventory turns in mind. "It is difficult to expand too much because of space," a drugstore source confirmed.

Retailers noted most of the other major beauty brands at this point have an arsenal of influencers, extended shade ranges and products for younger consumers. The challenge will be to stand out in a crowded field where many of the mass cosmetics players are taking the same route. "The brands are all trying to find their niche in the market," said one retailer.

Sales figures for mass makeup last year weren't pretty – traditional categories like mascara, foundation, eyeshadow and lipstick all declined, though there were bright spots in categories offering more trend-driven innovation such as concealers and

eyebrow products. But the numbers don't tell the full story – they do not account for sales of brands on e-commerce, in specialty retail or on Amazon.

In 2018, mass-makeup brands are looking to grow in channels outside the traditional drugstore and mass retail. "We're awfully strong on Amazon," said Eric Chen, chief executive officer of Markwins. "We're building [out] our own site and putting a lot of effort into it – it [could be] one of Markwins' biggest growth drivers." Markwins has already seen growth in e-commerce with Wet 'n' Wild – sales on the brand's website were up 114 percent from 2016 to 2017. E-commerce is where brands who have limited space on-shelf can house the breadth of their assortments – including extended shade ranges. As one brand exec put it, "the rack is unlimited" online.

For consumers who still want to shop brick-and-mortar, specialty stores like Ulta Beauty and Forever 21's Riley Rose offer physical homes for low-priced niche brands – Ulta in particular ramped up its mass offerings in 2017 with brands like Sleek Makeup, Beauty Revolution, Morphe and Milani and is continuing into the new year with the launch of Wet 'n' Wild. Said senior vice president of merchandising Monica Arnaudo, "We're seeing a lot of the midtier brands entering the space, and these fun, younger brands coming in."



Cover Girl Peacock Flare mascara, a new product for 2018.

Brexit and Britain's Beauty Business

ABOUT 66 PERCENT, OR 2.34 BILLION POUNDS WORTH, OF THE U.K.'S BEAUTY EXPORT SALES WERE GENERATED IN THE EUROPEAN UNION IN 2016.

BY JENNIFER WEIL

As transition talks regarding Brexit rev up in January, many beauty players

remain mum on their strategy for the U.K.'s impending divorce from the European Union, which could have widespread ramifications on their bustling businesses.

According to the Cosmetic Toiletry and Perfumery Association – 66.2 percent, or 2.34 billion pounds worth – of Britain's beauty export sales were generated in the EU in 2016, the most recent figures available. That zone is the U.K.'s largest trading partner for fragrance and beauty products, led by the Irish Republic, Germany

and Belgium, and followed by the U.S. as the second-largest market. Meanwhile, sales of products to non-EU countries were valued at 1.2 billion pounds.

Also in 2016, the EU – with France, Germany and Poland the top three countries – produced 67.1 percent of the U.K.'s beauty imports, equaling 2.48 billion pounds.

Beauty represents a big business for Britain at home, as well, where it employs 200,000 people and was valued at 9.38 billion pounds in retail sales in 2016, according to the CTPA.

"The people of the United Kingdom have decided to leave the European Union, and the U.K. cosmetics industry is working with the government to ensure that, once the U.K. leaves the EU, our industry can continue to prosper," wrote

the association in a position paper entitled "Getting the Best from Exiting the EU."

In it, the CTPA outlined the cosmetics industry's three key asks. They are:

- Remain in the Customs Union until a free trade agreement with the EU is reached;
- Provide a clear and reasonable phased implementation for changes to U.K./EU trade between leaving the EU and signing a full free trade agreement, and
- Avoid additional administrative trade barriers by securing administrative cooperation with EU competent authorities for cosmetics after the U.K. has left the EU.

No one knows yet what form Brexit will take – and therefore how it will impact Britain's beauty trade specifically – but Prime Minister Theresa May has said it is to happen officially on March 29, 2019.

In Focus: Technology



First Insight's ElastiCast tool focuses on pricing.

DATA ANALYTICS

First Insight Unveils Price Elasticity Prediction Tool

- The solution software will enable customers to determine optimal pricing and increase margins.

BY ELIZABETH DOUPNIK

First Insight has debuted its price elasticity prediction tool, ElastiCast. The platform aims to enable users to determine the most optimal product pricing and in

turn, increase margins.

"ElastiCast takes the guesswork out of pricing decisions with a real-time solution that can predict outcomes based on any price or point in time within a product's life cycle," said Greg Petro, chief executive officer of First Insight. "Through this new solution, we are empowering retailers and brands with the knowledge they need to feel confident that the price on an item will deliver the sales and margins they expect. We're thrilled to be the first to market with

this solution."

The software processes consumer data through its proprietary algorithms. ElastiCast aims to support merchants, planners and marketers to analyze the benefits of different pricing scenarios based off the predictions of how consumers will react to the price point throughout the product's full life cycle. With the tool, retailers are able to see the distributions of demand before going to market to ensure prices are benchmarked accurately and purposefully.

A feature of First Insight's InsightSuite, the tool sets to provide a more transparent look at new product performance before it hits the shelves. First Insight customers include Vineyard Vines, Salvatore Ferragamo, Pier 1 Imports, David's Bridal, Dick's Sporting Goods, Kohl's and Under Armour, among others.

TECHNOLOGY

Rubikloud Raises \$37M In Series B Funding Led By Intel Capital

- The retail artificial intelligence company plans to expand globally with the injection of funds.

BY ELIZABETH DOUPNIK

Rubikloud, an artificial intelligence platform catering to retail, has announced the completion of Series B Funding, which secured \$37 million. Intel Capital led the round. With the injection of resources, Rubikloud plans to grow its footprint by expanding offices in Europe and Asia.

"Rubikloud is planning greater global expansion as traditional retailers realize what's at stake if they don't integrate



Online shopping continues to expand globally.

AI now," said Kerry Liu, chief executive officer of Rubikloud. "The holiday season has the potential to make or break retailers' yearly revenue, leaving no margin of error for inventory stock-outs or disappointed loyal customers. But as the stakes rise, legacy tech providers are falling short in developing retail AI core-applications."

The platform aims to automate data integration for online analytical processing that are deploying legacy applications and data warehouses. "The Rubikloud platform delivers automated instructions to execution layers such as the retailer's ERP, supply chain system, marketing automation tools and in-store experiences. Everyone talks about AI, but the reality is you must impact a significant P&L item to get mass adoption from a retailer. Rubikloud works with the world's largest retailers, who have collective revenue of more than \$100 billion in annual sales," said a Rubikloud spokesman.

"The first three levels of retail that AI will impact and transform will be the supply chain, corporate head office and front of store," said Stacey Shulman, chief innovation officer in the retail solutions division at Intel Corp. "Combining Intel's focus on retail, IoT and in-store devices with Rubikloud's intelligent decision automation will further position the two companies to continue as retail AI leaders."

According to sources, Rubikloud has serviced the world's largest perfume and cosmetic retailers, earning 111 million euros in total sales, with 12 million euros in incremental sales based on the platform.

TEXTILES

Oeko-Tex Association Updates Guidelines

- The group updated guidelines for its Oeko-Tex product portfolio for all certification systems and other services.

BY TRACEY GREENSTEIN

The Oeko-Tex Association updated existing guidelines for its Oeko-Tex product portfolio. The update includes all certification systems and other services for consumer protection and sustainability throughout the textile "value creation chain." Its new regulations will come into effect in April after a three-month transition period, according to the firm.

Oeko-Tex standards and guidelines are "based on the continuous exchange of experience with industry stakeholders, cooperation with initiatives and monitoring of legal regulations," the organization said.

Updated regulations include Detox to Zero, an assessment tool that allows manufacturers in the textile chain to assess the quality of waste water and sludge and the status of companies' chemical management systems, ultimately resulting in a status report. The update lends improved usability and clarity to users.

Its Eco Passport certification, which indicates a company's compliance with their manufacturing restricted substance list, allows them to list up to five products from categories on an Eco Passport certificate. In the past, it was required that each certificate was issued for every product company, according to the firm.

The update also allows companies' certified products listed in the Oeko-Tex Buying Guide and in the Zero Discharge of Hazardous Chemicals Chemical Gateway. And chemical manufacturers are no longer obligated to disclose secret formulas, the company said. In lieu of disclosing, manufacturers will undergo more extensive analytical testing to attain Eco Passport certification. Other notable updates include streamlined processes for attaining its Made in Green product label, which quickens the certification process, and a list of newly recorded harmful chemicals for its Leather Standard and Standard 100 certifications. Its Sustainable Textile Production, or STeP, assessments – which survey required company data – have been reduced by condensing the questionnaire, the company said. And STeP's certificates and status reports have been integrated with Detox to Zero, to simultaneously provide users with information on Detox to Zero data. picks, which include PVH Corp., Ulta and Tapestry.

Real Estate Dirt

WWD'S WEEKLY ROUNDUP OF THE GOINGS ON IN THE PROPERTY WORLD.
By KATHRYN HOPKINS

Celebrity Movers

1. ANDY RODDICK AND BROOKLYN DECKER

Game, set, match. Tennis star Andy Roddick and his model-turned-actress wife Brooklyn Decker have finally waved goodbye to their North Carolina home after a year-and-a-half on the market.

The couple has just accepted a \$2.35 million offer for their four-bedroom mountain retreat in the tiny village of Cashiers (about 165 miles from Charlotte), a slight drop from the \$3 million they were originally seeking.

The picturesque house, set on close to three acres, was custom-built for them in 2013 – after Roddick hung up his tennis shoes – and is surrounded by rivers and waterfalls with views of the Blue Ridge and Appalachian mountains, as well as Silver Springs Lake.

Fitting in with the rustic feel, the house was kitted out with antique timber, large stone fireplaces and oak plank floors, with their interior designer being none other than Decker herself. The 30-year-old also designed their five-bedroom ranch-style home in Austin, Tex., adding that role to her résumé along with model and actress.

They were expecting to be there for the long-term but Decker, a former Sports Illustrated model who grew up in North Carolina and is currently starring in Netflix's "Grace and Frankie" series, previously told Forbes that they decided they needed more space after their son Hank was born and are planning to move into



Andy Roddick and Brooklyn Decker just sold this North Carolina home.

a larger house that they built nearby. They are now expecting their second child.

2. CALVIN HARRIS

Scottish DJ Calvin Harris has bought his third home in Los Angeles – and naturally, it comes with a state-of-the-art recording studio.

His new \$5 million abode is used to having musical residents since the seller was fellow DJ Steve Angello, who is best known for having been a member of Swedish House Mafia, while the previous owner was record producer, composer and musician Tom Rothrock, who has worked with the likes of the Foo Fighters and Gwen Stefani.

All three men were no doubt attracted to the four-bedroom, five-bathroom Hollywood Hills house by its two-story music room, the second floor of which is decked out as a professional recording studio.

Other features of the restored and renovated property include a spacious living room with glass walls that offer views of the city and canyon and a family room that opens to the pool on one side and a wrap-around deck/lounge area on the other side.

Elsewhere the two-story master suite has a double-height bay window, while an attached guest suite has a private entrance and



Calvin Harris' new Hollywood house.



Greta Garbo's former Manhattan apartment.

spans two floors, according to the listing held by Gary Gold of Hilton & Hyland.

This isn't Harris' first foray into Los Angeles real estate. He already owns a \$15 million house in the Beverly Hills Post Office area, as well as a \$7 million West Hollywood Hills home.

3. GRETA GARBO

Silver screen legend Greta Garbo's longtime Manhattan apartment has been sold for \$8.5 million.

This is 43 percent more than the \$5.95 million Garbo's family sought for the three-bedroom co-op apartment in the posh Campanile building next to the East River that was the reclusive star's home for 40 years until her death in 1990 at age 84.

It entered contract just around a month after it hit the market, with multiple offers driving up the final sale price, no doubt helped by its most famous resident, who is said to have been drawn to the apartment because it reminded her of her native Stockholm.

Garbo left the full-floor apartment complete with its own private elevator entrance to her niece, Gray Reisfield, who lived in it until 2012 and left it largely unchanged. Indeed, the master bedroom is still adorned in Garbo's favorite rose-hued Fortuny silk.

The apartment also boasts a grand, L-shaped living room with working fireplace and a separate library/den area, clad in knotty pine wood paneling, against which Garbo displayed her extensive art collection.

House of the Week

London was at the epicenter of the Swinging Sixties and the fashion label Biba was what everyone was wearing.

Its founder, Barbara Hulanicki, opened the first Biba store on Abingdon Road in South Kensington in the mid-Sixties, eventually growing big enough to fill a whole seven-story Derry & Toms department store on Kensington High Street in 1971.

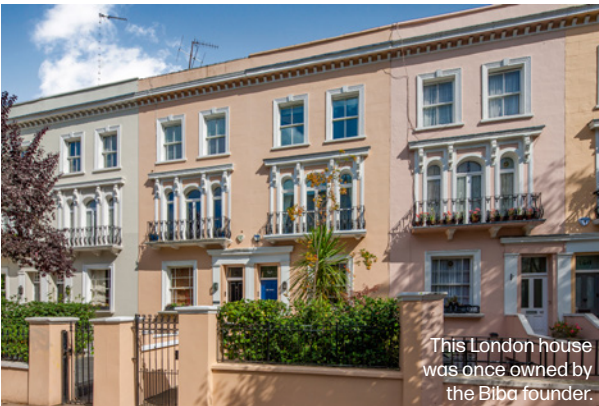
After it closed, she and her late husband bought a house on Kensington Church High Street where she designed for labels such as Cacheable and Fiorucci, as well as launching a

line of children's clothes aimed at the Japanese market.

These days, Hulanicki lives in Miami, where she spends much of her time designing hotels. If she wants to return to her London roots, she may want to consider her old house, which has been put on the market for 4.5 million pounds.

The current owners have refurbished the three-bedroom period property, paying homage to her by calling it "Biba House" and adding a sign that says just that to the front door.

And while the house isn't



This London house was once owned by the Biba founder.

decorated in bright colorful Biba prints, it certainly isn't dull inside, with the main living

room adorned with a zebra rug, a traffic light, a large metal dog statue and a gorilla in the

corner of the room.

That room, which is on the raised ground floor, has steps leading down to a bright conservatory overlooking the garden below. The garden is also not boring as it comes with a hidden bath so the new buyer can have a soak outside, but the neighbors won't be able to see thanks to the surrounding trees and ivy.

Elsewhere there's a mint green kitchen, while one of the bedrooms is covered in flamingo wallpaper. Whether Hulanicki would want to keep that is another question.

THE STAT

30%

The amount high-end house prices in Brooklyn grew by in 2017, the fastest luxury house price growth of any major metropolitan area in the U.S.
Source: Realtor.com

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Tiffany Haddish



Greta Gerwig



Tiffany Haddish Steals the Show at NYFCC Awards

Saoirse Ronan, Greta Gerwig and Timothée Chalamet were also honored at the New York Film Critics Circle Awards ceremony on Wednesday.

BY ANDREW NODELL PHOTOGRAPHS BY LEXIE MORELAND

"I don't read reviews," revealed Saoirse Ronan. "But I've heard [the critics] have said lovely things."

The 23-year-old was awarded best actress for her role in "Lady Bird" at the New York Film Critics Circle Awards dinner at Tao Downtown on Wednesday evening, which launched this year's string of film industry honors that continues Sunday with the Golden Globes and ends with the Oscars in March.

Ronan's given name, which means "freedom" in her native Ireland, is now the talk of Hollywood and beyond, but that was not always the case. "I was literally the only Saoirse in the world," she said. "Apparently [the name] is now

finally on the top 100 list of baby names in the world. I'm very much onboard with this."

The actress is also onboard with the planned anti-harassment protest Sunday by joining those donning black to the Globes. "With well-known people in our industry — and hopefully other industries — continuing to talk about [harassment], stand together and show we are united, we will affect the perspective of young people and [change] what it means to be a woman," she said.

Joining her in these sentiments was "Lady Bird" director Greta Gerwig, who won best film at the NYFCC. Donning a white Oscar de la Renta gown Wednesday,

the 34-year-old kept mum as to whether she will join Sunday's sartorial demonstration. "I'm going to let that moment be the moment when it happens, but I'm very excited," she said.

Timothée Chalamet, who won best actor at Wednesday's ceremony, was joined in support by his "Call Me By Your Name" costar Armie Hammer and was most delighted not with winning an award, but being in good company while doing so. "Beginning to be in [awards season] now, the physical [experience] is not as gratifying as talking to artists, actors and directors that I have been studying for years."

The native New Yorker

expressed excitement at meeting Paul Thomas Anderson, who won best screenplay for "Phantom Thread," but, alas, Chalamet's hopes were dashed as Anderson was unable to attend. "I'm bummed since he's one of my favorite filmmakers."

"Phantom Thread" actress Lesley Manville, who will skip the Globes on Sunday to begin rehearsals alongside Jeremy Irons in the West End production of "Long Day's Journey Into Night," accepted the award on behalf of Anderson.

"As we say in England, he's the meat and two veg," said Manville in a speech to a crowd that included veteran film critic Mary Haskell, Tribeca Film Festival cofounder Jane Rosenthal and director John Cameron Mitchell.

Reading a letter from Anderson, Manville continued, "Thank you for this vote of confidence and boost of ego. It's wonderful to win an award, especially when you don't have to wait up to find out if you've won [it]."

While there were many stars in the room, including Edward Norton and Willem Dafoe (who won best supporting actor for "The Florida Project"), none shone quite as bright as actress and comedian Tiffany Haddish, who was singled out by Anderson in his pre-written speech.

"I hope you all have a wonderful night and before Lesley says goodnight," continued Manville in Anderson's words, "perhaps she could relay a message from me to my hero, Tiffany Haddish."

The 38-year-old, who won best supporting actress from NYFCC for her role in "Girls Trip," excitedly exclaimed, "I'm right here girl!" at mention of her name as Manville continued: "He says, 'Tiffany, I



Luca Guadagnino,
Timothée
Chalamet and
Armie Hammer.

know that everyone wants to work with you now, but please may I cut to the front of the line," he offered before Manville gave the director's cell phone number to Haddish — and the rest of the jubilant crowd. "Please call or text me anytime."

For her part, Haddish stole the show with a lengthy acceptance speech that blended both comedy and raw emotion — and made several tongue-in-cheek passes at a blushing Michael B. Jordan, who earlier presented pal Rachel Morrison with the best cinematography award for "Mudbound."

Clutching a cocktail glass, Haddish floated on stage in a deep blue satin gown by Walter Mendez. "First, I want to look at the award and make sure they spelled my name right because when I ran track, they spelled my name wrong," she said.

Addressing the room filled with writers, Haddish noted that she cares not what critics may say about her as long as they are taking notice. "I know some people in here are going to talk s—t about me. You know why it's OK? Because you care enough to say something," she continued. "I'm glad you see me because there have been so many years



Willem Dafoe

nobody saw me. When you're a little kid going through the system, you wonder, 'Does anybody really know I'm alive?'"

The actress, who spent a portion of her youth in foster care, went on to mention others like her who previously were without a voice or role model in the industry. "To be able to be this example — there are so many people like me that you guys have no clue about, but they are coming because I kicked the f—king door open," she exclaimed, raising her glass in the air, as the room erupted in a standing ovation.



Saoirse Ronan

eye

Scott Silven Is Reading Your Mind

The performer discusses his career as an illusionist and his popular dinner show at the McKittrick Hotel.

BY KRISTEN TAUER

PHOTOGRAPHS BY LEXIE MORELAND

Scott Silven's magical dinner experience at the McKittrick Hotel may be one of the hardest reservations to come by this winter season. The 12-week run of his immersive dinner-and-a-show "At the Illusionist's Table" sold out quickly; additional shows were added and those sold out as well.

A scout from the New York performing arts venue recruited the 28-year-old for the New York residency after encountering his popular show during the annual Fringe Festival in Edinburgh, where he's performed the intimate show for several years. Silven, who was born and raised in Scotland, fits perfectly into the McKittrick's apparitional Scottish themed offerings, which also include the Macbethian "Sleep No More" and rooftop bar Gallow Green, named for the 15th-century Paisley witch trials. Sprawling and lush in the summertime, Gallow Green recently transformed into the wintertime rooftop cocktail bar The Lodge at Gallow Green, constructed to resemble the interior of a Scottish hunting lodge, complete with all of the accoutrements. In a cozy book-lined back room, a chess set is out on a table and primed for play. Based on Silven's skill set — mentalism — he doesn't seem like the best person to challenge in a game of chess. Turns out, he doesn't know how to play.

"Isn't that pathetic?" offers the unassuming raven-haired performer. "That's what I thought I'd be quite good at, but I just went a different route and focused on magic, unfortunately."

What's made Silven's performances so appealing to his audiences? "It's about having that authentic connection with an audience," he says. "It's always been, 'how will this make my audience feel, or what do I want to share, or why are we in this moment together right now.' It's always been about transcending just the magic, about it being

something deeper. All illusion is metaphor in some way."

He's infused the concept of storytelling into his dinner show, serving the crowd illusion and stories of his childhood simultaneously with a three-course dinner and whisky pairings. Silven's interest in the world of magic performance began when he was four years old; his grandfather showed him a card trick, and he's been hooked ever since.

"He always had a great air of mystery about him. I still don't know where he got those tricks from. But he was in the army, and I think he picked it up there," says Silven of his grandfather. "There was something so alluring, the idea of performing something

that at once seemed so simple and so profound, and even at a young age that sense of mystery stuck with me."

He built his expertise through a mix of studying past performers and working with mentors such as Roy Walton, who owns the decades-old Glasgow magic shop Tam Shepherds.

"Magic is a very open sort of craft, where magicians are really wonderful in sharing ideas with each other and sharing their passions and things they're working on," says Silven. "There's a real sense of collaboration and sharing. I'm using things in my shows that are maybe 200 or 300 years old and at the same time I'm using stuff that I've

created myself, and mixing those things together."

In addition to historical and traditional influences, Silven's toolbox of magic is padded with human psychology, which he began studying as a teenager.

"I found the idea of creating magic without props, with just using someone's thoughts and feelings and memories the most interesting," he says. "Then when I was 15 — I didn't tell my mom — but I went to Milan and did a hypnosis course." The course was less glamorous than it sounds — it took place in a conference center next to a bus station. Topics included how to find a good subject, someone susceptible to hypnosis. The

first criteria is a receptiveness to being hypnotized, naturally, as well as someone who is creative and imaginative.

"And then they really threw you into the deep end by asking you to go into the street and approach someone, ask if they wanted to be hypnotized and then do that on the street," Silven adds of completing the course. "And it worked, which was the most interesting thing."

He went on to study theater in university and after graduation decided to weave together the concepts of performance art with traditional illusion, hypnosis and theater to create his immersive experiences.

"The type of illusion I do, men-

talism, it's the idea of connecting with an audience, connecting with a participant on one of the deepest levels possible," he says. "I began thinking about the idea of sense, and how sense can be manipulated and how senses are so important in terms of what I do and the best way you can manipulate the senses is through food and drink. The idea of an emotional memory attached to food, attached to drink in that way. So I began weaving those ideas together — food and drink, and bringing audiences together around a table, of me having an authentic experience with them — and then the best way to approach that, I thought, was to tell a story from my past. Something that defined me as a child, something that inspired what I do today. And I would share the story around the table whilst these people are enjoying a meal that relates to that story, enjoying the whisky that I was brought up with as a kid."

When creating "The Illusionist's Table" in Edinburgh, he linked up with LVMH Moët Hennessy Louis Vuitton, which at the time owned the Scotch Malt Whisky Society in the city's New Town. "I collaborated with them on a few projects, and that sort of began the involvement with this show of tying whisky with the experience," he says. "And the Scotch Malt Whisky Society is a very cool place, LVMH was all about crafting that unique luxurious experience, which really tied into the SMWS and sort of ties into my work as well."

He also collaborated with Chanel when the brand staged a show at Linlithgow Palace in Scotland. "That was my 'in' initially, carefully choosing the brands and companies that I wanted to work with, brands that inspired me in some way, and then from there using that to springboard and develop my own experience," he adds.

So: does everyone hound him for his secrets?

"I'd never really want to call it a magic show....it's never been about that, or equally defining, 'oh this is a magic trick, and now we're going to do another magic trick,'" Silven says. "The really interesting thing about the type of stuff I do with mentalism is often no secret — that you're doing what you're saying you're doing when you ask people to think of something and you're going through a process together in revealing that," he continues.

"But you often hope that people will leave the experience completely not even thinking, 'oh I wonder how he did it.' To transcend the experience of it just being a puzzle, to it being something much more interesting and profound. It's like looking at a really great piece of art, you're hopefully not considering it going, 'Oh, I wonder what type of paintbrush he used,' or 'I wonder what the color palette was here,'" he adds. "Of course, you're always going to get people who are desperate to know how it's done."

While Silven has been calling Manhattan's Chelsea neighborhood home since September, after the show's conclusion in mid-January he'll start a world tour of his stage show. And, like magic, he'll be back at the McKittrick next fall — booking for the show's next run in September is already open. "Fingers crossed. We've sold out in record time, which has been such a lovely thing to have," he says. "I'm really keen to come back and see what else we can do."



"The Illusionist's Table" at the McKittrick Hotel.