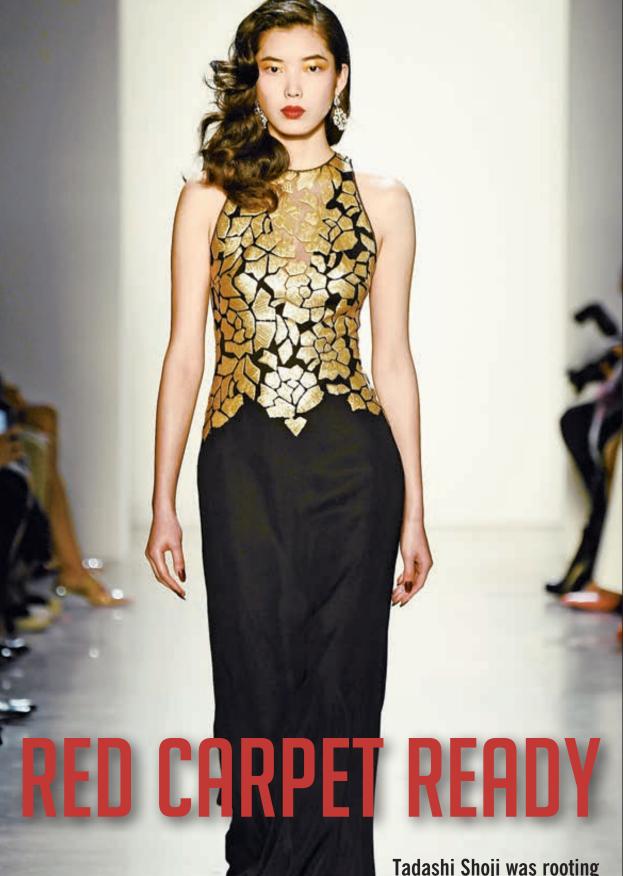
# Appendix of the voice of the industry for To years



for strong women in his Fall/Winter 2018 collection that dazzled on the runway at New York Fashion Week. For more looks, see page 6.

# A Successful Holiday Season Reaps Benefits in Las Vegas

### By Andrew Asch, Deborah Belgum and Dorothy Crouch

LAS VEGAS—An air of optimism blew through the various trade shows held Feb. 10–14 in Las Vegas as many retailers were encountering empty shelves in their warehouses from a robust holiday season, which set up a willingness to place orders and stock up for the upcoming seasons.

That was the word at the shows at the Las Vegas Convention Center—which held Sourcing at MAGIC, WWD-MAGIC, FN Platform and WSA@MAGIC—and at the other end of the Las Vegas strip at the Mandalay Bay Convention Center, which hosted a number of UBM-organized MAGIC Marketplace shows that included Stitch, Project and Project Women's, Pooltradeshow, The Tents, The Collective and Curve.

Other shows taking place around the city were Womenswear in Nevada at the Rio All-Suites Hotel & Casino; IFJAG, a show for jewelry distributors, at The Embassy Suites; and a trio of shows at the Sands Expo and Convention Center and The Venetian ballrooms.

➡ Las Vegas page 8

### **INDUSTRY VOICES**

### Drastic Shifts Seen in Endorsement Deals Between Celebrities and Fashion Labels

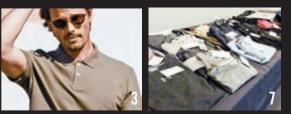
#### By Matthew Syrkin Contributing Writer

Product endorsements from Hollywood stars, professional athletes, pop stars and supermodels have always played a pivotal role in driving sales and generating visibility for fashion brands. In fact, over the past 20 years, the agreements under which celebrities were engaged to endorse brands in the fashion industry have remained rather stagnant in both form and substance.

The industry "template" offered an acceptable range of business and legal terms and conditions that both sides acknowledged as "market" for the space—from compensation structure and must-wear requirements to non-disparagement and conduct clauses. Deviations from the status quo were infrequent in these deals, particularly in those involving established celebrities.

#### Celebrity Deals page 3

### **INSIDE** Where fashion gets down to business<sup>ss</sup>



Container volumes to climb ... p. 2 Mad Engine Acquires Mighty Fine ... p. 2 MadaLuxe has a new CEO ... p. 2 New Materials Show in Miami ... p. 4 Fashion Resources ... p. 9

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# Freede Named MadaLuxe Group's CEO

MadaLuxe Group, the Seal Beach, Calif.–headquartered company that distributes luxury goods in off-price and full-line channels, has named Adam Freede its chief executive officer. He was previously president of the company.



MadaLuxe also sells accessories, timepieces and eyewear at its e-boutique (ma*daluxevault.com*) as well as clothes at its bricks-and-mortar store, called MadaLuxe Vault. at the Citadel Outlets retail center. MadaLuxe Vault just opened in December

2017. The company said it has identified a second location in San Clemente, Calif.

Freede was a cofounder of MadaLuxe Group, which started business in 2010. MadaLuxe cofounder and former chief executive officer Sandy Sholl is taking on the role of executive chairman. She will continue to oversee the company's retail, e-commerce and marketing, according to a company statement.

Sholl said that her company is a pioneer in the luxury and off-price markets. "As the retail industry continues to evolve, driven by tech-savvy consumers, we have created a new luxury off-price boutique

shopping experience with the MadaLuxe Vault," Sholl said. "As executive chairman, I will be bringing new experiences to consumers so they can engage with the MadaLuxe brand. It will also complement our retail and brand partners, offering access to carefully curated products both in-store and online."

Freede said it is a boom time for off-price. "The off-price sector is experiencing faster acceleration in both store count and sales

than the North American retail industry overall. As the dominant distributor of off-price luxury in the wholesale market, MadaLuxe Group is uniquely positioned to modernize the off-price market by meeting the needs of the informed consumer who wants affordable, curated items with a steady flow of luxury product," Freede said in a prepared statement.

MadaLuxe Group also announced it has signed a lease on a 9,000-square-foot office in New York City, and it will open a Manhattan showroom this spring. For 2017, Mada-Luxe expects it retail sales will be more than \$200 million.

MadaLuxe also serves as an equity partner in the contemporary women's brand Haute Hippie, which is headquartered in the Los Angeles area.—Andrew Asch

## Mad Engine Acquires Mighty Fine for Fourth Acquisition

Mighty Fine, a mostly juniors and children's apparel maker based in downtown Los Angeles, has been acquired by Mad Engine. Terms of the deal were not disclosed.

Mighty Fine will continue to operate as a separate division with cofounder Patty Timsawat joining the Mad Engine team and cofounders Guy Brand and Stacy Brand leaving to pursue other opportunities, a Mad Engine executive said.

This is the fourth acquisition in the last year for San Diego-based Mad Engine, a licensed

apparel company that has worked with Marvel, Star Wars, Disney and Nickelodeon.

In February 2017, it acquired Xtreme World Inc. A month later it bought Lifted Research Group, a popular Irvine, Calif.headquartered urban streetwear brand, and in May it purchased Neff Headwear, based in Camarillo, Calif.

Acquiring Mighty Fine allows Mad Engine to contend in the juniors apparel space, said Danish Gajiani, Mad Engine's chief executive officer. "This acquisition comes

at a critical time as the retail landscape is constantly changing and our customers are expecting impeccable design and execution capabilities from their suppliers," Gajiani said.

Mad Engine was founded in 1987 and has grown to become a global apparel wholesaler of licensed, branded and private-label apparel. Mighty Fine was launched in 1997 and built upon a strong design sense with its approach to pop culture.—Deborah Belgum



Mad Engine products

Adam Freede

# **Retail Imports Will Rise During the First Half of the Year**

With wages going up and unemployment going down, shoppers are expected to continue hitting the stores, which means more imports will be coming in by the boatload.

Imports at the nation's major retail container ports are expected to grow at a healthy 4.9 percent during the first six months of 2018, according to the National Retail Fed-

eration's monthly Global Port Tracker report. That would mean approximately 10.3 million 20-foot containers will be arriving at the nation's docks.

"We're forecasting significant sales growth this year, and that means retailers will have to import more merchandise to meet consumer demand," said Jonathan Gold, NRF vice president for supply

of pro-growth tax reform coming on top of solid fundamentals like higher employment and improved confidence, we expect a good year ahead."

The NRF forecast recently predicted that retail sales in the United States will grow 3.8 percent to 4.4 percent over 2017's \$3.53 trillion sales volume.

Last year was a banner year for imports being shipped into the country in cargo containers. The country's major ports handled 20.5 million imported containers. That is a 7.6 percent jump over 2016, when 19.1 million containers arrived on cargo ships.

Already, January's numbers show a 4.1 percent rise in cargo volume from the previous January with an estimated 1.77 million containers. February is forecast to see a 14.8 percent uptick over last year with 1.67 million containers, and March will be down 1.1 percent to 1.54 million containers. The



chain and customs policy. "With the benefits February and March numbers are skewed because of when Asian factories close for the Lunar New Year each year.

"It's clear that 2017 turned out to be a remarkable year in terms of import container volume," said Ben Hackett, whose Hackett Associates prepares the quarterly "Global Port Tracker" report. "That level of growth is difficult to sustain, however, and our models suggest that 2018 will continue to expand but only at about half that pace despite strong fundamentals that indicate a healthy economy and continued growth in consumer spending."—*D.B.* 

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### Celebrity Deals Continued from page 1

Welcome to the new world. Over the last five years, the industry template has been upended on a variety of key fronts. In fact, some of the most "market" terms in these deals have been re-engineered to accommodate a new economic and technological reality in the fashion industry.

The factors driving the swift change have ranged from the utterly obvious to the mildly intriguing. The decline of bricks and mortar, e-commerce's unstoppable rise, social-media platform dominance, depressed marketing budgets and evolved contentconsumption habits in key demographics have all played a role in prompting the sea change. Put simply, the deals no longer look like they did even two years ago. Here are some of the material business terms most profoundly affected:

Talent Compensation: As a general matter, the nature and amount of compensation paid celebrities for their endorsements has always been a moving target. The level of fame coupled with deal specifics—such as territory, exclusivity, commitment length and personal-appearance demands—dictated the pricetag analysis. However, in the last few years alone, there has been a demonstrable shift in the thinking employed to assess the true value of these celebrity engagements.

Brands are now more actively engaging in detailed analysis to ascertain the short- and long-term value of celebrity endorsements. The "Moneyball" approach—a return-on-investment analysis—has made its way from Major League Baseball to celebrity endorsement deals.

Brands are beginning to use predictive analysis through the use of tech-driven data analysis, social listening and measurement to determine not only projected sales but reach and strength of celebrity influence. Ultimately, the goal is to determine how best to structure the financial terms of these deals to comport with a longer-term view of how much value they actually deliver.

While this analysis forms part of a larger cognitive shift on both sides of these deals from a branding perspective, both brands and celebrities are subjecting these deals to heightened scrutiny to ensure compatibility with their own brand-building goals.

One need look no further than the recent decline in deals offering large upfront payments and the corresponding increase in deals containing stock and performance payments. In other words, payday marketing splashes anchored by celebrity pitches are giving way to more complex arrangements.

These deals smack of joint ventures or strategic corporate initiatives where each party makes a contribution to the project and agrees to shoulder more upfront risk in exchange for a larger potential upside later.

Particularly at a time when brands are motivated by a heightened desire to preserve as much cash as possible for brand growth, brands have become more willing to experiment with compensation structures in these deals. As a result, celebrities are now receiving stock awards, phantom stock grants, product royalties and performance-based compensation in exchange for less upfront cash.

Among these new forms of compensation, the one that holds the most upside potential for celebrities is company stock. In other words, many brands will offer actual equity in the company through the provision of an agreed-upon number of shares in a designated class based on a current valuation or other agreedupon metric.

Other brands have been less willing to provide equity and, as an alternative, have begun to provide "shadow equity" or "phantom stock" using a similar valuation metric. This type of compensation provides the talent with many of the benefits of stock ownership without actually granting any ownership in the company. Another compensation structure employed by brands involves paying the talent a percentage royalty based on the sales of products bearing or sold under the talent's name or likeness.

Ultimately, though, the largest evolution on the compensation front in these deals has been the use of incentive payments based on media mentions and promotional activities engaged in by the talent for the brand. Yes, the anecdotal stories about brands buying a single **Tweet** or **Instagram** post or paying per mention of their brand on reality TV programs are absolutely true and now more commonplace than ever.

The way this works typically is that during the negotiation phase of the deal, the parties mutually agree upon a menu-style list of activities across all forms and levels of media that, if delivered by talent, will trigger a predetermined lump-sum payment. These provisions have become extremely complex and even contain escalating kickers based on end-user consumption (e.g., every 5,000 views costs another \$20,000). Among the most frequently compensated activities on this front are broadcast interviews, print editorial interviews, radio interviews, Instagram posts, tweets, social-networking mentions, television and film mentions, photo postings, blog postings, and email blasts to followers.

**Public Appearances:** The cornerstone of an endorsement deal is the talent's commitment to actually use or wear the product. The timing, place, frequency and other aspects of that commitment vary from deal to deal, but the underlying principle essentially remains unchanged: Talent must not wear any competing product and should wear the endorsed product during those public appearances specified in the deal.

From promotional events arranged by the brand (e.g., fashion shows, launch parties, exclusive performances, etc.) to other high-profile events (e.g., the **Oscars, Grammys, Golden Globes**, etc.), the requirement has not departed the scope of endorsement deals. The most frequently used list of events and activities in endorsement deals usually includes press conferences, movie premieres and screenings, sporting and cultural events, fashion shows, planned public appearances, and any other designated events the talent is best known for or associated with (e.g., concerts for musicians).

A problem that has emerged over the past few years, however, relates to technology and its impact on the evolving nature of celebrity. New content-consumption habits and the 24/7 accessibility to celebrity photos, videos and media from all sources and outlets has served to upend the import of a "public appearance."

A celebrity's visibility and voice are no longer dictated to such a degree by these photo opportunities. A compelling photo from **TMZ** or a solitary tweet may do more for the brand than

a seasonal launch party.

Moreover, brands have begun to recoil at the costs, resources and logistics of celebrity engagements, as the visibility achieved no longer correlates to the same degree with the bump in product sales and brand awareness as it previously did.

Accordingly, these deals are increasingly requiring that the product be worn and otherwise tied to the celebrity almost always, from going to a restaurant to visiting the local grocery store, and negotiations on this front have been difficult, requiring brands to balance their objectives with the talent's privacy and an inadvertent photo mishap where the celebrity is caught wearing the competitor's brand.

As a result, many agreements are now reflecting a comprehensive approach to mapping out in excruciating detail every possible activity in an individual's life and determining whether the obligation to wear applies.

**Talent Approvals:** The traditional endorsement deal has always provided talent with approval rights over the particular use of their name and likeness. Talent needed this lever to actively police exploitation of their name and to help ensure a brand complied with the terms of the likeness license granted. This provision was also rarely a contentious aspect of any endorsement deal negotiation.

As a general matter, a brand was typically required to obtain talent's approval and was willing to grant these approval rights. But the core advertising medium has shifted to digital platforms, and talent approval over forthcoming print and magazine advertisements and other pre-planned promotional activities no longer serves the brand's strategic marketing plans.

In other words, providing talent a 30-day period to approve every single image and corresponding word of every advertisement or post has become a major point of dispute between the parties to these deals, requiring serious negotiation and legal positioning for both parties.

For brands, the ability to message its followers across socialnetworking platforms on a real-time basis has become paramount from a marketing and revenue-generation perspective last-minute sales, short-term discounts, event announcements and other brand-related messaging involving the celebrity provide the bang for your marketing buck that brands are seeking.

As a result, these deals are increasingly requiring that the celebrity's approval rights be drastically scaled back to, among other things, allow for the immediacy of Internet-based marketing initiatives. Talent still typically retain the ability to preapprove images on physical packaging and physical marketing materials (e.g., in-store displays), but the use of that image and any corresponding marketing messaging on social-media plat-forms has, in many cases, been removed entirely from the deals or become subject to a 24-hour approval period. ●

Matthew Syrkin, Esq., is a partner and chair of the Media, Technology and Commercial Transactions Group at **Hughes Hubbard & Reed LLP**. He provides strategic counsel and transaction support on business and legal matters to clients in the fashion, technology, marketing, retail and media industries and was named by Variety magazine as one of the top 50 impact dealmakers in the media and entertainment industry.

### ECO FOCUS

# **Outerknown: Notes on Building a Sustainable Brand**

#### By Andrew Asch Retail Editor

When John Moore started a new gig at **Outerknown**, he didn't think he was going to have to rethink all of his assumptions about design.

At the Culver City, Calif.-based menswear brand devoted to sustainable clothing, he couldn't order just any fabric. He was limited to what was certified as eco-friendly. He couldn't work with just any factory. He had to work with factories certified as paying their workers a fair wage.

After a career spent

working with prominent labels such as **Quiksilver** and **Abercrombie & Fitch**, Moore had made a commitment to manufacturing clothes with a new set of rules.

"It takes time. You make mistakes. For

me as a designer, it was learning how to design all over again," said Moore, who has shoulder-length hair and a long beard. But Outerknown's presence in the world of sustainability is growing.

It was three years ago that Moore started Outerknown with surfing star Kelly Slater. Luxe conglomerate Kering—which owns brands including Stella McCartney, Gucci and Puma—came on as a minority investor.

It is a brand trying to change the clothing business by leading by example.

In October, the board of directors of the **Fair Labor Association** voted to accredit Outerknown. The accreditation means the

brand regularly assesses the working conditions of its vendors and works to improve them. The accreditation is an official stamp of approval and shows that Outerknown has been following FLA guidelines ever since it started making clothes in 2015.

Outerknown also works with **Bluesign** guidelines to eliminate harmful chemicals and substances from its supply chains. The work of manufacturing clothes with an extra set of guidelines can be complex, said Isaac Nichelson, the founder of **S3**, a Los Angeles–headquartered sustainability agency that has consulted with Outerknown.

"It is complicated to follow a **GOTS** [a certification group] certification through the spinning, through the knitting, the dyeing, the cut and sew and certifying at the brand level. Each of those steps requires a cost in order to audit at those levels," he said.

In the past, the process of gaining certification has been criticized as being overly bureaucratic, but Nichelson said the certification organizations are taking steps to simplify the process. Moore said it is worth the time to take the extra steps. "Everyone talks about the challenges, but we believe it's important to turn sustainability into a positive. Sustainability is a building block. As designers, we have various building blocks we consider: materials, aesthetic, function, details and silhouette, to name a few," he said. "As brands and businesses, we consider other building blocks like sourcing, price, positioning, margin and delivery. Imagine if both sides of your business just made sustainability a normal building block. You can't actually work around it. It's a part of your process."

Yet Outerknown has had to make some concessions. "We also heard a lot of people saying that they loved what we were doing but they couldn't afford it. The good news is that in 2.5 years we have been able to bring costs down because there's more sustainable options and resources available and we're getting smarter on how we buy our materials and build our products," Moore said.



NEWS

# New Apparel and Textile Sourcing Show Slated for Miami

Hundreds of apparel and textile manufacturers from China, India, Bangladesh, the United States, Mexico and other countries will be exhibiting at the newly established **Apparel Textile Sourcing Miami** show, scheduled for May 21–23.

The three-day event at the **Mana Wynwood Convention Center** in Miami will contain scores of booths, pavilions, trend displays and seminars.

The Miami show is being organized by **JP Communications**, the parent company of **Apparel Textile Sourcing** trade shows, which two years ago launched a similar apparel and textiles sourcing show in Toronto.

"The expansion of the ATC brand to Miami is a direct response to the market demand and fills a significant gap for the U.S. and Latin American markets," said Jason Prescott, chief executive of JP Communications.

Feb. 23

Los Angeles

Feb. 24

Capsule

Pier 94 New York

Cabana

Pier 94

New York

Feb. 25

New York

New York

Feb. 26

Coterie

Fame

Moda

New York

Studio 450

New York

New York

Paris

Through Feb. 27

**Children's Club** 

Through Feb. 27

Stitch @ Coterie

**Sole Commerce** 

Through Feb. 28

**Brand Assembly** 

Through Feb. 28

Curve New York

Through Feb. 28

Through March 6

Lake

Through Feb. 26

Through Feb. 25

Through Feb. 26

**Designers and Agents** 

Starrett-Lehigh Building and Cedar

Jacob K. Javits Convention Center

Jacob K. Javits Convention Center

Jacob K. Javits Convention Center

Paris Fashion Week: Femme

**California Marketplace** 

Los Angeles Convention Center

ATS-M will feature three days of seminars and panels covering topics from trade agreements to best practices with an eye on the changing Latin American market. "The ATS-Miami design pods and fashion show will include international apparel producers, Latin American artisans, Made-in-America manufacturers and active design students," said Apparel Textile Sourcing Director John Banker.

There will be a Made-in-the-USA pavilion showcasing U.S.-based manufacturers and designers that source apparel and textiles from abroad for their finished goods.

There will also be an Americas pavilion featuring products from Guatemala, Honduras, Ecuador, Mexico, Nicaragua and El Salvador.

For more information on the show, visit *www.appareltextilesourcing.com*.

March 15

Los Angeles Through March 18

Los Angeles

March 21

Dallas

Dallas

**Art Hearts Fashion** 

Through March 18

**Dallas Market Week** 

Dallas Market Center

Through March 24

**Brand Assembly** 

Through March 23

**March 27** 

DG Expo

Miami

Dallas Market Center

Los Angeles Fashion Week

—Deborah Belgum

Calendar

March 5 LA Textile Show Sourcing at LA Textile California Market Center Los Angeles Through March 7

March 8 Style Fashion Week Pacific Design Center West Hollywood, Calif. Through March 11

March 11 ASD Market Week Las Vegas Convention Center Las Vegas Through March 14

March 12 Los Angeles Fashion Market California Market Center The New Mart Cooper Design Space Gerry Building Lady Liberty Building Academy Awards Building Primrose Design Building 824 Building Los Angeles Through March 14 **Designers and Agents** The New Mart Los Angeles Through March 14 Brand Assembly Cooper Design Space Los Angeles Through March 14 LA Kids' Market Select Transit California Market Center Los Angeles Through March 14

Through March 28 LA Men's Market California Market Center Los Angeles Through March 28 March 28 Coast

Doubletree by Hilton Hotel Miami

Airport & Convention Center

SoHo Studios Miami Through March 29

> There's more on ApparelNews.net.

*For calendar details and contact information, visit* ApparelNews. net/calendar.

Submissions to the calendar should be faxed to the Calendar Editor at (213) 623-5707. Please include the event's name, date, time location, admission price and contact information. The deadline for calendar submissions is the Tuesday prior to Friday publication. Inclusion in the calendar is subject to available space and the judgment of the editorial staff.

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# Tadashi Shoji Styles Are Long on Sophistication and Eveningwear



Elegance was on the runway at the Tadashi Shoji runway show held Feb. 8 at **New York Fashion Week**.

The Los Angeles designer, who studied at **Los Angeles Trade-Technical College**, has carved out a well-known niche in the eveningwear category with many of his dresses being seen on the red carpet at various entertainment award ceremonies across the country.

For his Fall/Winter 2018 collection, seen at **The Shows at Gallery 1 at Spring Studios**, Shoji decided to use strong colors that went along with his inspiration of designing for women who are bold and not afraid of being heard during this time of the #MeToo movement.

Dark greens, vibrant purples, cranberry reds, vivid blues and the ever-present black and gold made up his color palette. His fabric selections included sequined material, velvet, jersey and some lace.

Besides eveningwear, his 37-piece runway presentation included short dresses, jumpsuits and suits made with tailored pieces.—*Deborah Belgum* 



# Why Apparel Sourcing in the Americas Is Important for the U.S. Market

By Dorothy Crouch Associate Editor

Apparel factories and mills in the Western Hemisphere are still a significant supplier to U.S. retailers that are whittling down their lead times and looking for more justin-time delivery.

"There is a staggering number of brands that never left this industry," said Mike Todaro, managing director of the **Americas Apparel Producers' Network**, an international trade association whose members manufacture in the Americas and promote maintaining and building up the industry. "The general feeling that we had was there has been so much investment in yarn, fiber and fabric, and finishing in this hemisphere like Honduras but also in the Carolinas."

The AAPN, now in its 37th year, held its Los Angeles regional meeting on Feb. 8 at the **Fashion Institute of Design & Merchandising** in downtown Los Angeles. The event was attended by a number of Americas-based textile and apparel manufacturers as well as technology companies that sup-



Tony Anzovino discusses U.S. apparel import data for cotton hosiery.

port the apparel industry.

Members discussed product development and manufacturing in the Americas—a conversation that focused on banding together to support the industry in the region.

Despite China still being the main supplier of clothing to the United States, making up 42 percent of all U.S. apparel imports when calculated using square-meter equivalents (SME), conference organizers sought to shift attention to the 16 percent of Western Hemisphere countries that are included on this list.

Laura Guthrie, senior production manager at the menswear company **Haggar Clothing**, led a "Connecting the Dots" presentation during which she helped attendees understand the current share of imports to the United States from different countries around the globe.

"China is still on top at 42 percent of total U.S. apparel imports. Vietnam is No. 2, and they are actually the country that had the largest percentage of growth over the last year. Even though most not all—of the Western Hemisphere did have negative growth over 2016–2017, it's still a very major player in U.S. apparel imports."

During the presentation, Guthrie also noted that Bangladesh, India and Indonesia comprise 16 percent of U.S. apparel imports.

The top 10 countries within the Western Hemisphere whose goods are imported into the United States are Honduras, Mexico, El Salvador, Nicaragua, Guatemala, Haiti, the Dominican Republic, Peru, Canada and Colombia.

The top five categories of goods imported to the United States from the Western Hemi-

sphere are men's and boys' man-made fiber knit shirts, men's and boys' cotton knit shirts, cotton hosiery, men's and boys' manmade fiber non-knit shirts, and cotton underwear (which includes men's and boys' and women's and girls').

# Technology's new role in apparel manufacturing

The AAPN's goal is to promote the work of members in these countries, which will keep business in the region.

In addition to discussing support between AAPN members, the discussion also shifted toward comprehensive education within the industry. It is now important to ensure that manufacturers consider retailer behavior, technological advancements within manufacturing and how certain events in different parts of the world can affect business.

Roni Miller Start, the department chair of Apparel Industry Management at FIDM, said the school's mission is to provide the

industry with the best possible candidates.

The school is researching new ideas to prepare students for the future by adding greater opportunities in technology to help graduates prepare for the future with a strong foundation in fashion-industry basics.

"We created a bachelor's degree in apparel technical design," Miller Start said. "So, once you have your degree in apparel industry or fashion design, you can do two years in apparel

technical design and you're ready for the industry at a full technical designer level."

The school is also exploring methods to design a curriculum that includes wearable technology to prepare students for the next advancements in fashion. To maintain a presence in manufacturing, suppliers in the Americas must invest in education for their employees to understand new tools within the industry that will change the course of apparel.

By examining data, remaining aware of a nation's position as a source of imports to the United States and knowing what quantities of products a certain country sends to the United States, domestic apparel-industry



Table showcasing AAPN-member goods manufactured in the Western Hemisphere

professionals will clearly see how the market works.

"Why is this important?" asked Tony Anzovino, who is the AAPN's vice president and vice president of global sourcing at Haggar. "Because as a supply chain we're all making decisions every day, every season, as to where we place products. If you look at these numbers and the growth in this hemisphere, it blows me away at times. The fact that little Honduras and little El Salvador can be such a major player in what is going on in U.S. retail today is amazing." •

### CMC

### LA FASHION MARKET FALL 18 COLLECTIONS





### **TRADE SHOW REPORT**



Karen Meena of the Ron Robinson boutique, at left, talks about the finer points of the EFM or Engineered for Motion brand's booth at Liberty Fashion & Lifestyle Fairs.

### Las Vegas Continued from page 1

A pumped-up vibe invaded the WWDMAGIC show, where brands for juniors and young contemporary women had some of the most creative booths. Garden-themed booths with ceramic pots filled with fake flowers, picket fences, greenery walls and bird chirps was a common motif.

The smell of chocolate-chip cookies and popcorn filled the air as some booths added an extra incentive for buyers to stop by.

At the **America & Beyond** booth, Mohit Juneja, from Grand Rapids, Mich., had decorated his space with colorful dangling pompom balls and Indian carpets that gave his area an exotic feeling to highlight his brightly colored dresses, shoes and handbags. Just about everything is made in his father's three factories in India.

With so much color permeating the booth, it was mobbed with store owners eyeing the merchandise and eager to place orders.

Across the way from WWDMAGIC, the Sourcing at MAGIC show was a little more subdued because attendance by Chinese manufacturers was down more than 25 percent due to Chinese New Year starting on Feb. 16. But the Madein-America section was nearly three times its size from August.



Courtenay Nearburg, right, at her Krammer & Stoudt brand booth at Liberty Fashion & Lifestyle Fairs



People at Sourcing at MAGIC could see an automated apparel factory.

Mohit Juneja of America & Beyond had a colorful booth at WWDMAGIC.

Capturing everyone's attention was the focus on automation and the micro-factory. "Apparel systems have been part of apparel manufacturing for many years, but now, with technology and innovation, it is cheaper to automate than in the past," said Frank Henderson, president and chief executive of **Henderson Sewing Machine Co.**, which supplied the sewing machines, based in Alabama.

Across the other side of the freeway that draws a line through Las Vegas, the ever-popular Womenswear in Nevada show filled up every available ballroom at the Rio. As usual, the various ballrooms that take South American names such as Brasilia and Amazon were doing brisk business with specialty stores hunting for new misses merchandise.

### **Mandalay Bay Convention Center**

Within the shows at **UBM**'s MAGIC, many retailers were extremely upbeat when the event began Feb. 12 at the Mandalay Bay Convention Center. The mood was elevated throughout the event space by a soundtrack that included recent hits such as The Killers' "The Man" and remixes of beloved classics including "I Heard It Through the Grapevine" by Marvin Gaye.

At the front of the event space, Pool was the scene for independent lines and innovative products. **Infinite Future** 

**Gear** Chief Executive Officer Dayne Nastri cited the feeling of camaraderie in the area from all sides. Whether buying or selling and from streetwear to accessories, he feels that everyone involved in the show—his first—has an opportunity for solution building.

"Retailers and buyers really seem to come together here," Nastri said. "It seems like a really friendly environment for retailers and buyers, too. What is really cool is that we can collaborate with other retailers and designers to help find solutions for each other."

Showcasing his brands, Project Women's newcomer Michael Keefer was pleased with the debut of his lines **River** + **Sky** and **Sundown**. "We're seeing people from all over the country and writing orders for Immediates through Fall. [Retailers] are looking for comfort. They're looking for a connection to the clothes. A lot of the things we do are hand done. It's all made in California. We use a lot of eco-friendly fabrics, which they are responding to."

To the right of the convention space, the pink carpet of Project Women's changed to a trail of gray, which led into the **Curve** section, an area dedicated to lingerie, sleepwear and swimwear lines. Though a smaller area than some of the other sections, many of Curve's brands were also experiencing a successful show.

During the first day of the shows, swimwear brand Togs





Linda Chu of J. Goodin fashion jewelry was showing at IFJAG at The Embassy Suites.

enjoyed a strong debut, according to Lisa Sack, sales director of the New York showroom.

"The line has been very well received. We saw about 15 people. Everyone is excited to see something new. People are looking for quality but at a price. Something where they can see the value, still get all the features, but not at a wholesale of \$70, \$80, \$90."

Toward the back of the space at Stitch, certain brands were busy and reported consistent traffic but with retailers that were still being a bit cautious regarding how they are placing orders.

"They are definitely positive," said Randa Allen at COA (Clothing of Ahnjoonhee). "We're semi-new, and we get a lot of people who are so excited to find us, but they are being careful. If it is a new line, they want to test it a little bit before they bring in more, but they also know that to make it important in their store they have to buy some quantity."

At The Tents, menswear brands were enjoying a great deal of success as retailers searched for quality pieces. As Jean-Philippe Robert, president of Quartz Co., explained, the little nook in Project, where The Tents sat, was a perfect location to meet his clientele.

"In this particular section, I like it. The setup is pretty good. I think we get more quality than quantity, which is totally fine by me. This little section is quite well curated because buyers go from one to another; you can see them. It's all the good ones in the same place."



The Stitch entrance



Joey Orsi shows the Schott NYC brand at Liberty Fashion & Lifestyle Fairs.

#### **Off-Price Show**

Entrance to Curve

#### Focusing on innovation and social responsibility

Over at the Sands Expo and Convention Center, where several other shows were located, vendors at Liberty Fairs were pleased with the pace of buyer traffic on the first day of the show. "We've been pretty busy. People have money to buy stuff," said Chris Ngo, the owner of **The Leverage** showroom in Irvine, Calif.

Rodolfo Ramirez, cofounder of Pocket Square Clothing in Los Angeles, said people were spending money and writing orders.

He was particularly pleased with the seminar series. "I love the Five Pillars and the speakers' series. It gives people something to do," Ramirez said.

Five Pillars was a recently introduced exhibition area at Liberty. It shows new looks from some of the show's vendors

Wellthread denim, which uses the denim giant's water-conserving

Later this spring, more garments will be released, including a

Outerknown has been sold at leading stores including American

Rag CIE, Ron Herman, Mr. Porter and Jack's Surfboards.

Water<Less fabric. Moore said the collection will continue.

### NEWS



New styles recently released by Outerknown include S.E.A. legs and S.E.A. shorts, which feature Oceanworks buttons made from recycled ocean plastics. Outerknown also is releasing the Nomadic Picque polo. The hemp/cotton-blend polo shirts come in seven different colors.

In November, Outerknown released its capsule collection in col-

### **Progressive Label**

2545 Yates Ave. Commerce, CA 90040 (323) 415-9770 Fax: (323) 415-9771 info@progressivelabel.com www.progressivelabel.com Products and Services: Progressive Label is dedicated to helping companies develop and showcase their brand identity. From logo labels and hangtags to care/content labels and price tickets, we will develop, produce, and distribute your trim items worldwide. We specialize in producing custom products that will meet your design and merchandising needs. We successfully launched production of RFID price tickets last year. This demand is being greatly driven by the big retailers such as Macy's and Target. Our growth and market dynamics have resulted in opening up a production center in Tijuana Mexico We have also added advanced die cutter technology in our Los Angeles production center to streamline our production efforts and to strengthen our packaging capabilities. A very important part of our business is FLASHTRAK, our online ordering system for price tickets, custom products and care labels. Our mission is to deliver high-quality products at competitive prices, wherever they are needed for production. We understand the rush nature of this industry and strive to meet the tight deadlines facing our customers.

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Lining up to register at the Assembly shows-Agenda, Capsule and Liberty

and focuses on the core concepts pushing fashion. Those concepts are innovation, activation, social responsibility, collaboration and exclusivity.

The speakers' series was called Assembly. Speakers included Bobby Kim of The Hundreds and Ronnie Fieg of the Kith boutiques. They talked about their careers and issues in the business.

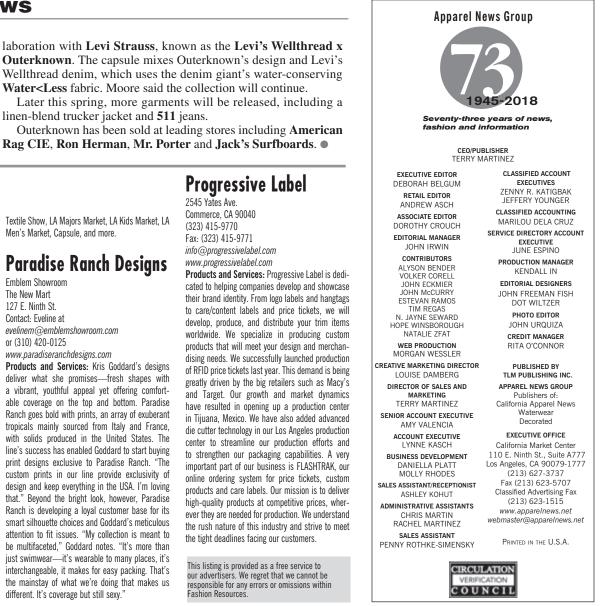
At the Agenda show, also held at the Sands, there was plenty of activity.

"It's been nonstop. There's been a lot of energy. We've seen a lot of key accounts and a lot of new accounts," Matt Waterman said. He is gen-

eral manager of Champion Athleticwear, headquartered in Winston-Salem, N.C. He showed Champion's Fall '18 line along with the brand's bag line and footwear licenses.

The Bad Dads Club made its trade-show debut at Agenda. The label was founded by Cody De Backer. He was the former director of sales and partnerships at Agenda.

The LA-based Bad Dads Club takes a humorous look at fatherhood and family life with the line's T-shirts and caps. "The industry is hard right now. Building a direct-toconsumer business is the way a lot of brands start now. If they are successful, they have the option of expanding to B2B [business-to-business]," De Backer said, talking about wholesaling. At the third show at the Sands, Off-Price Discounter, things were busy. "Today I met more than 10 customers," said Jacob Pirian of Baciano in LA. "They came to buy."



# Fashion Resources

### Asher Fabric Concepts

950 S. Boyle Ave. Los Angeles, CA 90023 (323) 268-1218 Fax: (323) 268-2737 www.asherconcepts.com sales@asherconcents.com

Products and Services: To address the need for innovative temperature-regulating knit fabrics in the activewear market. Asher is introducing Cool Sport, spun on Asher's new Santoni knitting machines, which create micro gauge knits for pure smoothness and compression. In 1991, Asher Fabric Concepts, based in Los Angeles, transformed the apparel industry by offering cutting-edge, high quality, "Made in U.S.A" knits for the contemporary fashion, athletic, and yoga markets. Since then, the company has become internationally known for its premium quality. knitted constructions with and without spandex, along with its creative print design and application. Asher Fabric Concepts provides fabric development, knitting, dyeing, and finishing in addition to fabric print design and printing capabilities based on each customer's needs. The company differentiates itself from the competition by offering proprietary textiles and by continually updating and innovating every aspect of textile design and production. With an in-house design team, new prints are constantly added to its collection, and color stories are updated seasonally.

**Buhler Quality Yarns Corp.** 1881 Athens Highway

Jefferson, GA 30549 (706) 367-9834 www.buhlervarns.com sales@buhlervarns.com Contact: David Sasso Products and Services: Buhler Quality Yarns Corp.-We make MicroModal® work. The exceptional attributes and luxury of MicroModal are now more attainable. Supply chain optimizations and industry relationships allow manufacturers to henefit from our experience as the first successful MicroModal spinner in the US. Let us show you how affordable luxury can be. buhleryarns.com

### California Market Center

110 E. Ninth St. Los Angeles, CA 90079 (213) 630-3600

www.cmcdtla.com

Products and Services: California Market Center (CMC) is the hub of LA's fashion and creative communities. Located in the heart of Downtown LA's Fashion District on 9th & Main, the 1.8-million square foot complex is home to premier fashion industry showrooms, creative office spaces, and the city's busiest special event venues. CMC is host to a year-round calendar of Markets and Tradeshows, including: LA Fashion Market, LA Textile Show, LA Majors Market, LA Kids Market, LA Men's Market, Capsule, and more

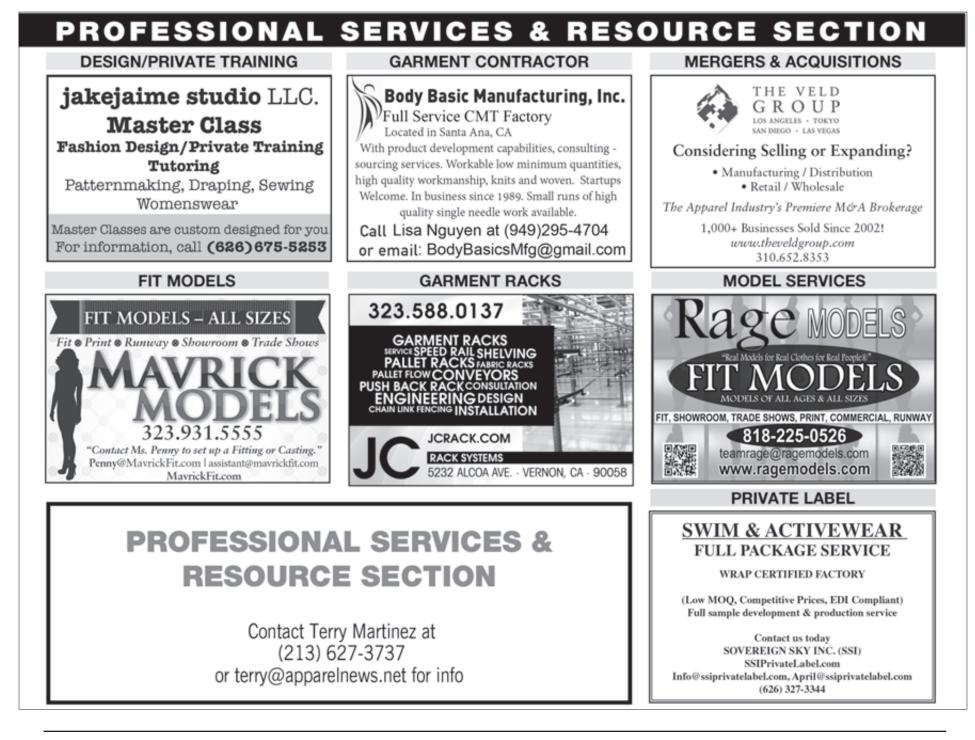
linen-blend trucker jacket and **511** jeans.

### **Paradise Ranch Designs**

Emblem Showroom The New Mart 127 F Ninth St Contact: Eveline at evelinem@emblemshowroom.com or (310) 420-0125 www.paradiseranchdesigns.com

Products and Services: Kris Goddard's designs deliver what she promises-fresh shapes with a vibrant, youthful appeal yet offering comfortable coverage on the top and bottom. Paradise Ranch goes bold with prints, an array of exuberant tropicals mainly sourced from Italy and France, with solids produced in the United States. The line's success has enabled Goddard to start buying print designs exclusive to Paradise Ranch. "The custom prints in our line provide exclusivity of design and keep everything in the USA. I'm loving that." Beyond the bright look, however, Paradise Ranch is developing a loyal customer base for its smart silhouette choices and Goddard's meticulous attention to fit issues. "My collection is meant to be multifaceted," Goddard notes. "It's more than just swimwear-it's wearable to many places, it's interchangeable, it makes for easy packing. That's the mainstay of what we're doing that makes us different. It's coverage but still sexy.'

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