



A big demand for small items: The fashion accessories market

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Among the soundest categories within the current retail environment are fashion accessories. Clothing retailers across all sectors are focusing on their smaller items boutiques and dedicated accessory stores are expanding. The categories, spanning discount through luxury brands, include women's handbags, jewelry, perfumes and shoes.

The increased interest in the category comes on the heels of optimistic announcements made last month by a number of sources, including the Wealth Report and Luxury Consumer Index, both of which hailed the return of consumer confidence. But even though consumers are returning to the suburban malls and urban retail corridors, recently posted returns indicate the higher shopping volume is in less expensive item categories. As for the "aspirational" buyers that helped fuel the GDP a year ago, they have evidently become more conservative in their purchases. But rather than being cowed by these new spending trends, many retail businesses are stepping up to the plate by offering greater choices and variety in accessories.

Whether it's super posh Devi Kroell, opening later this year at 719 Madison Ave., or discount fashion accessories brand Laila Rowe, with its 18 stores in the greater New York Metro area and Maryland, people are feeding their inner shopaholic instincts with smaller fashion statements, getting the big bang for smaller bucks.

Some of the newest entries into the category are major casual-wear retailers, such as J.Crew, which opened its first separate accessories boutique in Soho this summer, and Gap, Inc., which recently launched Edition by Banana Republic, its accessories-only brand.

The upside for consumers is that the costs of accessories are a fraction of clothing items and offer immediate appeal to impulse shoppers. More importantly for retailers, these types of items generally carry significantly higher profit margins.

Although the new accessories market is geared more towards affordable chic and casual wear brands, luxury brand retailers are also getting into the action, such as Henri Bendel, which is opening six 2,000 s/f accessories stores. Within the dedicated accessory and jewelry categories at the high-end, Coach is opening 11 new stores, Bulgari has announced 12 new units and Hermès has plans for 20 new stores throughout the U.S. and in Asia.

As reported by The Wall Street Journal, sales in accessory categories have shown consistent growth. By second quarter 2009, women's jewelry item sales were up 5%; sales for men's and women's watches were up 11%; and sunglasses were up 5%. Conversely, women's apparel sales were down by approximately 5.6%.

If there is action in accessories, Jones Apparel's Shoe Woo epitomizes the future of footwear. Opening the brand's New York flagship at 750 Lexington Ave., directly across from Bloomingdale's, Shoe Woo will showcase several Jones labels, including Anne Klein, Sam & Libby, Bandolino, Joan

& David, Circa, Enzo Angiolini, Boutique 9 and Nine West. Also picking up on this multi-brand theme is Italian manufacturer to the designers Iris which opened in Meatpacking at 827 Washington St. Another Italian brand, Marni, known for its brightly colored accessories, especially shoes, is expanding from its Soho outpost to Madison Ave. and 62nd St. Popular "ethical" footwear purveyor Terra Plana is so in the moment that it is tripling its space by moving to 254 Elizabeth St. Pierre Hardy, the hip Paris-based shoes and accessories designer, has designed a line for Gap, Inc. So now you can get your fashion forward French boots at Banana Republic, as well as Barney's.

Moreover, heavy-hitter Isaac Mizrahi has plans to open a 1,500 s/f store for his signature line, Isaac Mizrahi New York on Madison Ave., which will feature his own brands of shoes, accessories and sportswear lines. He is also designing a large range of items for QVC and will even have his own show-a prime example of the luxury crossover into mainstream affordability.

The current environment is a bold reflection of how retail consistently reinvents itself commensurate with the times and the economy. This season, we will likely see last year's dresses and suits, but they'll be rendered au courant vis-À-vis trend-setting accessories. And what glorious selections there will be to choose from.

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