



## Morphing N.Y.C retail market means foreign influx, creative marketing and value-added service

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New York City's retail picture has always had a strong international flair. Manhattan is the meeting place for the finest and most fashionable merchants of all nations, and has been for well over a century. The economy is always in a cycle—I am confident that we are on the upswing. International retailers are contributing to the most noticeable trends in this part of the country. They are:

- \* Increasing strength of overseas-based retailers—both boutiques and chains—at the high and middle price ranges;
- \* A move to capture the consumer who has less disposable income but hasn't lost the yen to spend; and
- \* Increased competition and some slight shifts of advantage among domestically-based retail chains, particularly here in the metro area.

A surprising number of retailers—especially public companies—are taking advantage of the current retail slowdown to pump money into their image, perhaps on the assumption that their shareholders won't expect them to make much profit for the time being, so now might be a good time to focus more on marketing than on sales figures. Overseas retailers are at an advantage in promoting themselves to the U.S., since they can buy dollars at a discount, effectively spending less to promote themselves, and to open new stores, than their American competitors. They're particularly eager to increase their presence in the U.S. because the weak dollar is attracting a magnitude of foreign tourists who perceive that America is holding a store-wide sale.

Retailers are looking at all neighborhoods in Manhattan, but they're focusing especially on Downtown. British designer Matthew Williamson will be bringing his colorful apparel to New York City at last, opening one of his first U.S. stores at 413 West 14th St., just a stone's throw from the latest Apple Store—which has become Manhattan's latest playground. A bit further east, two international designers—Mercedes Desio of Italy and Alberto Villalobos of Colombia are opening a 2,000 s/f home furnishings and interior design shop called EtÀ³s at 67 E. 11th St., between University Pl. and Broadway. The asking rent was \$90 per s/f. Pimps & Pinups, a British retro-style hair salon, has signed a lease at 101-103 Stanton St., on the Lower East Side, at \$163 per s/f.À Soho is also internationally infused—Italian accessories company Braccialini has a new 436 West Broadway home. Munich-based Bogner took 380 West Broadway.À Italian jewelry and watch brand Breil, has one of its first stateside shops at 148 Spring St.

Foreign purveyors of food are also gaining a stronger presence in the city. London-based chain Pret-A-Manger is adding three new locations in Midtown Manhattan, and word is that at least 14 more of their snack-and-sandwich shops will arrive in Manhattan this year and next. The latest Pret-A-Mangers are at 1020 Sixth Ave. (at West 38th St.), 485 Lexington Ave. (at East 46th St.) and

757 Third Ave. (at East 47th St.). They, and other upscale quick-service restaurants, are in an exceptionally good position to compete in the current economic climate, when sit-down restaurants are likely to suffer-but that competition might get pretty fierce.

Although Starbucks has revealed that at least 600 of its stores will close nationwide, it's not yet clear how many of New York City's Starbucks will be affected. Some will shut down, certainly. It seems to me that Starbucks' recent ill fortune is driven only in part by an economic slowdown. Competition from other "recreational food" retailers has more to do with it. People still want to spend money on sweet snacks, but why spend \$5 on a super-calorific caramel latte when you could spend \$6 on a frozen yogurt with fruit, and feel virtuous? Look for providers of the latter-such as Pinkberry and Flurt to add units in the metro area over the next few years.

Everyone is sweet on the big apple-rain or shine-market up or down. From Bleecker to Columbus Ave., West Siders cheer the arrival of the famous Magnolia Bakery. Recently expanded Dylan's Candy Bar is always standing room only in Bloomies Country.

While more luxury retailers are arriving daily, largely catering to visitors from overseas, mid-range retailers are also increasing their presence, hoping that domestic consumers will continue to shop even if on a slightly tighter budget. IKEA's been in the metro area for quite a few years now, but its first borough store, which opened last month in Brooklyn, has many people anticipating the home furnishing giant's Manhattan debut. But when and where that will happen, nobody knows for sure. David's Bridal, the nationally known mid-priced bridal emporium, is opening one of its first Manhattan branches on Sixth Ave. between 24th and 25th Sts. in the former Flower District neighboring the fashionable Flatiron District and trendsetting Chelsea.

All in all, even if we do hear the occasional peep of negativity, now's an exciting time to be involved in shopcasting and it'll remain so for some time. Happy summer and happy shopping!

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