

Children's Business

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HOT COPY AN INDUSTRY UPDATE

By Erin E. Clark

Jane Seymour Line Launches with Saks Department Store Group for Fall

AWARD-WINNING BRITISH ACTRESS JANE SEYMOUR - best known for her turn as a Bond girl in the film "Live and Let Die," as well as her starring role on the long-running television series "Dr. Quinn, Medicine Woman" - is busy tackling a different kind of role: fashion designer. Using her series of children's books as creative inspiration, Seymour has launched This One `n That One, a children's apparel and accessories collection. Named after her eight-year-old twin sons, John and Kris (perpetually compared and referred to as "This One `n That One"), the boys and girls' collection spans from newborn up to size 6X/7. The book series' cast of cat characters cameo throughout the collection in the form of surface prints, appliques and embroideries. The Saks Department Store Group (SDSG) - whose stores includes Parisian, Profit's, Carson Pirie Scott, Younkers and McRae's - has scored exclusive rights to the collection and will roll it out to 125 stores this Back-to-School season. This One `n That One follows on the heels of the recent premiere of Seymour's elegant St. Catherine's Court Home Collection of home furnishings and accessories, also exclusive to SDSG.

In an interview with Children's Business, Seymour, who has raised six children over the years, explains her gig as a kids' wear designer comes quite naturally. "When it comes to kids' clothes, I know what I like and what they will and will not wear," she says. "I approach this from the perspective of a real mom." What sets the collection apart from others out there, she points out, is that it is rooted in reality. "The cat characters represent each of my children," she reveals. "The entire collection is centered around authentic people, things and experiences in my own life, so it really pulls at the heart string."

The addition of This One `n That One supplies SDSG with a prime opportunity to distinguish itself from the fierce competition within the retail ranks. According to George Jones, president & ceo, "Our ability to present this wonderful Jane Seymour merchandise exclusively in our stores is consistent with our strategy of offering unique and distinctive products." The 120-plus SKU collection is at home in spacious, fully branded lifestyle shops set up within select SDSG stores. Customers will find everything from playwear, cold weather accessories and party dresses to baby gift sets, plush and hard goods. To ensure that the sales floor consistently remains fresh and inviting, new merchandise will be delivered to stores routinely every 60 days. 205.940.4413

In brief...

BUSTER BROWN FINDS NEW HOME

Buster Brown Apparel - which was left in limbo without an owner after its parent company Kleinter's, Inc. filed for bankruptcy in May - has been picked up by industry vets Harry Adjmi and Alex Adjmi of One Step Up., Morris Matalon of Celebrity International, Inc. and Stanley Cayre. The new owners plan to steadily rebuild the product line and distribution structure. **The deal was brokered by Net Worth Solutions, Inc., which also oversaw the sale of Kleinter's sleepwear division to Russell-Newman, Inc., in May. 212.278.8200**

...CARTER'S INKS WAL-MART DEAL

Carter's recently debuted a new baby brand, coined Child of Mine, to be marketed exclusively at Wal-Mart stores nationwide. The unique Child of Mine program, which delivers whimsical sleepwear, layette essentials, bedding, toys and nursery decor items, "makes quality children's

apparel more accessible to millions of consumers," says Carter's chairman & ceo Fred Rowan.
404.745.2700

Market Watch: An Athletic Footwear Update

THE ATHLETIC SEGMENT OF THE CHILDREN'S FOOTWEAR MARKET continues to run circles around the fashion segment. Data released by The NPD Group estimates U.S. retail sales of athletic footwear for the 12-month period ending in May at \$12.2 billion, up more than 15 percent over the previous period. A bit less stellar - though still solid - sales within the fashion footwear category rang in at \$2.8 billion. Breaking the numbers down by gender, boys' athletic saw a healthy growth of 10 percent, and girls' saw an impressive increase of 15 percent; boys' fashion saw a slight increase of 7.6 percent, while girls' actually declined by 5.5 percent. In terms of classification, skateboarding, soccer and basketball footwear, in particular, posted the most significant percent gains.

Athletic specialty stores continue to come out on top, according to Marshal Cohen, chief industry analyst for NPD. Despite a challenging climate, 437-store athletic specialty chain Footaction USA, a division of Footstar, Inc., enjoyed double digit comp sales gains in April and healthy single digit comps in May and June - heavily boosted by its sales of kids' product. "Business in our kids' business was significantly above planned, led by Nike Airforce Ones and retro and Jordan product," said evp & cfo Stephen Wilson. Though specialty stores are winning the race at the moment, mass merchants are fast on their heels. The channel posted a gain of roughly 1.8 percent over last year and is forecasted to continue to grow, according to Cohen. A closer look, he says, reveals that the pendulum is gradually shifting, as the migration to mass that has been occurring in the apparel world filters down into the footwear world as well. More and more consumers, no matter their income bracket, are learning to sniff out bargains. "Styles are showing up that are sometimes a quarter of the price of, yet virtually identical to, the more expensive styles on the market," he says. Independents also fared well. In fact, Cohen points out, the athletic segment "was strong enough that no retail channel really saw any declines over the previous year."

The athletic segment's triumph has been realized much at the expense of the fashion footwear category. While sneakers and other athletic fare have long been and will always be staples of the children's footwear market, the segment is benefiting from the additional fact that mainstream fashion has taken on a distinctively athletic slant. Consumers right now are demanding sneakers over fashion shoes to complete the look. "It looks a bit silly to wear dressy casual footwear with a logo basketball dress, or to pair a track suit with high heels," notes Cohen.

Children's athletic footwear manufacturers are savoring the situation. New Balance's kids' business enjoys an impressive annual growth rate of 15 percent, according to Dervilla Campbell, product manager, kids. In fact, the company's kids' division continues to outpace its adults' division quarter after quarter. With business in kids' so solid and steady, New Balance has been able to lend its attention to the pursuit of new opportunities in non-athletic territories. This season, the manufacturer is adding a large selection of ath-leisure footwear to its kids' line. "Athletics will always be the bread and butter of our business. However, as an ever-evolving company, we regard ath-leisure as a prime opportunity for growth."

With its adult business back on track, Reebok has put a renewed focus on its kids' business, which has flourished to 18 percent of the company's total business. As it matures, the line has transitioned from predominantly kids'-only product to both kids'-specific styles and adult-take downs from the company's Classic, Vector and Rbk divisions. Key adult initiatives, centered around famous faces like 76er Allen Iverson and rappers 50 Cent and Jay-Z, will trickle all the way down to toddlers. "Our business remained flat for awhile, but now we're seeing tremendous growth," reveals Matt Feiner, vp of the Reebok Kids Group. "Before, we made the mistake of pursuing too many initiatives. Now, we've really honed in on what works." In a major coup, Reebok sealed an exclusive deal with specialty retailer Limited Too to make fashion athletics

product for all of its stores. "We see a major opportunity in this piece of the business," Feiner says.

As the athletic category thrives, even unexpected players, like high-end Italian label Naturino, are getting into the game. The brand has dramatically expanded its Sport collection to include more than a dozen true performance athletic footwear styles. "Our retail accounts are finding that their customers are coming in asking for athletic shoes more than ever," explains Naturino's Federica Tuaty. "However, the stores can't or don't necessarily want to carry brands like Nike or Reebok. Now, they can offer athletic shoes from Naturino, a label their customers know and trust. We've always carried active-looking shoes, but these shoes are real athletic shoes that can be worn for sports and gym class."