



Karen Katz



Joseph Altuzarra

WWD

TUESDAY, OCTOBER 28, 2014 ■ \$3.00 ■ WOMEN'S WEAR DAILY



Trevor Edwards



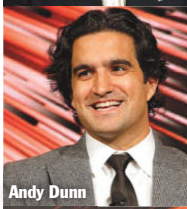
Karis Durmer

2014 WWD APPAREL & RETAIL CEO SUMMIT

revolution



Ron Frasch



Andy Dunn



Steve Holmes



Francis Bitonti



Satya Twena



Suzanne Lee



Sarah Quinlan



Yancey Strickler

NEW YORK — THE FASHION AND RETAIL LANDSCAPE IS CHANGING SO RAPIDLY THAT AT TIMES IT SEEMS EXECUTIVES NEVER HAVE A CHANCE TO CATCH THEIR BREATHS. BUT INDUSTRY LEADERS GATHERED AT THE PIERRE HOTEL HERE MONDAY DISCUSSED HOW TO COPE AND ADAPT — OR AT LEAST TRY TO — WITH THOSE CHANGES, INCLUDING THE BALANCE OF ART AND COMMERCE IN FASHION; THE MELDING OF E-COMMERCE AND BRICK-AND-MORTAR; THE CONTINUED EXPLOSION OF ACTIVEWEAR IN THE WOMEN'S SECTOR, AND SUCH NEW TECHNOLOGIES AS WEARABLES. FOR MORE, SEE PAGES 8 TO 14.

“There has to be a willingness to accept failure, and celebrate both small and large victories.”

— **Karen Katz**

“Starting your own company and understanding how you survive in this environment and thrive demands an understanding of both the art and the commerce of the company.”

— **Joseph Altuzarra**

“I think the trouble that we’re having in the industry is self-inflicted. Many of us are not keeping up with the customer.”

— **Glen Senk**

“We believe the most powerful formula in retail today is dominance in both channels, online and in-store, in businesses that work together seamlessly.”

— **Richard Baker**

“We are in the first pitch of the first inning in terms of vertical brand-building.”

— **Andy Dunn**

“We’re taking data and iterating it and not being afraid of what the consequence will be.”

— **Jennifer Hyman**



Glen Senk



Richard Baker



Jennifer Hyman



Qing Wu



Maria Pinto

Macy's to Open in Abu Dhabi

By DAVID MOIN

MACY'S, a holdout on the international scene, has finally decided to open an overseas store, which will be in Abu Dhabi, WWD has learned.

Macy's will open a 205,000-square-foot, four-level store at Al Maryah Central, described as a "super-regional shopping destination" under development on Al Maryah Island in Abu Dhabi.

A 230,000-square-foot Bloomingdale's will also open in Al Maryah Central, marking that retailer's second overseas store. The first opened in Dubai in 2010.

Bloomingdale's and Macy's, both divisions of the \$28 billion Macy's Inc., plan to open their Abu Dhabi locations in 2018. They will be operated under license by Al Tayer Group, which already operates the licensed Bloomingdale's store in Dubai.

Macy's international plans confirm a WWD report earlier this year that Macy's and Bloomingdale's were headed to Abu Dhabi.

Further international expansion for Macy's seems likely, in light of recent reports on executives visiting the Middle East and China for partners and real estate opportunities. "Whether there will be additional stores depends on whether we have success here in Abu Dhabi. Based on what we know, we feel confident," Terry Lundgren, the chairman and chief executive officer of Macy's Inc. told WWD.

"We are continuing to study various international markets and to better understand how customers worldwide shop in stores, online and via mobile," Lundgren added. "While macy's.com and bloomingdales.com have been selling online in about 100 nations since 2011, we are especially interested in the omnichannel dynamics of worldwide markets, and the role that physical stores play in that equation."

Lundgren wouldn't comment on plans for China, which he has visited several times to consider putting up a Macy's store, but he did discuss Canada, which he discounted as a destination. "We concluded it wasn't the right strategy," in large part due to the relative small population there and few cities



A rendering of Macy's on Al Maryah Island in Abu Dhabi.

in Abu Dhabi was also based on Bloomingdale's track record in Dubai. That store is among the top five most productive stores in the Bloomingdale's chain, with only the 59th Street flagship; Aventura, Fla.; South Coast Plaza, Calif., and San Francisco stores more productive.

Macy's online does a minimal volume overseas, impacted by duties and taxes that are tacked on. Yet Lundgren said, "The Web site is very valuable for our international tourist business," since their online visits inform their visits to the stores in the U.S. Macy's also wholesales its private brands to certain retailers, including some overseas.

While many U.S. retailers have opened stores in many countries, Macy's is a Johnny-come-lately, though it's more difficult for a department store to expand internationally than it is for specialty stores, considering the real estate requirements and complexity of the business model.

"If you are going to go international, you need to be sure you have the right partner. I have become very comfortable with Al Tayer," Lundgren said. "They are excellent partners. It doesn't mean we will have this [licensing] model elsewhere should we choose to open in other countries." It could go either way, Lundgren suggested.

He said Macy's will assist Al Tayer in what to buy for the store and how to execute the merchandising, and that it is too early to discuss what goods will be sold, other than fashion and home goods. It's possible some locally relevant product, not sold at Macy's in the U.S., gets sold in Abu Dhabi. Macy's and Bloomingdale's will be the sole anchor tenants in the mall.

Al Tayer Group, based in Dubai, is involved in several sectors, including automotive, contracting, distribution, retail and services, in 12 countries. The group represents more than 600 brands, including Ferrari, Ford, Land Rover, Jaguar, Alexander McQueen, Boucheron, Bottega Veneta, Coach, Dolce & Gabbana, Emilio Pucci, Giorgio Armani and Jimmy Choo.

Al Tayer is also responsible for opening and operating the largest Harvey Nichols outside the U.K. as well as the first Bloomingdale's stores outside the U.S. The group's portfolio includes Gap, Banana Republic and Crate and Barrel, and ventures with Bulgari, Gucci and Prada.

Mortimer Singer, ceo of Marvin Traub Associates, acted as an adviser to Al Tayer Group and Gulf Related. "The UAE has become one of the main focal points of global retailing. There are two billion people within a six-hour plane ride of the UAE. The potential for business has been underestimated. The Dubai Mall does about \$1,000 a foot across 5 million square feet. It's massive business. Stores that open in the UAE tend to be within the highest performers worldwide; right up there with stores in New York, Hong Kong and London," he said.

Said Khalid Al Tayer, ceo of retail for the Al Tayer Group: "Al Maryah Central provides an ideal home for these landmark introductions, forming one of many significant developments under way in Abu Dhabi over the coming years, which serve to strengthen its position as a cultural, commercial and tourism leader."

Dr. Karim El Solh, ceo of Gulf Capital and co-managing partner of Gulf Related, commented, "Located at the center of Al Maryah Island, and acting as a meeting point for old and new Abu Dhabi, Al Maryah Central will be naturally integrated into the heart of the community."

THE BRIEFING BOX IN TODAY'S WWD

Lauren Brown is the subject of WWD's Model Call. For more, see WWD.com.



PHOTO COURTESY OF TRUMP MODELS

Gucci chief executive officer Patrizio di Marco said the Italian luxury giant is on the right track in terms of its repositioning efforts. **PAGE 4**

Pitti Uomo continues its tradition of mixing emerging designers with established brands. **PAGE 4**

Paul Poiret is poised to be the next marquee brand revival with the owner of the Poiret trademarks planning to sell them via an online auction process. **PAGE 6**

VF Corp. outlined goals and addressed challenges in its global supply chain in the launch of its first sustainability and responsibility report and platform Monday. **PAGE 7**

St. John Knits said Monday that Bernd Beetz will become interim chief executive officer upon the departure of current ceo Geoffroy van Raemdonck. **PAGE 16**

Armand Hadida, founder of L'Éclairer, a French chain of specialty stores, is setting up his first U.S. outpost in March. **PAGE 16**

Bottega Veneta has opened a 2,500-square-foot store at 310 Boylston Street in The Heritage on the Garden in Boston's historic Back Bay district. **PAGE 16**

The grass is definitely not greener on Manhattan's Avenue B than it is in Tudor City, but that is where Michael George has planted its new shop. **PAGE 18**

Hearst Magazines International is shifting its gaze to digital, adding three new roles to the business side. **PAGE 19**

Restructuring at Condé Nast continues, with the company homing in on its digital and media teams. **PAGE 19**

Sidney Toledano has been elected to the board of trustees of the Solomon R. Guggenheim Foundation. **PAGE 19**

ON WWD.COM

MODEL CALL: Australian model Lauren Brown, who had her breakout runway season in February and March of 2010, is poised to make a comeback. For more, see **WWD.com**.

FOLLOW US ON SOCIAL MEDIA
@ WWD.com/social



TO E-MAIL REPORTERS AND EDITORS AT WWD, THE ADDRESS IS FIRSTNAME LASTNAME@FAIRCHILD.FASHION.COM, USING THE INDIVIDUAL'S NAME. WWD IS A REGISTERED TRADEMARK OF FAIRCHILD PUBLISHING, LLC. COPYRIGHT © 2014 FAIRCHILD PUBLISHING, LLC. ALL RIGHTS RESERVED. PRINTED IN THE U.S.A. VOLUME 208, NO. 88. TUESDAY, OCTOBER 28, 2014. WWD (ISSN 0149-5380) is published daily (except Saturdays, Sundays and holidays, with one additional issue in March, April, May, June, August, October, November and December, and two additional issues in February and September) by Fairchild Media, LLC, which is a division of Penske Business Media, LLC. PRINCIPAL OFFICE: 11175 Santa Monica Blvd., 9th Fl, Los Angeles, CA 90025. Periodicals postage paid at Los Angeles, CA and at additional mailing offices. Canada Post: return undeliverable Canadian addresses to P.O. Box 503, RPO West Beaver Cr., Rich Hill, ON L4B 4R6. POSTMASTER: SEND ADDRESS CHANGES TO WOMEN'S WEAR DAILY, P.O. Box 6356, Harlem, IA, 51593. FOR SUBSCRIPTIONS, ADDRESS CHANGES, ADJUSTMENTS, OR BACK ISSUE INQUIRIES: Please write to WWD, P.O. Box 6356, Harlem, IA, 51593, call 866-401-7801, or e-mail customer service at wwd@pmbdcs fulfillment.com. Please include both new and old addresses as printed on most recent label. For New York Hand Delivery Service address changes or inquiries, please contact Mitchell's NY at 1-800-662-2275, option 7. Subscribers: If the Post Office alerts us that your magazine is undeliverable, we have no further obligation unless we receive a corrected address within one year. If during your subscription term or up to one year after the magazine becomes undeliverable, you are ever dissatisfied with your subscription, let us know. You will receive a full refund on all unmailed issues. First copy of new subscription will be mailed within four weeks after receipt of order. Address all editorial, business and production correspondence to WOMEN'S WEAR DAILY, 750 Third Avenue, New York, NY 10017. For permissions requests, please call 212-630-6566 or fax request to 212-630-5883. For reprints, please e-mail FFM_Reprints@pmbc.com or call Wright's Media, 877-652-5295. For reuse permissions, please e-mail FFM_Contentlicensing@pmbc.com or call 800-397-8666. Visit us online at www.wwd.com. To subscribe to other Fairchild Media, LLC magazines on the World Wide Web, visit www.wwd.com/subscriptions. WOMEN'S WEAR DAILY IS NOT RESPONSIBLE FOR THE RETURN OR LOSS OF OR FOR DAMAGE OR ANY OTHER INJURY TO UNINSOLICITED MANUSCRIPTS, UNINSOLICITED ARTWORK (INCLUDING, BUT NOT LIMITED TO, DRAWINGS, PHOTOGRAPHS AND TRANSPARENCIES), OR ANY OTHER UNINSOLICITED MATERIALS. THOSE SUBMITTING MANUSCRIPTS, PHOTOGRAPHS, ARTWORK, OR OTHER MATERIALS FOR CONSIDERATION SHOULD NOT SEND ORIGINALS, UNLESS SPECIFICALLY REQUESTED TO DO SO BY WOMEN'S WEAR DAILY IN WRITING. MANUSCRIPTS, PHOTOGRAPHS AND OTHER MATERIALS SUBMITTED MUST BE ACCOMPANIED BY A SELF-ADDRESSED STAMPED ENVELOPE.

"We are especially interested in the omnichannel dynamics of worldwide markets."

— TERRY LUNDGREN, MACY'S INC.

that would work for Macy's. "It would just be more of a market share game as opposed to creating new opportunities," Lundgren said. Other retailers, including Saks Fifth Avenue and Nordstrom, are flocking to Canada.

In Abu Dhabi, Al Maryah Central is being developed by Gulf Related, a venture between Related Cos. and Gulf Capital. The 3.1-million-square-foot mixed-use development will include retail, cafés and restaurants, entertainment options, a cinema, health club, luxury hotel and residential towers, with about 1.8 million square feet for retail, food and beverage. Construction is scheduled to commence before yearend, with an opening date set for March 2018. Last year, the 350,000-square-foot Galleria waterfront phase of the mixed-use complex, which houses luxury retail and restaurants, opened. It's all part of Abu Dhabi's sweeping master plan, calling for new infrastructure, an airport, cultural, medical and university facilities, including a Cleveland Clinic, which will be fully opened in the spring, and a campus for New York University, which has partially opened.

"Abu Dhabi historically has been a business center. It's evolving into a cultural center as well, and we're complimenting with a mixed-use project," said Ken Himmel, co-managing partner of Gulf Related and president and ceo of the parent Related Urban.

Other retailers coming into the project include Zara, H&M and Apple, among other international brands, Himmel said.

"I just think Abu Dhabi is booming," Lundgren said, noting that the hospital, university and museum facilities are springing up close to the mixed-use development Macy's and Bloomingdale's are entering. "There is an already built-in consumer," Lundgren said. "We are going into the center of Abu Dhabi, which has been developed."

The decision to open Macy's and Bloomingdale's