

The Beat

Fashion Scouts New Talent

By Julee Kaplan

They're baaaaack.

The craze for celebrity apparel deals has returned with a vengeance — despite a track record filled with missteps and few lines that have had any consistent, long-term success. A whole new slew of agreements has been announced, and some are in the works as vendors and retailers look to build buzz any way they can.

In the past month alone, Avril Lavigne has signed a deal with Kohl's Corp., Rachel Bilson introduced a line with DKNY Jeans, Fall Out Boy's Pete Wentz said he's designing a collection for Nordstrom and even TV personality Kelly Ripa is venturing into activewear design with Ryka.

Industry insiders said the celebrity-as-designer phenomenon (which WWD has dubbed the "delebrity") is alive and well — and pointed to stars ranging from Fergie to America Ferrera and Hayden Panettiere as prime for deals of their own. Even Amy Winehouse could be a possibility — proving once again that controversy sells.

"From [The] Wet Seal [Inc.] to J.C. Penney [Co. Inc.], stores are all looking for the next big thing to be able to bring in new customers," said Michelle Roback, a sales executive with Jerry Leigh, a 48-year-old privately held Los Angeles licensing firm that had a major role in the deal between Lavigne and Kohl's. "Bringing in this sort of talent can certainly do that for these stores."

Roback said she believes the celebrity-as-designer craze is the hottest trend right now. While she declined to name them, she said she is in talks with several well-known celebs who want to become designers.

A celebrity line can be a win-win. With retailers and vendors increasingly looking for exclusive lines to gain a competitive edge, these collections can help. In addition, the stars need the cash. Music sales are tumbling, and the writers' strike earlier this year left many actresses looking for ways to bolster their suddenly reduced incomes.

"It's really become a great way for celebrities to make a lot of money," Roback said. At their peak, these apparel lines can generate revenues in the hundreds of millions, while a hot celebrity fragrance can generate sales of another \$50 million or more in its first year in store.

The new crop would be joining the explosion of music and Hollywood stars who became designers several years ago — with mixed success. Jennifer Lopez, Beyoncé Knowles and Gwen Stefani were among the first, but in no time, everyone from A- to Z-listers were turning themselves into clothing and beauty brands. Today, Mary-Kate and Ashley Olsen have a multitier business, encompassing everything from sportswear to area rugs as part of their more than \$1 billion empire; Justin Timberlake has a Southern-inspired contemporary sportswear line William Rast; Jessica Simpson has shoes, bags and outerwear; Pamela Anderson has lingerie; actress Jaime Pressly launched a line of contemporary sportswear; Hilary Duff has sportswear and accessories; Sarah Jessica Parker and Amanda Bynes both have deals with Steve & Barry's; Victoria Beckham and Sheryl Crow have denim lines; Sienna Miller has Twenty8Twelve by S. Miller, a contemporary collection, with her sister Savannah; Kate Moss has a Topshop line; "The Hills" star Lauren Conrad has contemporary sportswear; Heidi Montag, also from "The Hills," has a collection with California retail chain Anchor Blue called Heidiwood, and even celebute and reality TV star Kim Kardashian has a collection in the works.

And it's not only the apparel sector where celebrities want in. Lopez, Celine Dion, the Beckhams, Moss, Stefani and, most recently, Halle Berry all signed deals with Coty Inc. for scents. Reese Witherspoon signed a fragrance deal with Avon and Britney Spears, Mariah Carey, Christina Aguilera, Timberlake, Sarah Jessica Parker, Usher and Sean "Diddy" Combs are only a few of the other famous names who have fragrance deals.

But for each success, there has been a celebrity brand that failed to take off — or that flared and then flickered rapidly. Jennifer Lopez' collection has gone through numerous iterations; Beyoncé's House of Deréon line had a slow start; Eve's Fetish collection never succeeded and Diddy's women's line never really got off the ground.

That doesn't keep companies from trying again and again, however.

Haim Dabah, founder of Regatta Pacific Alliance, which designs, sources and markets such apparel brands as Simply Vera Vera Wang and Daisy Fuentes for Kohl's, Metro 7 for Wal-Mart and Nicole Miller for J.C. Penney, as well as other private label collections for retailers, said he is in talks with some bold-faced names about doing collections.

"When we look at any opportunity, we look for authenticity before we sign on with the personality," he said. "We tend to think if this will be a long-term business, it must have longevity. Also, product is key and the celebrity has to be relevant to the product. You cannot fake out the consumer. It just won't work."

Michael Stone, president and chief executive officer of the Beanstalk Group, a brand-licensing agency that works with celebrities such as Mary-Kate and Ashley Olsen

and Paris Hilton, agreed there has been a renewed explosion in celebrity deals.

"Retailers are hungry for more," Stone said. "I'm sure there will be some failures. The key is that in order for them to survive, there has to be longevity in the celebrity; the retailer has to be able to see a future for the brand."

As a result, Michael Wood, vice president and director of syndicated research at the Northbrook, Ill.-based Teenage Research Unlimited, predicted there will be many more celebrities adding the designer role in the near future.

"Today's youth are starting to grow up without knowing a celebrity who doesn't already have a clothing line," said Wood. "It's almost like it's just another part of being a celebrity these days. It's like, so what? She has a clothing line, just like every other celebrity on the planet."

Despite that, Wood believes the celebrity-as-designer phenomenon is getting a bit watered down, and it doesn't seem to be exciting teens as much as it used to. Because of that, retailers and vendors are churning through celebrities faster than ever — perhaps a reason so many reality TV stars have a collection.

"There seems to be a movement away from the more destructive celebrities like Britney, Lindsay and Paris," he said of teen attitudes (an indication, perhaps, that a Winehouse collection might face some challenges). "There is a movement towards the more talented and smart celebrities like Natalie Portman, Angelina Jolie and Reese Witherspoon — all of whom score very high with teens."

Wood also cited names such as Miley Cyrus (best known as Disney's "Hannah Montana"), Scarlett Johansson (who has a line with Reebok) and Jessica Alba as popular with teens, and said he could see other favorites such as "Heroes" star Panettiere and Vanessa Hudgens (of "High School Musical" fame) with lines of their own.

"Miley is seen as a good girl and not a complete train wreck, which in itself is appealing to teens," he said of the star, who has her own "Hannah Montana" line at stores ranging from Macy's to Wal-Mart. "Vanessa showed that she can deal with trouble well. When those naughty photos of her surfaced, she was like 'So what?' So, her fans also thought, 'So what?'"

Wood also said he sees potential for more celebrity brands in the sports arena, and he is surprised that there haven't been more stars with brands in the Hispanic community as this group tends to be extremely loyal and passionate about the celebrities they follow. While the Daisy Fuentes line at Kohl's is quite successful after launching with the retailer five years ago, it isn't necessarily targeted to the teen set. Also, the Thalia line, which was sold exclusively at Kmart, no longer exists. He cited actress America Ferrera as one who is certainly ripe for a deal.

"Girls just love America Ferrera. She has really blossomed, she's down-to-earth and is so likeable," he said. "She has so much going for her."

Wood questioned whether the Avril Lavigne for Kohl's line, called Abbey Dawn, is a good idea, because of this movement toward the good girls.

"I do feel that Avril's time has passed in a way, and she is also seen as a difficult person and really not all that nice," he said. "She is easy to hate, so I'm just not sure."

Julia Hearst, divisional director for contemporary women's wear at Holt Renfrew, said that while she does sell a number of celebrity brands such as Kate Moss for Topshop, Lauren Conrad and Elizabeth & James (the contemporary line from the Olsen twins), it's the product that sells, not the name. She said that when she looks at a new celebrity brand, she looks at it as she would any new brand — a possible new resource for the selling floor.

"A celebrity name means absolutely nothing to us," she said. "It's about the quality and style. That is what inspires us to buy. Product always comes first and the brand name comes second. There are a lot of celebrity brands out there that we wouldn't go anywhere near because they don't match our fashion direction."

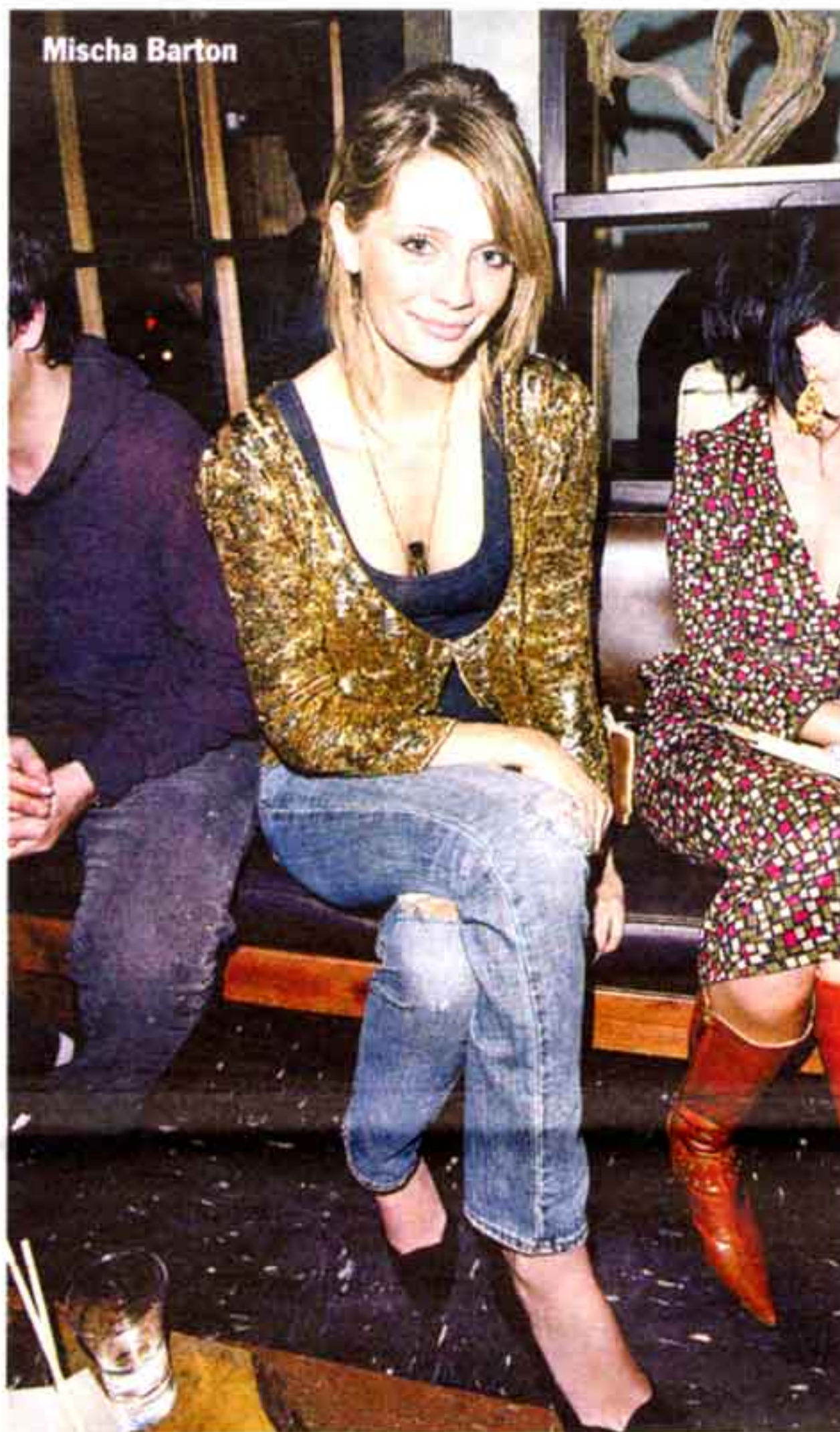
With that said, Hearst said the store has carried L.A.M.B. since it launched and she has watched it evolve. Holt Renfrew continues to do quite well with the brand, seeing a 42 percent sell-through already with the spring line.

"Gwen is really on her game, and the collection is really rocking out the door," she said. "With Elizabeth & James, of course there is that cool factor of the Olsens being involved, but honestly, the collection is just fabulous, the design integrity is there and it fills a void on the floor."

Hearst said she just started selling the Conrad line, which is already performing well.

"Lauren Conrad sells to some who are fans of hers, but it's also attractive to those who don't know who she is," she said. "At a period where retail isn't doing so well, it's really nice to see these newer lines performing so well for us."

Erin Crandall, head buyer at contemporary online store Shopbop.com, said that she does quite well with many celebrity-backed lines, such as with Twenty8Twelve by S. Miller and Elizabeth & James.



Mischa Barton



Jessica Alba



America Ferrera



Ashley Tisdale

"Brand name recognition is very important for us, especially since we are a Web site," Crandall explained. "A lot of times, it's good to be a celebrity brand since you see the name, and right away it will look familiar. For us, we've been selling L.A.M.B. for a long time and it has done very well. I think part of the reason is that Gwen wears it herself, whenever you see a picture of her, she's wearing something from L.A.M.B."

As for those celebrities who do not have lines yet, Crandall cited Lindsay Lohan and Mischa Barton as good possibilities.

"Lindsay and Mischa both have good style and I think a lot of people like how they dress, although I think Rachel Bilson has better style and I can see that line doing well," she said. "I'm also surprised that Madonna hasn't done a line. She seems like an obvious choice of celebrity to have her own line."

For DKNY Jeans, the partnership with Bilson gave the Liz Claiborne Inc.-owned brand a chance to address a more fashion-forward customer.

"Our customer has a real emotional connection with Rachel and she's always on the best-dressed lists, so it seemed like such a win-win for us," said Kevin Monogue, president of DKNY Jeans.

David Wolfe, creative director at The Doneger Group, agreed with Wood that Winehouse and Ferrera could be good celebrities to have a brand of their own.

"America is known on 'Ugly Betty' as someone who doesn't have great style, but in real life she is getting prettier and prettier by the minute, which I think makes her extremely appealing," he said. "I also think that Amy Winehouse could do something. She's certainly hot, isn't she? I'm also surprised that Brooke Shields hasn't signed a deal yet, especially now that she's hot again on 'Lipstick Jungle.' That just seems like a natural."

But, he added, not every celebrity can have a brand of their own.

"I honestly do not believe that every line out there is working well," he said. "But the ones that are working are working because they show the consumer that she can easily find things she likes. For instance, when she sees a line from Gwen Stefani, she can say, 'I like Gwen's style and her style is my style.' So, she can buy things that Gwen would wear by buying her line."

Fraser Ross, owner of the Los Angeles-based Kitson stores, said his number-one issue with celebrity clothing lines is the lack of participation from the celebrities.

"There has to be more support for their retailers. The celebrity has to be 100 percent involved with their own line and they have to be willing to support the retailers who are selling it. Having a clothing line should be treated

by them as no different than selling an album or promoting a movie," he said. "I'm fighting right now with Victoria Beckham's people because she lives here in L.A., we sell her line and she won't come in here to do an appearance. We have customers asking if she will come in and what am I supposed to tell them? She lives here, she really should come out and support her fans, the people buying her jeans." (Beckham has, however, made numerous personal appearances in other stores that carry her line, recently doing a multicity tour with Saks Fifth Avenue.)

Ross said he has had great success with the Hilton line, especially since she has done an in-store appearance for her fans. He is currently setting up a Conrad appearance. And he thinks Nicole Richie, who is currently working on a jewelry line, would be ideal for a fashion line as well.

"Nicole will be great. She has a good following, she mixes high with low, is someone whom girls look up to," Ross said. "I also think that there is a lot of opportunity in the tween set, and Ashley Tisdale would be a great one for that audience."



Hayden Panettiere



Amy Winehouse



Vanessa Hudgens