

WWD WEDNESDAY

8 WWD, WEDNESDAY, JUNE 18, 2008

Visual Display

OmniaLuo Set to Put Chinese Brand on U.S. Map

By Sharon Edelson

NEW YORK — American and European retailers are rushing to enter the exploding Chinese market, but OmniaLuo, a Shenzhen-based women's specialty chain, is setting its sights on the U.S.

While continuing to grow its business at home, OmniaLuo is working toward establishing itself in the U.S. After completing a reverse merger in October, the company was listed on Nasdaq under the trading symbol OLOU.OB. The stock on Tuesday closed at \$1.40 in over-the-counter trading, unchanged. Its 52-week range is \$1.10 to \$2.15.

Michelle Liu, the company's American-educated chief financial officer who received an M.B.A. from Wharton; Christine Luo, the sister of OmniaLuo's chief designer, Cindy Luo, and Liping Zhang, a public relations officer, held a round of meetings here with investors last month. The company is planning to stage a runway show for Cindy Luo in Bryant Park during New York Fashion Week in September. "We have submitted an application for a runway show in one of the tents," said Liu. "We're trying to get an afternoon slot."

OmniaLuo, which posted sales of \$7.5 million last year, is projected to double its revenues and net income this year. The retailer has 202 stores throughout China and expects to have 250 units in operation by yearend. The majority of OmniaLuo's existing units are co-owned with a franchisee and deliver a 40 to 50 percent profit margin. Once the store count reaches 300, the company will begin opening stores in the U.S. with a partner, Liu said.

Cindy Luo and her design team create 1,600 styles a year, 500 of which are earmarked for mass production. "When we expand in the U.S. we'll be looking at the higher end," Liu said. She pointed to a wool and cashmere scarf for \$400 as an example. Prices for OmniaLuo's spring collection range from \$40 to \$200. "We try to incorporate a lot of design into the fabric," Liu said. "It adds value and makes it more difficult to copy." Clothing and accessories feature handmade elements such as fabric brooches, crochet trims and passe-

menterie embroidery.

"We have an advantage with our cost structure," Liu said. "This black wool and silk scarf with jewels is \$70. The cost to [produce] it is less than \$10, excluding marketing costs."

Cindy Luo subscribes to the more is more philosophy. Her feminine and sophisticated designs often feature more than one type of embellishment on a garment, such as braided trim, a ribbon brooch and carved buttons on a jacket from the fall line. Professional women ages 25 to 35 with annual incomes of \$2,500 to \$22,500, are the target demographic in China. With a combined disposable income that's expected to grow more than 300 percent to \$2.3 trillion by 2025, that target market is a consumer group ripe with potential. To appeal to women earning more than \$22,500 — OmniaLuo refers to the group as Golden Collar professionals — Cindy Luo plans to introduce Collections, a line of high-end tailored apparel.

"The current women's clothing market in China is about \$25 billion," Liu said. "A 1 percent market share would translate to \$250 million. Women can spend up to 75 percent of their income on clothes, makeup and shoes because they live at home with their parents until they get married."

China's population of 1.3 billion is becoming more brand conscious, said Liu, adding, "The company is positioned well to capture growth in China. The middle class is growing in China as the country shifts from a manufacturing to a service economy. We are one of the few brands backed by a designer."

OmniaLuo capitalizes on Cindy Luo's high profile. The designer is interviewed and photographed by Chinese editions of *Cosmopolitan* and *Harper's Bazaar*. Celebrities such as Ziyi Zhang, Jingjie Xu and Bingbing Fan are courted and dressed for public events in OmniaLuo designs.

"We look at Donna Karan and Liu Claiborne and are trying to position ourselves like that," said Liu. "We want to become a household name in the U.S. Cindy is an up-and-coming designer. It has always been her ambition to have a spotlight on an international stage."



OmniaLuo targets young professional women.

Nicole Hanley Chooses NYC for First Store Location

NEW YORK — Nicole Hanley's first store, which opened last month at 210 East 74th Street, packs a lot of color into a mere 400 square feet of space. A skylight, exposed-brick walls, ebony bamboo floors and arched mirrored doors give the store a downtown vibe, while chocolate brown walls set off the jewel-toned clothes. A round table covered in an orange, brown and magenta fabric is surrounded by small Lucite chairs.

Hanley's designs are available in a handful of stores in Florida, Connecticut and Texas. Before opening her own shop, she held trunk shows at high-end boutiques around the country that each netted between \$10,000 and \$30,000. "I had to open a store after two years of doing trunk shows," said the 30-year-old designer. She declined to give a sales estimate for the store.

Her collection, which began with three tops and three dresses in silk jersey, could have been the sartorial equivalent of the musical one-hit wonder. But Hanley isn't resting on her silk jersey laurels. For fall, she's going beyond the basic shapes to design short leather jackets with scalloped edges, plaid suits with unfinished hems and short skirts encircled with thin bands of leather. Hanley's signature leather skirt has oversize belt loops that cross over the two front pockets. For fall, the style is reprinted in a variety of lengths and a range of fabrics, including houndstooth and satin.

"As the collection grows, it will work well for department stores," said Hanley, who designed a collection for Henri Bendel. Part of the appeal of her designs is the unusual color combinations, which include brown with either fuchsia, apple green or purple. "Because I come from a stylist's background, I mix textures," she



Nicole Hanley spices up her store with vintage finds.

said. "I love the rough edge of vintage leather with a drapy fabric."

Prices range from \$220 for a deep V-neck tank top to \$690 for a long leather skirt.

Hanley's background includes stints as a designer for Rugby and a stylist for Polo Ralph Lauren. Before joining Ralph Lauren, she was a buyer at Intermix.

Like many designers, Hanley said she set out to create pieces that were missing from her wardrobe but couldn't be found in stores. She's a no design snob, however, and volunteers her limited technical knowledge of designing apparel. "They threw me on the conceptual design team at Rugby in 2003," she said. "The designers at Rugby taught me how to flat sketch. I'm so thankful for having had all these different jobs in the fashion world. I was a philosophy major."

— S.E.



SoHo Fashion to Hit Kansas

By David Moyn

CAN SOHO STYLE PLAY IN LEAWOOD, KAN.?

That's what the operators of Three Wildcats LLC, a private company involved in retail start-ups, hope to prove with the firm's latest concept, Soho 119.

"We want to dress women in all of their lifestyle needs, with an international point of view, a New York sophistication, a sense of fun, sexiness and modernity," said Carmella Spinelli, chief creative officer of Three Wildcats. "That means not getting stuck in trend. It's more about style and lifestyle."

"We've done our due diligence, and our focus groups, and know there's a population that feels forced to travel to find the right fashion," added John Wilson, president and chief executive officer of Three Wildcats. The third "Wildcat" is chief financial officer David Hulshof.

Soho 119 is scheduled to open Aug. 1, in a 160,000-square-foot open-air lifestyle center called One Nineteen, which houses a Crate & Barrel and Dean & DeLuca, a wealthy suburb of Kansas City. Three Wildcats is partnering with RED Development, a developer of lifestyle centers, on Soho 119, and on Deegie's Carma, a specialty store for 18- to 28-year-olds that opened in Kansas City in March.

Spinelli, former associate chair of fashion design at Parsons The New School for Design, and Wilson, who previously worked at Vestimenta, Ferragamo, Nordstrom and Net Worth Solutions, characterized Soho 119 as "experiential" and unlike other stores in that you can shop a mix of classic and trend merchandise from established and up-and-coming labels, and sip a merlot as you await a facial at the winotherapy spa for skin treatments derived from the by-products of grapes. A wine and mozzarella bar will be part of the retail offering.

Furthering the atmosphere is the gallerylike store design, conceived by Gensler, the architecture and interior design firm. The layout is very open, with an artistic metal screen system to segment the merchandise. The screens can be translucent, transparent or opaque, depending on the linings, which could be shavings of mahogany, bamboo or flowers, to relate to nature. The store is also being designed with bronze metallic framed lighting, mahogany tables, a light wood floor and an asymmetric set of large windows on the women's side and smaller ones for men's. A 90-foot boulevard runs down the middle, dividing men's to the right and women's to the left, with accessories and shoes just behind, and the restaurant in back.

About 20 percent of the merchandise will be designer, 40 percent good range and about 40 percent upper bridge prices. Eighty percent of the selling space will be devoted to women's, 20 percent to men's, and the appeal is directed toward consumers 25 and older. The owners expect Soho 119 to generate \$400 in sales per square foot, or about \$4 million in revenues for the 10,000 square feet of selling space. Among the women's labels the store plans to sell are Donna Karan, Yohjee, Moschino Cheap & Chic, M Missoni, D&G, Calvin Klein, Peter Som for Bill Blass, Carlos Miele, Giuseppe Zanotti, Jenni Kayne, Gryphon and Bensoni.

In men's, the plan is to carry Ralph Lauren Black Label, Jaz by Joseph Abboud, Malo, Just Cavalli, Rag & Bone, Fred Perry and Hugo Boss.

"It's not so much of a price point as an aesthetic and a look," Spinelli said. "We're taking a blended approach," meaning no hard shops, no merchandising by categories and no denim wall, she said. "Everything will be blended," meaning blazers will be shown with silk blouses, skirts and high heels. "There will be day-to-night on one rack — literally."

Even before Soho 119 makes its debut, the team is considering future sites in such cities as Sacramento, Calif.; Tulsa, Okla.; Louisville, Ky.; Nashville, and Austin, Tex. The strategy is to open Soho 119 stores in "tier-two markets, where there isn't a Saks or a Neiman Marcus," explained Wilson. "There may be a Nordstrom or a Macy's, but it will be where people feel fashion underserved."

"There's a certain part of New York you can take to the Midwest, things people like about New York, but there are also local shopping habits," Spinelli said. "It's a balancing act. We are not trying to impose a New York fashion sensibility."