

Urban Apparel Sales Cool

Written by Keith ID560

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Sales of once red-hot urban apparel have begun to cool, analysts and industry executives said.

The across-the-board slowdown is alarming some of the major department-store retailers that had allocated a growing amount of space to these brands on the belief that the double-digit sales growth of recent years would continue, sources said.

Federated Department Stores, which operates the Macy's and Bloomingdale's chains, for instance, is seeing recent sales of urban brands decline in the double digits, compared with year-ago levels, said one person, who added: "It has everyone worried."

With its edgier looks tied to the inner-city streets and often to a rap star's personal image, urban apparel exploded over the last decade, as sales of more traditional men's wear made by Polo Ralph Lauren, Tommy Hilfiger and Nautica went into a prolonged decline.

Women's urban labels soon followed, and before long "anyone who'd ever released an album thought they needed their own line," said Bernt Ullmann, president of Phat Fashions, the clothing company founded in 1992 by hip-hop impresario Russell Simmons.

Meanwhile, demand for the hip hop wear consisting of oversized jerseys and baggy jeans that these lines were known for dwindled, as classic looks regained popularity.

Those who failed to adapt quickly have been hit the hardest — such as Fubu, one of urban's pioneers, which has seen sales shrivel by more than three-quarters since 2001, two people said. A call to Fubu wasn't returned; reports the NY Post.

Other labels that were launched with much fan-fare, but have since fizzled include rappers' brands like Outkast Clothing, Eminem's Shady line and the Snoop Dog Collection, sources said.

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After growing 18 percent in 2003, overall sales of urban fashions — including apparel, footwear and accessories — are expected to be flat this year at \$2 billion, said Marshall Cohen, of the market research firm NPD Group.

The slowdown has left retailers and manufacturers scrambling to adjust.

To offset the decline in urban, for instance, Federated has been stocking up on premium labels like Ben Sherman, Buffalo and Mavi, sources said.

The company's Bloomingdale's division, meanwhile, has dropped most of the urban sportswear labels it once carried — names like Enyce, Akademiks and Azzure — in favor of high-end collection lines from Sean John, Marc Ecko and Rocawear's RyanKenny that feature snugger-fitting button-down shirts made of Italian cotton and cashmere blazers.

Federated and Bloomingdale's did not respond to requests for comment reports the NY Post.

After a "tough" fall, Jennifer Lopez's Sweetface Fashion, is "reinventing" its women's apparel line, by adding more luxurious items, said Chief Executive Andy Hilfiger. The new looks include fur vests, leather jackets and \$125 jeans.

"Anything that costs \$100 or more is selling better than our lower-priced items," Hilfiger said.

Izzy Ezrailson, president of Up Against the Wall, which operates a chain of 24 specialty stores in the Washington, D.C., area, said he has dramatically scaled back his urban apparel offerings. Instead, he is stocking up on classic brands such as Lacoste and Le Tigre, as well as premium denim labels like Seven Jeans.

Among the labels Ezrailson has dropped are Shady and Phat Farm, the men's wear line produced by Phat Fashions, which also owns the Baby Phat line for women.

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In response, Phat Fashions, which is owned by the Kellwood Co., is introducing Phat Farm Select, a men's wear line that features polo shirts, blazers, cotton sweaters and jeans that sell for \$125 a pair — double the price of its regular denim.

"What we had at retail," admits Ullmann, Phat Fashion's president, "was too urban."