

Women's wear Spring/Summer 2005

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The most expensive season ever

When ready-to-wear goes through the roof, who pays? And what are the alternatives? [hint: Big Brands have a Big Idea]



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Investigation

Up, up and away

This spring, high fashion will have even higher price tags than before. Syl Tang analyses the reasons behind the ever-rising cost of clothing

"Regardless of which city you're shopping in, spring 2005 ready-to-wear will definitely be more expensive than ever before," says fashion publicist Ian Mackintosh. More expensive? Following a season when Bottega Veneta sold an embroidered peasant skirt for \$30,000, it's hard to imagine. And yet, the general fashion consensus says Mackintosh is right.

"Our shoes are going to be 30 per cent more this summer," agrees one luxury accessories rep, who would discuss price only if her couture house wasn't named. "We're asking £975 for our stacked espadrille, which is about £225 more than our number one evening shoe from last season."

The question is why - is it inflation, the sense that, like house prices and bank bonuses, dress prices just go up and up and up without any end in sight? Or is it the fall-out from the current world economic imbalance, with dollar exchange rates falling faster than designers can drop hemlines? Or is it down to consumer demand - for the ever-more special, more singular and more hand-made? Talk to those involved and the answer, not surprisingly, is a little bit of all three.

"Yes, our prices have gone up," says Marco Pievani, general manager for Etro. "But we are unusually lucky being a textile company: we can still produce an almost-couture piece down to the lining with a completely unique fabric. Since we can contain our costs and spend a little more on the finishing, our prices didn't increase visibly." Similarly, at Hermès, though president Robert Chavez says prices will go up, it won't be a dramatic increase. "Percentage-wise? In the mid-single digits at most, just to keep up with the continuing currency challenges." The thing about both Hermès and Etro, however, is they own their production facilities; for those companies that don't, as Pievani says, there is "the euro situation."

Mackintosh also sees the global exchange rate as the scapegoat in the rising price of luxury.

worldwide; the US wanted to add an import tax on any clothes coming from China."

Case in point: Venexiana, whose designer Kati Stem was shocked at the production prices in Venice, where she was prepping her runway samples. "Everything costs 35-40 per cent more than it was previously," she says. "I paid more for raw materials and labour for the past two collections and it's gone up again." As a result, she says, consumers will feel the crunch: "Production costs have become very high. The expenses trickle down."

Designer Marc Bouwer agrees that consumers can expect prices to be more in 2005, but doesn't blame the euro. "The cost of fashion is always escalating," Bouwer says. "We manufacture everything in the US, so it's not the global rate at all. Even the escalation in New York real estate hurts us."

Stem, on the other hand, says it is the euro, but not when one takes clothes out of the country in which they're made. "Countries which converted to the euro are terribly affected and people are struggling. Even though prices are higher in NY, it's not 50 or 60 per cent like it is in Europe. It's actually more affordable."

Bouwer feels that the consumer demand for something extraordinary means that the costs to make beauty will always continue to climb: "In luxury clothes, quality is pre-eminent. This spring we did a lot of [fabric] flowers - we didn't use mass market ones, so we made them by hand. One flower can take several hours to make. Something new is hours of experimentation. With beading, a lot of our clients don't just want bugle beading or sequins but actual semi-precious stones sewn on."

Stylist Alexandra Greenawalt, whose work takes her to Europe and Central and South America, agrees that it is the complexity of the work involved in this season's fashions, not the exchange rate, that has pushed prices up. "Due to the near extinction of minimalism, even ready-to-wear designers have rediscovered the old-fashioned couture methods," she says. "Hand stitching, embroidery, expert finishes and beading returned to the runway for this year's spring/summer season. The general public is embracing uniqueness. Who wants to look like they shop at Gap when it's Gucci?"

There's not much chance of that happening: for this spring/summer, Gucci sent out one of the most expensive collections the house has ever done. Though they would not cite percentages, sources confirmed that the high volume of precious skins, worked crocodile and supple ostrich, as well as hand-embroidery and grommeting resulted in major ticket tags. "It's just a moment when Dolce and Gabbana can send out a collection that is 80 per cent python," said the insider. "It doesn't affect sales, since people who would have spent £4,500 will still spend £6,000 - but remember that Gucci turns out an extensive commercial collection once off-runway. Instead of crocodile, materials become cotton."

With Karl Lagerfeld producing styles for H&M, and Isaac Mizrahi working for American discounter Target, high-fashion designers are increasingly pressured to distinguish their levels of label, and Bouwer says consumers can expect to feel the cost directly. "With department stores, the mark-up is getting bigger and bigger. Something seems very expensive, but designers only make a small profit. Department stores have their reasons but designers then have to add on to the price. It would be a stupid move not to; you must stay in business."

As far as Mackintosh is concerned, the richest won't even notice the difference. "Luxury will always exist and thrive. This was proved during the Depression. Those with money will spend on "elaborate materials" like mink and not mind the general increase in luxury cost. Their incomes allow for it."

Kati Stem agrees: "There is a level where people don't feel

