

WWD

Fashion. Beauty. Business.



Offering Aid

ANDAM switches focus to support French labels.

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Street style at Paris Fashion Week.

BUSINESS

NRF Launches 'Operation Open Doors'

- Retailers need to take health precautions, issue PPE and operate stores much differently as they gradually reopen.

BY DAVID MOIN

Reopen, sure – but how?

With hundreds of stores preparing to reopen in the U.S. within days or weeks, the National Retail Federation has launched "Operation Open Doors" to help them do it as safely as possible and with consistent approaches.

It's an online solution center, launching Tuesday, on nrf.com providing operational guidelines and considerations for how to reopen stores that have been temporarily closed due to COVID-19. The guidelines were developed with input from hundreds of retail industry leaders, the NRF said Monday.

"The goal of Operation Open Doors is

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BUSINESS

How to Protect Your Company's Reputation

- Firms navigating the global health and economic crisis face new rules of engagement.

BY JOELLE DIDERICH

PARIS – As companies scramble to deal with an unprecedented global health and economic crisis, the coronavirus outbreak is proving a reputational minefield for players in the fashion and retail sectors.

Brands navigating what is being billed as the worst financial challenge since the Great Depression face different rules of engagement than during previous such recessions.

Adidas, Sports Direct, Printemps and Target Corp. are just some of the companies that have apologized in recent weeks for blunders linked to their handling of the COVID-19 outbreak. Meanwhile, Amazon had to temporarily close its warehouses in France over worker safety concerns, although the company insists it has done nothing wrong.

In Germany, Adidas was forced to backtrack after drawing widespread criticism over its plans to take advantage of the country's new eviction freeze to stop

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NEW BEGINNINGS

As the industry attempts to figure out a way to emerge from the pandemic, a reset is necessary. White, a marker of fresh starts and the bridal season that just passed, was shown on the fall runway through ethereal and light designs. *For more, see pages 12 to 15.*



Tough times at the German sportswear giant.

BUSINESS

Adidas Faces Sharp Sales Drop in Q2

- Despite worse than expected news, Adidas' ceo and market analysts agree that the sportswear sector still holds promise.

BY CATHRIN SCHAEER

Adidas warned that its second-quarter revenues could fall by up to 40 percent as up to 70 percent of its store fleet worldwide remains closed due to coronavirus lockdowns.

The German sporting goods giant, reporting net sales in Q1 fell 19.2 percent, dispensed with full-year guidance and said it could only give a quarterly prognosis through 2020 given the extent of business disruption.

"The assumption is that we will be able to start opening stores by the end of Q2," chief executive officer Kasper Rorsted told a press briefing on Monday, noting the company already lost approximately 1 billion euros in sales in April. "Our results for the first quarter speak to the serious challenges that the global outbreak of the coronavirus poses even for healthy companies."

This time last year, Adidas was boasting about net income of 631 million euros. This year, the number dwindled by 97 percent to just 20 million.

As expected, numbers were down in almost every column. Net sales came to 4.75 billion euros compared to 5.88 billion euros in the same quarter last year.

Net sales for the Adidas brand dropped by 20.3 percent to 4.27 billion euros, while Reebok's fell 11.9 percent to 372 million. This is because Adidas does more business in China than Reebok, the company explained. Those tendencies are likely to be reversed next quarter as China opens up again.

EBITDA – or earnings before interest, taxes, depreciation and amortization – fell by 66 percent to 393 million euros compared to 1.16 billion euros in the first quarter of 2019.

Adidas' operating profit plummeted by 93 percent to 65 million euros; in 2019, it was 875 million euros. Although

sector analysts had predicted gloomy numbers, results were worse than many had suggested. At the same time, analysts from the likes of Warburg Research, Jefferies and Berenberg all expressed confidence in the German sportswear giant this week, saying they expected better results in the second half of the year and a return to growth in 2021. Many also suggested that demand for sportswear would continue and even increase significantly once lockdown measures are eased.

"People are thinking about health more than ever," Rorsted said during the press briefing. "The underlying strengths in the sporting goods industry remain because of the focus on health."

Rorsted and chief financial officer Harm Ohlmeyer also explained how they would tackle the next few months with a three-phase plan. Measures include ensuring financial liquidity by cutting costs where possible, understanding consumers' post-lockdown mind-set, relocating inventory and learning from China, as the first major market to come out of lockdown, then applying those lessons to the rest of the world.

The biggest fall in sales – 44.9 percent in currency neutral terms – was in the Asia-Pacific region and most of this could be attributed to China going into lockdown, the company said. There, Adidas had sold 1.18 billion euros' worth of product so far this year, compared to 2.13 billion euros at the beginning of 2019. Business in China made up 23 percent of Adidas' sales last year and the company said it was seeing signs of recovery as the lockdown eases there.

The first two months of the year – before COVID-19 started to have an impact – had been positive for Adidas with 8 percent growth in revenues in January and February in all territories excluding Asia-Pacific. Most had seen double-digit growth in those two months. Product launches, like the collaboration with Beyoncé on her Ivy Park collection and Kanye West's Yeezy line, had sold out, Rorsted noted.

By the end of the first quarter, only two territories were still showing growth.

North America recorded an increase of just 0.8 percent, in currency neutral terms, to hit 1.2 billion euros, and in the far smaller market of Russia, net sales grew 9 percent to 154 million euros.

The other bright spot came in e-commerce, which saw growth of 35 percent in currency neutral terms. "It is the only store that is consistently open and it is more important than ever," Rorsted said, stressing that the whole company was accelerating its digital transformation thanks to the pandemic.

E-commerce was rising quickly toward the end of the quarter, growing 55 percent, currency neutral, in March alone, the company reported. Although customers were slow to return to shopping in physical stores, China and South Korea had seen a faster recovery via online purchases. Adidas doesn't specify exactly how much money it makes in online sales, but Rorsted has previously told journalists that the company wanted to achieve online sales worth around 4 billion euros, or about 10 percent of the company's overall sales, by 2020.

That number could go even higher. More than half of Adidas' marketing efforts are now focused on digital, and resources from different parts of the company have been shifted to work on social media and e-commerce, Rorsted said, noting that hundreds of thousands of users had signed on for Adidas' workout plans and that it boasted 150 million views for the Hometeam campaign.

By segment, footwear sales dropped 24 percent in currency-neutral terms to 2.65 billion euros and apparel went down 17 percent to 1.8 billion euros. The much smaller segment of hardware was the only one to rise, with gains of 15 percent adding up to 295 million euros. There were record sales of yoga mats, Rorsted reported. Casual indoor shoes, like the slip-on Adilettes, were also popular.

"The underlying strengths in the sporting goods industry remain because of the focus on health."

KASPER RORSTED, ADIDAS

Two weeks ago, Adidas had secured a syndicated revolving loan of 3 billion euros, most of which came from the German government's development bank, the KfW, with the rest from a consortium of private banks, including Bank of America, Citibank and Deutsche Bank.

Analysts praised Adidas for taking the loan, saying the added liquidity would help recovery and stability. The company has already spent an estimated 1.4 billion euros in this first quarter on operating costs. Management indicated it is trying to avoid layoffs and that those costs involved products ordered three or four months ago.

Unconfirmed reports in the German media had suggested that Adidas may try to replace the government-backed loan, which runs for 15 months, with a multibillion-euro bond. The company would have needed an agency credit rating to do that and it doesn't currently have one because, as Ohlmeyer explained, Adidas is very rarely in the bond market. "We want to pay it [the loan] back as quickly as possible," Rorsted told journalists, but replacing the credit with a bond was not a priority right now.



An Esprit store.

BUSINESS

Esprit Quits Asia, Keeping Mainland China JV Only

- Fifty-six stores across Singapore, Malaysia, Taiwan, Hong Kong and Macau to be shut.

BY TIFFANY AP

BEIJING – Esprit is shutting down 56 stores across Singapore, Malaysia, Taiwan, Hong Kong and Macau, forced by the coronavirus pandemic to streamline its operations, after placing its German subsidiary into administration in March.

"The whole industry has been affected by the global crisis. We first felt the impacts in Asia and now in Europe, where many of our stores have been closed. This is forcing us to look at the contribution all markets make to the groups' performance," said Anders Kristiansen, Esprit Group chief executive officer.

Company filings show the soon-to-be shuttered region represents around 4 percent of the group's global turnover – or 267 million Hong Kong dollars, \$34.5 million at current exchange.

The Asia ex-mainland China store closures are expected to be completed by the end of June. Esprit will continue its joint venture in mainland China with Mulsanne Group as well as its wholesale and license business in Asia. The brand had previously exited Australia and New Zealand in May 2018.

While Esprit does plan to continue operating in mainland China, its entire network in the region is, in fact, in the process of shutting down, too. The retailer earlier said it was closing all its stores in Mainland China by May 31 in order to reboot the brand with a new look.

One-off costs for Asia store closures excluding China is expected to be in the range of 150 million to 200 million Hong Kong dollars and is expected to weigh on the group results for the full financial year ending June 30.

For the quarter ended March 31, Esprit revenue decreased by 22.2 percent year-on-year in local currency terms to 2.37 billion Hong Kong dollars. By distribution channel, retail declined 39.8 percent, wholesale 20.1 percent, and e-commerce by 2.6 percent.

During the restructuring period, Andersen and the company's chairman are forgoing their remuneration, while other senior management and non-executive directors have accepted cuts of 20 to 35 percent in fees.

FASHION

ANDAM Turns Focus to Supporting French Labels

- A 500,000 euro sum will be distributed to four brands.

BY MIMOSA SPENCER

PARIS – The coronavirus crisis has thrown the aspirations of rising designers into a tailspin and organizers of fashion prizes are stepping in with a new approach to their mission: building solidarity funds. French fashion prize ANDAM is jumping in, too, repurposing this year's edition from a classic prize model to offering financial and professional mentoring support to four labels based in France.

"More than a prize, ANDAM is, above all, a movement of solidarity that ensures the dynamism and longevity of creative industries exposed to profound changes," said the 30-year-old organization, France's oldest and highly prestigious fashion prize, in a statement. The jury is made up of top brass from leading luxury companies, including LVMH Moët Hennessy Louis Vuitton, Kering, Chanel and Hermès International.

The move comes on the heels of similar efforts from other industry prizes, transforming the traditional contests into a means of support for up-and-coming designers.

The CFDA and Vogue set the fund-raising wheels in motion in mid-March, just as the COVID-19 crisis prompted shutdowns across the U.S. Established by Tom Ford and Anna Wintour and named "A Common Thread," the initiative shares stories of designers through a series of short films and serves as a broad fund-raising campaign.

The LVMH Prize organizers, meanwhile, opted to distribute 40,000 euros to each of eight finalists, rather than granting the 300,000 euro award to one winner.

As economic disruption from the COVID-19 crisis started to hit the fashion sector, ANDAM director Nathalie Dufour and ANDAM president Guillaume Houzé – also

a senior executive at Paris department store Galeries Lafayette – hunkered down and got to work.

"When the lockdown came into effect, Guillaume and I began brainstorming," said Dufour.

"It was important to try to invent an edition that took into account the crisis for this creative industry, for young designers," she said.

Through discussions with the ANDAM board and partners in the public and private sector, they decided they would focus on the ANDAM community – designers who have their businesses in France and show on the Paris runways – to come up with ideas about how to preserve it in the long run.

Award money of 500,000 euros will be divided among four winners – two former ANDAM prize winners or finalists, a young French company with creative vision or innovative business model, and a start-up or entrepreneur based in France with technologically innovative solutions.

The crisis will exacerbate existing tensions in the industry, predicted the pair, referring to technological change and the need for sustainability.

"While it is still very, very complicated and risky to form an opinion on what could come after, it's clear that the economic repercussions will be deep and long-lasting. In the end we think that it will accelerate certain trends that were more on the margins," said Houzé.

"We wanted to reaffirm the role of ANDAM – it's more than a prize, it's a movement for solidarity, an ecosystem that brings together large companies as well as public partners, like the minister of culture and Defi," he added, referring to the French industry body that promotes the sector.

"Our mission is to support young designers so that their talent is heard, and their contributions are recognized," he added.

"Rather than getting scattered, Natalie and I wanted to reaffirm the strategic role of ANDAM and the support of young creation. It seemed to us that it would be useful to focus entirely – or at least for the most part – on winners or partners who already have past ties with ANDAM, to make it so that their companies, their brands, can be solidified by the financial help we give them," said Houzé.

Sticking with the original calendar, the jury will mull questionnaires filled in by applicants in May and June, and the awards will be made public on July 2.

"It's the first year that ANDAM will concentrate on French brands. It was very important, given the situation to focus on these brands and not stretch into an international sphere – that didn't make sense," Dufour said.

The idea is to examine projects that the labels are drawing up, or already putting in place to cope with the current climate, noted Dufour.

"It will help us see how young brands at different levels fit into this digital transformation, which is important for the fashion sector," for example, noted Dufour.

"All of our public and private partners reaffirmed their support more than ever for this edition, to take part in helping young businesses and their entrepreneur backers," noted Houzé.

Member groups will also mentor the four winners, providing expertise like e-commerce, wholesale, retail, communications and sustainability, with members of the executive committee stepping in. There will be no jury president this year.

"It will be transversal, each of the four winners have contact with some of the strongest and most important groups of the fashion industry – it will be quite an exceptional form of mentoring," said Dufour.

Perhaps the prize will reopen to international applicants next year, but the focus on helping brands adapt to a changing context will remain, the two predicted.

"There will be a period after the crisis, but I imagine we'll stick to this approach of serving as a platform to access to various projects and business models," noted Dufour.



Guillaume Houzé and Nathalie Dufour

Houzé chimed in, noting the idea is to help labels anticipate and meet the major challenges brought on by the crisis, but also issues related to the digital transformation of the sector and its shift toward an ecologically responsible approach.

"These are two absolutely major subjects – digital, first of all because it opens the way for unparalleled opportunities in production, distribution and communications – it needs to be fully exploited in order to protect creativity in a system that will be increasingly hybrid and competitive," he added. Paris is the right place for tackling the overarching challenges, he added, asserting that he thinks ANDAM has a role to play in the transition to new expressions of consumption, in supporting the sector's most innovative start-ups and brands that are focused on the common good.

BUSINESS

The New COVID-19 Economics for Retail

- GDP won't speak as loudly as infection rates as retailers try to figure out where the consumer is going.

BY EVAN CLARK

Reading the economic tea leaves has become harder than ever in a coronavirus world where all the omens are bad.

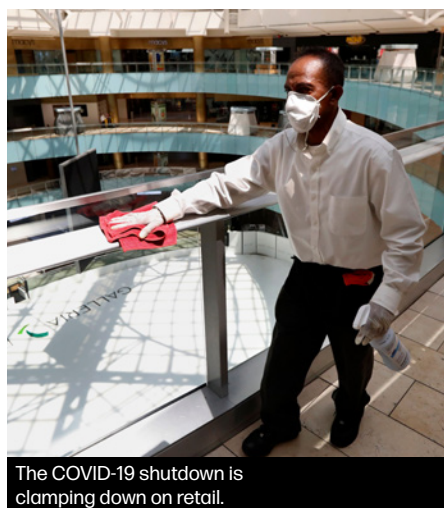
The U.S. will offer its regular update on the state of the economy on Wednesday and is expected to say that gross domestic product shrank 4 percent or more in the first quarter.

That's a big slowdown from 2.1 percent growth logged at the end of last year and a sign of just how potent the COVID-19 shutdown is – throwing a \$21 trillion economy into reverse even though the shutdown only came during the last couple of weeks of the three-month period.

"This is just an appetizer," said Erik Lundh, senior economist at the The Conference Board, of first-quarter GDP figures. "The steak dinner is coming in the second quarter in terms of the GDP number and contraction."

The nonpartisan Congressional Budget Office last week forecast a 12 percent second-quarter decline.

That's a cataclysmic drop of 40 percent



The COVID-19 shutdown is clamping down on retail.

on an annual basis – although the hope is that the shutdown doesn't have to stretch on long enough to be measured on an annual basis, but in weeks or months.

But as long as millions are hunkered down at home and businesses stay shut, the economic numbers are not going to say much more than things are bad – or terrible.

And so economists are taking their cues from the doctors.

"The most important data are the epidemiological data, the number of new

cases, the number of deaths, the number of tests," Lundh said. "That's the kind of stuff that matters right now, these are leading indicators."

There is at least some good news there, with the curve flattening in the hot spot of New York and some states are tentatively reopening some businesses. But even so, the global number of confirmed COVID-19 cases soared past three million with nearly 210,000 deaths, according to Johns Hopkins University.

Beyond tracking the outbreak itself, Lundh said he is keeping a close eye on the weekly jobless numbers, which have shown 26 million people rushing to the unemployment rolls.

The current thinking is that a lot of those people who have filed for unemployment are in industries that are highly susceptible to social distancing, like retail or travel.

But Lundh said if large numbers of people keep applying for unemployment support "it means the economic damage has spilled over the floodway" and workers in seemingly safe industries are losing their jobs as a kind of knock-on effect.

Eventually, the world will reopen and retail can come back to life and economic forecasting – and everything else – could start to return to something closer to normal. But there could be a false start or two given

the uncertain psychology of consumers who have been locked down and under stress.

Scott Hoyt, senior director of consumer economics at Moody's Analytics, said, "We need to be careful not to put too much stock into the first few weeks and maybe a couple of months when things reopen because you're going to have a lot of pent-up demand."

Consumers might come out of the shutdown with a shopping list and plans to get out and spend.

"That's likely to be temporary and then we're going to find ourselves back in the soup," said Hoyt, noting that after that first rush, consumers will reassess their finances and adjust accordingly. "The question is going to be, 'Where are we going to settle?'"

On Monday at least, Wall Street investors were feeling more bullish about retail and sent shares of many companies higher amid hopes that plans to loosen some social distancing regulations would help the sector bounce back.

Among the biggest gainers were Kohl's Corp., up 17.7 percent to \$18.60; Abercrombie & Fitch Co., 16.6 percent to \$10.61; RealReal Inc., 15.3 percent to \$11.66; PVH Corp., 15.2 percent to \$47.64; American Eagle Outfitters Inc., 13.9 percent to \$7.79; Nordstrom Inc., 13.8 percent to \$20.27; Gap Inc., 12.7 percent to \$7.79; Simon Property Group Inc., 11.1 percent to \$57.19; Capri Holdings Ltd., 10.9 percent to \$13.86, and Tapestry Inc. 10.3 percent to \$15.05.



A photo taken by the NASA/ESA Hubble Space Telescope.

BUSINESS

Color Offers All Kinds of Therapy

● Designers and creatives aren't the only ones experimenting with colors while quarantined.

BY ROSEMARY FEITELBERG

Pick a color — any color. That may be the swiftest way to energize another day of self-quarantine.

As millions around the globe edge into their second or third month of self isolation, a shot of color can brighten any bleakness, according to Leatrice Eiseman, executive director of the Pantone Color Institute. Whether culling unexpected combinations from cleaning a closet, mixing up cocktails, doing puzzles, trying some DIY beauty tricks or examining outer space from online, WFHers have an abundance of ways to infuse new hues. And designers and creatives can access Pantone Connect for free through July.

While there aren't yet any surefire color predictions for the post-pandemic climate, other seismic historical events like the two World Wars and the 9/11 terrorist attacks led to a thirst for color, Eiseman said. Reached at her home in Washington Monday, she occasionally referenced the past in eyeing the future.

As it turned out, Pantone's choice of Classic Blue as the 2020 Color of the Year — a decision made five months ago — turned out to be prophetic. That shade is one that relays stability, an anchoring feeling and a place that offers refuge and protection, Eiseman said. "Little did we know at the time that something we are looking at now is symbolically so true," she said.

While conversations have started for the 2021 Color of the Year, there is no question that months of self-quarantining and a return to freer movements will affect that choice, Eiseman said. "You're going to have a variety of responses. Some people will be so happy to be out of the house again and moving around. Even though you can take walks now, it's not with the same freedom and abandon that we had before."

As far as where the colors go seasonally, "so much of that is determined by the designers' mind-sets, how they're feeling and what they're hearing from their customers," she said. Worth noting is how after the 9/11 terrorist attacks, people wanted to infuse more color into their lives and to be one with nature, Eiseman added.

Taking a longer view historically, after

World War I and WWII, society craved and embraced more color, and a longing to go back to being more lighthearted, Eiseman said. Based on her research and experience, she said, "In times of trauma, when people want to feel normal again, they start to have an appreciation for the world around them. That's where nature comes in," she said. "We're at a perfect time of year to absorb that and to look at the colors as they appear in nature."

After the World Wars, people were deprived of certain colors because they were used for the war effort. The post-WWI flapper age in the Twenties ushered in jewel tones and other vibrant colors, Eiseman said. Acknowledging how those enlisted in the armed services wore more somber colors and people in general had less clothes to wear at that time, Eiseman pointed to the abundance of fabric used for Christian Dior's New Look as an example of fashion's response. There was also a burst of energetic colors, namely pinks and reds, due to Revlon makeup and nail polish, she added. History has shown that after times of great deprivation, people gravitate to wearing colors of more strength. "Whether history repeats itself is a whole other story," she added.

All the recent time at home has made people more introspective and cognizant of sustainability, and such issues will loom large for future color choices, according to Eiseman. As for the five top colors in the pipeline, that will take some time and further consideration as people start to respond to the sense of freedom. "Will they want to respond to more color? Will they want to respond to cooler colors that represent cleanliness and the things that we're concerned about?" she said. "There is the human nature aspect where people will want to feel refreshed and something new after being deprived if you will. Even though they can order things online, there is something about getting out there. We're social animals."

Following months of being indoors, there is a need for stimulation and a conscious awareness, as well as an appreciation, for all the colors around us, Eiseman said. Scores of stay-at-homers have been experimenting with color by cooking, mixing their own lip balms, stirring up cocktails, dyeing their own hair or diving into home improvement projects. While they may be doing those things out of necessity, they are developing

a greater interest and appreciation for color, Eiseman said. "Even dyeing the napkins on the table or a T-shirt because it's gotten grayish...there are all kinds of opportunities right now to exercise your creativity with color."

During Lady Gaga's "One World: Together at Home" performance earlier this month, some fans zeroed in on her colorblocked geometric floor. That reflects how "color is such an attention getter and inherent in our mind's eye that goes back to childhood and the first box of crayons that you used for scribbling with abandon," Eiseman said. "We never really lose that. We sometimes temper it, due to what other people say or what's available in the marketplace. If you can excite that part of your brain again, color certainly helps you get there."

Without question, color can be a form of therapy, Eiseman said. Looking out at the sky in the morning is a universal, relatable ritual. "After we have been asleep at night, we're all faced with the reality around us. You look outside and see that perfect blue sky with billowing clouds — how can that not elevate your senses? You may be depressed, sad or not feeling your happiest, but it is an instinct within us to look out and see those wonderful colors. It does lift the spirits," Eiseman said.

WFHers have plenty of other ways to look at color online and by actually playing with color, she said. "Look at all the people, who are doing puzzles again and how big that has become. So much of the puzzles is putting the colors together and finding right space for them. We all go back to that as a place of solace and to make us feel better. Color plays an enormous part in that," Eiseman asserted.

With everyone in a closet-cleaning mode, now is the perfect time to mix unexpected color combinations and to wear long-forgotten items, she added. "Before you know it, you've created a whole new look. It's making use of what you already have or deciding to get rid of what you don't need," Eiseman said. "It's a great way to experiment with your creativity, while you're inside."

Whether people will favor brighter colors, pastels or nature-inspired ones after COVID-19 might just boil down to personal choice. "The psychological aspect of the color is going to be more important. People are going to be more thoughtful. If they choose a red, is it because they want the energy they will derive from a red or an orange perhaps. Or do they want to continue on with that feeling of safety and protection, which the blues and the pastels bring about?" Eiseman wondered.

There is also a physiological aspect to consider once people no longer have to self-quarantine and will be able to be exposed to normal amounts of natural daylight. "We find ourselves craving color, when you have been indoors [for so long]."

Even for those who can go outdoors or walk in the park, it's still not quite the same as your everyday life, when you are bombarded in color. Particularly in the spring, we look forward to the daffodils, the tulips and all the bright colors. As we get outside, we become more aware of the color around us and appreciative of what we're seeing that we have missed by being indoors."

As easy as it is for people to go online to see a plethora of images on Instagram and other social media, it's not quite the same as seeing colors yourself, especially in nature. One exception may be the online images from NASA that show the galaxy as pictured by the Hubble Space Telescope that reveal browns and oranges. Eiseman said, "Obviously, everybody can now go their computers and see what NASA is putting out about the (James) Webb (Space) Telescope (which lifts off in 2021) and that is going to unveil to us colors that we don't ordinarily think of. That excites people's imagination and opens us up to using more color that is uncharacteristic of what we thought of the galaxies — browns, oranges and bright blues. It opens our color vistas and makes us realize how we can combine colors, again using nature as a template."

Far from a fluffy pursuit, where forecasters just choose their favorite colors, Eiseman and her team do a lot of research before any choices are made. Along with keeping an eye on what designers send down their runways, reading as much as possible, listening to what designers have to say in interviews about inspiration and color direction, Pantone forecasters also uses the greater zeitgeist to decide on fashion week color trends. "We look at buckets of color so to speak to reach a conclusion," she said. "We tune in as much as we can to get into designers' mind-sets."



A spring Balenciaga look.



Jean Paul Gaultier Couture Spring 2020.

FASHION

Hailey Bieber, Jaden Smith on Levi's Memories

- "I stole his Nineties dad look," Bieber shared of her first pair of Levi's, 501s that she snatched from her father, actor Stephen Baldwin.

BY RYMA CHIKHOUNE

"I've actually been getting a lot more done than I expected," shared 23-year-old model Hailey Bieber of being confined during the pandemic. She and her husband, pop star Justin Bieber, are together in his home country of Canada. "I'm feeling really inspired, and I've been putting together a bunch of inspiration boards for different projects I want to do in the future, reading new books and watching new shows....I've been spending a lot of time baking, and I absolutely love it."

If life hadn't been interrupted by the coronavirus outbreak, Hailey Bieber would have been at Coachella just days ago, launching her campaign for Levi Strauss & Co. alongside Jaden Smith, the 21-year-old singer, rapper, actor and son of Will Smith and Jada Pinkett Smith.

"Jaden is like family," continued Bieber. "He's so creative and expressive. I love that we got to work together on this. One of my favorite memories of Jaden was actually watching him perform at Coachella last year. I loved watching him grow. I met him when he was so young. He's captivating, such a great performer."

"Hailey is family," echoed Smith,

who remembered the moment well. He wore custom Levi's vintage during the performance, he shared. "I will never forget the feeling I had when I first walked on the Coachella stage."

The company had a presence "all over" the festival grounds, he added. "I've been a fan of Levi's all my life. It's one of the most authentic brands around."

Presenting spring and summer looks, the collection includes graphic tops, tanks, T-shirts, hoodies, shorts; accessories like hats and tote bags, and denim, naturally. Items range in cost between \$7.50 for socks to \$498 for a denim, "trucker" jacket with fringe.

Both have previously worked with the American company. They've attended events in support of the brand in the past, and just last year, Bieber was named the first face of its 501 jeans.

"As we often do, we developed longstanding relationships with the people that we work with," said Levi's chief marketing officer Jen Sey. "We strive to have working relationships that are positive for both parties....We've built that over time with these two."

"With Hailey, it's about her sense of style and how she expresses herself through her personal sense of style," Sey went on. "It's her optimism, her outlook on the world, her humanity and how she expresses herself through social media. She shares her real feelings, and I think she has a real, authentic connection with young people. That, to me, is really representative of the brand and what we're about. Jaden has a



Hailey Bieber and Jaden Smith

lot of those same qualities, and then he's obviously a musician as well. The two of them together represent optimism, creativity and this youthful outlook that can ultimately drive progress and represent hope in the world."

From the youth at Woodstock, the 1969 music festival, to those who were at the fall of the Berlin Wall, young people moving the world forward have chosen to wear Levi's, she added. "And you still see that today, whether it's at a Pride parade or a music festival or a march for climate change; there's a synergy between young people's interest and what Levi's has come to stand for."

Year after year, the company has celebrated and invested in this youthful spirit through various initiatives and events, particularly in music. These days, Levi's has taken it viral. In lieu of a presence at Coachella, the brand has been hosting mini concerts on Instagram Live on weekdays at 5:01 p.m. PST, while committing \$10,000 per performance to the charity of the artist's choice. And live today, at 4 p.m. PST on Levi's Instagram, Bieber and Smith will join Sey in conversation to commemorate the launch.

"It's authentic to my style and rich with history....Levi's is a brand that lets you be authentic, lets you be yourself," Bieber shared of what attracts her to the company. Her first pair of Levi's, she said, were 501s stolen from her father, actor Stephen Baldwin. "I stole his Nineties dad look. And now they're even making a dad jean."

She misses her family and friends most right now in quarantine. Smith, too, had his own loved ones in mind.

"Community is so important to me," he shared. He's currently working on new music.

"[I'm] thinking a lot about some other projects I have going on, my [nonprofit] 501cThree and my I Love You organization," he added. The former, which he cofounded with reporter Drew FitzGerald, works to bring clean water to Flint, Mich., while the latter provides food for those in need. "I've been busy. There's a lot to be done these days now more than ever."

FASHION

Belford Won't Be Going Forward With Fall Line

- The company had a loyal specialty store following for its luxurious cashmere sweaters.

BY LISA LOCKWOOD

Belford, which has been in business for more than 38 years manufacturing luxury knitwear, has made the decision to close.

The company, which is based at 209 West 38th Street in New York, sent a letter to some customers and sales representatives late last week explaining that "the current market downturn is unprecedented and is beyond our capability to weather through."

"Due to the overall environment and disruption of supply chain (as many factories are closed down), Belford has therefore made a heartbroken decision to stop supply of new products (fall 2020). Belford will continuously service customers with our existing products," said the letter.

Belford specializes in cashmere and extrafine pima cotton, superfine silk, fine merino wool and other high-quality yarns. The company is known for its full-fashion manufacturing, which makes detailed sweaters such as their signature double-face jerseys, intricately textured stitches and innovative patterns and prints.

Jack Fok, president of Belford, couldn't be reached for comment Monday.

Belford sold mostly to brick-and-mortar specialty stores such as Diane's in Naples, Fla.; Barbara Katz in Boca Raton, Fla.; Cameron in Raleigh, N.C., and Hersh's in W. Bloomfield, Mich. Another account was Halsbrook, a direct-to-consumer luxury fashion destination.

"Belford was one of our top knitwear designers," said Halsey Schroeder, chief

A spring look from Belford on the Halsbrook site.



executive officer of Halsbrook. She said they informed her last week of their decision to close. "They were a really important resource for us. We are sad to lose them," she said.

She noted that the Belford customer had an 82 percent repeat rate with Halsbrook, while their average rate for the site is 50 percent. She also noted that Belford's customers were about 45 percent of Halsbrook's VIPs, and their average order was \$450. Belford's top sales on the site were in New York, California, Florida, North Carolina, Texas, Massachusetts, Virginia, Pennsylvania, Connecticut and Georgia.

"The quality of the product was really great and was sharply priced and had a loyal following," said Schroeder. She predicted it will be "one of the many closures that we'll see."

She noted that Halsbrook sold a lot of Belford's elevated essential products, such as V-necks sweaters with buttons on the cuffs. "The quality was nice and there were great colors. They also did a really good cotton business," said Schroeder, which appealed to their Southern customers.

BEAUTY

Cosmetica Italia Laments Delayed Reopening of Beauty Salons

- The association urged the government to revisit its decision of enabling beauty centers to resume their activities only in June.

BY SANDRA SALIBIAN

MILAN — Cosmetica Italia is the latest Italian organization to voice concerns about measures the government implemented to counteract the coronavirus spread in the country.

On Monday, the Italian association of cosmetics companies released a statement urging the government to revisit the recent decision of reopening hair salons and beauty centers only on June 1 for the sake of the "survival and safeguard of an essential sector for the Italian economy and families."

In particular, last year Italian hair salons and beauty centers generated sales of more than 6 billion euros, employing more than 263,000 operators in 130,000 salons, 90 percent of which are small-sized as they enroll two employees each on average.

According to the statement, another month of closure will have severe repercussions on both businesses and employees, causing 50,000 units to fail and the consequent unemployment of 100,000 operators. It would additionally lead to "the raise and diffusion of illegal work operated at home without any control and safety

measure, therefore exponentially increasing the risk of infection."

"As cosmetics manufactures, we are worried for a decision which will have impacts both on the distribution front in the hair salons and beauty centers and on the supply chain, causing inevitable consequences in terms of employment," said Cosmetica Italia's president Renato Ancorotti. "This sector is absolutely able to apply further strict sanitary measures — integrating the efficient ones that are usually applied — to facilitate a quick relaunch [of its activities] that combines the attention to customers and employees' health and safety with the citizens' demand of wellness and reduced social impacts. Unfortunately we have to consider that no [discussion was offered] to define a shared sanitary protocol aimed at safely resuming these activities. But we confide it might be still possible a rethinking by the government and a redefining of the rules to support this category."

As reported, on Sunday evening Italy's prime minister Giuseppe Conte announced the lockdown in the country, first enforced on March 9, will be gradually lifted beginning May 4, when production and construction will be allowed to restart, as well as business-to-business operations, in compliance with safety protocols. On May 18 retail businesses will be allowed to reopen, as well as museums, exhibitions and libraries, while bars and restaurants will be able to resume their operations on June 1 along with beauty centers.

WWD

Bridget Foley's Diary



The Proenza Guys on What's Next

- Jack McCollough and Lazaro Hernandez are planning their way forward, one season at a time.

In December, Lazaro Hernandez and Jack McCollough felt ready. Ready to orchestrate a bold next chapter at Proenza Schouler, the much celebrated brand they launched right out of Parsons in 2002. In an in-depth conversation, they spoke about their winding, complicated journey from fashion wunderkinds to chic, artful brand on the brink, to their rush of renewed empowerment.

Prior to that awakening, their business had struggled with the harsh realities so many independent brands face, of staying competitive in the oversaturated luxury sphere, which in turn led to a pair of bad-fit ownership situations. But late in 2018, the designers bought back their company with an investment from Mudrick Capital. They felt strong in their resolve to make the business work and rededicated their ethos to the woman they'd always wanted to dress, but on whom they'd lost focus during their beautiful, artful meanderings in Paris — a stylish, pragmatic urban woman. They subsequently turned out a year's worth of interesting, reality-based collections that struck a chord with retailers. By December, just four months ago, McCollough and Hernandez felt well-positioned to face the future. They felt in control.

If this coronavirus virus pandemic has taught us anything, it's that feelings of control are ultimately delusional. That delusion might be necessary and helpful at times, but so is resilience. Last week, we talked again. They're spending quarantine at their house in the Berkshires, where they've focused on developing a plan to see the brand through the next few months. At its core: making the most of already completed work, and providing retailers with longer selling seasons by pushing back the seasons. Proenza will deliver pre-fall in June through July, and fall 2020, in what is typically the first pre-spring delivery, September/October. The

designers expect to design and produce a collection for spring 2021, and may show it in August rather than September. As for the presentation format, who knows? Said McCollough, "We have no crystal ball."

WWD: Where are you guys?

Jack McCollough: We're up in the Berkshires taking it one day at a time.

Lazaro Hernandez: This is our fifth week up here. We've never been here in the spring this long before. This is definitely a first, but it feels nice to be out of the city and to be able to go outdoors, at least.

WWD: Certainly not a typical respite from the city.

J.M.: Every day is filled with all sorts of emotions. These last five weeks have been somewhere between panic and dread and enjoyment of slowing things down. Obviously we're doing everything to keep the business afloat right now, so that's our main focus. But there is something to be said about slowing things down.

WWD: Berkshires or not, the dread must be tough to escape.

J.M.: It's a tricky time for us. I think a lot of our peers are feeling the same way. Independent brands need the support more than anyone else in this industry, specifically, support from the retailers. Proenza Schouler is not backed by a big conglomerate, so it's not easy for us to get bailed out if we fall into financial trouble.

Our biggest concern is the well-being of our team. Not only do we want our brand to stay afloat throughout this, but we want to preserve as many jobs as possible, and it's a struggle. When we're talking about people's lives, it's a highly emotional time.

WWD: What's your layoff situation?

L.H.: We had to furlough or lay off 30 percent of the team of 100. It's been super emotional. It's a family. We have a lot of love for each other.

Zoom has been our best friend these days. We've had a lot of company-wide town halls; we've been keeping every single employee abreast of every single decision. And everyone understands. With our furloughs, we hope when things normalize we'll be able to bring those people back. But we just don't know.

WWD: Business was tough on independent brands before the virus shutdown. What's going on now was unthinkable two months ago.

L.H.: It's unprecedented. It's hard to plan. If we knew what the landscape would be in six months, perhaps it would be easier. But no one knows. We don't know if we'll be home for a month, or two months. Are we doing a spring collection; are we not doing a spring collection? Should we be spending any money on that or should we be preserving every dollar we have? Is there going to be a September market? We have a studio up here so a lot of creative work happens here, so we could technically be working on our spring collection.

WWD: Is there a creative advantage to being up there?

L.H.: We hear these stories of designers draping outside or sketching by candlelight and being inspired. Great for them, but that's not our reality. I'd love to be having this profound creative moment right now, but we're trying to figure out the company and restructure the company and save jobs.

We've been very much with our business heads on the last couple weeks, developing a moving-forward plan and



Jack McCollough and Lazaro Hernandez

restructuring the company accordingly. We're past the planning stage, and we're in the "implementing the plan stage" now.

WWD: What's the plan?

L.H.: We're pushing pre-fall back to ship June/July/August. Then our fall [runway] collection will become the new pre-spring collection, the first delivery, September/October.

J.M.: We've seen a huge upswing in the last 18 months. This whole new chapter [since the buyback of the company in 2018] has been amazing. Retailers are supportive and want to partner with us. They've been pretty generous. And we're lucky. Before lockdown, we were around 97 percent shipped for spring.

WWD: So no spring cuts.

L.H.: We are in a difficult situation with the stores being closed, but we hope everyone pays and hope that our updated calendar gives flexibility to retailer budgets.

WWD: What about pre-fall?

L.H.: We have had some requests to cancel pre-fall and fall, and we are trying

to work with retailers as much as we can to minimize, since we have already invested significantly in these collections. Our position on pre-fall is that you placed the orders, we produced it, and it's ready to be shipped. With fall, which is becoming the first delivery of traditional pre-spring, we have some flexibility. We're allowing retailers a reduction of 20 to 30 percent of their season without having to cancel orders.

WWD: By shifting deliveries, fall will be in store in cold-weather months, and you'll have the benefit of the long spring selling season.

J.M.: It will deliver more true to what the season is, which is something people were talking about way before the shutdown. Pre-spring is normally 70 percent of our spring business. We still plan to do a June market, but a much smaller collection, a single delivery in November/December. We'll show whatever method we can. We're planning for virtual, but could potentially open the showroom to New York buyers pending government direction.

It's obviously contingent on when things open back up. The pre-spring collection ▶



Backstage at Proenza Schouler for fall.

was in the works before this lockdown went into place. Fabrics were ordered; the bulk of the collection was already designed. So it's about shrinking that down. Then, it's a matter of when things open back up and we can get our atelier running and start making samples.

WWD: One more season. You seem to be conflicted about spring.

J.M.: We are planning to design a spring 2021 collection, which will [be] deliver[ed] in January/February/March. The market could potentially be in August to accommodate the January ship window, but our plans for a presentation format in September are still in flux.

WWD: You mentioned the atelier. No one's working from home, I assume.

L.H.: They're at home. We're hoping that within a month's time, if we can get back into the office, we can get back to some sort of work in the atelier by mid-May –

J.M.: I have a feeling it won't go from not working to full-on working, that it will be a slower transition. But hopefully, in May we'll get to the point where 25 percent of the workforce will be allowed back in, and we'll prioritize who those people are.

On a business level, we've been very effective working from home. Like Lazaro said, Zoom has been our friend. It's the more 3-D stuff, the design stuff, the more tactile things that are harder to do remotely, like designing, draping, making samples. That's the task that we'd prioritize, if offices can open with 25 percent of their workforce.

WWD: Where are you on fall production?

L.H.: That's what we're turning into pre-spring. We've submitted orders based on what the retailers sent to us after the show and after Paris market. We've cut that a little bit, maybe 20 percent, and we're producing [the 80 percent]. It hasn't started per se because Italy is closed, and most of our fabrics are Italian. That's why it makes sense to just turn that into pre-spring, to push it forward....It makes so much sense to deliver that in November rather than a pre-spring collection, when it's still the beginning of the cold season.

WWD: What do you think about the long-term impact of this shutdown on the show system?

L.H.: The show system already felt a little antiquated. I think this coronavirus is just going to accelerate all of those things people have been feeling for some time. Will people want to travel around all year long, going to shows all around the world and staying at a hotel where someone slept in the same bed the night before? This is going to change the way people do things. We're talking about spring right now, but I'm curious to see how it's going to shift things overall.

J.M.: What do you think, Bridget?

WWD: I'll miss the shows. Yes, there are way too many shows today, and many don't say much. But when you see that wonderful point of creation, there's nothing like it. So I think something will be lost creatively. There are certainly other methods of communication that are far more efficient. But I'll miss that rush brought on by an amazing, one-time-only show.

L.H.: Totally. We're romantic in that way, too. We believe in the old-school system, the beauty and the artistry of that. At the same time, for a smaller, independent brand like ours, we've been thinking for a while, how important is the show, given the expense and the stress. Maybe it's great, but not every single season. Maybe it's when you have something really special to say. We don't have the answers, but we've been questioning the idea of a show for a while now.

J.M.: What we're questioning right now even more than a show, is the product. What product feels right moving into this new era? I think the type of product that will resonate with people will be product with a backstory. Things that feel enduring will have more power than things that feel disposable or even seasonal. That isn't a new concept, but somehow it feels that much more important moving forward.

WWD: It's heightened.

J.M.: Fashion needs that emotional connection more than ever moving forward.

WWD: To that end, I wonder what the consumer spending mind-set will be. And the getting-dressed mind-set. Will we feel even more drawn to yoga pants and sweats because we've been wearing them for so long, or will we be dying to feel that personal rush of dressing up?

L.H.: We were talking about that yesterday. It's been nice to be comfortable in sweatpants and a sweatshirt. Everyone loves feeling comfortable. That's going to remain.

I think people will still want to dress up and feel presentable and professional, and still feel luxe. All of those things will still exist, because that's human nature. It's just going to be in a much more casual vibe. I don't think there will be blatant logo mania; it's not going to be about [flaunting] a crocodile handbag. It's going to go back to the postrecession world where things felt more discreet, definitely luxurious but not so bling-y, not so logo-y or loud...we love that. For us, that's true elegance.

WWD: The clothes that feel enduring will resonate.

L.H.: And maybe things that have some sort of social message. If you're going to pay a lot of money for something, if it has a greater good, if it connects to a greater cause, maybe that's going to make you feel better buying it, perhaps.

WWD: How do you express that?

L.H.: We're exploring sustainable fabrics and recycled yarns. We're going into our vast archive of fabrics and taking some of that, like why buy all new fabric? We have a warehouse full of fabrics. Why don't we go into that and stop buying so many new fabrics, and maybe shred some fabrics and reweave them and do tweeds.

Why don't we use what we have and try to approach this in a calmer, more sustainable way, a way that doesn't require people flying to Italy five times to get a fabric color just right? All those processes just feel wasteful now. So much money spent, so much time, so much human travel. Isn't there a way of doing things that feels more intimate, more local, more artisanal, just a little more caring to the world, to the environment?

We also may go back to some old patterns, some of the beautiful things we've done in the past. We may redo them and give them a new life instead of throwing it all away every season and starting from scratch. That mentality feels so old.

WWD: You're sounding very Stella McCartney. What you're saying is core to her ethos.

L.H.: It just makes sense. That's the thing about a show. We love a show because that's the world we come from. But you're putting your work in front of an audience of professionals who have seen it all, so you have to "wow" them. That's the point of a show. [The audience] has seen everything that has ever happened on the runway, so you have to do something new to impress the press.

To do that, you have to throw everything away and do something that you've never seen before. Maybe it's not about that anymore, radically rethinking every season, season after season after season, and creating this hamster wheel. Maybe it's a slower burn. That's what we hear from our customers – slower fashion. And we're rethinking the presentation of that.

WWD: We've all been saying that for so long. It's incredible that it has taken a worldwide cataclysmic event to make it maybe start to happen.

J.M.: I think there's going to be a huge shift. I feel like life as we know it is kind of over; it feels like the end of an era. But we're both optimistic that the industry's focus will change for the better. I'm hopeful that we will all reprioritize our approach with more meaning, more emotion, more sensitivity. It's been desperate for a shift for a long time and this was a forced shift.

L.H.: We saw the Margiela documentary. Some of those Nineties shows that were in a showroom; it was more intimate. It felt so romantic, and it feels so right again. That first Hermès show Margiela did, how amazing that it was in the Hermès store. There was a small audience of professionals who had to be there. It wasn't a blogosphere or that sort of thing. It was just buyers and important press and that's it.

WWD: You guys are too young, but Calvin and Donna used to show in their showrooms.

J.M.: And Helmut. Helmut would show in his store sometimes as well, right?

L.H.: We have a big store in SoHo, a big, long space. We've considered doing little presentations at the store every couple of seasons, or during pre-collections. Whatever.

J.M.: Thinking about September, maybe we just have 50 people, or we have a couple shows with 50 people at each show, small and intimate, and half the number of models, half the number of looks. Something between the [runway]

shows we were having and the [showroom] presentations we do during pre-collection. At least for the time being, that's what makes the most sense.

WWD: Show costs are overwhelming for independent brands, and you're up against the might of the megabrand shows, the LVMH and Kering extravaganzas.

J.M.: There's business ramifications to playing the game of Kering and LVMH for a brand like ours, without the resources to play that game. A lot of people like us have gotten into trouble trying to be [like] an LVMH brand, trying to be [like] a Kering brand, having these shows and doing all these things that Kering and LVMH [brands] do because they can afford to.

We try to play their game and we go bankrupt trying to play that game because we can't afford that game. Maybe the answer is to play our game that has nothing to do with their game. And save money doing it. Spend less money doing it our own way, whatever makes sense for us, and understanding that the game that they play is a totally different game. That's cool and valid; that's their thing. Maybe we should do our own thing. American fashion is in a different place. We're not part of this European conglomerate story, and maybe we have to create our own system that works for us.

WWD: To that end, do you think that the CFDA has been misdirected in its efforts these past 15 or 20 years?

L.H.: We have a lot of love for the CFDA; we started our careers through them. They introduced us to Barneys, who bought our senior collection. So from Peter Arnold on we've had so much love for them. The CFDA/Vogue Fashion Fund, we were the first ones to win that. They've always been super supportive. And they do a great job of trying to keep a community of designers talking to one another. When we've had questions, perhaps on some stimulus money situations, we've asked them what other people are doing, and they've been very forthright with their answers. They've been great. ▶

Barneys Proenza capsule collection.



WWD: Are you talking to other designers?

L.H.: There's a community of people who are talking all the time. Tory Burch has been amazing. Mary-Kate and Ashley Olsen and the two of us, we've been on the phone every other day talking about what we're all doing for our companies. It's created this camaraderie amongst designers. It's really nice. We're all competitors, but we've all gotten together, exchanging notes and rooting for one another.

WWD: Many independent designers these days are talking about a heightened sense of community.

L.H.: That's the power of the [major] European brands. They're owned by a mother company, a father company. They can be stronger as individuals because they share back-of-house resources. A lot of American vendors, we're all individual and we're all siloed. We share no resources. We all do everything on our own. There's a lot of duplication of resources. We can band together and share resources. We're more competitive as a group than as individuals competing against each other.

WWD: So you think of community not only philosophically, but pragmatically, including the sharing of resources.

L.H.: Yes. Warehouses, ad buys, things of that nature, the same things that the big guys do as a group, why can't we do it as a community? I don't know what the answer to that is, but it would be game-changing if we could figure out how to do that.

WWD: Tory has been amazing in what way?

L.H.: She's just been so available to all of us. We've been talking to her a lot. She has a lot of connections to the government. She's been speaking to [Sen. Charles] Schumer and to [New York Gov. Andrew] Cuomo.

WWD: And to [U.S. Treasury Secretary] Steven Mnuchin.

L.H.: To all those guys. She's been lobbying for fashion's place in this situation. She has their ear, and she has been so supportive in fighting for our causes, which is awesome.

WWD: You mentioned the government stimulus. Have you applied for one of the small business loans?

J.M.: We're weighing out all our options right now, and just seeing what's available. But no definitive moves on that. We're talking about it, as part of the bigger financial conversation.

WWD: Are you going to apply to the CFDA/Vogue Relief Fund, or have you?

L.H.: No, I don't think so. I think that money is better spent with younger people where \$100,000 means a lot.

WWD: Are you optimistic for your own company and for the industry in general?

J.M.: It's going to be a rough year-and-a-half. I feel like the world is not going to come back to normal until fall of 2021, which is probably when a vaccine for this coronavirus will come out. People are going to be uneasy until that happens. But we are optimistic that a lot of positive change will come out of all this.

L.H.: Our fear is that this community of smaller designers will be decimated. A lot of people won't be able to survive this; that's our biggest fear. [Independent designers] add so much texture and so much diversity to the landscape of global fashion. If that part of the industry disappears, what will that do for diversity? It will be horrible.

We urge all the retailers to really, really get behind the small guys, the fragile guys. When they're looking at what to cut from



Pre-fall 2020

A, B and C, to be gentle on the smaller guys. Cutting 30 percent from an LVMH brand versus cutting 30 percent from an independent designer, that means two very different things. They can't blanket-cut equally across the board; it's got to be a more nuanced approach. They should consider the company they're cutting from, and what its situation is.

J.M.: Also the big conglomerate brands have so many of their own stores, a lot of direct-to-consumer. Many independent brands like us rely so much on retailers; it's a huge portion of our business. It's more important than ever that they support us through this whole transition for us to stay afloat.

The huge brands – they're great. It's like Coca-Cola or Home Depot. But it's really nice to have your local hardware shop, too, something a little more intimate with a little more sense of community around it.

We don't want the Amazon-ification of the world to also include fashion. If it's just LVMH and Kering, at the end of the day that's just going to be a very sad landscape.

WWD: Speaking of Amazon-ification, this has been yet another blow to physical retail.

J.M.: Obviously, this has turned the customer toward a purely digital landscape. If they're spending any money at all, it's online. The world has been heading in that direction for a while, and this coronavirus has accelerated that. That said, I think ultimately, people crave human interaction. I'm curious to see how all of that shifts when we get out of this, on the other side.

L.H.: Innately, we crave human interaction; we crave intimacy. But at the same time, we fear for our safety; that's our number-one concern as humans. Seeing how those dueling forces play out – wanting to hang around with people but also being scared of people. How that tension resolves itself is going to be interesting to see over the course of time.

WWD: There are so many levels to this. That's the primal one: self-protection versus the need for human contact.

J.M.: So how does that [conflict] work itself out? Perhaps people are going to

communicate more digitally. We have actually been super-social the last few weeks. We're on constant Zoom calls, constant FaceTime. I've spoken to more people these last five weeks than I have in the whole year prior, weirdly. We have been more social, but haven't seen a single person [in person], so that's sort of an oxymoron.

I don't know where fashion falls into that...

WWD: Let's go back to fashion, and doing things to protect the business short-term. Tell me about your online archive sale.

L.H.: We've had to create initiatives within this period. We've been super lucky in that our DC, our distribution center, also distributes essential products, so it can be open. We had all this inventory sitting in the warehouse from prior seasons. So we thought, let's upload it to the web site and sell that. It finished April 19. It was three seasons' worth of overproduced goods, or returns or whatever, and it did really, really well. We are up to plan for the year so far on our e-commerce.

WWD: And you launched the Birkenstock collaboration.

J.M.: It's a little frustrating that the collaboration had to be launched during this time. But it is a Birkenstock collaboration, Lazaro and I have both been wearing Birkenstocks every day for the last five weeks, so it is kind of the perfect product to be selling right now.

L.H.: It's a low price point, and it's emotional. We're almost sold out through our web site.

WWD: Is anything else selling?

J.M.: We've been selling a lot of White Label, which is the more casual component of the main line. That kind of product has more relevance in a shutdown. The sad part is that our



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e-comm is not a big chunk of our overall business. It's making its numbers as an entity, which is great. But that entity is a small percentage of the whole. It's not making up for the fact that Saks, Neiman's, Nordstrom and Bergdorf's are all shut down, not to mention Bon Marché and Selfridges and other places.

L.H.: On top of that, a large percentage of our business is boutique business, and are these boutiques going to come out of this? A lot of them may go out of business after this whole thing.

WWD: The majors are not doing so sparkingly well, either.

J.M.: I know. What's the latest with Neiman's?

WWD: The [bankruptcy] filing has been imminent for weeks.

J.M.: Our feeling is with Neiman's, it's just to restructure their debt. They're not going to liquidate like Barneys. They're going to keep going; they're just going to figure out new payment terms for their debt. It's just this big debt load that they have a hard time paying down. We feel very confident and optimistic about our future with Neiman Marcus. Interesting times. Interesting times, indeed.

WWD: Interesting times indeed.

J.M.: For us, it's just been one day at a time. We have no crystal ball. This is so unprecedented, you can't base [strategy] off of anything historical. You've just got to take one step at a time. You've just got to plan season to season, month to month, day by day. You can't look too far into the future. ■

NRF Launches 'Operation Open Doors'

CONTINUED FROM PAGE 1

really twofold – to develop the guidelines to help inform retailers and other businesses as they reopen their businesses and learn from those that are already open, and secondly, to really engage the members in the process,” Matt Shay, president and chief executive officer of the NRF, told WWD on Monday.

“We’ve been working on this for weeks, and officially launched working groups one week ago today,” for health and safety; people and personnel; logistics and supply chain, and litigation and liability, Shay said. “A great deal of time and attention has been focused on the health and safety piece, but the other three groups are important, too, and it’s all applicable to both those businesses that have been opened and those not opened.”

Operation Open Doors is providing guidelines and recommendations for brick-and-mortar locations, distribution centers, as well as for the back office environments. “It reflects interests for a whole range of practices and operations retailers are involved in,” said Shay. “We really wanted to create a program that would engage retailers and all parts of their businesses. It’s a single resource applicable to retailers of all sizes and categories. There is no playbook for this. Everyone is learning from everyone else.”

Shay said the NRF is working closely with governors and mayors “so we can avoid the inconsistent applications and substantial variances that have been noticed at certain retailers. The inconsistencies is one of the potential impediments to opening the economy efficiently,” Shay said.

Inconsistencies have revolved around the use of PPE for customers and employees, hours of operations, regulating traffic into the stores, and other issues.

“Our goal is to be sure we don’t repeat these inconsistencies,” said Shay.

In a letter to President Donald Trump and other administration officials and politicians revealing Operation Open Doors and expressing concerns, Shay wrote: “Reopening the retail sector and putting our economy back on track will require a gradual, phased-in approach. The smart, iterative strategies our members are building will help guide policymakers and business leaders through dozens of critical topics as we work to restore the American economy.

“Consistent guidelines across all levels of government – without over-burdensome regulatory schemes – are critical,” Shay



Many big retailers, including Macy's, have closed their stores and furloughed workers in the coronavirus shutdown.

wrote. “As a community, retailers are preparing for new processes, consumer behaviors and legal requirements or restrictions, where there was once no playbook. Our country must not allow a lack of resources, regulations that are not fit-for-purpose, and the fear of litigation to delay efforts to return to work and live safely and sustainably.”

Shay also noted that retail is the nation’s largest private-sector employer, contributing \$3.9 trillion to annual GDP and supporting one in four U.S. jobs, or 52 million working Americans.

“The U.S. economy entered the COVID-19 pandemic with sound fundamentals on the heels of a record-breaking economic expansion,” Shay wrote. “Annual retail sales grew steadily over the past decade, with record retail sales during the 2019 calendar year and holiday seasons, and the Dow Jones Retail Index consistently outperformed the Dow Jones Industrials. Retailers are essential to the successful reopening of our economy and an eventual return to normal ways of life.”

Shay added that NRF’s retail leaders are primarily focused on customer safety, employee safety, and store and facility environment safety. “Consistent guidelines across all levels of government – without overburdensome regulatory schemes – are critical.”

In the letter, Shay advocated for social distancing and hygiene and encouraged “initial deployment of the minimal number of employees necessary to maintain physical distancing, fulfill customer orders and conduct government-recommended

sanitization of high-contact areas. Retail workers will also prepare stores with signage, markings, plexiglass shields, audible announcements and/or other methods, as dictated by each store format, to support customer compliance of social distancing requirements. Standards temporarily limiting occupancy for customers based on total square footage and the National Fire Code may also be necessary.”

On personal protective equipment, Shay wrote, “As public health professionals recommend broader use of PPE such as face coverings or gloves, we recommend governments provide flexibility, especially as employers and customers navigate equipment shortages. Retailers intend to provide, and many already are providing, PPE in line with CDC guidance for their employees’ protection, but continued shortages are likely to hamper their efforts. As retailers endeavor to protect their employees and customers through use of PPE, similar responsibility should be incumbent upon Americans in public spaces while shopping.”

On health screenings and COVID-19 testing, Shay warned, “Like PPE, thermometers and diagnostic tests are in short supply. Federally consistent guidance, standardization of testing protocols and uniform documentation for employers will be critical to success. It will also take time to acquire equipment and establish protocols.

“As a community, retailers are preparing for new processes, consumer behaviors and legal requirements or restrictions, where there was once no playbook. Our country must not allow a lack of resources, regulations that are not fit-for-purpose, and the fear of litigation to delay efforts to return to work and live safely and sustainably,” Shay concluded.

Of the states that had ordered stores to close, South Carolina and Georgia led the way last week in allowing retailers to reopen, while Oklahoma and Alaska soon followed. On Monday, Tennessee, Montana and Mississippi also allowed stores to reopen. However, in all cases there are severe restrictions on the hours, the number of customers allowed into stores at a time and the type of PPE required to be worn by both shoppers and staff.

Belk said last week that its stores in South Carolina and Arkansas would reopen May 1 based on geographical area and on local and state restrictions. “To help protect our Belk community, we are following all recommended precautions from local health officials and the CDC [Centers for Disease Control and

Prevention] as we begin the reopening process,” the company said. “Stores will begin by opening from 12 p.m. to 6 p.m. and we will be limiting the number of people in the store to ensure social-distancing standards are observed. We recently launched curbside pickup at select stores, including all stores that will be open in May, which offers an additional limited contact shopping option.”

Other national retailers, however, including Macy’s Inc., have said they have no plans to reopen in those states for the time being given the continuing high number of cases of the coronavirus.

Further indicating the many different paths companies are taking regarding the reopenings, VF Corp. on Monday said that while it is getting ready “a careful and coordinated strategy for reopening stores,” it was further extending full pay and benefits to all its retail employees in North America and Mexico through May 30.

Meanwhile, it will increase pay through July 30 for its North American distribution warehouse workers.

In addition, VF is increasing pay through July for our U.S. and Canada distribution center associates who continue to enable our brands and businesses to serve our consumers and e-commerce business.

“As we plan for the eventual reopening of select offices and retail locations, we remain cautiously optimistic,” the company said in a statement. “We will only proceed with our reopening plans in locations where we can ensure a safe and healthy return for our employees and consumers.”

Late Monday, President Trump touted signs of progress in the fight against COVID-19 and addressed the nation alongside key retail leaders, who are helping to ramp up the testing capacity seen as crucial to reopening businesses.

“There’s a hunger for getting our country back and it’s happening,” said Trump from the White House’s Rose Garden with executives from Walmart Inc., Walgreens, CVS and others. “We want to get our country open and testing is not going to be a problem at all.”

Doug McMillon, ceo of Walmart, introduced himself as “a Walmart associate” and said the company has opened up 20 testing sites and would expand that to 100 sites by the end of May. The company said it can administer 20,000 tests a week once 100 sites are up and running. The ceo also gave a shout-out to the company’s apparel team, which procured 2.5 million surgical gowns for the COVID-19 fight this month and will have another six million by the end of next month.



BUSINESS

Catering to Pregnant Women Amid COVID-19

- Destination Maternity's two brands play in a niche that's less impacted by the health crisis.

BY DAVID MOIN

In a health crisis that's pummeled fashion retailers, Destination Maternity Corp. has a better path.

The corporation's two brands, Motherhood Maternity and A Pea in the Pod, sell maternity and nursing apparel and accessories – categories that could be considered “essential” in an otherwise “nonessential” fashion industry. They both no longer operate stores, just web sites. And the offerings and messaging have been adjusted to better align with what pregnant women want and need.

“We have been really focusing on our bestsellers. They're playing well in light of everything going on right now,” Marla Ryan, president of Destination Maternity, told WWD.

“Our assortment wasn't keeping up with how our customer was shopping so we have refocused on our top products – maternity and nursing bras, sleepwear, hooded sweatshirts, leggings, knit joggers, T-shirts and jeans. “We already had the assortment there. Now we are making sure that we're messaging to those things. We are really catering to at-home, comfort, soft-dressing needs, essentials and basics, items with less try-on challenges, and we make sure we are in stock, able to service our customers. We are really pleased with the conversion rate. She's putting more things in her basket.” Only dresses were cited as not selling as well, with women sheltering in. Motherhood Maternity offers private-label essentials, while A Pea in the Pod offers designer and brand labels such as Rachel Pally dresses, Beyond Yoga activewear, and AG and Seven For All Mankind jeans. Both brands are available online at motherhood.com or apeainthepod.com.

Four weeks ago, Motherhood Maternity launched “The Juggle Is Real,” a social-based campaign designed to help expectant women and new moms through pregnancy during the pandemic. The outbreak has created situations and challenges surrounding doctor check-ups, health concerns, Lamaze classes, giving birth, and missing out on social interactions that celebrate pregnancy milestones such as baby showers and gender-reveal parties.

“At Motherhood Maternity, our focus has always been on providing our expecting moms and new moms with apparel solutions and support from the first trimester through the fourth when she is seeking nursing and back-to-work post-pregnancy options,” said Ryan. “Today, we find ourselves in an unusual place in time, however, our customers are still having babies and continue to look to us as a trusted resource.”

She said the idea for the campaign came from expectant employees and the questions they had. “We also have many moms with young children trying to juggle it all as we have transitioned into sheltering at home, with homeschooling, working from home and overall, changing our normal routines,” said Ryan.

The company's Facebook and Instagram platforms have videos, stories, pictures and conversations ranging from virtual doctor's appointments to grocery shopping, altering birth plans, giving birth during COVID-19, postpartum isolation and working from home while have young children around. The company concluded a contest during April whereby moms-to-be submitted bump shots. The best photo of each day was chosen by the company and the winner received a Motherhood Maternity \$100 gift card and care package. “We know that women are missing special mom-to-be moments that are emotional milestones usually shared with close friends and family as their pregnancy progresses,” said Ryan.

With the campaign, “We've been getting 1,000 new followers a week on Instagram and almost as many on Facebook. Many women want to know what happens when their water breaks, is it safe at the hospital, will my boyfriend, husband or partner be with me. The thought of not having a partner in the delivery room has people just besides themselves.” The campaign has provided a forum for people to offer advice and for people to feel not alone. “It's been very helpful. It gives people a sense of calm,” Ryan said.

“It's also just a place to vent,” she added. “Women are trying to figure out how to juggle it all, providing three meals a day which everybody expects, getting the laundry done, the dishes. For a lot of women, it's been very sad staying at home, and not being able to show their bump,” in person.

Destination Maternity, based in Moorestown, N.J. was founded by Dan and Rebecca Matthias originally under the Mothers Works Inc. name. In October 2019, the company went bankrupt, and in December was purchased by Marquee Brands, which has a portfolio that includes Martha Stewart, Bruno Magli and BCBG Max Azria, among other labels. Marquee is owned by investor funds managed by Neuberger Berman. Last year, the company operated about 900 stores. During the bankruptcy, about 200 were closed and in March, the remaining stand-alone stores were liquidated. Efforts are under way to update the company's web sites to be more interactive with customer service features like live chat, virtually reality and updated sizing charts. The revised web site will roll out in a couple of months.

According to Jonathan Greller, head of strategy and corporate development at Marquee Brands, since the acquisition Destination Maternity has strived to create “engaging” experiences and strengthen bonds with customers as “a trusted resource and solutions expert....We believe



The Motherhood Maternity styles.

we are well positioned to continue to fuel future growth.” The Destination Maternity team reports to Greller.

In addition to selling online via motherhood.com and apeainthepod.com, the brands have leased shops inside Macy's, Boscov's, ByeBye Baby and also sell on Amazon. “We are looking at additional wholesale opportunities,” said Ryan. Asked if the company would ever consider a return to operating stores, Ryan replied, “I would never say never.”

There is a school of thought that the pregnancy rate could increase due to sheltering in, though it's also possible that with the economy tanking, people are worried about their jobs and financial security and may not be inclined to have children in the current climate and take on added expenses.

BUSINESS

MadaLuxe Group Taps Supplier Network for PPE

- The ceo talks off-price, excess inventory and making millions of masks to fight COVID-19.

BY DAVID MOIN

MadaLuxe Group, a family-run company that distributes luxury goods to off-pricers, luxury timepieces to regular-priced retailers and operates its own high-end off-price stores and web sites, has added PPE to its unorthodox business model.

The 10-year-old Los Angeles- and New York-based firm is tapping its network of factories to source and produce face masks, gowns and hand sanitizer for doctors, hospitals and health organizations around the U.S. “There are medical components, specifications and certifications required. A great amount of diligence and verification goes into this,” Adam Freede, cofounder, co-owner and chief executive officer of MadaLuxe Group, said in an interview.

He said MadaLuxe is sourcing from multiple factories in China for masks and gowns, and in the U.S. for the sanitizer, and working with a major manufacturing conglomerate in Hong Kong producing anything from food, to jeans to Black & Decker equipment to vet the product and insure proper specifications of

the PPE. The conglomerate provides “support on the ground,” said Freede, who cofounded MadaLuxe with his mother, Sandy Sholl, cofounder, co-owner and executive chairwoman.

For the project, MadaLuxe has created a new division called MLG Health, which Freede said he's overseeing. The division is composed of existing staff from buying, logistics, planning and operations.

MadaLuxe has delivered more than 2 million masks to health-care groups across the U.S., among them OSF HealthCare, which operates 145 locations including 14 hospitals; Franciscan Health, a health-care group with 12 hospitals and many practices in the midwest, and Northwestern Medicine, which has hundreds of locations in and around Chicago. The company said “millions more” will be delivered in the next 30 days. “We're not looking for small orders, but we are saying yes to everything,” Freede said. “We have a long list of those we are supplying and trying to help. We are not asking for deposits or payment for before delivery. We are taking care of that part of the process to de-risk it for health organizations.”

The company is supplying only FDA-approved respirator masks and surgical masks to several municipalities as well as the health-care organizations. Large

quantities of PPE are received weekly, and production time varies. Masks require three to seven days; gowns, 20 days; hand sanitizers take one to five days. Some of the production is based on orders; others are to build up a supply, much of which gets donated.

“This is not a profit center,” Freede said.

Hundreds of thousands of masks are being donated to UCLA, Mount Sinai, Cedars Sinai and OSF, and elsewhere.

With stores closed and people not shopping, “There will be more inventory than usual in the coming seasons, but there won't be panic in the luxury sector,” observed Freede. “You won't see any fire sales in the mono-brand boutiques. These brands are meticulous in their planning and their strategies, and will be really shrewd and intelligent with how they pivot their inventory. Many of these luxury brands are family controlled where cash is not an issue. They make decisions for the longer term. They don't make short-term decisions for cash or sales gains.”

He said there will be greater pressure on contemporary fashion firms to move inventory since they typically deliver 11 times a year. “The pressure for them to move inventory and get rid of it is significant. In the non-luxury sector, it will be nothing short of a bloodbath.”

“For the off-pricers that come out of the COVID-19 crisis strong enough, it will be a banner year. Bankruptcies, liquidations and store closings will pour a lot of merchandise into the off-price market.”

The three MadaLuxe Vault stores, located in Citadel in Commerce and San Clemente, Calif., and in Anthem, Ariz., are



The MadaLuxe Vault store in San Clemente, Calif.

temporarily closed, though some, not all, of the shortfall is being made up online.

“Our e-commerce has been stronger than ever since the last two and a half to three weeks, almost comparable during holiday time,” Freede said. “We are selling a lot of timepieces, sunglasses, expensive footwear and handbags. A lot of everything really, more than what I was expecting. A big part of consumers' wallet share has been going to experiences like travel and restaurants. But people can't do any of that now. So for many who still have jobs, still making money and stuck at home, there's a fervor to live their lives and buy fashion that makes you feel good. The online business is not enough to make up for our store closures, but there are some bright spots.”

How to Protect Your Company's Reputation

CONTINUED FROM PAGE 1



An Amazon delivery worker without a mask, delivering packages in New York City in April.

paying April rents. In an open letter, the sporting goods giant, whose net income was 1.91 billion euros last year, said it had paid April rents after all.

"We made a mistake and we lost a lot of trust by doing so," Adidas said. "It might take some time to win that trust back. But we will do everything to make that happen."

The cases illustrate the dangers facing apparel firms in particular, said Tim Danaher, a partner at strategic advisory firm Brunswick in London, specialized in the retail, consumer goods and real estate sectors.

"Now more than ever, doing the right thing really matters for companies in the fashion and retail sector," he said. "It matters for all companies, but for brands that consumers are familiar with and trust, there are certain expectations that come with that."

In an evolution from the last major economic downturn in 2008, companies now face intense scrutiny on social media, where bad buzz can quickly go viral. Governments and regulators are also watching to make sure companies with healthy balance sheets don't gobble up emergency aid designed to shore up more fragile firms.

"The reputational damage can be big, so now is the time for companies to think very carefully about how their actions will be received and realize that the normal rules don't apply," said Danaher.

Experts agree on a few key rules.

DON'T BE GUIDED BY FEAR

Melissa Agnes, founder and chief executive officer of the Crisis Ready Institute, said the biggest pitfall for companies is reacting from a place of fear.

"One of my favorite rules is: 'People above process and bottom line, always,'" she said. "It's where you put your priorities and how you demonstrate that in both your actions and your communications. Crisis management is always taking the right actions and simultaneously communicating effectively."

That's a rule that doesn't apply just to billionaires like Jeff Bezos and Bernard Arnault, she noted.

"If you have more ability, more capability, more resources, more

flexibility, then you're in a blessed position and absolutely, be an example and lead with foresight and compassion. That being said, it's not all on one man," Agnes said.

"Every business is a leader for somebody, whether that's their employees, whether that's their community, whether that's their client," she added. "That's how we're going to get through this together, is if every company does take responsibility and hold themselves accountable to some form of positive impact leadership."

DEFINE YOUR PURPOSE AND VALUES

Herve Carresse, director of development and senior consultant at Nitidis, a Paris-based crisis management firm, said it was crucial for firms to be clear from the start on their purpose and values.

"Crisis communication is a tool to support a strategy that really needs to be defined ahead of time," he said. "Communication must always be based on objectives, because if you don't have clear targets, then it's basically hot air."

Companies should focus on two major goals: guaranteeing business continuity, by adapting the company's operations and protecting its staff and partners, and preserving its reputation, by avoiding hasty decisions that could cause long-lasting damage.

"This situation presents both dangers and opportunities. During this period, it's important to take every measure to limit the effects of the crisis and above all, to prepare for the end of the lockdown," he said, noting that companies might use the lessons learned to adopt new management modes or implement efficiency gains.

He pointed to Sébastien Bazin, ceo of hotel group Accor, as an exemplary leader. The executive said recently that even as two-thirds of its 5,000 hotels worldwide were shut down, Accor was cutting its dividend by 25 percent and using the 70 million euros to help employees and partners in distress.

"There are two things that need to be looked at right now: how are you going to sustain yourself? And the second, what do you want to be proud of when all of this

is said and done? That's when you need to be careful not to have those knee-jerk reactions based on fear," Agnes concurred.

"It's finding that balance and making sure you're surrounding yourself with the right people, with the right experts, to help you have that clarity of mind when you're emotional in a situation," she added.

MIND PUBLIC PERCEPTION

Most companies will likely have to make some tough calls during this period, but how they handle those decisions says a lot about their culture.

Business leaders should think about how they can help mitigate those painful decisions with positive actions: for example, topping up the pay of furloughed workers, donating unsold inventories to people in need, or joining cross-industry initiatives to help their partners.

A case in point is paying suppliers. Early during France's lockdown, Printemps was singled out by French Finance Minister Bruno Le Maire on Twitter after suspending all outstanding payments to suppliers. The Qatari-owned retailer was forced to backtrack, clarifying the measure was temporary.

Meanwhile, Primark recently agreed to pay an extra 370 million pounds to suppliers for product that was already in production and due for delivery by April 17, after initially canceling orders and refusing to pay for some goods already being manufactured.

"The smart people are thinking at the same time, 'How can I do the right thing as a business to support the national effort in the countries that I operate from?' So there are ways in which companies can mitigate the difficult decisions and try to use their scale and their influence for good," said Danaher.

"I would say the thing to do is not just take, it's to give back as well," he added.

COMMUNICATE SOBERLY

The luxury industry has established itself as a global leader in the crisis by mobilizing vast resources to produce or supply emergency medical equipment, from masks and hand sanitizer gel to

respirators and 3-D printers. Publicizing those initiatives is broadly seen as a positive for brands – but beware of hollow cause-based marketing.

"Companies shouldn't see the positive things that they are doing in this crisis as p.r.," warned Danaher. "The reason to communicate it is so that your stakeholders understand what you're doing and those stakeholders can be very broad."

Companies should be mindful that many of these stakeholders, including staff and suppliers, are likely feeling pain right now.

"Say what you need to say but don't labor the point, don't make a big deal of it," he recommended. "Communicating on what you're doing in a factual, measured way is appropriate, but this is not a time for gratuitous self-promotion and I think companies that will do that will regret it and it will backfire."

Nacima Ourahmoune, associate professor of marketing at Kedge Business School in France, noted that multinationals are filling a void left by a decline in public trust in governments. She cited the strategy of sector leader LVMH Moët Hennessy Louis Vuitton, based on its long-standing culture of entrepreneurship.

"The international resources mobilized by the group are comparable to those of a state. Through its quick and agile strategic decision-making and mastery of its supply chain, the group marks minds and thus gains international visibility," she said in a recent article.

While some may question the ulterior motives of companies mobilizing production facilities to make masks and other medical supplies, firms can weather criticism provided they remain true to their values, Agnes said.

"One of my formulas for responding to controversy is gathering the facts, making a decision in alignment with your values, and then communicating that in a very concise, short, emotionally intelligent way," she said.

"If you made the right decision for your brand, in alignment with your values, then it doesn't really matter if people disagree, because you're doing what's right by you and by your people," she added.

How a company behaves during the crisis can even burnish a tattered reputation – up to a point, said Carresse.

"It's difficult to paint yourself suddenly as a knight in shining armor during the crisis if you've been disparaged for years before that," he noted. "But you can very well improve your reputation by stepping up to the plate and showing that you're ready to sacrifice personal interest for the greater good."

IMAGINE THE FUTURE

Finally, don't just plan for immediate contingencies. Reputation management rests on four pillars, according to Carresse: maintaining the confidence of your stakeholders; reassuring your staff and partners; being empathetic, and projecting yourself into the future.

"You have to avoid getting bogged down in a technical approach to your business and have a more holistic vision," he recommended.

Companies will need to manage the long-term aftershocks of the crisis, once government support measures are phased out, said Concetta Lanciaux, luxury goods consultant and former senior adviser to Bernard Arnault at LVMH.

"People don't want to be treated like kings during the crisis and then find themselves unemployed afterward. You have to find a balance between the two, especially for small companies," she said.

"Reputations are easy to build and easy to destroy. In the next few months, it will be just as important for the reputation of companies that their employees have jobs to return to," she said.



How To Steal A Million - 1966



Danielle Frankel

Street style at New York Fashion Week.



Tom Ford Men's



Yuhan Wang



Paco Rabanne



Shrimps



CLEAN SLATE

Monochromatic white looks present a hope of new beginnings.

Frankel photograph by Zach Hilly/BFA.com; Street style by Stéphane Feugère; Rabanne by Delphine Achard; Wang by Aitor Rosés Suredé; Movie still by 20th Century Fox/Kobal/Shutterstock

FEEL GOOD FASHION



Hermína Athens

Sarah Margaret Qualley wearing Giambattista Valli.



Maticovski dress

[CLICK HERE](#)
for the Feel Good Fashion:
New Beginnings Shop Guide

Lanvin photograph by Vanni Bassetti; Emma by David Appleby/Matchmaker/Miramax/Kobal/Shutterstock; Quadley by Matt Baran/Shutterstock; Philosophy by Altar Rosés Surfé; Anderson by Giovanni Giannoni



Prada



Margot Robbie wearing Chanel.

Moncler 6 1017 Alyx 9SM



Aniye By



Viktor & Rolf Mariage



Street style at Paris Fashion Week.

FEEL GOOD FASHION



Altuzarra



Palomo Spain Men's



Lein

Street style at Paris Fashion Week.



Bella Hadid wearing Dior.



Emilio Pucci

BUSINESS

VR Thrust Into Spotlight Amid Pandemic

● But can the tech world capitalize on it? NYFW brands waylaid by the coronavirus era aren't waiting to find out.

BY ADRIANA LEE

The coronavirus crisis has clearly stoked interest in virtual reality, as brands flock to digital tools in the face of lockdowns and shelter-at-home orders.

Among the latest to join the ranks are brands affiliated with New York Fashion Week. Dozens of these labels are looking to go beyond social commerce or a mere livestream, hoping to deliver immersive, evocative experiences that can mirror the real thing.

They may have found the answer in the form of Youcan, a San Francisco-based virtual reality company that touts the ability to re-create real-world stores in VR.

According to Youcan chief executive officer and founder Antonio Trincão, he's nearing deals with as many as 65 brands on new digital pop-up stores, and others are in the works for VR fashion runway shows and longer-term VR setups.

"We've already got two customers for New York Fashion Week that are using our technology," Trincão told WWD. "They want to replicate the pop-up store and events and the physical space in a virtual format, and sell clothes in this new way instead of selling through an e-commerce platform."

What separates Trincão's work from traditional notions of VR is that it works in a web browser. So while it's viewable in a headset, it doesn't require one.

That's no small consideration, considering that the face gear has posed as much of an obstacle to VR's ascendance as a facilitator.

VR'S PROMISE

Virtual reality has been on a slow burn for years, as tech makers worked on refining their hardware and software. They know that asking people to slap on huge, expensive goggles is not easy. But neither is figuring out how to cut the cables and shrink components without losing quality or incurring massive costs.

Consumer adoption hinges on solving these sorts of issues. Last year, Facebook-owned VR company Oculus appeared to make significant progress with its Oculus Quest – a cable-free headset that allows users to walk around in VR environments.

While the company hasn't disclosed sales figures, the device – which was priced at \$399 for the base model – sold out across many retail channels during the 2019 holiday season. Independent sellers in places like eBay, Craigslist and other outlets began offering them at two, three and even four times the original retail price.

Today, devices like Oculus Quest seem perfectly matched for the COVID-19-induced quarantine, as people stuck at home reach out for entertainment and shared experiences.

"We're really glad to see how people are using VR to stay entertained, connected and active during this time of physical distancing," Isabel Tewes, product manager of AR/VR at Facebook, told WWD. She's seen people flocking



Youcan is working on deals with dozens of NYFW brands for VR pop-up stores.

to fitness apps, multiplayer games or virtually touring the world with travel apps.

"VR is helping people get work done, too," she said. "From remote training to 'in-person' meetings with colleagues in London or other parts of California, where people can't travel."

A Facebook spokeswoman also noted that people are turning to various tech for e-commerce. "Another interesting trend is how people continue to use AR [augmented reality] to try on or play with virtual items before they buy, which helps to bridge the gap while we can't go shopping physically," she added.

AR and VR technologies are often discussed in the same breath, but they offer different use cases.

AR puts a layer of visuals or information of the real world via smart glasses or a smartphone's camera view – like a Snapchat filter or a Modiface makeup try-on over a selfie, or a Wayfair couch placed in a room. VR is a more immersive proposition involving 360-degree videos or fully created digital environments.

In fashion, some tech-forward brands and retail platforms – from Levi's to Shopify – have been watching both technologies closely for quite some time.

"If you take it back to online shopping specifically for denim, we know that the number-one barrier to purchase is concern around fit and style. So, 'Will this fit me? Does this match my style?'" Brady Stewart, senior vice president of America's digital for Levi Strauss & Co., explained to WWD. "Augmented reality and virtual reality are going to continue to be incredibly important there in helping to remove barriers to purchase and get consumers more comfortable with what they buy."

At Shopify, exploring VR was such a priority that the company started a team dedicated to it.

"Our team was initially called the VR team," said Daniel Beauchamp, Shopify's head of virtual reality and augmented reality, about the group he launched in 2015. "Our sole focus was around virtual reality. And the reason why we weren't focused on AR at the time was that smartphones didn't have the capability to provide AR experiences like they can today...so VR was actually the first area that we focused a lot in, and we still to this day do explorations within VR commerce."

But experimentation with the tech has begun looking more like an imperative, as consumer demand and retail interest during the COVID-19 crisis converge. It is a rough stage, but it appears to be set for VR to finally realize its potential.

Unfortunately, the

coronavirus has hobbled global production pipelines for gadgets.

VR'S CHALLENGE

As recently as March, Beauchamp acknowledged that VR commerce was still a bit too early. "From a market perspective, it is still limited by the devices that are out there," he said.

Indeed, Oculus is revving its engines to generate supply during the pandemic. "Now, we're just working hard to get VR into more people's hands, so the distances between us will feel just a bit smaller," said Facebook's Tewes.

That's no small feat.

Like with fashion, a vast proportion of consumer tech products rely on factories in China and other Southeast Asian regions. Manufacturing is the backbone of China's economy, and its National Bureau of Statistics announced that between January and March, the nation's economy shrank a whopping 6.8 percent.

These factories have started recovering, but those effects have created major issues for everything from availability of Apple iPhones to VR headsets.

"How are you gonna get VR out to Joe and Jane Smith in Main Street, USA? You can't – Oculus Quest is sold out," said Ramon Llamas, research director on the devices and displays team at research firm IDC. "It's probably going to be sold out for the next couple of quarters, or a month at the very least."

IDC's latest report on market impacts on the augmented and virtual reality sectors illustrates the challenge VR has in gaining wider adoption.

According to the firm, VR headset shipments are set to drop, because of COVID-19-related production disruptions. IDC forecasts a year-over-year decline of 10.5 percent in the first quarter of 2020, followed by a 24.1 percent decline in the second quarter.

And although tech companies like Oculus may note the rise in interest from sectors like retail, it hasn't focused on developing targeted commerce tools to support it.

The other issue is that, while some brands see virtual experiences as crucial right now, not all of them are convinced.

"At this moment we are more focused on the immediate needs of our customers – giving back to them and making the process as light and easy as possible," Felipe Araujo, former senior director of e-commerce at DVF Studio and chief digital officer of footwear brand Cariuma. Those efforts include offering extended return windows, free and fast delivery, flexible payment methods and creating content. But not VR.

"We do think that in the long term, shopping behaviors and experience on and off-line will have to evolve," he said. "[Still,] we believe that touching the physical product is an experience that can never be replaced."

It's a sentiment shared by many in the fashion industry. What's less evident is how long it may last. One effect of the pandemic is that it's accelerating tech adoption, forcing decisions that otherwise would have come years down the line.

As for the looming downturn in VR shipments, it may complicate matters, but only in the short term. IDC expects a rebound in the second half of the year to the tune of nearly 7.1 million total shipments for the year, up 23.6 percent from 2019.

THE ROAD AHEAD FOR VR

Bolstered by the experience of working with the Panama government on economic recovery and the credibility gained from re-creating Dolce & Gabbana's store in VR – a project set to launch sometime this month – Youcan has its eye on extending its proprietary WebVR technology to other corners of the fashion world.

WebVR, as a general term, is not new. Companies like Mozilla have been working on their own versions – though in the case of its Firefox-based tech, the browser-based development is still intended for viewing inside of headsets.

Youcan's version of WebVR is different. It allows shoppers to browse a virtual store using desktop or mobile web browsers. Those virtual spaces are intended to mimic the experience of walking through a shop, complete with departments and merchandise racks. According to Trincão, the company is focused on making the experience as realistic as possible.

The shopper can roam around and, if interested, click on an item to reveal an online product page to purchase.

The company creates and customizes the scene, and because it designs everything, it has control over the quality of the experience, Trincão said.

It's a marriage of physical and digital shopping that, if successful, could be more immersive and engaging than looking at static images on a web page. Plus, there's no commercial lease. Youcan structures the arrangements as flat fees, a cut of sales or other terms, depending on the needs of the retailer. And, the CEO added, it has no current plans to hold onto the data, like Amazon.

"Macy's, luxury brands, they are being eaten by online platforms," he said. "And then because they don't have also the ability to drive too many clients to physical spaces, the cost of real estate is huge. So, for example, Macy's already strategized to close a lot of stores nationwide in the U.S. because of the cost of retail."

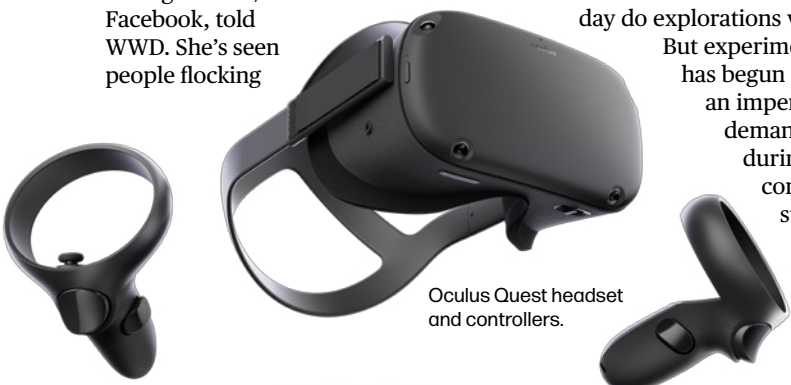
"If Macy's is able to deliver the same in-person experience virtually, it's huge. They can grow to thousands of shoppers every day," he continued. "And they are not stuck to Amazon anymore, because they can have their own innovative virtual environment."

Trincão wouldn't say if Macy's is one of the nearly three dozen deals that he has in the works. For now, he would only say that his near-term focus is on brands sidelined by NYFW's scuttled plans, as well as fashion events and other projects spanning pop-ups, stores and malls across designer and luxury categories.

Longer-term, the company is interested in fleshing out more of the VR proposition. And some of those plans even include a headset – Trincão is accepting preorders for a pair of sleek, futuristic-looking goggles that can externally display what the user is seeing in VR.

The concept art looks far slimmer than standard VR headsets, approaching smart glasses territory. It's not clear if the tech works as well as a full-fledged Oculus Quest, but that's not the point.

If it can squeeze a decent enough experience into a small factor and offer a robust shopping platform backed by some of retail's best names, then it has a chance of accomplishing something Oculus hasn't yet – broader mainstream adoption.



Oculus Quest headset and controllers.

CEO Talks

Lazada's Pierre Poignant on E-commerce During COVID-19

The ceo of one of Southeast Asia's largest online platforms talks about coping with changes in demand and how he sees the market evolving. BY NYIMA PRATTEN

Pierre Poignant is an original "Lazadian" and one of the founding members of the company when it was set up by German group Rocket Internet in 2012.

Lazada is one of Southeast Asia's biggest e-commerce platforms, yet when the company was founded, e-commerce was in its infancy, especially in the developing region of Southeast Asia. The company now covers six countries in the region, serving a diverse range of customers across different cultures, ethnicities and religions. In 2016, Chinese e-commerce giant Alibaba acquired a controlling stake in the Southeast Asian e-commerce platform, and has invested \$4 billion in its southern subsidiary. As the company restructured after the Alibaba buyout, Poignant's star rose. First joining as the chief operations officer and cofounder, he initially cut his teeth in the logistics side of the business, but, by the end of 2018, he was installed as chief executive officer.

Southeast Asia is now one of the fastest-growing regions in the world. Its digital economy is a hotly contested market, with both international e-commerce giants and nimble homegrown players battling it out for market share. Last year the region's Internet economy crossed the \$100 billion mark, and it is expected to triple to \$300 billion by 2025, according to a report by Google, Temasek, and Bain & Company. The study showed that Southeast Asia is home to the world's most engaged Internet users and is shaping technology trends. Of course, this research was conducted pre-COVID-19 and the new reality that retailers and consumers now face.

Across Southeast Asia, countries and regions have faced extended lockdowns in the battle to stop the spread of COVID-19. Lazada's headquarters, and Poignant himself, are based in Singapore, which is currently in a "circuit breaker" period, essentially a partial lockdown with workplaces and schools closed until the beginning of June, for now. Ahead of the interview with WWD, Lazada had said that its Singapore-based online grocer Redmart, which the company acquired in 2016, was tweaking its product offering and updating its systems in response to a surge in orders due to COVID-19 concerns. The company has made changes to the range of products available during these uncertain times in order for customers to "receive their essentials in a timely manner." As Lazada works across multiple countries, the rules and requirements of local governments vary, and business operations have been following suit.

Worldwide, the fashion industry has been, possibly forever, changed due to the effects of COVID-19. However, online retailers such as Lazada now find themselves in a unique position, with a captive audience of locked-down consumers. Poignant noted that Lazada is in conversation with many brands looking to join the platform, as they try to garner consumer engagement during the pandemic.

Here, Poignant discusses the e-commerce model during these troubled times.

WWD: Pre COVID-19, what were your main initiatives at Lazada for the year? Pierre Poignant: If you ask the question in the context of COVID-19, actually in

Pierre Poignant



many ways our priorities do not change. I think we look at our business, we look at the environment around us and we have quite a long-term view. We want to build a digital economy. We are here to serve 300 million consumers in Southeast Asia. We are here to give opportunities to SMEs and businesses across the region to go online, to create their business online. We want to create millions of opportunities for them. And that doesn't change. I think what we see is the nature of our business changing a little bit. The kind of business mix. What we see is an acceleration, actually, of consumers or sellers going online. And so, therefore, now we are very busy working on making this happen faster for the economy around us.

WWD: What about the types of products you're selling? Redmart, for instance, has rejigged what it is making available, and these essential goods, or FMCG, might not have as big a profit margin as some of your other items.

P.P.: I think, across the region, what we see typically is essential products are in higher demand. Of course, products directly related to health and safety in this context are in very high demand. Then essential products, groceries, home products are in high demand, whereas products, like fashion products, are in softer demand. So, that's what we see as a mix. Now, in Redmart per se, what we're doing is reducing our range so that we are able to actually serve more customers. So our prime purpose is to serve more customers and increase capacity for the consumers in Singapore. That's why we're doing that. Actually, to be honest, I have not even looked at the impact on profit. It's not really a consideration.

WWD: When we last met, you said that you thought that Southeast Asia is at the beginning of a "very, very strong e-commerce digital economy." Does COVID-19 change this prediction?

P.P.: I think it will accelerate. What we

see is that the businesses today that have an omnichannel strategy, a digital footprint, are doing much better than the businesses that are purely on one channel, offline. And what we see is that we have more than double the number of sellers we on-board every day on the platform since the beginning of the crisis. So we see an immediate direct acceleration of businesses that want to digitalize. I think, on the consumer side, we see a very strong engagement of consumers on our platform. So the demand changes, of course, but you can see the engagement is stronger to spend more time on the platform, they buy different things. That is here to stay. So we believe that we are going to see new ways of consumers engaging. We have, in Singapore, people that do livestreaming on our platform explaining, you know, how you cook at home, how you exercise at home. We have the example of sellers doing this kind of content and they engage with the consumer like this. They find new ways to engage with the consumers and I think this is here to stay. We work with brands and we have a lot of KOLs. The brands, a lot of their retail footprint is closed, so they work with us to still continue to engage with the consumer, while one of their main engagement channels, which is the retail footprint, is closed or doesn't have any footfall. So we see all of that. And I think, when the crisis is over, and we all hope very soon, these habits are here to stay.

WWD: It's interesting you mentioned KOLs because that is a Chinese buzzword and, of course, Alibaba is your parent company. Has Alibaba helped you move forward on this path to drive more digital engagement? Have you integrated some of its practices into Lazada?

P.P.: This is something that happens a lot in China, where you see a lot of customers or brands that go online and present their products through online streaming. I think this is something that we've done in Southeast Asia. The technology is very straightforward. We have taken it up from Alibaba, and that is something very easy to do because we share the same backbone. Now, how this gets translated into Southeast Asia, or how we do it, is actually quite different, given the social fabric of Southeast Asia, given the type of products, how the people engage with their consumers. I think we see things that are quite different here.

WWD: It is very different. Your market is so diverse, with different cultures, religions and preferences, whereas China is more of a monolith. How are you able to do this?

P.P.: Ninety percent of our staff are in the local countries. The vast majority of our staff are locals or live and breathe [locally] and all of our sellers are locals. So our ecosystem, our practices, are completely anchored in each of the countries. The way we do marketing for the types of products, if you go on the platform in Indonesia or you go in Thailand, you're going to see a very different platform and a very different way the sellers do livestreaming. The kind of product they sell, how they

do the content, how they write about the description, all of this is very different market for market.

WWD: Let's talk about growth. How do you measure profitability and is profitability going to be an unattainable goal in this economic climate?

P.P.: The way we look at our business is we focus on two core metrics, two core objectives. The first one is our customer base – so our long-term target is 300 million consumers in Southeast Asia by 2030. Today we have more than 60 million consumers that we have as annual buyers. So people that bought on Lazada in the past 12 months. And we focus on our sellers. We have hundreds of thousands of SMEs and brands. We want to make sure that we have engaged customers and engaged sellers and the rest will follow. Today we are in a phase, obviously, where we invest for growth. That's very clear. But if the engagement of the consumers is here, if sellers can make a business and create value on the platform, I think the rest will follow. E-commerce is a proven model in the world, we have the know-how, we have the technology to make it happen.

WWD: In terms of categories, what are you seeing growing overall, but especially during the virus? How is fashion faring?

P.P.: I think fashion has been our most successful and fastest-growing category. In the past year, we have more than half of our consumers buy fashion products. Last month, orders for our fashion and beauty categories made up about 40 percent of our business in Southeast Asia. And so it's our largest and fastest-growing category. I think, with COVID-19, what we've seen is a slowdown in the growth of fashion, but it's still growing. Basically, consumers, when they don't go out, they buy less clothing. It's as simple as that.

WWD: Aside from COVID-19, what are your main challenges to the business?

P.P.: I think the main challenges to the business are linked to our ecosystem or the infrastructure around us. So payment, logistics or, for example, digitization of the sellers. These are typically challenges because they introduce friction across the business. So that, we need to address. To give you an example, in terms of payment, we have not a lot of consumers in Southeast Asia with easy access to digital payments. So what we've done, and we've done for a long time, is we have used cash on delivery as a way to bring consumers online. Then, a year-plus ago, we launched a [digital] wallet in every market to make sure we transfer the consumer to an online payment method.

WWD: Around the world, delivery drivers are being hailed as the superheroes helping to keep countries running. How does it make you feel knowing that you're helming one of these international operations working on the frontline of COVID-19?

P.P.: I'm very proud of the colleagues. It makes me feel proud and happy to see how the people are stepping up on this. And they have. If you see around the world, around the region, around our colleagues, there is a very strong sense of stepping up to help the community. I announced that we work for home, but our logistics colleagues, they cannot work from home. So we talk about it. And then, after that, the hub manager of Medan, he dings me and he says, "Pierre, I've just joined the company." He says, "I'm so happy to join in. Don't worry. We are here to serve the community and we'll stand there and do our job in the hubs and make sure we can deliver to the people around us." I was very happy to hear that. A lot of people are stepping up and that makes me very proud and happy.

In Focus: Business Insights

ONLINE

'Now Is the Time' to Drive Online DTC Sales

- Brands and retailers upping their online efforts are eyeing "headless e-commerce" solutions, which offers greater flexibility and speed.

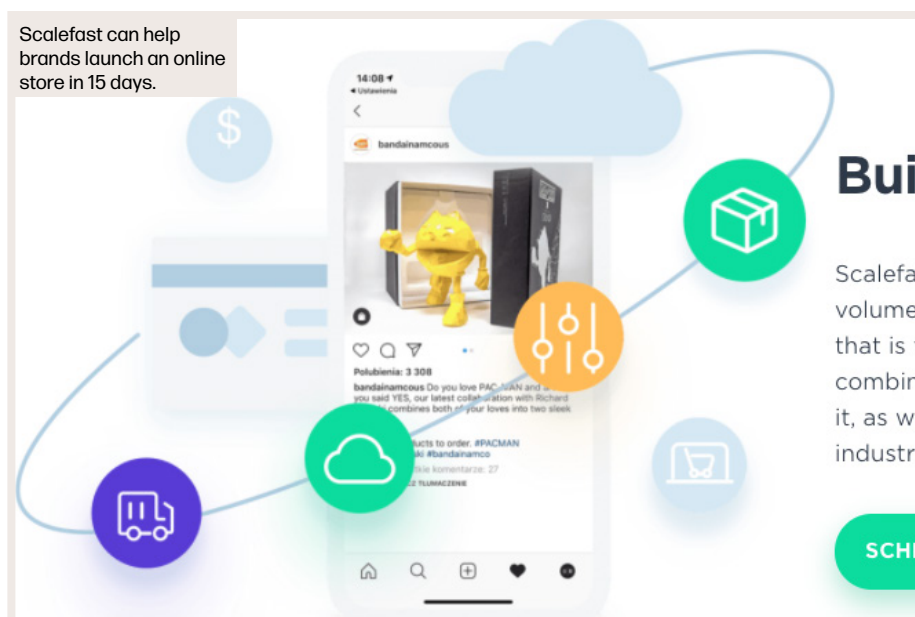
BY ARTHUR ZACZKIEWICZ

As online sales continue to show robust, year-over-year growth due to sheltering in place amid the COVID-19 outbreak, retailers and brands are upping their e-commerce capabilities. But for many companies, the high demand is revealing flaws in their operations and processes, which is forcing them to reconfigure their approaches.

Here, Olivier Schott, chief marketing officer of Scalefast, the global e-commerce solution provider that helps brands launch online stores in 15 days, shares insights into what it takes to launch and grow a direct-to-consumer site.

WWD: How should retailers and brands reimagine their e-commerce strategies given the disruptions caused by COVID-19? Where do they start? And what's needed?

Olivier Schott: Coronavirus has caused everyday life to grind to a halt, but understanding the impact to the wider retail industry can help brands put plans in place to emerge successfully. Consumers still need to make certain purchases, and are choosing to buy them online when at all possible, but with online sellers like Amazon swamped with orders, unable to fulfill purchases quickly or simply reprioritizing certain types of goods, customers are turning to any alternative



to get their orders on time, including the brand's sites, or smaller resellers.

Brands that are majority sold in retail or brick-and-mortar should work quickly to build up their own online sales channels and take control of as much of the supply chain as possible. E-commerce selling requires manpower, technology, direct-to-consumer infrastructure and experience – and for brands struggling to make the transition, third-party partnerships can be a lifesaver.

Working with experienced business partners well versed in the direct-to-consumer e-commerce landscape allows the rest of the business to focus on their own strengths, and ensures that they are diverting customers to their own sales channels. Now is the time to take action, work to drive consumer demand, and be

ready to face setbacks when they arise.

This is a unique moment where brands must initiate or accelerate on their digital transformation and dismiss channel conflict as an excuse for the status quo on direct-to-consumer. This should act as a collective wake up call in a company to prioritize D2C.

WWD: How should retailers and brands align their inventory and fulfillment centers? How can they use data to inform warehouse locations?

O.S.: Brands and retailers will have to make predictions on how their markets are reacting to the changing restrictions of the coronavirus. With lockdown decisions being made at a state level, and some states "reopening" as early as this week – retailers might look into transferring

inventory from areas that have been harder hit to stores that have reopened and are starting to sell again.

Customer demographic data will also come in handy here. For example, online shoppers in New York won't be buying clothing for the spring season, but with warmer weather year-round, customers in L.A. might still be purchasing – if a brand can watch these buying patterns, they can shift their inventory to locations with higher demand. The key here is flexibility, and keeping communications open with logistics partners to understand your capabilities, and be able to move stock on a dime when necessary.

WWD: What is "headless e-commerce" and why should companies try this approach?

O.S.: Headless e-commerce does just what the name says: it decouples the back end of an e-commerce platform that processes and fulfills orders from the "head," the presentation layer known as the content management system (CMS) that customers browsing an online shop interact with.

Going headless provides flexibility to make changes to the front end quickly, and personalize interfaces for each customer's personal information – like their shipping info, loyalty points, even recommended products – without having to redeploy the whole system. The headless approach also allows brands transitioning to online sales to seamlessly add new e-commerce functionalities to their web sites without having to start from scratch. Right now, this could prove to be a necessity for brands that are finding their retail partners have closed their doors, and have to pivot to strengthen their own selling channels.

RETAIL

Retailers Face Challenges As They Set Store Openings

- COVID-19 is expected to force retailers to rethink store sanitization.

BY ARTHUR ZACZKIEWICZ

With more than 630,000 retail doors shuttered due to the coronavirus outbreak, according to Coresight Research, reopening stores is expected to be a gradual process. Industry experts also say companies face a host of challenges in regard to facilities management as well as consumers who have varying degrees of comfort and feelings of safety.

Regarding the latter, First Insight Inc. recently published a consumer survey gauging where shoppers feel safest. The report found that 54 percent cited grocery stores, followed by drug store chains at 50 percent and 45 percent at big-box retailers. The company noted that 43 percent said the same for "local small businesses and warehouse clubs, respectively," while malls "were ranked lowest with only 33 percent of respondents saying they would feel safe shopping in these locations."

Tom Buiochi, chief executive officer

of ServiceChannel, said safety needs to be a top priority. "Reopening stores is more complex than most people realize, especially since it has never happened at the scale or speed that it will happen now," Buiochi told WWD. "First, retailers need to ensure their facilities and operations meet new health guidelines. These vary from state to state, so it requires a tailored approach rather than one size fits all."

Buiochi said keeping employees and shoppers safe while mitigating risk requires stores to "regularly conduct and document deep cleanings, install temperature checks for employees and customers, and determine which stores need immediate attention and inspection for other issues regarding cleaning, safety, and health."

The ceo also said many stores will need to execute this work with fewer employees and contractors "due to furloughs and illness, and they'll need to coordinate the logistics remotely via Zoom and other collaboration tools."

Once stores are fully open, retailers will need to rethink how they clean and sanitize them. "The pandemic has raised cleaning requirements in retail, restaurants, grocery stores and other

essential businesses like never before," Buiochi said. "Having a clean store that follows proper sanitation guidelines will be critical for keeping employees and customers safe and decreasing the risk of another outbreak."

That means, at a minimum, retailers will need to regularly sanitize all surfaces that employees and shoppers can come in contact with. "In addition to meeting new health regulations, consumers will have heightened expectations for cleanliness at every location," he added. "That means stores will need to be proactive about communicating the measures they are taking, and adopt technologies like cashless/cardless payments if they don't already, to minimize contact and reassure consumers they are taking the necessary steps to stay sanitary."

In regard to whether consumers will be required to practice social distancing in and around stores as well as wear face masks, it's unclear at this point. But digging deeper into the First Insights survey shed some light on some specific consumer preferences regarding safety.

First Insight found, for example, that "men feel much safer overall than women going back in-store." The company said 58 percent of men feel safe shopping in a grocery store while "only 49 percent of women feel the same."

"Similarly, 49 percent of men surveyed feel safe shopping at big-box retailers, versus 43 percent of women, the smallest

percentage difference," the company said in the report, adding that more men – 47 percent – "also feel safer than women (39 percent) shopping at local small businesses."

With masks, 80 percent of those polled said they prefer to use their own face masks while "70 percent prefer to use their own gloves rather than masks or gloves provided by the retailer when shopping in-store."

Greg Petro, ceo of First Insight, said as retailers and brands "grapple with big questions related to reopening stores, it's clear from our findings that consumers have varying degrees of comfort within different store environments and formats."

Petro said consumer visits to retailers "expand past essential retail like grocery and drug stores, other retailers, and malls in particular, need to be thinking of ways to inspire a sense of safety for consumers, and it will need to go beyond offering gloves and masks at the door."

Other results included in the consumer survey revealed that overall concerns about COVID-19 are "subsiding slightly with a 6 percent decrease for the first time since February with 82 percent of respondents being worried on April 20, versus 87 percent on April 3, 2020."

The report also showed that the number of shoppers pulling back on spending due to the outbreak has "leveled out, with 62 percent of respondents reporting cutbacks in spending on both April 3 and April 20."

WWD

Jewelry + Watches

SPRING ISSUE



With the cancellation of COUTURE and other major jewelry and watch tradeshows, WWD will continue to bring the industry together in a special digital issue on June 1st.

Reaching the industry's top executives and decision makers, the issue will delve into the craftsmanship and latest collection pieces shaping the market via organic editorial content and a special section spotlighting the top jewelry and timepiece brands.

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Dakota Fanning



Let Dakota Fanning Read You a Story

Fanning – who, by the way, knew about “Tiger King” way before you – is working up the nerve to listen to the sound of her OWN VOICE. BY LEIGH NORDSTROM

The story of Joe Exotic and the rest of the “Tiger King” characters may have been a discovery early on in quarantining for most Americans, but Dakota Fanning was well versed in the drama by the time the show hit Netflix.

“I listened to the podcast months and months ago, so I already knew about this,” Fanning says over the phone from her home in Los Angeles, where she’s sheltering in place with her mother and sister Elle.

That didn’t keep her from binge watching the show, though, like the rest of the country, as stay-at-home orders came out in March. “I loved it. It was very fun getting to see it other than listening to it. It was another layer of excitement.”

The Fanning sisters have been keeping busy introducing their mom to the “MasterChef Junior” series, a favorite of theirs, as well as baking, doing crossword puzzle books and reading.

“Trying not to have the TV on too much, I guess,” Fanning says. “Trying to read, trying to listen to things, trying to stimulate all the senses and not just be a couch potato.”

Fanning was prepping to start shooting “The Nightingale,” the adaptation of the novel by Kristin Hannah, alongside Elle; the

film marks the first time the two have acted opposite one another in a movie. Instead of acting, she’s leaning on her voice: as part of her existing work with Save the Children, she’s participating in their Save With Stories program, via Jennifer Garner and Amy Adams, where celebrities have recorded themselves reading children’s books.

“I think that’s a really nice reprieve for people, even if you don’t have kids, to just listen to an actor or musician or someone that you like read a sweet little book,” Fanning says.

She’s also trying a new venture and has recorded her first audiobook for Audible – “Divergent” series author Veronica Roth’s adult debut, “Chosen Ones.”

“My sister had recorded books with Audible, and she had such a great experience, so I was really excited to do it based on that,” Fanning says of agreeing to the opportunity when approached.

It required a different set of skills than acting, but once she got the hang of it, she says she found herself “blazing through it.”

“It was finding the balance between when one of the characters is speaking and then switching back to the narration – that’s the

“I think that’s a really nice reprieve for people...to just listen to an actor or musician or someone that you like read a sweet little book.”

thing that I wanted to make sure was clear to the listener,” she says. “And so, that was obviously something that was different from doing regular narration in a film or something.”

Fanning’s own taste in literature is varied. Prior to quarantine, she was busy studying “The Nightingale,” a more serious, emotional read, but she also goes for the occasional beach read “that is calm,” she says.

“I don’t really discriminate, and I also don’t get as much time to read as I would

like usually. Every time I read a book I’m so fascinated by the power of storytelling and the way that writers are able to create a world for people, and how that world looks different for each reader – or listener in this case,” she says.

Many actors find it difficult to watch their own movies, and Fanning says she’s slowly heading in that direction.

“It depends. I started when I was so young, and when I was younger I didn’t care about it. And then as I sort of got older I was like, ‘Oh, I don’t know,’” she says. “It feels embarrassing. But I go back and forth. I don’t put pressure on myself to not do it or to do it. It’s just more of just how I feel that day.”

That said, the audiobook is proving to be a different ballgame – she’s currently having less luck with the idea of being able to listen to herself.

“I’ve been avoiding listening to myself reading the Audible book because I’m just not sure how I’m going to feel about hearing my own voice for that long,” she says. “I love Audible books, I love the experience of listening to a book, so maybe I’ll be able to dissociate that it’s my voice. Right? I’m hopeful.”



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Fashion Scoops

Backing Research

Prada Group is strengthening its commitment to scientific research and its involvement in exploring the role of science in contemporary society.

On Monday, the company revealed it is financially supporting the "Proteggimi [protect me]" project of the San Raffaele Hospital in Milan, which will investigate the disparity in the impact of COVID-19 on men and women, researching why it predominantly affects men and the role played by male sex hormones in this imbalance. The amount of the donation was not disclosed.

According to the latest clinical data, men account for 66 percent of the deaths from the coronavirus in Italy — which counted 26,644 deceased at press time — and they are also more likely to require treatment in intensive care, accounting for 82 percent of all admissions in the Lombardy region, one

of the most affected by the COVID-19 spread. Sex hormones — especially testosterone — could provide a partial explanation of this disparity, according to researchers.

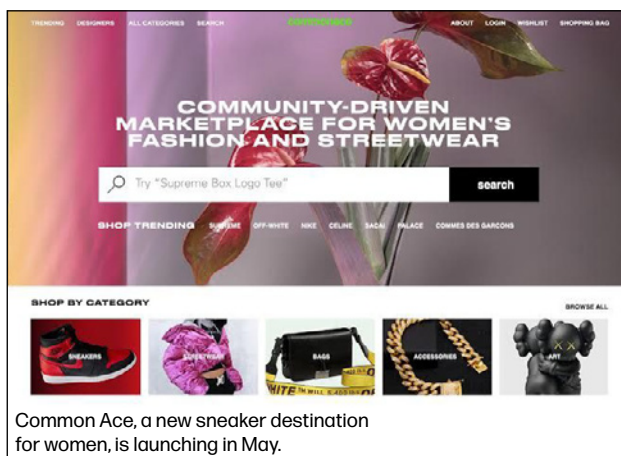
Developed and coordinated by the San Raffaele Urological Research Institute's director Andrea Salonia, the initiative will additionally aim to assemble a European register of epidemiological data on the virus broken down by sex, also involving other research groups from Italy and across Europe.

"It is crucial to be able to examine separate data for men and women to understand whether testosterone levels are linked to the severity of the illness, and to assess any long-term impacts on the overall health of men who have recovered from the virus," Salonia said.

The "Proteggimi" initiative follows the partnership the Italian luxury group launched in 2018 with the Fondazione Gianni Bonadonna to support innovative cancer treatments and research projects. — SANDRA SALIBIAN



San Raffaele Urological Research Institute's laboratory.



Common Ace, a new sneaker destination for women, is launching in May.

Sneaker Site

Sophia Chang and Romy Samuel are launching Common Ace, a new sneaker destination for women, on May 15.

Common Ace is an affiliate network that aggregates streetwear and sneakers from partnered brands and sites such as Kith and Sneakersnstuff, alongside luxury and contemporary labels including Chanel, Gucci, Acne Studios and Sacai.

According to Samuel, who previously worked at MassMedia Studios and oversaw digital marketing campaigns for Dove, Lipton, Magnum Ice Cream and Audi, among others, Common Ace has been in the works for over a year, but plans moved along much faster after meeting Chang at an event in Los Angeles.

"It's been a huge passion of ours and we've been working toward this for a long while now," she said. "The bottom line is we wanted to solve a problem for ourselves. It was staring us in the face for so long."

The problem is how cumbersome shopping can be for women who are interested in sneakers and other categories. Chang said because the selection is so much smaller, she has to have 10 to 12 tabs open to casually shop a wide assortment of brands from a number of sources simultaneously.

"We know the need, we know the frustration, we're organizing the chaos and hopefully drive that traffic toward retailers and

provide women more access," said Chang, the New York native who currently resides in Los Angeles.

Chang has worked on projects for HBO, the NBA and Samsung, as well as Nike, Adidas and Puma, for whom she designed a collection in 2013 that became the company's top lifestyle grossing line.

"Everything I've done in my career and life and work has led me to this project," she said.

"There isn't a center hub that really brings this community together. Sales are important, but we're solving a problem in accessibility and being able to offer legitimate access."

Women have not been the focus of sneaker companies for years, but that doesn't mean there hasn't been demand. And the pendulum is starting to swing as more companies shift their focus to the female consumer through collaborations with figures in the women's sneaker community or collections and ambassadorships with global superstars.

A 2019 study from ForwardPMX said women's sneaker sales growth is outpacing the men's sneaker market. Nike and Jordan alone have collaborated with Vashtie, Aleali May, Yoon Ahn, Martine Rose, Sarah Andelman, Melody Ehsani and Olivia Kim of Nordstrom on dedicated women's products.

The launch of Common Ace seems well timed with the increase in demand for women's sneakers, but Samuel and Chang reassert that the platform is an overdue answer to a problem, one

Backstage at Balmain for fall.



they expect will attract new consumers as well.

"It has grown, but I don't think in any way, shape or form it's reached its peak," Samuel said. "The majority of the friends I grew up with didn't come up in the space I came up in. They're asking me questions and not following the bigger names in the community and I think those women are now starting to catch on."

Chang added, "We want to be able to create that access point for women that don't have access to Kith or Extra Butter stores. Hopefully this year or next year we start working toward the single checkout process." — OBI ANYANWU

The Eyes Have It

Balmain is helping mitigate the impact of the coronavirus pandemic on AIDS, tuberculosis and malaria programs in countries with fragile health-care systems.

The French fashion house is donating for sale 12 pairs

of prototype sunglasses customized by creative director Olivier Rousteing for its men's and women's shows in January and February, marking the launch of its license with Lugano-based eyewear start-up Akoni.

The sunglasses will go on sale on video commerce platform NTWRK as part of an activation by RED, the nonprofit organization founded by Bono and Bobby Shriver in 2006 to raise funds for the Global Fund's efforts to combat COVID-19.

Balmain and Akoni are donating 12 pairs of the Wonder Boy style that Rousteing has designated as his own wear-it-everyday choice of frames.

"These frames have a painted surface that is slightly fragile, making this more a collector's piece for display by a true Balmain Army member than a design meant for everyday use," the brand said.

Registration for online drawing will open on Tuesday and will close on May 4, with 100 percent of proceeds donated to the Global Fund's COVID-19 Response. — JOELLE DIDERICH

Memo Pad

Bustle Gets Loan

There's no readily available list of which companies have been approved for a small business government stimulus loan to help them through the coronavirus crisis, but public filings and voluntary company disclosures are starting to fill in some of the blanks.

To date, only a handful of media companies have disclosed that they received a loan from the Small Business Administration's \$349 billion Payment Protection Program despite widespread

struggles in the industry due to a COVID-19-related slump in advertising revenues.

The latest is Bustle Digital Group, which as first reported by CNN and confirmed by a BDG representative, was approved for a \$7.5 million loan on April 16. This came two weeks after BDG, which publishes Bustle, Nylon and Mic, implemented a series of cost-cutting measures, including laying off two dozen staffers, introducing a temporary tiered pay reduction and shuttering Millennial-focused site The Outline.

A BDG spokeswoman said the loan will enable the company "to

partially undo salary reductions across the company and expand hours for part-time and freelance writers."

BDG joins political news site Axios, The Tampa Bay Times and The Seattle Times Co., which have said they received funds from the PPP, aimed as an incentive for small businesses to keep their workers on the payroll despite the industry being particularly hard hit.

Businesses can borrow up to \$10 million depending on the size of their workforce and the SBA will forgive loans if all employees are kept on the payroll for eight weeks and the

money is used for payroll, rent, mortgage interest or utilities.

The Seattle Times Co. confirmed its \$9.9 million loan in a newspaper article. "This is a lifeline for us for the next 60 days," president and chief financial officer Alan Fisco told the paper. "This gives us a little bit of breathing room." The Tampa Bay Times got an \$8.5 million loan and Axios received just under \$5 million.

According to The Wall Street Journal, Newsday and the Chicago-Sun Times received loans, too, although the majority of local newspapers and broadcasters, which are struggling amid the pandemic,

aren't eligible because of the way they are structured.

While some media outlets may not want to disclose they received federal funds, in many cases they're part of larger chains, which means the parent company has too many employees to qualify since the scheme is targeted at businesses with a maximum of 1,000 staffers.

Nevertheless, it recently emerged that some large public companies, including Ruth's Hospitality Group Inc. and Shake Shack Inc., were approved for loans due to an exemption for large restaurant chains and hotel groups.

After coming under fire, Shake Shack, which has more than 7,000 employees, repaid its \$10 million loan. So, too, did, Ruth's Hospitality.

The Treasury Department has since altered guidelines and urged publicly traded firms to return funds by May 7. A second round of funding — this time for \$310 billion — opened Monday.

Last week the Federal Reserve said that it would publish a list of companies receiving loans from a number of new funding programs every 30 days. The PPP loans won't be part of this as the Fed is still considering disclosure policies for that scheme. — KATHRYN HOPKINS