



A PASSION FOR FASHION

Superbrands, iconic names and some of the world's greatest retailers, plus a sprinkling of family tales and rival feuds bring our fashion names under the same suitably trendy umbrella.

Who has bragging rights as the birthplace of global fashion retailing? Obviously the Italians can make a good case with their international influence, the French too, while US and more recently European retailers have done an enormous amount to make clothing affordable and available to the mass market.

Our story lays in three parts. The first includes those companies which opened up the national and then international world of textiles. The second reflects those pioneers who expanded the reach of fashion post war and the third covers the leaders who have made fashion the undisputed driver of international retail.

In the story from today's World Retail Hall of Fame we're drawn to start in Japan. Osuke Hibi of Mitsukoshi may not have been around when his business's kimono store opened in 1673. In fact it was 1904 when as the then newly elected managing director Hibi used his election meeting to make a series of radical proclamations about the future of the business. His progressive measures – which earned him

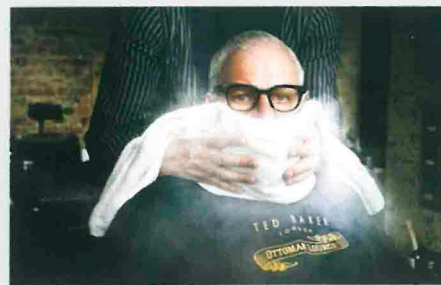


Erling Persson founded Swedish fashion giant H&M, initially as womenwear store Hennes (top)

praise as the "giant of the department store industry" – helped to turn a simple drapery store into one of Japan's finest department stores over the next decade and laid the foundations for the modern day business.

A little before him, brothers Clemens and August Brenninkmeyer (C&A) had opened up a textile warehouse and later the first C&A store in 1861. It was one of the first outlets to offer ready-to-wear items of clothing in various sizes to a broad public and it was behind some of the first internationalisation, opening in 1911 in Germany and 1922 in the UK.

On the other side of the Pond at about the same time as Clemens and August were pushing ahead with C&A, Levi Strauss was in San Francisco, where the California Gold Rush was still in high gear. The story goes that prospectors and miners, complaining about their easily torn cotton britches and pockets gave him the idea to make a rugged overall trouser. In 1872 customer Jacob Davis told Strauss about using metal rivets in clothes and he and Strauss



Ray Kelvin | CEO AND FOUNDER | TED BAKER

"To my mind there are too many very large format retailers being run by orthodox chief executives. The product has to come first and you have to have a feel for it and an empathy with the consumer. Retail is very simple, it's about the right product at the right price. You can run a business with great processes and great systems but if the product is off-point, the rest doesn't matter. Obviously a big difference for the Ted Baker brand is that I am also the founder and in that way I am the holder of the brand and the product direction. We have established ourselves as an international brand but whether it's the stores, online or overseas we make sure that everything we do reflects those core brand values. It's vital that getting bigger does not mean losing that essence and we have a style for everything we do that sets the tone.

In fact going overseas means reasserting the quirky Britishness for which we're known, it certainly doesn't mean diluting it.

I've always been very focused on what goes on within Ted Baker and as a result I haven't modelled what I do on any other retail or brand leaders. I have the utmost respect for those working in the retail sector, especially when I experience it as a customer, and everyone has a point and a point of view."

patented the method a year later.

Many of the greatest fashion inroads at this point were in the United States. In 1924, Robert Wood became vice-president of Sears, Roebuck and one of the most important leaders in that company's history, serving as vice-president from 1928 until 1939 and as chairman from 1939 until 1954. Under his leadership, Sears shifted the focus of its operations from mail-order sales to retail sales at large urban department stores and became one of the country's largest retailers.

The US department store chain Saks Fifth Avenue began life in 1902 as a men's clothing store in Washington, DC. But our luminary is Adam Long Gimbel, one of the family who bought the store group and completely renovated its New York flagship and led it from 1925 to 1969.

Stanley Marcus joined his family business in the 1930s and became president of Neiman Marcus from 1950 to 1972 and chairman for four more years until 1976. He created the annual autumn fashion show, made his store the first to

"I THINK THE KEY TO SUCCESS IS VISION THAT ADJUSTS ON THE WAY, BUT DOESN'T AT ALL FALTER. IT'S ABOUT NOT COMPROMISING AND FOLLOWING YOUR GUT TO A CERTAIN DEGREE, BASED ON KNOWLEDGE, INSTINCT."

Mickey Drexler | J CREW

host an art exhibition and became the first to establish an annual Christmas catalogue.

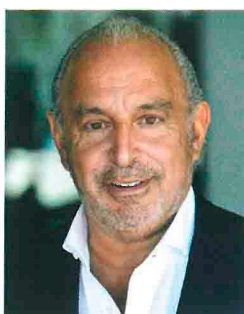
The third stage in the story of fashion brings us much closer to the present day and remains in the US. Co-founder Phil Knight began Nike predecessor Blue Ribbon Sports in 1964 and in 1971 the famous Swoosh graphic was created and the name "Nike" was conjured for the first shoes bearing the mark. The sports shoes were a phenomenal success and in a series of landmarks Nike signed celebrity sports endorsements with the likes of John McEnroe and Michael Jordan. In 1988 the "Just do it" tagline was introduced and in 1990 Knight opened the first Niketown in Portland.

The US has also been instrumental in creating the mid-market casualwear sector. Leslie Wexner borrowed \$5,000 from his aunt to start 'The Limited' (named because the store focused on clothing for younger women, unlike his parents' general merchandise store) and Donald George Fisher, co-founder with his wife Doris, of a little store on Ocean Avenue called Gap, whose name's cultural purpose was to draw reference from the popular term "generation gap". In 1974 he launched the store's own brand and created a brand that, in its prime, was a byword for good quality casual basics.

The US was also hugely influential for H&M founder Erling Persson who marvelled at the success of retailers such as Macy's on a trip to New York in 1947. Upon his return he launched a small women's clothing chain Hennes - Swedish for "hers" - and by 1968 it became H&M.

Luciano Benetton, together with his siblings Giuliana, Gilberto and Carlo, combined in 1965 to launch the Benetton Group. Benetton hit upon a casual clothing formula with global appeal and Luciano remains as chairman. Another European icon, Laura Ashley, began to expand its stores in the 1960s and internationalisation came in the 1970s as Laura Ashley defined a fashion and homewares style that would have influence around the world. Ashley died aged 60 after a fall downstairs in 1985, just two months before the company floated on the stock exchange.

The growth in global fashion has also not been without its controversies. François Pinault runs Kering and in building a multi-faceted group Pinault is best known for leading PPR through a long battle with LVMH over control of Gucci. The result was a struggle between the two richest



“
Hopefully, as
an uneducated,
unqualified guy,
from 16 years old,
(it) hasn't worked
out too bad.
I think I've backed
my judgment.
I don't have
disputes with
people. Never
been in litigation.
That's not bad,
is it?”

Philip Green



Fashion icon Giorgio Armani (above) and Fast Retailing's founder Tadashi Yanai (below)



men in France, both self-made billionaires – Pinault and Bernard Arnault, chairman of LVMH, won by Pinault.

But our list includes not Arnault from LVMH, but Henry Racamier. Husband of Gaston Vuitton's daughter Odile, he took over management of the company in 1977 and under him the company's sales soared from \$20 million in 1977 to nearly \$1 billion in 1987. Racamier recognised that the major opportunities were in retail and internationalisation, so Louis Vuitton expanded all over the world and Asia became the company's principal export market. Under Racamier, Louis Vuitton began to acquire high quality companies such as Givenchy, Veuve Clicquot and merged with Moët-Hennessy to create the world's biggest luxury goods group.

Giorgio Armani began his career at La Risciente but in 1964, without any formal training, Armani designed a line of menswear for Nino Cerruti. In 1975 Armani started Giorgio Armani and founded the Armani label.

Just three years later a reluctant Miuccia Prada assumed the reins of her grandfather's business. She was an unlikely successor, having spent five years at Milan's Teatro Piccolo, being a paid-up member of the Communist party and a champion of women's rights. But in 1985 she designed a new line of handbags that immediately became must-haves and - grasping the international popularity of the Prada brand - she embarked on a strategy to develop Prada as a global fashion icon.

Away from luxury, the international phenomenon of retail in recent years has been fast fashion, often led by entrepreneurs with global ambitions. Colourful Arcadia boss Philip Green's first significant deal was the purchase of ailing fashion chain Jean Jeanie for £65,000 in 1985, which he worked hard to revive. "I used to leave my house at 6.30 in the morning and I would visit 10 shops every Saturday, starting at the furthest shop I'd decided to go to that day, ending up in Oxford Street 12 hours later," he recalls.

Within a year he had sold the chain for several million, building his capital and credibility with lenders. Riding success as head of high street department store group BHS, Green was able to push through an offer for Arcadia in 2002, notably Topshop. It was a hallmark Philip Green deal: less than £10m of the £840m paid came from his family and the rest from a consortium of banks. "Arcadia was a typical venture capital deal, but I'm the adventurer and the capitalist," says Green of a move which has seen him expand across the world.

Similarly, his close friend Mickey Drexler has not been afraid to speculate, embarking on what may be the boldest experiment of his career when, after cashing in \$157 million in stock options, and forgoing a multi-million-dollar severance payment from the Gap by refusing to sign a non-compete agreement, Drexler uprooted himself from San Francisco and returned to his hometown of Manhattan to take over the flagging J Crew chain. The US fashion retailer has subsequently revived and moved into Asia and Europe.

Fast and affordable fashion has translated across national and international markets. Fast Retailing's Tadashi Yanai introduced the concept to Japan and has since exported it across the globe, while the publicity-shy Amancio Ortega continues to run the Inditex group from his Coruna estate in northern Spain having created perhaps the most successful international fashion franchise of all time and having revolutionised the concept of seasons and speed to market.

**"THE DESIRE
FOR INNOVATION
AND CONSTANT
IMPROVEMENT
WITH WHICH WE BEGAN
THIS PROJECT IS THE
MOTIVATING IDEA WHICH
HAS GUIDED US UP TO THE
PRESENT TIME."**

Luciano Benetton | BENETTON