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## Fresh Vision: CEO Loubier Aims to Renew Escada

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Escada chief executive officer Jean-Marc Loubier is on a mission to reignite the brand.

Loubier, who took the top post of the 32-year-old Munich-based fashion company in June, is redefining Escada's ready-to-wear lines for fall. Accessories, an area in which the company had dabbled before but never fully pursued, is also a major focus. In addition, Escada is in the midst of refurbishing its stores in a modern design conceived to better merchandise the new and burgeoning categories, with a special area for handbags and other accessories.

Escada has 15 full-price signature stores in the U.S. and seven off-price outlets. It is also sold in Neiman Marcus, Saks Fifth Avenue and specialty stores across the country. Worldwide, there are 194 wholly owned shops and 226 franchised boutiques and corners in 60 countries. Further expansion includes plans to open a store in Tenjin, China.

"We are going back to developing a program of ideas," said Loubier. "The brand is very powerful and embodies the complete territory of ready-to-wear."

Loubier, who succeeded Frank Rheinbold as ceo, has been a member of the Escada supervisory board and chairman of its strategy committee since November 2006. He has a background in accessories — a category that Escada's majority shareholder, Rustam Aksenenko, has wanted to grow — with stints as president and ceo of Celine, and executive vice president of Louis Vuitton. Aksenenko's Geneva-based holding company, Finartis, holds a 25.5 percent stake in Escada AG.

"Over the recent years, the brand and company didn't move much, when the competition has moved into [categories like] accessories," Loubier said. "Now, we're emphasizing perfect solutions for customers."

The brand is divided into two lines: Escada and Escada Sport. Escada is more uptown, with day suits, fur coats, elaborate lace blouses and trousers, while Sport is more downtown, with miniskirts, jeans and chunky knits. Both lines are headed by creative director Damiano Biella, who started in October 2006 and hails from Valentino, Carolina Herrera, Celine and Gucci.

"We want to offer real product, not just fit a designer statement," said Loubier. "We put novelty in something that is genuine. The pressure is not to be cutting-edge. We are a brand with a wide offering."

The Escada line, which accounts for 75 percent of the brand's sales, was too focused on eveningwear, said Loubier. The new collection incorporates daywear in the form of medallion prints that grace dresses and coats, blouses with abundant ruffles and knits. Origami has been manipulated to an armor effect on day dresses, and there are plenty of embellishments on everything from skirts and dresses to coats. Eveningwear and elaborate beaded cocktail dresses are still prevalent in the line. Prices for the Escada main line range from \$500 for a skirt to \$5,000 for a jacket with embellishment or exotic skins.

Escada Sport, which hasn't been widely available in the U.S. until now but has had much success internationally in locales such as Moscow, will ship its first fall deliveries to stores in June. The line makes up 25 percent of the firm's business and suits the traditional Escada customer, who requires a fashionable yet conservative weekend look. Luxurious and sporty, the line also serves a younger customer who is savvy to trends. Prices in the Sport line range from \$250 for a blouse to \$1,500 for a jacket.

In its preliminary figures for the 2007 fiscal year, Escada reported that group sales slid 1.2 percent to 686.8 million euros, or \$923.1 million, with Escada brand sales down 5.6 percent to 461.8 million euros, or \$620.7 million. Adjusted for currency effects, group sales were up 1 percent, and Escada brand sales were down 2.4 percent.

Accessories are a big push for the company. The broad offering, also to bow in the fall, ranges from the tall leather Shalyzar shoulder bag with a chain-hook closure; the Pick Pocket patent leather satchel with double-patch pockets, and the Nomade, a

quilted hobo done in black nylon, to a more casual camera bag in leather and the Margaretha, an embossed group named for the firm's co-founder, Margaretha Ley. Many of the bags also are offered in exotic skins such as alligator, snakeskin and fur. Escada accessories and shoes range in price from \$250 to \$16,500.

Footwear, such as quilted knee-high stiletto boots, snakeskin skimmers and bejeweled evening sandals, are in the mix for fall, as well.

Loubier also ended most of the company's licenses, namely a partnership with Pluczenik Diamond, which made Escada fine jewelry. The only licenses that remain are an eyewear deal with Viva and a fragrance line done with Proctor & Gamble.

Industry observers said Escada is positioned to serve a conservative luxury consumer looking for better merchandise options.

"The challenge for them is to be trendless without being boring or basic," said Suzanne Hader, principal of 400twin Luxury Brand Consulting. "And that can be a tough line to walk. It will come down to two things: the quality of the product and a strong vision that is developed and explored season by season. It doesn't have to change dramatically in the way most designers do, but customers will need to feel that there's a core principle that ties it all together."

Robert Burke of New York-based Robert Burke and Associates said Escada is a brand that could use dusting off.

"Over the last five to eight years, Escada has taken turns in creative direction and that takes its toll on the customer base," said Burke. "Escada has always represented classic fashion that has appeal to a consumer that's interested in investing in clothes that have some longevity. I'm sure that Jean-Marc Loubier, with his experience at Louis Vuitton and Celine, will be able to turn it around. His background is very strong in accessories. With so much push for designer accessories, there's more room for classic accessories at high price points."

Escada Fashion photos by John Aquino, Styled by Antonia Sardone; Loubier by Kristen Somody whalen