

Fur World

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Fur World Retailer Poll: **T'was a Tale of Two Seasons**

by RICH MARCHIONE

For many furriers auxiliary services such as cleaning, storage, repairing and remodeling are a major profit center. With the season for such services nearing an end, Fur World interviewed furriers around the country to find out how they approached the season, the results they obtained and any changes they expect to make in the future.

Rodney Ugent, A.J. Ugent Furs & Fashions, Wisconsin

"Our cleaning services are up despite the fact that the season got off to a very slow start because the cold weather lasted longer than usual. Once the warm weather kicked in cleaning outpaced the prior year. Our storage business is also up because nearly every

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"Cruelty Free" Spurs Fur Sales at Saks Inc.

Flo Fulton is stalking the stores of Manhattan for a white mink jacket, a fur-lined reversible raincoat and a knitted fur vest.

"I fell in love with fur at a young age," says the 32-year-old New York event planner. "A blouse and jeans can look so chic with a fur."

Fur is making a comeback because of shoppers like Fulton, and fox boleros, rabbit-trimmed jackets, as well as coyote shrugs are showing up at Neiman Marcus Group Inc. and Saks Inc. as stores gear up for the fall fashion season.

Last decade, some women stopped wearing fur following an anti-pelt campaign by People for the Ethical Treatment of Animals. Now younger customers are warming up to fur as the industry works to farm animals more humanely and mar-

ket so-called "cruelty-free" pelts. A renewed interest in fur has also coincided with a move to dressier, refined fashion, or what Neiman Marcus's fashion director calls "ladylike" clothes.

U.S. retail fur sales will grow faster this year than the 3.1% gain to \$1.3 billion in 2010, predicts Keith Kaplan, the Fur Information Council of America's executive director. He didn't provide a specific forecast.

Designers showed 2,200 fur looks in their fall 2011 collections in New York, London, Paris and Milan, compared with 384 six years ago, Kaplan said. Oscar de la Renta sent 30 on the runway in February versus 16 a year earlier while Vera Wang showed 15 versus 6, the council says. The trend also has moved to labels like the

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Modern Fit Fall 2011
by Leonard Gorski

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News in brief

FUR TRADE PLAYS ITS PART IN CONSERVATION OF FORESTS

The IFTF is pleased to see that the UN has set-up the initiative 'International Year of the Forests 2011', a global platform to celebrate people's action to sustainably manage the world's forests. The UN General Assembly declared 2011 as the International Year of Forests to raise awareness on sustainable management, conservation and sustainable development of all types of forests. Over the past three decades, the IFTF has contributed millions of dollars to support a wide range of welfare and conservation projects. Its members in countries such as the United States and Russia work with state and federal governments on conservation of forests and wildlife, to maintain essential biodiversity by setting limits on what resources can be used. The IFTF has been a full voting member of the International Union of Conservation of Nature (IUCN) since 1985 and has supported the Convention on International Trade in Endangered Species (CITES) since this agreement was signed in 1973.

NAFA Takes to the Stage at NTA Convention.

The annual National Trappers' Association convention was held in Columbia, Missouri from August 4th -7th, 2011 at the Boone County Fairgrounds. The wild fur division of NAFA has been a long time supporter of this event and is the largest exhibiter within the group.

This year, Diane Benedetti, VP of Advertising and Promotion, joined the WFSC Directors in the planning and staging of a mini fashion show and marketing presentation. A selection of garments from the Northern Lights Collection along with a sampling of high fashion garments from international designers were featured in the three mini shows presented on Friday and Saturday. Special guest models included Ms. Sydney Friar, Miss Missouri 2011 and Ms. McKensie Garber, Miss Missouri Outstanding

Teen 2011. Their appearance extended to a photo opportunity that was enjoyed by many. Doug Lawson, CFO at NAFA, was on hand as well to give a pre-show welcome to visitors. He also experienced the wild fur demonstrations held in the outdoor tents. These technical presentations were led by Brian Macmillan and Dave Bewick, VPs of NAFA's Wild Fur Operations in the US and Canada, respectively, and supported by NAFA's team of wild fur agents who are trappers themselves. In spite of the temperatures ranging from 90-100 F., more than 3,000 visitors attended this four-day event. There is no doubt that the trapping community is a dedicated group and excels in extreme conditions.

July Same-Store Sales Were

Mixed. Retailers reported mixed same-store sales for the month of July, with some up and some down. Overall, sales were up an average of 4.8%, according to Kantar Retail, which tracks 28 retailers. Frank Badillo, Kantar's senior economist, said, "Most interesting in these numbers is that many retailers are reporting decent gains in apparel sales, which is a discretionary category that is often the first to suffer from the economic strains on shoppers' confidence and spending intentions. That discretionary spending, however, is undoubtedly falling off most among lower income shoppers hurt most by

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rising prices and a weak job market." The luxury sector performed well, with Neiman Marcus and Nordstrom each gaining around 6.5%. Saks Inc. reported a huge, 15.6% gain for the month. Neiman Marcus also reported same-store sales were up 6.5% in Neiman Marcus stores and Bergdorf Goodman. Total sales were up 7.9% to \$244 million. At Nordstrom same-store sales were up 6.6%. Total sales were up 11.5% to \$993 million. Saks Inc's same-store sales rose 15.6%. Total sales were up 13.8% to \$191 million. **FW**

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Dollar Value of Mink Imports Up Slightly in May

For the month of May mink imports rose 1.91% in US\$ compared to May 2010 while the year to date import in US\$ declined 10.26%. Canada continues to be at the head of non mink imports. The grand total of imports for both categories are way ahead of 2010 numbers with US\$ totals up 1.89%.

Note: These figures do not include customs, insurance and other fees associated with the import of fur products because these values are inconsistent and tend to convey the wrong information in some instances. FW

May 2011/May 2010 and Year to Date, Sorted by Year to Date US \$

Mink apparel, clothing and accessories

	For the Month of May					Year to Date				
	Units	US \$	Units	US \$	% Change	Units	US \$	Units	US \$	% Change
	May-11	May-11	May-10	May-10	US\$	May-11	May-11	May-10	May-10	US\$
CHINA	4,346	2,355,074	3,177	2,362,590	-0.32	11,096	6,161,861	11,118	7,171,594	-14.08
CANADA	841	795,648	518	908,235	-12.40	1,925	1,868,721	1,192	2,133,944	-12.43
ITALY	142	366,977	172	372,647	-1.52	570	1,149,303	668	1,049,348	9.53
GREECE	312	176,035	273	128,297	37.21	1,718	684,150	2,067	843,742	-18.91
FRANCE	142	65,652	16	10,733	511.68	211	180,254	104	144,097	25.09
GERMANY	61	106,660	0	0	N/A	63	107,092	0	0	N/A
OTHER (13 countries)	79	44,523	98	54,684	-18.58	1,032	407,946	473	424,091	-3.81
TOTAL	5,923	3,910,569	4,254	3,837,186	1.91	16,615	10,559,327	15,622	11,766,816	-10.26

Non-mink apparel, clothing and accessories

CHINA	27,856	2,170,639	19,695	1,028,300	111.09	51,687	3,730,689	69,530	2,927,059	27.46
CANADA	1,367	1,068,660	866	1,160,477	-7.91	4,238	2,515,039	3,673	2,451,946	2.57
ITALY	817	613,321	1,086	942,903	-34.95	2,518	2,205,592	2,970	1,995,798	10.51
TURKEY	994	316,849	785	171,733	84.50	5,014	1,331,574	4,548	1,025,281	29.87
GREECE	171	238,098	87	119,210	99.73	668	358,703	957	414,118	-13.38
HONG KONG	1,567	177,749	43	10,866	1,535.83	4,591	302,426	889	102,937	193.80
FRANCE	76	83,719	47	36,719	128.00	360	245,450	556	305,089	-19.55
MACEDONIA	0	0	0	0	N/A	1,215	215,362	509	98,615	118.39
POLAND	70	25,956	3	1,340	1,837.01	315	117,304	98	55,268	112.25
PHILIPPINES	11	14,525	13	14,350	1.22	142	102,033	95	80,100	27.38
OTHER (24 countries)	7,571	223,942	507	181,744	23.22	8,303	400,870	2,053	450,816	-11.08
TOTAL	40,500	4,933,458	23,132	3,667,642	34.51	79,051	11,525,042	85,878	9,907,027	16.33
GRAND TOTALS	46,423	8,844,027	27,386	7,504,828	17.84	95,666	22,084,369	101,500	21,673,843	1.89

crucially free, continued from page 1

Olsen twins' The Row that appeal to younger fashionistas.

REBOUNDED LUXURY

The newfound popularity of fur may help rebounding luxury retailers as they navigate slower U.S. economic growth. The material allows them to sell more goods at higher prices, which can augment their overall sales volume and enhance their profitability.

Saks President Ron Frasci said earlier this year that adding fur in the fall

season will "dictate" higher prices. The New York-based retailer has projected that sales at its stores open at least a year will grow as much as 9% in the second half of 2011 and that its gross margin -- the percentage of revenue left after the cost of goods sold -- will increase as much as 50 basis points.

The Standard & Poor's 500 Retailing Index has gained 7.3% this year, compared with a 5.9% gain for the S&P 500.

Fur sales fell since 2005 because of the recession and warmer winters and

only began to recover last year, the West Hollywood, California-based trade group says.

'UNDERGROUND' SO LONG

"After being underground for so long, fur has got a new vibe," says Roseanne Morrison, fashion director of Doneger Group, a New York-based retail consulting firm. "It's actually fun."

Celebrities also are inspiring shoppers in their 20s and 30s to buy fur, says designer Adrienne Landau. Kate

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 Fur customers ask for Chris Yacoviello

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Moss, Jennifer Lopez and Catherine Zeta-Jones are among the better-known wearers of fur.

The fur business is trying to align itself with a wider trend toward goods considered "cruelty free," an industry term used to refer to a multiple products such as meat, cosmetics and rugs produced in more humane ways.

ORIGIN ASSURED

Consumers are 19% more likely to buy fur with an "Origin Assured" label, says the U.K.-based IFTF, which started the independently monitored initiative almost five years ago. The "OA" label is granted to certain species sourced from approved nations such as the U.S., Canada and Denmark that have regulations specifying humane trapping methods for wild animals and ensuring farmed animals are protected from injury and given proper shelter, food and water.

"Women have always loved fur, and it became, 'Should I or shouldn't I?'" says Landau, whose fashions are sold at retailers including the Intermix and Saks chains and the Gilt Groupe Inc. website. "Now it's, 'I can wear it. I don't feel any guilt.'"

Fifty-six percent of Americans believe wearing fur is morally acceptable, and 39% consider it wrong, according to Gallup's recent annual moral acceptability survey.

In the first category is supermodel Naomi Campbell, who modeled fur for designer Dennis Basso in his winter 2009 ad campaign after appearing naked in the PETA anti-fur ads in the mid-1990s.

Other design houses are mixing fur with less costly materials to help raise prices and boost profitability, Morrison said. The average price of U.S. mink pelts sold at February and May auctions surged 26% to \$81.90 from a year earlier, according to the U.S. Department of Agriculture.

Fur is such a predominant trend this year that Neiman Marcus's fashion director, Ken Downing, highlighted it as a must-have for the second straight fall season. Among the items the retailer's website currently is touting are a \$3,980 J. Mendel fox bolero, a mink collar from Akris for \$1,580, and a Marc Jacobs beaver fur-collared tweed jacket for \$2,800.

Laser-cutting and micro-shearing – which produce finer, more detailed fur pieces like geometric shapes, and a lower, velvety pile – now allow for lighter fur clothing. That makes possible garments that can go beyond traditional pairings with evening gowns and be rolled into carryalls, thrown over casual clothing, and incorporated into layered looks, Landau said.

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retail poll, continued from page 1

customer that cleans a garment also stores it.

“Our repair/remodeling business is also up and I attribute that to higher use of the garments during last year's longer and colder season.

“Of course it's possible that this type of business is ahead of last year as we were more aggressive in our marketing. We made phone calls to customers, sent them snail mail and did some advertising in newspapers and magazines.”

Jean Douglass, Held Projansky Furs, Rochester, NY

“Our storage business is up considerably. We've seen a lot of new customers this year but we draw from all over the country. For example, the very last coat we took in for storage was from Palo Alto, California. This person ships it to us each year and we store and ship it back. I think the reason for our good fortune is that customers perceive our dedication and trust us. That we enjoy pleasing the customer shows in every transaction we make. Plus, it's helpful that we're the only store in town. “Our cleaning business is also up. Being in a cold weather city, our customers use their garments more than some other places and the more you use a coat, the more you need to get it cleaned.

“Our remodeling and repair is also good. We're seeing a lot more variation in what people want to have remodeled. Our pricing, advertising and marketing remained about the same this year compared to last although we are thinking about a modest price increase in some areas for next year.”

Harry Sitilides, Connecticut Furs Inc, New Britain, CT

“We have a storage capacity of 20,000 garments and we've found our storage business down slightly although cleaning was up. While we're not Canada, we are in the Northeast and this year we've had a lot of snow. Sometimes we had as much as 24 inches on the ground, so people got to use their coats more. With more use comes an obvious need for cleaning, otherwise I think a lot of people would have held off this year.

“Our repair and remodel business is ahead of last year in number of repairs and remodels but down in dollar volume. People are making small repairs and small remodeling as opposed to major restyling as in years past. Our reversible repair business was very good this year.

“To stimulate sales we've had to find more and different ways to get people into the store. This has included limited time, percentage off type of promotion.”

Dan Sweeney, Bruno Furs, Reading, PA

“Overall our cleaning and storage sales are slightly lower and I would attribute that mostly to the economy. Also, while we are slightly less expensive than our competition - which we have right here in Reading (PA) and nearby Philadelphia - that competition might have affected our sales slightly.

“The long cold winter of course made for more coat usage and with usage comes the need for slight repairs and of course cleaning. Our repair and remodeling business is about the same as the prior year as was our advertising and marketing for these services.

Marcie, Marcella Furs & Leather, Amarillo, TX

“Our sales are way up in cleaning and storage. We are literally bursting at the seams. So much so we have to buy more hangers. Everything we did seemed to work. Starting in April we ran weekly newspaper advertisements to educate people as to the need to clean and store their furs properly. We heavily used the information from FICA to promote and I think more people got the message as the information was coming from an association rather than a furrier. We also invited people in for a clinic to educate customers and prospects. It helps that there are no true furrier competitors, only department stores that don't provide after-sale services.

“We had some fires here recently and a restoration company sent a bunch of furs to a dry cleaner where of course they were ruined. We got to see them first hand when the furs were delivered here for use to try to restore them.

“Our repair and remodeling business was up slightly and we saw more restyling than in the past.

“All in all it's been an odd year; it's August and we're still taking in furs.” **FW**

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