



CALIFORNIA FASHION ASSOCIATION

444 South Flower Street, 37th Floor · Los Angeles, CA 90071 · ph. 213.688.6288 · fax 213.688.6290

Email: info@calfashion.org Website: www.californiafashionassociation.org

AS SEEN In *California Apparel News*

May 7th, 2013

Fighting for Retail Floor Space Gets Tougher

By Deborah Belgum

With 45 percent of a major department store's merchandise being dedicated to private labels and another 40 percent carved out for brands, there's not a lot of room left over for new apparel companies.

"There are only 10 major department stores in the United States," said **Ilse Metchek**, President of the **California Fashion Association**, a trade group representing hundreds of apparel and textile-related companies. "Only 15 percent of their merchandise comes from newbies. Where new lines are going to make inroads is in specialty stores and online."

Metchek was speaking at the **2013 West Coast Manufacturing Conference**, held May 1 at the **Millennium Biltmore Hotel** in downtown Los Angeles. She was part of a panel of apparel manufacturers talking about the challenges of surviving in today's world.

Pooneh Mohajer, co-founder of **Tokidoki**, a lifestyle brand based in Los Angeles, said she and her partners have been concentrating on licensing agreements to grow sales for their graphic-heavy goods, which range from apparel and cosmetics to toys. The company works as a licensor and as a licensee. "I want to build my brand globally, so licensing is the way to go," she said, noting there is even a Tokidoki Barbie.

The 8-year-old brand is known for its rich assortment of artistically drawn characters created by Italian artist Simone Legno. There are "Cactus Friends," who dress in cactus suits to protect them from the cold and harsh world out there. Or there are the "Wild Boys," four tigers with distinctive personalities. "Our characters are cute and rich and fun," Mohajer said.

For **Charlotte Tarantola**, whose self-named label makes womenswear that ranges from dresses to tops to skirts, branding is the way to grow and to compete in pricing. "It's never been harder to be relevant in apparel now and get the prices you want to get," Tarantola said. Retail buyers are constantly trying to squeeze more profit margins out of what they buy. Pricing is the bane of a designer's existence, she said. "We have trained the customer to have false ideas about what things cost," she observed.

When Tarantola started her company in 1996, 99 percent of her merchandise was made in Los Angeles. Now 80 percent of her designs come from foreign factories and 20 percent is done in Los Angeles. But she is trying to return more production to the Southern California area. "Factories here that are offering more complete package options have helped us return to the United States," she noted.

CFA's Metchek said there are four barriers to producing in California: immigration laws that keep illegal immigrants with good sewing skills from working in garment factories; a shortage of industrial and vocational training programs to supply competent garment workers; the expiration of a state manufacturers' investment tax credit that went away with then-Gov. Gray Davis in 2004; and the inability to use machinery as collateral for a loan.

On the bright side for domestic production, Metchek said, more stores have customers requesting "Made in USA" clothing. "We have major brands that have decided to bring merchandise back to being made in the USA because their stores have requested it," she said. "If there is a request, then manufacturers answer that request."