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JK FRENCH MEN'S WEAR BRAND ZILLI OPENS N.Y. FLAGSHIP

Zilli, the luxury French men's wear brand that has focused on Europe and the Middle East, opened its first U.S. flagship Monday on prime Manhattan real estate. The label took a 2,500-square-foot space in the Four Seasons hotel on East 57th Street that had been home to a Brioni women's store. Brioni's men's unit remains a few doors down.

Despite the recession, the company's success in its own retail stores — there are 37 freestanding units — prompted Zilli founder and president Alain Schimel to return to the U.S. market where he has had limited exposure over the years. "After 40 years, I'm back, but direct," rather than wholesale, he said. "[By operating our own stores,] we can control the quality, the decoration and the pricing."

The line is also sold in two specialty stores in the U.S.: Battaglia Shop in Beverly Hills, and Da Vinci in Scottsdale, Ariz. Schimel said he started wholesaling his collection to department stores in the States in the early Seventies. "But it was so difficult to sell in the U.S. and get paid," he said.

So Schimel seized the opportunity when it became possible to expand in Europe and the Middle East starting in the Nineties. The first freestanding store opened in London in 1983, followed by Paris, 1990, and Moscow, 1993. A Dubai unit joined the lineup in 2004. There are three boutiques in Dubai as well as stores in Rome; Lyon, France; Geneva, and Kiev, Ukraine, among other cities.

Schimel said he chose the Four Seasons for the U.S. flagship because it is a well-respected international hotel brand and he liked the location on 57th Street. Kaan Cedric Turk, executive vice president and general manager of Zilli USA, said the company initially sought a townhouse on Madison Avenue for its store but "when we couldn't find the right spot, we took this, even though it is more conservative on space."

Zilli took six months to renovate the site, which incorporates dark mahogany wood, cream leather and marble and gold accents.

Prices are squarely at the luxury level, with dress shirts retailing for \$600, suits, \$3,000 to \$7,000, shoes from \$800 to \$6,000 depending upon skins, cashmere sweaters, \$700, ties, \$230, and the company's signature leather jackets, about \$11,000.

Unlike many luxury competitors, Zilli is known primarily for its leathers with unique silk linings. A full collection — suits, dress shirts, knitwear, outerwear and accessories — was added in 1996 and accounts for about 40 percent of the company's business. Volume was last year 70 million euros, or \$102 million. Schimel is projecting sales to increase 5 percent to 10 percent in 2009 despite the economic climate.

Schimel expects the new flagship, which he views as a long-term investment, to produce sales of \$5 million its first year. If it is successful, more U.S. stores will be added. "The main point is to find the right team — honest and good.