

# Cole Haan outlets echo classy image



In Cole Haan's new outlet store design, footwear and handbags are displayed by style rather than size.

A "beach house" concept aims to be a luxurious yet comfortable space.

By **TOM KIRWAN**  
Senior Editor

**M**arch 7 was a big day for Cole Haan: Its newly remodeled outlet store opened at Chelsea Property Group's Wrentham (Mass.) Village Premium Outlets.

For the company, which is based in Yarmouth, Maine and New York City and designs and sells luxury shoes, handbags, accessories and coats, the store represents the first of a new outlet store design concept, one that the chain is rolling out to the rest of its 35 stores.

"This debut is a significant step in furthering Cole Haan's presence in the luxury retail landscape," says Jim Seuss, CEO of Cole Haan. "The name Cole Haan has been, and continues to be, synonymous with great design and craftsmanship. This new factory store concept allows us the ability to showcase our product in an environment



Cole Haan outlets have traditionally been around 3,000 sf, but the new design can stretch the footprint to 3,300 sf or more while still giving enough space to add the luxury feel.

befitting its nature."

Created with the help of Seattle-based Callison Architecture, the new outlet store design represents a "beach house" for the Cole Haan shopper, creating a luxurious yet casual and enjoyable shopping experience.

The store features domestic touches of artisan-inspired furnishings and warm natural materials, all in a modern open space plan.

Cole Haan's distinguished signature dominates one wall against a weave-design wallpaper and pops out on another wall that's pumpkin-colored. Other elements include stone flooring and chrome details.

Handbags and men's and women's footwear each have their own area to support the dual gender, lifestyle strategy of the Cole Haan brand.

## First in a series

The remodeled Wrentham store was just the first in a series of openings of new and renovated stores Cole Haan created using the new design concept. Cole Haan opened its first new store design on March 27 at Houston Premium Outlets in Cypress, Texas. That opening was followed on April 3 by another new store in Philadelphia Premium Outlets in Limerick Township, Pa.

Eight days later, a new store popped up in Orlando at Prime Outlets International in a new wing of the outlet project, replacing the Cole Haan outlet store in another wing. New stores also opened on April 15 in Las Vegas Premium Outlets and on May 23 in Napa (Calif.) Premium Outlets.

And on July 14, Cole Haan's new store in Fashion Outlets of Niagara Falls (N.Y.) was set to open.

Regarding the hectic opening schedule, Mark Genest, senior director of Cole Haan factory stores, says, "We're approaching this pretty aggressively. About 60 percent of our entire fleet of stores will be converted to the new design by the end of the next fiscal year (in June 2010)."

The company began looking at a design update more than a year ago to replace the chain's interiors. The last update at the 17-year-old chain was about a decade ago.

## New emphasis on bags

One major merchandising change is that handbags and brief cases are spotlighted in their own area, something that wasn't even



The West Coast beach-house design reinforces Cole Haan's image change to classic, witty, cool and relevant.

thought about 10 years ago: That category has blossomed for the company since then. "It's a large category now and we wanted the new store design to highlight it," Genest says.

As before, the other two main merchandise areas are men's and women's shoes, but products are displayed by style, not size as before.

"The new store offers a clear presentation for each gender, with a large capacity of goods," says Genest, who figures the update is slightly larger than the old store.

"We can't open a store in less than 3,000 sf, but don't generally need more than 3,500 sf," he says. "Most of our older stores are around 3,000 sf to 3,100 sf, but the new design fits 3,300 sf and if we have the option we can take 3,400 sf."

The company, which reports that both the new and renovated stores are performing well, is renovating and opening 40 total outlet stores in the next two years, in a bid to capture luxury customers who might be shopping for bargains.

"The renovated stores in the new design have shown significant increases in all key performance indicators," says Cole Haan. "They have shown strong comp sales and margin gains, a tough combination in this economic environment."

The outlet stores sell a 50-50 mix of goods routed from the company's full-price store division and inventory made especially for the outlet

chain. Genest says Cole Haan uses the same standards and materials to produce the special-made inventory.

The renovations elevate the Cole Haan brand to the top of the luxury ladder in outlet stores nationwide, the company says, adding that new stores "have also outperformed in all critical key performance indicators. They have exceeded sales forecasts while carrying the highest margin rates in the division. The opening of these new stores has allowed the brand to capture a new consumer — a strong luxury customer."

## Top market: Houston

So far, among the new and renovated stores, the unit in the newly opened Houston Premium Outlets is marking the trail: "Houston Premium has been our highest volume store since it opened," Genest said in late March.

The new outlet store design comes just two years after Jim Seuss was named Cole Haan's CEO, taking on the mission to redefine the company.

He plans an aggressive retail rollout and updated product assortment. He has even created an initiative to collaborate with avant-garde designers.

The Nike Inc.-owned brand's volume in the U.S. is estimated at \$450 million, with the retail segment comprising \$200 million in sales.

For a while, Cole Haan was trying to be all things to all people — a men's comfort shoe brand with Nike Air technology, a fashion player and a luxury house.

That's changed.

"We didn't want to be conservative and clas-

sic," Seuss told *Women's Wear Daily*. "But we do want to be classic, and classic can be witty, cool and relevant."

Cole Haan wants to expand its store division to 150 to 175 units within five years, up from 68 stores now. The strategy is to open flagships and regular stores in locations throughout the U.S. The company has flagships in Beverly Hills, New York, Chicago and San Francisco.

The company is aiming to create a premium experience for customers, with the brand being dual gender.

A new ad campaign takes a lifestyle approach and will launch in the fall.

In addition, Cole Haan is working to bolster the product mix. In Cole Haan Collection, the product got a touch of luxury with the new Optical Weave leather collection for spring and high-heeled sandals with snakeskin trim.

Handbags are a significant push for the company, which is launching numerous satchels, hobos and totes this year.

This fall, Cole Haan is pushing heritage styles such as the wingtip for men and the updated penny loafer, with a line of shoes and bags with the penny pocket motif. The company is also mixing up the classics — wingtip shoe for women which has been morphed into a high-heel ankle boot.

The renovated outlet stores take about seven weeks to refurbish, typically during its host center's slow period. But Genest says the results are worth the wait.

The new stores with the updated looks, and the renovated units, he says, "are knocking the cover off the wall so far." ■