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Caribbean Joe: Moderate and Proud

CJ APPAREL GROUP HOPES TO PROVE THAT “MODERATE LIFESTYLE BRAND” is not an oxymoron.

Through streamlining, marketing and redesign, the almost \$200 million moderate vendor has returned to profitability in the seven months since Toronto-based Hilco Consumer Capital LLC acquired and renamed the New York-based Apparel Holdings Group. Its goal is to make Caribbean Joe a lifestyle brand.

“Our changes come at a time when so many people are getting out of the moderate business, so it’s a shot in the arm to invest in it,” said Jeffrey Levy, who came on as president and chief executive officer when the firm was acquired in January. “With the big companies exiting moderate, there’s an opportunity there.”

Before joining CJ Apparel, Levy served as president of moderate divisions at both Kellwood Co. and Jones Apparel Group, which are casting off moderate businesses. Liz Claiborne Inc. has also put much of its moderate portfolio on review with intentions to sell it.

But Levy and his president of women’s apparel, Sharon Parisi, who also came from Jones, think that the smaller vendors who remain have room to prosper.

“Originally it was easier for stores to develop moderate private label than it was to do better, but now a lot of the stores are coming back to the market for help, so the manufacturers who still do moderate have the opportunity to really capitalize and get significant open to buys,” Parisi said. “Also, as Macy’s is exiting the moderate business, the regional department stores have taken the opportunity to get into moderate even more.”

Caribbean Joe is in more than 1,000 doors, including Dillard’s, Belk, Beall’s, Carson’s/Bon-Ton and a few Macy’s units. CJ Apparel also has exclusive lines under the Havana, Jack’s Café label with Kohl’s and Jamaica Bay with J.C.Penney, but its focus is on making Caribbean Joe - and Born Barefoot, a children’s and juniors’ line slated for spring launch - a lifestyle brand.

The first step was streamlining the production through working out of fewer factories, eliminating 72 of the 198 jobs, and promoting internally. This



Caribbean Joe’s women’s lineup.

summer it began to step up marketing from practically zero to the level of competitors like Tommy Bahama. The label has revamped product design and offerings, making the brand more consistent across categories and extending Caribbean Joe with licensing deals, including those for handbags, bedding and swim.

On the marketing side, CJ Apparel hired Graj + Gustavsen at the end of May. Results of the internal presentation are ready for the August market, buyers will see it in November, and consumers will see the signage and in-store promotions for spring, Levy said.

“This level of marketing is unique in moderate,” Levy said. “Cooperative advertising and in-store graphics and signage have been totally ignored in the moderate zone.”

The product has also gotten a makeover. Through the prices are the same, with the line wholesaling from \$10 for a knit top to \$20 for a jacket, the look is younger and less spring-focused. The brand gave the “mature” tops a younger look to match the bottoms, which have been the brand’s growth driver.

Also, but adding sweaters and hoodies to the core polo and Hawaiian shirt assortment, the label hopes to make tops a year-round business.

CJ Apparel is now looking into hiring spokespeople, expanding internationally, and viewing the success of Tommy Bahama, opening its own stores.

— W.B.



The brand’s updated showroom.
Left: A spring look.