

June 1, 2009

Power Women in Licensing

By Mike Duff, Josephine Collins

Kathy Ireland Stays Strong

By **Mike Duff**

Kathy Ireland's career path led from model to actress to Kmart apparel designer to builder of a fashion, home furnishings and jewelry brand that now generates \$1.4 billion in annual worldwide retail sales, ranking No. 28 among the 2009 *License! Global* Top 100 Licensors. Ireland and the company she founded, Kathy Ireland Worldwide, continues to press forward with initiatives in categories as diverse as body care and fresh-cut flowers.

Today, more than 100,000 items carry the Kathy Ireland brand—one founded on the principles of providing strong fashion, quality and value and finding solutions for busy moms.

Although Ireland plays down the role of her celebrity in the brand's foundation, names can convey a lot. Mark Neckes, a professor and former chairman of the marketing department at Johnson & Wales University, says KIWW brings something more to the game.

"Ireland has name recognition with the people she's catering to, consumers beyond 25, and name recognition is half the battle," he says. "But also she has developed the right model with the right reputation and has been slow and careful in developing it based on good quality and design."

The latest product launch from KIWW is an example of how the company tackles new products and new segments. Ireland says her dissatisfaction with skin care products led her in a long search for something better.

"I've been working with chemists on it for over 20 years, but I never was satisfied," says Ireland. "We would come up with stuff, and the best I could say was, 'It's OK.'"

Finally, she discovered E.L. Erman, an Israeli skin care producer that uses natural ingredients and minerals from the Dead Sea in its formulations, and forged a partnership that now produces the Kathy Ireland Spa, Kathy Ireland Home Spa and I.D. Solutions for Men spa, face and body treatments.

Ireland also recently expanded lines with long-time partners Chef Andre and Nicholas Walker for items under the brands ACafe and J du J. Chef Andre advises KIWW on cooking and entertainment to support the ACafe brand, while Walker, a landscape designer, heads up the company's Jardin du Jour garden products division. ACafe body care products offer food-based aromas, such as chocolate and apple spice, while J du J offers the scents of herbs, fruits and vegetables.

The I.D. Solutions for Men line and a men's-oriented product from Hanna's Candles are the initial efforts into an area expected to generate growth for KIWW going forward. Right now, Ireland is keeping mum about what shape the men's initiative will take. "It's an area we have under development," she says. "It's too early to talk about."

KIWW continues to partner with retailers as well as licensees. The company has launched a new towel and bedding program with Sears Canada and is expanding wall coverings and bath accessories with the retailer, as well.

"Sears Canada is doing very good business," Ireland says. "Their stores are beautiful, and their customer services are very strong."

What Ireland stresses about Sears Canada exemplifies what the company looks for in all its brand partners: strong operations with a knowledge of how to address their markets.

Marketing Core Values

By understanding a brand's core values, you can better understand the brand's personality and how it communicates with its audience. This information can be used to create a marketing strategy that is aligned with the brand's values and personality. For example, a brand that values quality and craftsmanship might focus on creating high-quality products and services that are built to last. A brand that values innovation and creativity might focus on creating new and exciting products and services that are ahead of the curve. Understanding a brand's core values is essential for creating a successful marketing strategy.

Marketing Core Values

Not only does the company work with everything from leather sofas to diamond jewelry, it targets a range of demographics and tastes even within a single product designation. In candles, for instance, KIWW and partner Hanna's Candles offer 11 different collections based on KIWW style guides including high-end spa items, as well as products developed to suit drug chain and supermarket distribution. The company addresses seasonal with Home for the Holidays, everyday purchasers with Essentials, the inspirational market with Angels and Americana lovers with the Quilts of Gee's Bend, a collection that originally was developed for bedding.

While it continues to work with retail partners in direct programs, KIWW found exclusive deals like the one it had with Kmart too restricting. After the Kmart partnership ended a few years ago, KIWW made a commitment to service independent retailers and small chains on a basis of equal consideration with the big guys.

"Independents are still a focus, and we will always honor that commitment," Ireland says.

Robert Passikoff, president of Brand Keys, says Ireland's background has provided a degree of fashion credibility but didn't lock her into a particular niche. She was free to develop a lifestyle brand, one of the first in mass-market retailing, around her role as a mother. "Ireland had been around long enough that some resonating values have become attached to her," Passikoff says. "The fact is that she has been wise in the choices that she's made in terms of how she's been licensing her name. She has not been looking at identifying primarily with clothing or housewares or furniture but with maintaining the same quality, so she has been able to move from one category to another."

Ireland is publishing her second book this year, "Real Solutions for Busy Moms," with a major push planned to support the publication and her brand besides. Initiatives in jewelry and fashion are slated for 2009.

KIWW entered an agreement with Florabundance, a company founded in 1994 in Carpinteria, Calif., near Ireland's home. The result is Kathy Ireland Designs by Florabundance, a product line including 850 items and a Web site that allows visitors to shop by flower, by variety and by using a KIWW style guide. Plans for Kathy Ireland Home by Florabundance call for the introduction of flower bulbs and one-of-a-kind fresh-cut assortments.

Business Success from B to Z

By **Mike Duff**

The B. Smith line at Bed Bath & Beyond, which today includes more than 146 SKUs, is expanding into the art, rug and seasonal/holiday segments. As with the tabletop and domestics items that established the line, they combine influences from African and Asian sources with a traditional influence to create a look that works in a wide range of settings.

While the Bed Bath & Beyond initiatives are critical, Smith also has developed a range of furnishings for independent furniture stores, dubbed At Home with B. Smith. Residential furniture is now the centerpiece of the program. In launch mode now, B. Smith Gallery, is a home furnishings initiative that will cover rugs, permanent botanicals, mirrors and frames and art. Licensees include Surya for rugs, Roma Home Décor for mirrors, Foster's Point for permanent botanicals and Picture Source for wall art. Commercial furniture is set to follow.

Smith's ambitions remain multifaceted. She intends to open three new restaurants between now and 2013, one each in Atlanta, Chicago and Miami. She is planning a new cookbook release in 2009, tentatively titled "Southern Cooking A to Z." A home entertainment and cooking DVD, which can run on a laptop right on a kitchen counter during meal preparation, is scheduled to launch in the third quarter of this year. A new television show based on her cookbooks is also in development, as well.

Smith's video and television plans also include a new run of some of her classic TV shows that include a roster of celebrity guests such as Aretha Franklin, Bobby Flay, Li'l Kim, Darius Rucker, Cedrick the Entertainer, Henry Winkler, Billy Joel and Little Richard.

"B. Smith with Style" has appeared on cable in more than 90 percent of the U.S. and in 40 regions and countries, including the Middle East, South America, Japan and Europe.

Smith has plans to explore some new product categories this year with a line of cosmetics, skin care, fragrances and hair care products, and is currently negotiating with a major national retailer for the launch.

In addition, Smith has set licenses for fine and costume jewelry and olive oil with Zalemark and Alden Group. In fact, Smith has been building a jewelry initiative, acting as a QVC host selling jewelry, developing the products and plans for the future.

The scope of Smith's future plans is ambitious, but its guiding strategy resides in a brand that always has, at its core, the experience and style Smith has developed over the course of her multifaceted career. The brand evolves based on Smith's practical understanding of what consumers want and how to deliver it.

Smith began as a model and, although her career has taken her elsewhere, she continues acting as a spokeswoman for national brand products such as Betty Crocker, Colgate Palmolive, Pillsbury and Toll Brothers.

Dan Gasby, Smith's husband and chairman of their company B. Smith Enterprises, explains, "Smith's style—drawing from a range of influences but expressed in a manner that is colorful, sophisticated and accessible—has