

Rich People Don't Want Ivanka Trump's Fashion

The first daughter aimed her label at wealthy sophisticated women, but it didn't take. So she moved downmarket.

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Illustration: Stephanie Davidson/Bloomberg

At a T.J. Maxx discount shop in the shadow of New York's Queensboro Bridge, there's little sign of Ivanka Trump's fashion label. But she's there. Dangling next to a bright red Fossil handbag is a single, blush-leather Ivanka Trump satchel. A flip of the tag reveals a \$129 price, about the same as the other bags on the rack. Spread among

the jumble are items by Guess? Inc., Nine West Group Inc., Steve Madden Ltd., and even a decidedly cheaper option from the Jessica Simpson Collection.

None of this screams luxury, yet that's the brand image Trump, 35, originally envisioned: An icon of extravagance similar to what her father spent decades trying to build. When she began selling her brand as a fine jewelry label, she looked to Tiffany & Co.'s robin egg-blue box and Christian Louboutin Ltd.'s red-soled pumps for inspiration. She placed Trump wares in the same realm as such storied couture names as Harry Winston Inc. and Van Cleef & Arpels. She even opened an opulent boutique on Manhattan's Madison Avenue.



Ivanka Trump Photographer: Andrew Harrer/Bloomberg

Somewhere along the way, though, Ivanka Trump went downmarket. Her label now represents a much more modest image, perhaps recognizing exactly where on the retail continuum her products truly reside. At its heart, Ivanka Trump is a celebrity brand, not a designer fashion house, industry analysts say. It's the messy discount rack, not the gleaming glass jewelry case. Her company's moves over the past few years reflect that. And as it turns out, targeting the masses has worked.

"Celebrities, as a branding tool, appeal more to the mass than luxury," said Allen Adamson, the New York-based founder of consulting firm BrandSimple. "The further downmarket she goes, the more horsepower her brand potentially has."

The pivot began in late 2010, when Trump started her footwear and clothing businesses. She chose to go after a much-less-glossy group of people, discarding four-digit pricetags in favor of numbers more on par with the broader market. U.S. President Donald Trump's election last year accelerated that shift. After losing her most glamorous retail partners amid the controversies and boycotts that have marked her father's tempest-tossed administration, she halted production of the diamond jewelry that was her only remaining fashion business.

Her executives decided to nix <http://www.vanityfair.com/news/2017/03/ivanka-trump-fine-jewelry-brand-advocacy> the Ivanka Trump Fine Jewelry Collection in March in order to create a more cohesive brand. Gem-laden necklaces at \$10,000 didn't make a whole lot of sense for a brand that also peddles discount heels at DSW—a low-price shoe warehouse. In its place is a “fashion jewelry” collection sold at Lord & Taylor stores and online. There's no solid gold or diamonds: Some items are available on sale for as little as \$11.

Just how far downmarket has Ivanka Trump gone? Bloomberg compiled pricing data from the her brand, and compared it with those of other labels known for work-wear, using three office essentials as illustrations: pumps, tote bags, and sheath dresses. Trump has long promoted her clothes as work-appropriate garb the working woman can afford. The Ivanka Trump label now clocks in alongside mall staples Banana Republic and Ann Taylor, brands far from the luxury segment. Above Trump sits DKNY, the mid-market diffusion line created by designer Donna Karan. Luxury brand Burberry, meanwhile, is out of her league. Other fashion houses such as Prada SpA carry even higher price ranges. (A spokesperson for the Trump brand didn't immediately respond to a request for comment.)

How swaggy is Ivanka?

Price ranges of Ivanka's competitors

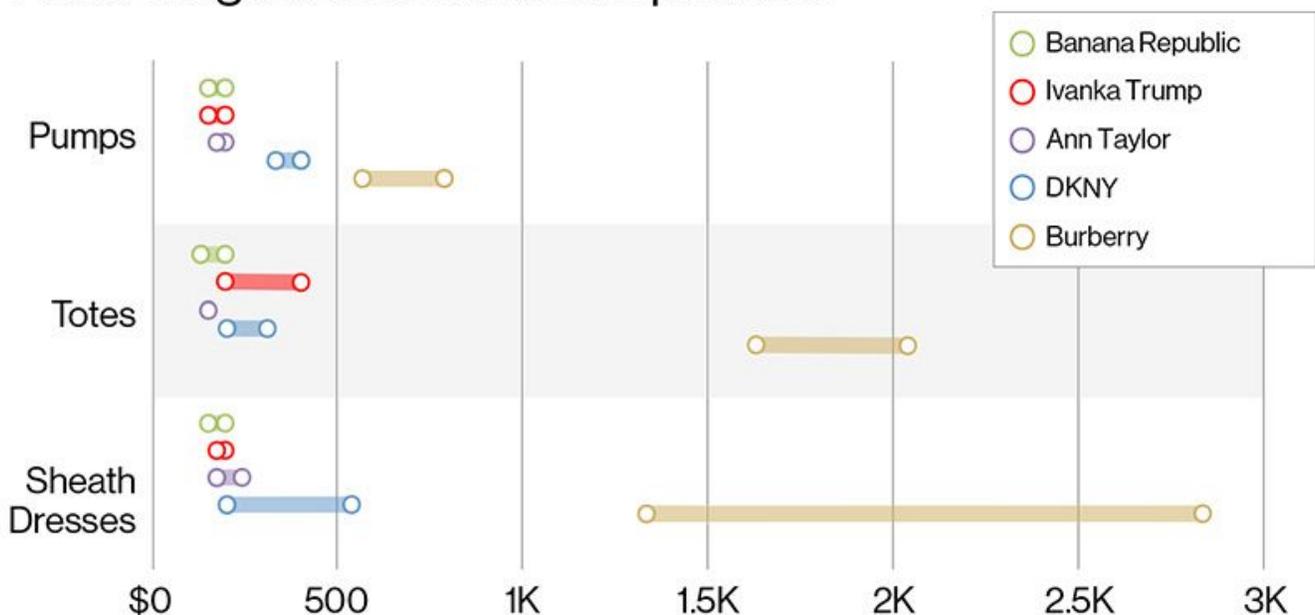


Illustration: Stephanie Davidson/Bloomberg

Back in the summer of 2010, a few months prior to her shoes hitting store shelves, Ivanka Trump held court at Trump Tower in New York, hosting retail buyers and members of the press eager for a look at her new

collection. Marc Fisher Footwear LLC, maker and distributor of her shoes, happened to be located in the same building. In a showroom, she displayed a wide selection of styles, from high heels to sneakers, with retail prices spanning \$60 to \$160. The initial feedback was strong enough to prompt Trump to push up the line's timing from the following spring. Nordstrom Inc. and Bloomingdale's were among the retailers to get on board.



An Ivanka Trump-brand coat for sale at a Century 21 department store in New York this year. Photographer: Drew Angerer/Getty Images

Her apparel line, a partnership with New York-based G-III Apparel Group Ltd., came next. In February 2011, it landed on department store racks, featuring \$80 blouses and \$200 jackets. Trump said she wanted the clothes to exude “timeless glamor” despite the mid-level pricing.

“I wanted the price points to be accessible,” Trump said <http://www.instyle.com/news/exclusive-first-look-ivanka-trump-launch-clothing-line-soon> as she was hyping her new apparel line six years ago, “but ultimately we’re in the business of luxury, and these looks are consistent with that larger messaging.”

It was 2011, and shoppers wanted Ivanka Trump. Business boomed. Her clothing line grew to a \$100 million business by flaunting the counter-intuitive promise of “affordable luxury.” She expanded into home goods and fragrances as her label entered more stores. As the company grew, glamorous jewelry gave way to mass-market merchandise. Items emblazoned with Ivanka Trump’s IT logo are now sold via the online marketplaces of Wal-Mart Stores Inc., Kmart, and Sears brands.

Executives told Refinery29 <http://www.refinery29.com/2017/03/143713/ivanka-trump-brand-reputation-sales-trump-inauguration> in March that the brand’s average customers are aged from 25 to 40, with an annual income of \$60,000 to \$100,000—far from the sort of shoppers who shell out thousands of dollars for gem-encrusted necklaces.

This was not the first daughter’s original vision—not by a long shot. As Trump explained in her 2009 book, she wanted to sell “heirloom chic” jewelry, a cleaned-up version of classic Hollywood-style glamor. She would not, however, copy Tiffany & Co., which sells rings and bracelets for \$150 to get first-time shoppers hooked before graduating them to pricier baubles. Trump’s starter trinkets would be much more expensive.

“We wanted to offer luxurious pieces in the five-, and six-, and even seven-figure range, but at the same time we wanted to offer entry-level pieces priced between \$500 and \$1000,” wrote Trump. “We wanted to fill that void just below the high-end diamond jewelers such as Harry Winston, Bulgari, Graff, Van Cleef & Arpels—the boutiques that exemplified acquisitions of \$50,000 or more—while at the same time creating luxurious pieces that would be the envy of any jeweler.”

But as the years passed, and her mid-market business chugged along, Trump’s high-end aspirations struggled to gain traction. People with that kind of money weren’t buying.





Ivanka Trump-brand high heels on sale in the clearance section at Century 21. Photographer: Drew Angerer/Getty Images

Trump unsuccessfully tried to expand the luxe portion of her label abroad. In 2013, a store bearing the Ivanka Trump name opened at a fancy mall in downtown Beijing. At the time, [she said](http://www.wsj.com/video/ivanka-trump-takes-on-china/C2CA8312-DE9A-4AD6-841B-90EA3AB48D5E.html) [the Trump brand had garnered a lot of interest in China because the culture is “very sympathetic with how our brand is positioned.”](http://www.wsj.com/video/ivanka-trump-takes-on-china/C2CA8312-DE9A-4AD6-841B-90EA3AB48D5E.html)

A statement [published in the Mandarin edition of *Vogue*](http://www.vogue.com.cn/people/icons/12840.html) declared that each new boutique in Asia would haul in \$3 million in sales its first year and grow 20 percent to 25 percent annually.

The Beijing store quietly shut its doors last year.

Luxury branding generally requires exclusivity. Labels that want to sell high-end goods while also occupying the Macy’s Inc. outlet racks risk tarnishing the luster of the former in favor of higher sales of the latter. When a brand is too available—especially at off-price venues such as T.J. Maxx—the value of the entire name can shift. Of the high-end department stores that were once home to Ivanka Trump’s products, only Bloomingdale’s remains. Meanwhile, dozens of styles of Trump shoes and handbags are available online, ranging from \$50 flats for toddlers to \$250 leather tote bags.

“It’s very hard to authentically be in the luxury channel and at the same time be in the more accessible price-points,” said Robert D’Loren, chief executive of Xcel Brands Inc., a brand licensing and management company.

The priciest pieces of Ivanka Trump jewelry left are a pair of gold-plated necklaces with pendants of reconstituted stones. They cost \$148.





A woman browses jewelry at the “Ivanka Trump Collection” shop in the lobby of Trump Tower in New York in February. Photographer: Drew Angerer/Getty Images

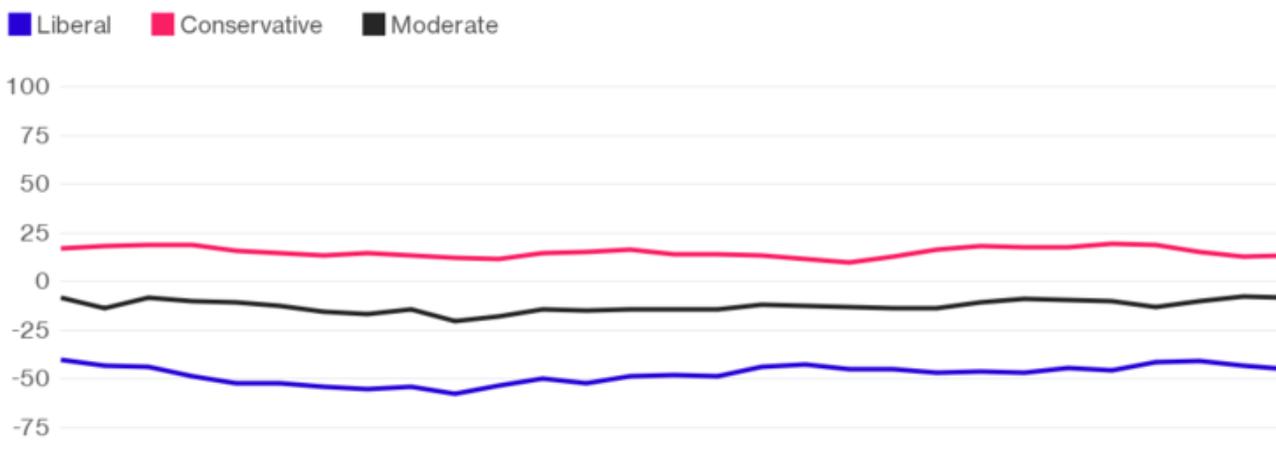
Abigail Klem took over the brand’s operations just before Donald Trump’s inauguration in January. She suggested the label’s move away from luxury goods is permanent, saying that future price points would be “aligned with the rest of our collection,” and that the company will be focusing “on existing and new categories that are most relevant to our loyal customers.”

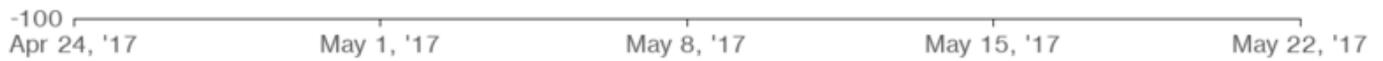
Ivanka Trump, the person, now occupies an office in the White House. Though she says she no longer runs her company, she still owns it, having refused to divest or forgo payouts from a trust holding some of her assets. The brand has made efforts to distance itself from its namesake—cutting her image out of promotional materials, for instance—but shoppers can’t ignore the name, especially now.

Ivanka Trump, the fashion label, polarizes shoppers because of the same political divisions that polarize America. According to research firm YouGov BrandIndex, conservative shoppers have a slightly positive impression of the brand, while moderate and liberal consumers have clearly negative perceptions of the brand.

Ivanka's Style Split

Consumer perception of Ivanka Trump's fashion label by political ideology





Source: YouGov BrandIndex

Scores can range from -100 to 100 with a zero score equaling a neutral position

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Nevertheless, Trump's goods seem to be selling well since her father's campaign began. Sales were up 21 percent in 2016, the company said in February. Clothing sales jumped \$17.9 million last year, a healthy increase despite being less than the \$29.4 million bump the company reported the year prior.

What's less clear is the longer term impact on her brand. In February, the label lost two high-end partners. Nordstrom, once her biggest retailer, stopped selling Trump shoes and apparel, while the even swankier Neiman Marcus dropped her jewelry. (Both said their moves were based on the brand's productivity). Then in March, the Ivanka Trump label decided to kill its fine jewelry collection entirely.

In the end, the future of Ivanka Trump's brand may be less dependent on the success of her downmarket strategy than on the success of her father's presidency. As far as shoppers are concerned, they're pretty much the same.

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