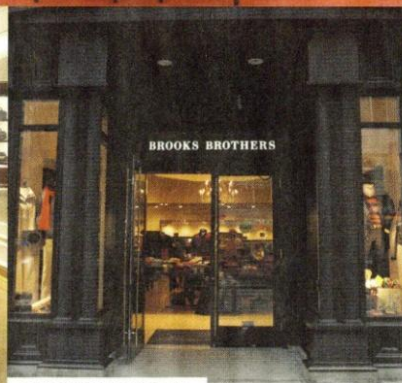




AGENT PROVOCATEUR



LOUIS VUITTON



BROOKS BROTHERS



OMEGA

Stealing firsts

When it comes to launching flagship outlets in Canada, luxury retailers both foreign and domestic are increasingly choosing Vancouver to make their debuts over Toronto and Montreal. The reasons, **Amy Verner** reports from B.C., involve real estate, geography and sophisticated shoppers. But can the burgeoning test market sustain the momentum?

Last month, a glittering gaggle of VICs (very important customers) converged on the historic Fairmont Hotel Vancouver to take in the renovation of the Louis Vuitton boutique there. After the unveiling and a cocktail reception, guests were ferried via chauffeured SUVs and railcar – yes, railcar – to a speakeasy-style party where the champagne continued to flow. As novel as this moveable fête was, however, it was the fact that the store had been remade into one of only 12 LV “maisons” worldwide that had many of the partygoers talking. “You don’t have to go to New York to get that exclusive bag any more,” Heather White, one of the Cupcake Girls in the reality-TV show of the same name, said of the maison, LV’s version of a superstore. “It raises the bar in Vancouver.”

That bar, in fact, has been inching ever higher for some time now. The first in this country and only the fourth in North America, Vancouver’s new LV maison, a 10,000-square-foot space featuring a two-storey display wall for handbags, a “men’s universe,” a private shopping suite and a gallery’s worth of artwork, is just the latest Canadian retailing debut to take place not in Toronto or Montreal, but in the B.C. city. Over the last few years, high-end foreign retailers including Burberry, the British lingerie chain Agent Provocateur and the venerable American business clothier Brooks Brothers all chose Vancouver for their first Canadian locations. During last year’s Winter Olympics, luxury watchmaker Omega set up its first Canadian boutique in the city (also in the Hotel Vancouver). And it isn’t just higher-end chains that are marking firsts here: In October, Canada’s Joe Fresh opened its first free-standing shop on Robson Street, a sleek, minimalist outlet that will likely serve as a template for future stores, including its first U.S. location – recently announced – on Fifth Avenue in New York.

Until recently, Vancouver was better known for its fondness for fleece than its cutting-edge style, so why has it become such a popular retail foothold, especially among luxury chains? While the glowing global exposure it received during the Olympics last year certainly

enhanced its lustre, analysts and the retailers themselves overwhelmingly point to the same two factors: the city’s proximity to the ever-growing Asian market (it is also the home of many wealthy émigrés) and the availability of attractive (if dwindling) retail sites in prime downtown locations. “Vancouver has become more sophisticated,” said Michael Penalosa, managing principal of Thomas Consultants, a Vancouver retail consulting firm. “The [Far Eastern] and now Persian markets have become stronger and they have been bigger buyers of luxury brands.”

Retail-wise, “Vancouver is on a world scale,” agreed Philippe Schaus, senior international vice-president for Louis Vuitton. He had just arrived from Paris for the recent maison opening. “It’s a very important city for us because of its [connection] to Asian customers.” Although the company, a cornerstone holding of the LVMH Group, opened its first store in Vancouver in 1996, its presence in recent years wasn’t reflective of how the city was growing as a market, he added. “We were here, but we wanted to make a [bigger] statement and in a way that fit with the city.”

Besides its significant Asian ties, Vancouver is also a good testing ground for retailers seeking to expand across the country, Kenneth DeGraaf, who assumed ownership of Agent Provocateur’s Canadian franchise last year, said in his Alberni Street boutique. Despite being the nation’s third-largest city, “Vancouver has enough critical mass that people look at it as a test market,” he explained. “It gives them a chance to expose themselves to the demographic diversity that you have across the country in some of the bigger metropolitan areas. And it’s just big enough to justify a stand-alone store.”

The promise of a sophisticated clientele in a compact, easy-to-monitor marketplace is also why homegrown luxury retailers such as Holt Renfrew will often introduce new, sometimes edgier offerings (especially men’s wear from the likes of Alexander McQueen, Balenciaga, Gucci and Burberry Prorsum) in Vancouver before

Toronto. “There is a healthy appetite for fashion in the Vancouver marketplace,” said Lanita Layton, vice-president of men’s wear and men’s footwear at Holt Renfrew. “McQueen and Balenciaga have now been added to additional stores based on success in Vancouver.”

Cementing the city’s edge among retail decision-makers is its positive perception abroad, a benefit Vancouver enjoyed even before the Olympics. The city “is always positioned well in ‘best place to live’ and ‘best place to visit’ surveys,” Omega president Stephen Urquhart said via e-mail, confirming that its Vancouver boutique will remain there permanently. “Europeans and Asians visiting Vancouver invariably comment that they feel at home there and that’s particularly attractive for Omega.”

Of course, focusing too heavily on overseas clients can just as often backfire. The morning after the LV party, shopper Brent Stephenson, who was in the market for a topcoat, stopped by the store. Although a sales associate showed him an elegant cashmere model, she was unable to close the sale, as she didn’t have it in his size. “It’s limited,” Stephenson, who was over six feet tall and of stockier build, said of the LV wares on display and Vancouver shopping in general. “They’re catering to smaller Asian men. I need to go to Vegas to shop.”

Another possible wrench in the city’s works: the diminishing number of premium retail spaces. “Buildings need high-profile tenants on their ground floors, but there isn’t a lot of new real estate,” said retail consultant Penalosa, who noted that a few impending lease renewals on Robson Street offer potential and the forthcoming Georgia Hotel and Residences will probably be occupied by a big-name brand. “Other sites are removed from the cool shopping area, so there’s not a lot of selection.”

Such are the problems, though, that come with success. As the country’s go-to test market for style brands both foreign and domestic, Vancouver finds itself in an enviable position. Even Stephenson, the disappointed shopper, acknowledged the allure of being able to peruse the entire LV collection on home turf. “Yeah,” he said. “I’ll go back.”