**TJX to Launch New Off-Price Concept**

**By Katherine Bowers**

FRAMINGHAM, Mass. — After raking up the biggest year-over-year profit increase in the firm’s 33-year history, TJX Cos. Inc. hopes to extend the win in the second quarter with a new off-price retail concept to debut in spring 2011.

In its announcement of its headquarters here Wednesday, TJX, the biggest off-price retailer in the U.S. with $20.29 billion in 2009 sales, declined to divulge details about the project until the third quarter, but indicated the new business will stay within its core categories — principally apparel, accessories and home merchandise — and has the potential for 100 stores.

Even with recent expansion, TJX has a number of voids in the merchandise mix it could seek to fill. With TJ Maxx and Marshalls of Marmaxx falling at or below bridge-contemporary price points and AJ Wright focused on moderate, TJX could explore designer and better apparel or launch a stand-alone chain dedicated to a single category, as the firm did in 1992 with the home-furnishings line, recently with Shoe Megashop by Marshalls. Jewelry and accessories, which generates 13 percent of revenue, remained strong in 2009. Apparel and footwear accounted for 61 percent of revenue. Despite a stellar year, TJX’s ambitions are to push further, faster. But it sees itself as a global player with the potential to grow net sales twice the current level.

TJX said it expects to open at least 274 stores in 2010, with a target of 320. That’s approximately $30 billion in sales and a long list of brands. “This is the seventh-largest fashion retailer,” said president and chief operating officer Carol Meyrowitz during the call.

She did not give a time frame, but said the company can grow from 2,743 to 4,200 stores over time without starting a whole new business or entering new countries. In her letter to shareholders, Meyrowitz wrote: “We have seen positive business trends accelerate during the recession, underscoring our belief that there has been a fundamental shift in the consumer psyche toward value.”

In its history, TJX has reported a comp decline only once. After dumping $150 million worth of selling and administrative costs in 2009, the company plans to slim off another $50 million to $75 million this year. It will also repurchase roughly $1 billion worth of shares and boost the dividend by 25 percent.

Now in her fourth year as the firm’s CEO, Meyrowitz appeared in no way averse to risk in her comments to shareholders.

“Testing new ideas is part of our DNA,” she said.

“We’re off to a fantastic start,” said Meyrowitz, noting customer traffic increased across all divisions. Last year, TJX boosted its bottom line 37.8 percent, to $1.21 billion, as sales expanded 6.8 percent to $20.29 billion and, matching the performance of the company’s second-largest off-price rival, Ross Stores Inc., comps advanced 6 percent.

This year, TJX will invest most of its $750 million capital budget in Marmaxx and TJX Europe. The $13.3 billion Marmaxx division, which encompasses 1,703 TJX and Marshalls stores, will net 33 additional locations last year. Marmaxx produced a $1.59 billion operating profit on a 7 percent sales hike. Marmaxx has expanded profit each of the last three years, thanks to tighter inventory control, fewer markdowns and more ample markups. Juniors, dresses, footwear and children’s apparel outperformed. The company expects to have 700 stores renovated in a new prototype by fall, but declined to specify design changes.

TJX will also push forward in Europe, opening five stores across the region. It is the seventh-largest fashion retailer, Germany and Poland, which it entered in 2009. Though the German market is notoriously difficult — importantvolumeisfallingout after nearly a decade of losses — TJX anticipates its three-year development operation will be profitable this year.

“The European market has tremendous potential — and growth,” said Meyrowitz, reaffirming AJ Wright has the potential to be a $500 million business.

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**Ideeli Adds to Management, Revamps Look of Site**

IN HONOR OF ITS THIRD ANNIVERSARY, Ideeli, the members-only sample sale e-commerce site, has bolstered its senior management team and revamped its site.

With 2.5 million members — a considerable leap from its one million base in December — Ideeli aims to hit $1.29 billion in revenue by the end of the year, according to chief executive officer Paul Hurley.

He began in 2007 as three staff members working around the dining room table of Hurley’s downtown Manhattan apartment is now a 100-person operation headquartered in a 7,000-square-foot office at Lafayette Street office. Four recently promoted executives include chief financial officer Rob Ross, director of brand marketing Tanya Ross and senior vice president of operations Jacob Hawkins, and vice president of engineering Chris Goldsmith.

That four previously held senior-level posts at Urban Outfitters Inc., ASmallWorld.net, Overstock.com and Johnson & Johnson, respectively, where they helped “create multimillion-dollar companies,” Hurley said.

“We have created a world-class team with deep experience in retail and e-commerce,” he said.

Critical as those additions might prove to be, Ideeli members will be more inclined to notice the aesthetic changes that will go live Saturday on Ideeli.com. The company tapped Hatuey Holme, who is led by Ronnie Cooke Newhouse and Stephen Wolstenholme to make those changes. They have spruced up Ideeli’s Web pages with a greater variety of photography such as Polariods and cleverly cropped images to give the site more of a glossy magazine feel while maintaining its “friendly, approachable style,” Hurley said. Instead of overlaying the site with an array of new features, the new approach is more nuanced. “A lot of what they have done is about how the site looks and feels. That is a feature in some ways,” he said. “Stephen and Ronnie just have such a strong sensibility but they also have the ability to listen to what we’re about and to relate the visual DNA of our brand. That is a key part of the conversation we have with our members.”

Ideeli’s membership is largely rooted in households with an annual income of upward of $100,000. The customer age range averages between 25 and 45. To date, Ideeli has 600 brand partners, including such notable names as prAna, Abercrombie & Fitch, Prada, Brooks Brothers, Marc by Marc Jacobs, Betsey Johnson, Kenneth Jay Lane and Pucci.

Of the leading four members-only shopping sites, a group that also includes Hautelook and Gilt Group, Ideeli saw the highest rate of growth in unique visitors, according to Comscore. In addition, a month period ended from April 2009 to April 2010. As means for comparison, both Gilt Group and Rue La La saw a 17 percent increase.

HauteLook posted 115 percent and Ideeli led the pack with 216 percent, according to an Ideeli spokeswoman.

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**Industry Praises ‘Made in Midtown’ Survey**

THE JUST-RELEASED “MADE IN MIDTOWN” SURVEY REALIZED THE Garment Center’s manufacturing will never return to its glory days, but designers and other interested parties are confident the neighborhood’s creative base can secure a thriving future.

In a sign of solidarity, Narciso Rodriguez, Herve Leger, Donna Karan, Reed Krakoff, John Bartlett and Nanette Lepore’s husband, Robert Savage, turned up early Monday morning at the New Market in Midtown pop-up space in the Port Authority Terminal.

After the Design Trust for Public Space’s executive director, Deborah Marton, ran through the report’s initial findings, other interested parties pledged their support. Robert Arnold of the Garment District is more of a research and development hub than a hotbed of manufacturing, she said. “In the end, we all want the same thing — a vibrant, mixed-use neighborhood in Midtown and a very healthy fashion industry.”

To further the discussion, the Design Trust and the Municipal Arts Society will host two panel discussions, June 8 and June 15, at the School of Visual Arts Theater.

After Wednesday’s presentation, Rodriguez said he hopes the report will bring more attention to the fact that “we need to protect our industry. It’s so important to young designers, established designers and big companies. In one way or another, we all depend on this particular fashion industry. Someone like Jason Wu started his business by depending 100 percent on sampling and manufacturing in the neighborhood.”

Sui, a long-time advocate of maintaining the patternmaking, trimming and other elements of production that still exist in the neighborhood, said, “It’s so fantastic that it has gotten to the point that we haven’t even asked the Design Trust behind us. Hopefully, they will help us get across some of the things that we could only get across with little sound bites and they will make people realize how important this is.”

The Council of Fashion Designers of America’s Steven Kolb, UNITE HERE’s Edgar Romney and New York City Economic Development Corporation’s Phil Murphy were other speakers on hand.

Romney emphasized the need to provide opportunities for young designers to come into the neighborhood. Murphy said he was encouraged by the prospect of having a land use issue or figuring out a business model. In recent years, there has been much debate about rezoning the Garment Center, which no longer houses the apparel businesses, so that commercial, hotel, retail, office, or cultural uses can be introduced.

Early on in the project, Kolb said he and Diane von Furstenburg were intent on having the Design Trust not just look at apparel manufacturing in the neighborhood, but the Garment District as a whole.

“What the study found is the heavy manufacturing that defined New York fashion for so many decades really isn’t coming back, but the neighborhood can be something different,” he said.

“You can’t pressure designers or companies who have gone offshore to come back to do 5 percent of their manufacturing in New York. But what you have to do is create a reason for them to come back,” he added.

Architect Joerg Schwartz, who along with Teng was instrumental in the first plan to rezone the neighborhood, pointed out that the Garment District was never really interested in looking at the Garment District in this level of detail.” Teng said the best part about “Made in Midtown” is its testimony “that creativity and newness are the heart of New York City.”