

Lakeside Mall wins H&M apparel store

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H&M, a Swedish apparel retailer with an intensely loyal following, will open its first Michigan store in the spring at **Lakeside Mall** in Sterling Heights.

H&M designs its own clothing for men, women and children but also can take a runway fashion hit and convert it for the masses at a fraction of the price within six weeks. It also teams with well-known designers such as Karl Lagerfeld and Stella McCartney for limited-edition lines.

At H&M, consumers can buy a fashion T-shirt for \$5.90 or a Stella McCartney coat for \$199, where prices top out.

The company has 1,100 stores worldwide but only 89 in the United States. It tends to create a buzz wherever it goes. For example, people waited in line for hours to get into its stores in Chicago and **Mall of America** in Bloomington, Minn., when they opened. It is to fashion what **Ikea** is to home furnishings: cheap and chic.

"Incredible," said Amanda Thompson, 22, of Armada Township, who was reporting to work Monday at an H&M competitor **Forever 21**. "Yes. Definitely, I'm very excited."

And Melissa Wolf, 25, a manager at the **Abercrombie & Fitch** store at Lakeside, said she was thrilled to hear that H&M is coming to her mall.

"I love the stuff," Wolf said. "I don't know if 'eclectic' is the right word, but it's definitely trendy. It's good that H&M is coming to Lakeside. Having a H&M here would definitely draw a younger crowd."

Construction on the 20,000-square-foot Lakeside store is to begin in January for a spring opening, said Beth Isola, senior marketing manager at Lakeside.

"We are honored they have chosen us to be home to their first store in Michigan," Isola said.

The mall's anchors are **Sears**, **Marshall Field's**, **JCPenney** and **Lord & Taylor**. The mall also has **Banana Republic**, **Coach** and other upscale specialty retailers.

Wolf and Thompson were surprised that H&M, with its cutting-edge design, would select Lakeside instead of **Somerset Collection** in Troy, which is more upscale and larger.

"That's kind of an odd location for them to enter. Usually when they go into a market they will pick a high-profile spot first," said Ed Nakfoor, a Birmingham-based retail consultant. "In Chicago, they opened on

Michigan Avenue first. They tend to pick places where all eyes are on."

But Lakeside, which is at M-59 and Schoenherr Road, sits in the middle of one of the fastest-growing areas of metro Detroit. **Taubman Centers Inc.** plans to build a 600,000-square-foot shopping center anchored by **Nordstrom** and **Parisian** down the road. And M-59 has just about every retailer one could imagine from **Target** to **TJMaxx** to **Art Van Furniture**.

Lisa Sandberg, H&M's U.S. director of communications, said much thought goes into selecting the best-quality store locations as it expands across the country.

"The fact that we have decided to make Lakeside our flagship store in Michigan is a reflection of that," Sandberg said Monday. "We have been looking at Michigan for a while and waiting for a property to open up."

Sandberg said that H&M's expansion team is still scouting locations in Michigan and will likely open more stores in the area as it did in Chicago, New York, Boston and Philadelphia.

Some have questioned the quality of apparel that can be bought so cheaply.

It can keep its prices low by buying in huge quantities and cutting out middlemen, she said. In 2004, the company sold 600 million items and had revenue of \$8 billion.

"We really feel you can balance quality and fashion and price," Sandberg said. "We are very lean but don't sacrifice quality for the sake of the price."

Robert Passikoff, president of **Brand Keys Inc.**, said the quality question has come up for H&M before, but consumers value the clothing with its European flair for more than just durability.

"H&M has a high degree of loyalty. What you are seeing is a balance of values from the consumer perspective," he said. "Even today with the bionic consumer of the 21st Century, you cannot provide shoddy goods. No one is going to pay any degree of money where the value equation regarding durability is low."

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