URL :http://businessoffashion.com/
PAYS :Royaume-uni
TYPE :Web International
JOURNALISTE :Malique Morris
► 3 juin 2025 - 09:58
> Version en ligne

Why Brands Are Still Betting on the US

Tariffs have slowed, but haven't stopped a wave of American expansion. Here's why some are choosing to stick around.

Philipp Plein and other foreign brands are forging ahead with their US expansion plans, despite tariff uncertainty. (BoF Team)

By Malique Morris 03 June 2025

Serena Uziyel isn't giving up on the US.

Over the last year, the Istanbul-based luxury shoe brand has opened two stores in Florida and one in New York in what is now its second-largest market after Turkey. The brand hopes to open more stores in Florida, as well as new markets like California and Texas.

Those plans were made before the Trump administration unleashed its tariffs, and when the US economy was on more solid footing. But the brand has no intention of changing course now.

"We know how to deal with it, so we are not going to change our plans," said chief executive Nadir Celik. It helps that the brand has experience navigating economic turbulence and high inflation in Turkey, he added.

Countless brands are making their own assessment of whether trying for a slice of the world's biggest fashion market is still worth the investment. All signs point to a weak economy with consumer confidence plummeting as the costs for essential goods like eggs go up. Retail sales on discretionary items fell in April. Trump's trade policy is also in flux, with the Supreme Court potentially weighing in on whether he can impose tariffs on dozens of countries on top of a 10 percent global levy that went into effect in April.

Investing in America could be a costly mistake in a worst case scenario, where Trump imposes prohibitive tariffs, the economy enters a deep recession, or both. But missing out if the turbulence is milder than expected has its own costs. Brands operating in the US are moving quickly to protect themselves, such as by reconfiguring their supply chains to minimise potential tariffs, or operating on parallel tracks, growing their US presence while speeding up **expansion** elsewhere.

For many, the choice to stay is clear – the market is simply too big to ignore.

"America as an economy is too important to be canceled," said the Switzerland-based designer Philipp Plein.

"People have money to spend; people will keep on spending money."

Tous droits de reproduction réservés

A Resilient Market

Philipp Plein International Group is going ahead with a number of US store openings for its Plein Sport activewear brand, as it looks to at least double sales for that business to $40 million, Plein said. The line is made in China, where Trump has slapped 30 percent duties on all products, but he's betting that the tariff uproar won't be as detrimental as many fear.

He's even more confident in the American consumer. He noted the country's economy bounced back quickly after Covid compared to other leading economies like China, which has struggled to recover from the pandemic.

Brands are also banking on customer loyalty to get them through a potential rough patch.

When it comes to customers, "once we get, them we keep them," said Peta Heinsen, co-founder and director of the Australian womenswear brand Matteau.

Heinsen said the label aims to have more than half its sales come from the US, up from 35 percent today. If US customers replicate a 70 percent global repeat purchase rate, they'll get there, tariffs or no tariffs, Heinsen said.

The more that happens in the US, "we can see huge potential without having to do too much more than we're already doing," she said.

Supply Chain Alignment

Where brands are changing course, it's often behind the scenes.

Ever-changing tariffs have underscored the need for brands to have a global supply chain — particularly one that isn't wholly dependent on China. The more suppliers and factories in its network, the more flexible a brand can be in relocating production when the cost of doing business increases.

Diversified supply chains will help in most tariff scenarios, experts say. Several brand founders cited Portugal, Turkey and India as countries with relatively low manufacturing costs that were likely to dodge the highest tariffs.

In February, Matteau moved production of its swimwear line from China to Portugal, sidestepping the roller coaster ride in April and May that saw tariffs on Chinese imports set as high as 145 percent before temporarily settling at their current level. (Whether the brand's bet pays off in the long run remains to be seen; in late May, Trump threatened a 50 percent tariff on goods from the European Union).

After moving into 1,700 Target stores, supplement maker Imaraïs Beauty is in talks to move production of its gummy supplements from Canada to the US so it can keep its big new retail customer consistently supplied without having to pay tariffs.

"As a brand, and a brand owner, you're putting out fires nonstop," said co-founder and chief executive Aaron Hefter. "This is a forest fire."

With a trade war still brewing and consumer sentiment in flux, brands have to move forward with their growth plans while minimising any threats to their business, said Anshuman Jaiswal, chief business officer at software firm OnePint, which helps global businesses manage inventory.

"The only thing that you can control is, 'Can I have more risk cushion in my business plan?'" Jaiswal said.

Tous droits de reproduction réservés