Why Suiting Up Will Cost More This Year

A menswear shake-up is changing the price equation for some popular suits; $50 extra for 'sweat guards'

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Some suit buyers are going to have to tighten their belts this year -- and it has nothing to do with a new fashion statement.

There's a shakeup in the suit business and it's prompting a big shift in the prices that have long distinguished a good suit from a cheap one. At the low end, the $200-$300 suit has gotten a major quality upgrade and is now bidding to compete with suits in the $500-$700 range. Meanwhile, some of the companies making those midrange suits are also trying to trade up, by offering features you might find in the made-to-measure segment, traditionally the province of higher-end names. For shoppers, the most obvious result of this jockeying: The standard suit from many established makers -- everyone from Hart Schaffner Marx to Calvin Klein to Burberry -- will cost between $50 and $100 more this fall.

Those suit makers say they have added touches that justify the higher prices. They include underarm guards that promise to prevent embarrassing sweat stains and an extra panel of fabric sewn into the chest area to make the suit feel less boxy. Some of the improvements are largely cosmetic, while others are more substantive -- such as upgrading to super 120s wool, a finer, softer fabric that is starting to show up in some $700 suits but is more common in pricier menswear.

Higher prices aren't the only thing turning up on suits this fall. Shoppers will see lots of glen plaids and navy suits with pinstripes that are getting thinner. And makers are pushing three-button jackets -- with a twist: The lapel covers up the extra button, offering the slimming silhouette of a three-button suit with the appearance of only two buttons. Shorter jackets are also in this year.

A big driver of the higher price tags on the basic $500-$700 suits -- one of the most popular segments -- are dramatic changes at the bottom of the market. Over the past several years, the quality of $200 and $300 suits made in places such as China and Mexico has improved markedly. European and American apparel
consultants have been helping plants in developing countries use more sophisticated manufacturing techniques, says Alain Mathieu, vice president of Werner International, a management consulting firm specializing in the clothing industry.

As a result, those suits are now filling the racks at Kohl's, J.C. Penney, Men's Wearhouse and chains such as Express Men. Eager to distance themselves from inexpensive models, the midtier makers have come up with a time-honored tactic to convey a more upscale image: raise prices.

"You have to reach for a higher price point so your suit isn't just a commodity being sold along with Windex and Tide," says Eric Nelson Jones, an executive vice president at Hart Schaffner Marx.

Curious about how someone in the garment business would compare a $300 suit with one that sells for $700, we asked Leonard Logsdail, a New York custom tailor, and Salvatore Cesarani, a menswear designer who teaches at Parsons, The New School for Design, to look over a selection from each price range. The first group included suits by Chaps, Target and J.C. Penney, at prices ranging from about $140 to $300; the other had suits from Joseph Abboud, Hart Schaffner Marx and Brooks Brothers, for between $598 and $750.

Mr. Logsdail thought the traditional suits were overpriced. "It's well constructed. The stitching looks good," he said of a $695 Hart Schaffner Marx suit. "But for $600? If this cloth were in the Target suit, there would be no difference." (See chart for more from their critique.) Hart Schaffner Marx said it is surprised by the comment: "There was additional cost to upgrade and add more details," says Mr. Jones. That "justifies the increased retail price."

As for the less-expensive suits, Mr. Logsdail thought they were good value, especially the Target suit. Mr. Cesarani, who remained partial to the pricier suits, said the lower-priced offerings were good enough for someone who didn't want to spend a lot. The Target suit, he said, looked and felt cheap. Target declined to respond to Mr. Cesarani's comment.

The price hikes are happening as suit sales overall are slowing. Last year, they increased just 0.4% to $3 billion in the U.S., compared with an 18.6% increase in 2004, according to market researcher NPD Group. And, while some men continue to spend up to several thousand dollars for suits from labels like Brioni and Kiton, the fastest-growing market segment is the under-$300 category. In the first half of the year, the average price of a suit sold in U.S. department stores, outlet centers, specialty stores and chain stores fell to $124.13, slightly lower than in 2003.

The increase in such sales comes from people like Peter Cakiades, a 60-something employee at a brokerage firm who was shopping at Kohl's in Paramus, N.J., recently. Mr. Cakiades, who says he used to buy his suits at Brooks Brothers and Barneys New York, snapped up three $275 suits by Chaps. "The suits are a terrific buy," he says. They are "well made, and you would think they cost more."

That hasn't stopped the midtier makers from jacking up prices. Hart Schaffner Marx, whose suits sell everywhere from Nordstrom to Dillard's, has raised its price $100 from last year, to $695. Calvin Klein, another top-selling suit brand, has taken the same tack -- its "white label" suit now goes for $550, up from $495 last year. Burberry raised its entry-level suit price by $50 to $800 this year, according to Hartmarx, which makes Burberry and Hart Schaffner Marx suits.
Increasing prices to boost a brand's image is an approach used by everyone from jeans makers to coffee-bean roasters. But it is unclear whether men will go for the pricier suits. "Even the well-to-do take pride in being smart shoppers," says Candace Corlett, a principal at consulting firm WSL Strategic Retail in New York.

Ironically, the business-casual trend of the 1990s is partly responsible for the rise of low-priced suits. Department stores cut their suit assortments to make room for casual clothes, ceding a chunk of business to retailers such as Jos. A. Bank and Men's Wearhouse, which offered suits at more affordable prices. After the dot-com bubble burst and employers began shifting back to a more formal dress code, department stores that weren't in the luxury niche that, say, Neiman Marcus inhabits had to offer steep discounts to compete. At the same time, stores such as Kohl's, Target and Wal-Mart began expanding their apparel selections, adding men's tailored clothing. Macy's has moved closer into this group with deep discounting of some suits.

Some men are gambling that other people won't be able to tell that they are wearing a lower-end suit. In July, Chris McMurry, a 25-year-old advertising executive in Owings Mills, Md., bought a new charcoal suit, made in Vietnam, from Men's Wearhouse for a last-minute business meeting. The price: $199.

"Only a discerning eye can tell the difference between a $200 and $700 suit," he says.