

Armen Gamarra designed this shoulder bag from Amano accessories. Photo by Getty

NOW

BAGFUL OF STATUS

New book 'Deluxe' reaches into the world of handbags

BY DANA THOMAS

Look at a woman today, any woman, and what do you see? Clothes that are more or less anonymous. Shoes that are more or less anonymous.

And a handbag.

It could be made of leather, canvas or nylon. It could be a tiny clutch in her hand or a backpack slung over her shoulder.

Never mind what's in it.

More than anything else today, the handbag tells the story of a woman: her reality, her dreams.

And thanks to luxury brand marketing, that handbag changes every few months, like the seasons, like her moods.

Since the late 1990s, handbags and other small leather goods have joined perfumes as "entrance products" to a luxury brand. Once costing as much as, if not more than, ready-to-wear, luxury handbags now come in a wide range of materials, from nylon to crocodile, and an abundant number of styles at prices as low as \$200.

Unlike perfume, handbags are visible on the body and give the wearer the chance to brandish the logo and publicly declare

her status or aspiration.

"They make your life more pleasant, make you dream, give you confidence, and show your neighbors you are doing well," Karl Lagerfeld told me. "Everyone can afford a luxury handbag."

Today, when you walk into a luxury brand store anywhere in the world, you will find yourself surrounded by handbags. They are the easiest luxury fashion item to sell because they don't require sizing or trying on: you look at it, and if you like it, you buy it. Done. They are easier to create and produce than perfumes, and the profit margin is astounding: for most luxury brands the profit is between 10 and 12 times the cost to make the item. At Vuitton, it's as much as 13 times. Handbags are the engine that drives luxury brands today.

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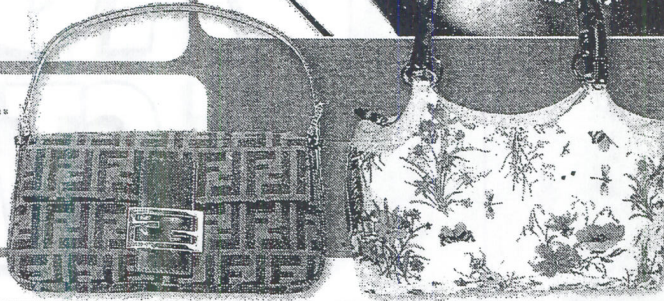
INSIDE The new 'Grease,' and what's hot this week in New York

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HIGHLIGHTS IN HANDBAG HISTORY ...

Sarah Jessica Parker (above) carried a Fendi Baguette (r.) on "Sex in the City"; using a print from one of its floral scarfs, Gucci designed the Flora bag (far r.) for Princess Grace (above r.) in the 1960s.



"High School Musical's" Ashley Tisdale touts her newfound star status by sporting a Louis Vuitton Murakami bag, priced around \$1,950.

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Karl Lagerfeld



CONTINUED FROM THE COVER

In 2004, luxury brands collectively sold \$11.7 billion worth of handbags and other leather accessories, and the segment is only getting the stronger. While the luxury market grew by 1.2% each year from 2001 and 2004, leather goods sales increased by 7.5% each year.

A large share of those sales are "It" bags: the latest hot designs that — thanks to luxury brand ad campaigns and fashion magazine articles — become the must-have of the season. Recent "It" bags include the Louis Vuitton Murakami, with the signature monogram stamped in rainbow tones on white leather, and the Gucci Flora, a pretty floral print taken from a scarf originally designed by the house for Princess Grace in the 1960s.

Handbags have become so important in fashion today that an English journalist wrote during London Fashion Week in 2006, "Everybody — everybody — is talking about handbags with the intensity of cardinals appointing a new Pope."

The "It" bag phenomenon is young — less than 20 years old — and has been wholly created by the marketing wizards at luxury brand companies. I remember in the early 1990s read-

ing stories in fashion magazines that declared that if you couldn't afford to change your wardrobe each season, you could update your look with a new handbag.

Leather companies launched ready-to-wear lines to make the brands — and therefore their handbags — sexier. Fashion companies pushed handbags to the forefront of their offerings and made them the centerpieces of their increasingly provocative advertising.

Handbags became an intoxicating lure.

So essential is the handbag in the success of a luxury brand today that Gucci Group attributed the disappointing figures at Yves Saint Laurent in 2005 to the fact the brand hadn't had a hit bag in a couple of seasons.

And Yves Saint Laurent was, at least until Gucci Group took it over in 1999, a fashion house, not a leather goods company. In 2006, Gucci Group was still supporting its fledgling fashion brands, Alexander and Stella McCartney. But as Claus Lindorff of the BETC Luxe advertising agency in Paris said, "It's not going to be the clothes that make those brands work. Those designers are being told, 'Get a bloody handbag out there that will sell well.'" It was an "It" bag that turned Fendi

from a dowdy old fur company into a top-tier luxury fashion brand. Back in 1997, Fendi accessories designer Silvia Fendi Venturini came up with the Baguette, a little, soft oblong pouch on a shoulder strap that nestles comfortably under the arm. It sold out in a matter of months and soon had a long waiting list, including for the \$5,000 version made of silk handwoven in the Manifattura Lisio in Florence.

All together, Fendi sold more than a 100,000 Baguettes the first year. It became such an important fashion item that it was written into an episode of "Sex and the City" — when a mugger ordered Carrie Bradshaw to hand over her purse, she responded, "It's a Baguette."

By 2001, the Baguette was over.

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COVER STORY

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