Luxury, and How It Became Common

WANT to buy luxury products like Louis Vuitton handbags? Gucci shoes? Prada dresses? There's no need to comb the fashion alleys of New York, Paris or Milan in search of the brands' boutique stores. Just zip over to the nearest mall, where high-end department stores hawk luggage, footwear, apparel, jewelry and virtually every other designer-label item that ever appeared under the klieg lights.

But be prepared to see scores of fellow shoppers already wearing the exact goods you covet.

Therein lies the cruel commercial irony at the core of "**Deluxe: How Luxury Lost Its Luster**," by Dana Thomas, a Paris-based culture and fashion writer for Newsweek (Penguin Press, 375 pages, $27.95).

Ms. Thomas documents in entertaining and sometimes heart-wrenching detail how the luxury industry evolved from a proudly diverse array of family-owned houses into a $157 billion-a-year mass market whose products now lack the exclusivity — and in many cases the quality craftsmanship — that formed the basis for their cachet in the first place.

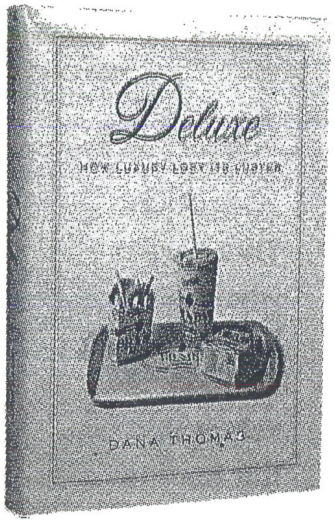
Along with changing the way we dress, the luxury industry "has realigned our economic class system," Ms. Thomas asserts. "It has changed the way we interact," she says. "It has become part of our social fabric. To achieve this, it has sacrificed its integrity, undermined its products, tarnished its history and hoodwinked its consumers. In order to make luxury 'accessible,' tycoons have stripped away all that has made it special."

At first lip-blush, that might seem like merely an elitist complaint. Ms. Thomas shows, however, that the repercussions of "democratizing" luxury have had dire effects across the globe, and on almost every socio-economic level.

The corporate quest to reduce operating costs, for example, often leads to the creation of sweatshops. Along the way come an array of related crimes ranging from fraudulent labeling and counterfeiting to embezzlement and even prostitution paid for with luxury goods in lieu of cash.

If the corporatization of luxury is new, the flaunting of wealth through acquisitions is not: It dates at least as far back as the ancient Greeks and Etruscans. The ancestry of modern extravagance traces to the Bourbons and the Bonapartes. (After France earned $15 million selling hundreds of millions of acres to the United States, Napoleon's wife, Josephine, spent half of the money on clothes in 10 years, Ms. Thomas reports.)

Ms. Thomas argues that luxury not only indicates our tastes in fashion, it also defines our political, social, and economic standing and our self-worth. In America, the prevailing standards of taste and style were once set by new rich industrialists like the Vanderbilts, Carnegies, Morgans and Rockefellers.



"Luxury wasn't simply a product," Ms. Thomas writes. "It denoted a history of tradition, superior quality, and often a pampered buying experience.

"Luxury was a natural and expected element of upper-class life, like belonging to the right clubs or having the right surname. And it was produced in small quantities — often made to order — for an extremely limited and truly elite clientele."

Enter the villains of Ms. Thomas' book, the 35 leading luxury brands that now control over 60 percent of the global market. The list includes Prada, Gucci, Giorgio Armani, Hermès and Chanel, all of which have revenue in excess of $1 billion a year. But the "Mr. Big" of the big luxury is LVMH Moët Hennessy Louis Vuitton, an $11 billion conglomerate whose labels also include Dior, Fendi and Berluti.

Some of the best-written — and most damning — passages in "Deluxe" recount the rise of LVMH's chairman, Bernard Arnault, considered by his critics to be the Machiavelli of luxury industry finance. Ms. Thomas describes how Mr. Arnault forced out the founding Vuitton clan in a vicious battle fueled by accusations of espionage and public smear tactics.

Citing startling statistics, Ms. Thomas describes how luxury empires like LVMH have spanned the globe. She reports, for example, that as of last year 40 percent of all Japanese people owned a product made by Vuitton, mainly from the monogram line.

That follows from the fact that the Japanese now account for 40 percent of all luxury sales, more than Americans (17 percent) and Europeans (16 percent) combined. India has more than five million customers for luxury goods, and China, whose 200 million such consumers now account for 12 percent of sales, is expected to be the most important market in the world by 2010, according to Ms. Thomas.

She spots signs of a slowly building consumer backlash and a renaissance of independent luxury houses that offer traditional quality and personal service. Her most prominent examples are the family-owned Daslu shopping empire in Brazil, and the French shoe designer Christian Louboutin.

"I see these men who build luxury brands to make money and I am in the same industry but I feel nothing in common with them," Mr. Louboutin declares. "Luxury is the possibility to stay close to your customers, and do things that you know they will love." He adds: "Luxury is not consumerism."

In the meantime, corporate success in mass merchandising luxury has taken a heavy toll on both culture and language. As Ms. Thomas's book points out from title to final page, one of the most dire effects has been to turn the term itself into a kind of oxymoron.

After all, what's the real luxury in being a "have" if hordes of logo-loving former have-nots can own the same products? □