# Faceless Fashion

Top couture labels were once defined by their big-name designers. Now anyone can do the job. BY DANA THOMAS

QUICK: NAME THE DESIGNER FOR YVES SAINT LAURENT. How about Gucci? Céline? Givenchy? Chloé? Seven or eight years ago, the answers were easy: Tom Ford, Tom Ford, Michael Kors, Alexander McQueen and Stella McCartney, respectively. All were fashion stars who had become household names, and their stardom drew the spotlight onto their brands, increasing sales exponentially. Some of those brands grew to the point of doing more than $1 billion a year in sales. In return, the stars commanded multimillion-dollar deals, commuted on the Concorde, were ushered about town in limos and

**Mysterious design**
A scene from New York's Fashion Week

ALEX MAJOLI—MAGNUM

**Behind the scenes** Stylists prepare a dress backstage at an Ungaro fashion show in Paris

**'Calm and serene'** Giannini says she has no desire to be known as a star designer

showed up on red carpets almost as often as the celebrities they dressed. They worked large, and they lived large. They weren't just the creators of luxury fashion; they were its emblems.

But now celebrity fashion designers have gone the way of the power suit: they're so last century. Luxury brands no longer swipe stars from their competitors, as Christian Dior did in 2000 with Yves Saint Laurent's famed menswear designer Hedi Slimane. Instead, they tap young designers who have risen through the ranks of the big brands as assistants and who do their jobs quietly, well—and anonymously. "We don't have to bring in star designers because actually the stars today are the brands," says Robert Polet, who joined Gucci Group as CEO and president in 2004, after 25 years at Unilever. "This is a mind-set change we implemented. The brand is the hero, the king in all we do, and we all work for the brand."

Gucci's creative director Frida Giannini is a case in point. The 34-year-old Roman attended the city's Fashion Academy, where she won several competitions. Shortly after her graduation, she joined the Rome-based luxury brand Fendi as an assistant in the accessories department. During Giannini's tenure there, Fendi's sales exploded, thanks primarily to the wildly successful baguette bag. ("I cannot claim its maternity!" she told American Vogue, though she certainly had a hand in raising it.) After six years, Giannini moved to London to join Tom Ford's team at Gucci as handbag design director. When Ford left, Gucci promoted three in-house designers: Ford's ready-to-wear assistant Alessandra Facchinetti to do womenswear, Ford's menswear assistant John Ray to oversee that domain and Giannini to head the accessories department. After two disastrous collections, Facchinetti left. John Ray followed in January 2006, and Gucci executives asked Giannini to take over the whole shebang.

In her three seasons as Gucci's creative director, Giannini's collections of retro-glam clothes and handbags have been lauded in the press—International Herald Tribune's Suzy Menkes called the accessories for Fall-Winter 2007-2008 "exceptional"—and the products have sold splendidly. Giannini's Flora accessories line—built around a colorful floral print based on a 1960s Gucci scarf designed for Princess Grace that Giannini found in the archives—has been a huge success. "Since Frida took over the brand, it has had the two best years in the history of the company," Polet said. In 2006,



TOP TO BOTTOM: DAVE YODER—ATLASPRESS, COURTESY OF GUCCI

Gucci rang up a staggering €2.1 billion in sales.

Some designers—Marc Jacobs, Michael Kors, Stella McCartney and John Galliano, to name a few—ambitiously started their own ready-to-wear companies right out of school before going on to work for the big labels. But Giannini says, "I never thought of having my own brand. I like working for big companies. I like all the projects that you can do and seeing my designs on people around the world." She also doesn't mind designing for a brand with a strong heritage and image, instead of exploring her own inner voice. "I like history in general—at home, in art, in life—and I have under my nose the opportunity to explore this archive. Why not?" Above all, Giannini professes to like her anonymity. "I don't want to be a star," she says. "I'm very happy to be behind the scenes, doing my job in a calm and serene way."

The rise of the anonymous designer came about for financial reasons. In the old days, designers could afford to launch their own brands. They grew slowly and remained small. In the 1980s, a new con-

**STAR DESIGNERS WERE REPLACED BY UNKNOWNS WHO HAD RISEN UP THROUGH THE RANKS.**

DESIGNER BRANDS

# Luxury Without Labels

## Bottega Veneta doesn't need a logo to prove its high-class credentials. The status lies in the way its goods are made.

**BY BARBIE NADEAU**

For some, nothing feels as luxurious as a designer insignia. Whether it's a massive C on the bow of glossy sunglasses or the offset LV on a well-crafted piece of luggage, the symbol plays a big part in announcing one's status. So then why did the New York-based Luxury Institute just name Bottega Veneta—which prides itself on sporting no labels at all—the world's most luxurious brand? "Bottega Veneta is a one-of-a-kind classic boutique brand that executes the fundamentals of luxury extraordinarily well," says Milton Pedraza, CEO of the Luxury Institute, which surveyed 500 U.S. homes with a median annual income of $318,000 to find the world's most admired luxury brand. "It's understated, not gimmicky. It is not so involved in labeling itself."

But that doesn't mean it's not readily identifiable. Even without a blatant insignia, Bottega Veneta handbags, shoes, clothing and home accessories are easy to distinguish, thanks to their tasteful use of animal prints and telltale hand-woven leather, which uses a technique known as *intrecciato* to create a lattice-work effect. The label's reputation for exclusivity is well established; the clothing line is limited both in the selections each season and the number of garments sewn. A jewelry line launched last year featured just a few pieces: an 18-karat woven yellow gold necklace and bracelet set with diamonds. Indeed, the company's mantra is "When your own initials are enough."

**Subtle chic** Bottega has 97 boutiques globally, including in Milan

The label wasn't always so discreet—or successful. Established as a handbag and luggage maker in the northern Italian city of Vicenza in 1966, the company became one of the hottest brands to carry in the 1970s. Bottega bags were favorites of Andy Warhol and Lauren Hutton, whose housewife character in the 1980 film "American Gigolo" clutched a Bottega. Starstruck, by the 1990s Bottega was labeling belt buckles and shoes and using its trademark print on every garment. The company also dabbled in garments like checkerboard mink trench coats and leather swimsuits. Its core clientele started to look elsewhere.

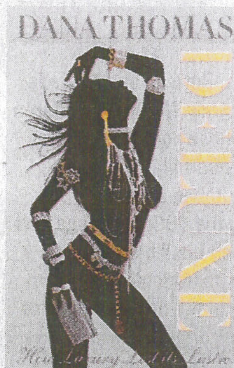
Then in 2001, the Gucci Group bought the company and hired a new creative director: the German-born Tomas Maier, who removed all the labels and went back to the brand's original understated allure. Since then, he has been credited with defining luxury as "discreet individualism."

The strategy has been a commercial success. Bottega Veneta is Gucci's second largest moneymaker after Gucci itself. The 41-year-old brand is sold via the Internet through a personal-shopper service and in a handful of upmarket department stores, carefully chosen based on the demographics of the city. There are also 97 Bottega boutiques worldwide, with revenues of €267 million in 2006, more than half from Asia Pacific.

With its profits, Bottega Veneta's line has grown to include men and women's clothing, children's shoes and a new cruise collection, as well as a new line of woven collars and vests for pets. Still, its signature woven leather handbag, which sells for about €3,000, is the company's mainstay. Maier's philosophy remains simple. "We surrender to the sheer pleasure of beautiful things and the remarkable abilities of our craftspeople," he said through a spokesman. And that, he believes, says much more than any label ever could.

DANIELE DAINELLI—CONTRASTO-REDUX

Read more of special correspondent Dana Thomas's inside look at the industry in **"Deluxe: How Luxury Lost Its Lustre,"** due out in August from Allen Lane.




cept called the luxury group was born: entrepreneurs and industrialists, many of whom had no previous links to the fashion business, bought up these old brands and renovated them. To do this, they highlighted each company's sterling heritage and brought in bankable designers to add cachet. As the brands grew, so did the stars' reputations, salaries and demands. "Stars fly first class, they need assistants, and so on," says Jean-Jacques Picart, a Paris-based luxury consultant. "It costs a fortune. And the more the business costs, the less profitable it is."

Today, it's too expensive for a young designer to launch his or her own brand. "To commercialize your business—production, distribution, advertising—you need a lot more money than before," says Chloé CEO Ralph Toledano. So designers either need to be independently wealthy and fund the businesses themselves, like Tom Ford recently decided to do with his new menswear store, or look for financial backers. "And backers want assurance," says Toledano. "They are much more assured by a name than by a non-name who supposedly has talent."

The big brands went in the opposite direction. When the expensive star designers left—or were asked to leave—the executives decided to trim back creative director budgets and hired less demanding, less expensive, little-known talent, many of whom had been trained by the stars. The problem now, says Toledano, "is that designers are employees. And they can get fired."

THIS HAS CREATED A REVOLVING-door syndrome in luxury fashion. No matter how well their collections sell, anonymous designers tend to remain just that, allowing luxury executives to hire—and fire—them with hardly a mention in the press. Since Alexander McQueen left Givenchy in 2001, there have been two designers: British-born Julien MacDonald, who specialized in knitwear and lasted four years, and now an Italian named Riccardo Tischi, who is a complete unknown outside of fashion's inner sanctum. After Michael Kors left Céline in 2004, the house quickly burned through one designer; the studio is now run by a Croatian named Ivana Omazic who has previously worked for Romeo Gigli, Prada and Jil Sander. Since Emmanuel Ungaro stopped designing his

CRAFTSMANSHIP

# Made by Foreign Hands

## Rather than outsource production, many Italian luxury brands are employing illegal Chinese immigrants as their artisans.

**BY BARBIE NADEAU**

The town of Prato, just outside Florence, is not exactly typical of this part of Italy. Sure, it's got the requisite medieval wall, a handful of baroque churches and charming cobblestone streets. But instead of sautéed garlic, the lingering aroma is of fried wontons. In the cafés, red paper lanterns are as prevalent as red-and-white-checkered tablecloths, and more people speak Mandarin than Italian.

In fact, this Tuscan community of about 200,000 is home to Europe's second largest Chinatown, after Paris. It's also the heart of Italy's apparel industry, home of the MADE IN ITALY label, which for many conjures up visions of old Italian craftsmen hunched over workbenches, sewing the last stitches on a pair of leather shoes or designer handbag. Gucci and Prada have their factory outlets here; Prato even houses Italy's official textile museum, which traces the history of the country's luxury-garment industry.

But the image of the skilled Italian worker lovingly plying his trade is fading fast. In the late 1990s, many fashion houses started outsourcing their work to China and Bangladesh, where labor is cheaper and output faster. Unable to compete, a number of Italian-owned garment factories shut down. Cash-rich Chinese entrepreneurs immediately snatched them up and brought in their own workers. Today the region is flooded with Chinese laborers, the majority of them illegal, allowing high-end fashion houses that refused to export their handiwork to hire Chinese after all—in Tuscany, but at Chinese prices. Indeed, the Cooperation for the Development of Emerging Countries estimates that many work for as little as €2 an hour, and can get by in Italy only by sticking to Prato's Chinatown businesses.

Immigrant artisans have always played an integral role in Italy's fashion industry, but until recently they worked mainly behind the scenes. Now immigrant laborers are playing a more open role in luxury-garment making. Of the 4,275 textile factories in Prato, 2,500 are owned by Chinese, who tend to employ only Chinese workers. And most of Italy's major design houses—including Prada, Versace and Giorgio Armani—rely heavily on Chinese-owned suppliers from Prato.

Indeed, hiring Chinese workers in Italy may be the answer to a tricky dilemma for luxury labels: how to cut costs while retaining the right to call a garment "made in Italy." In a study of Italian textile companies, Michela Pellicelli, a professor of economics at the University of Pavia, found that luxury designers like Gucci and Armani think outsourcing production is too big a risk for their reputations—even if it means losing profits. Rather than farm out much of its manufacturing, Prada last year opted to sell off many of its assets, including the Jil Sander and Helmut Lang labels. Other luxury designers have had to do the same, believing that "consumers,

**Mandarin spoken here** In Tuscany, some Chinese work for as little as €2 an hour



TOP TO BOTTOM: COURTESY OF DAVID PEARSON—PENGUIN, SINTESI—SIPA

own ready-to-wear line in 2001, the company has run through two ready-to-wear designers and is now on No. 3: a Norwegian-American named Peter Dundas. Chloé is on its second since Stella McCartney left to launch her own brand with Gucci Group in 2001; its current designer is a British-educated Scandinavian named Paulo Memim Andersson who formerly worked anonymously at Marni in Milan. And at Gucci, Giannini is all that remains of the original triumvirate that took over from Ford a mere three years ago. "All these big companies don't care about you as a person," McQueen has said. "You're only a commodity and a product to them and only as good as your last collection."

The revolving door of anonymous designers doesn't seem to hurt the brand's image in the short term. According to Claudia D'Aprizio, a partner at Italy's Bain & Co, a management consultancy, "The average luxury-brand customer doesn't know the name of the real designer of Yves Saint Laurent, and many think it's still Yves himself"—even though the couturier stopped ready-to-wear duties in 1998, and retired from the business completely when he sold his house to Gucci Group in 2000. Today, YSL is designed by the little-known Stefano Pilati, a 40-year-old Italian who rose through the ranks of big brands—first at Prada and later as Tom Ford's assistant at Saint Laurent.

Pilati's first two years at Saint Laurent were commercial and critical flops. His debut collection was filled with awkward tulip skirts and unflattering wide belts; the second a grim study of ecclesiastic wear in black and brown, with high frilly collars and cardinal capes. The third, as Washington Post fashion critic Robin Givhan put it, was "immolation by flounces," followed by a suite of dresses and coats in an oversize black-and-white picnic check and trousers with crotches dangling unattractively near the ankle. For this fall, Pilati has taken the safe route: reinterpreting classic Saint Laurent suits in shades of gray—clothes that might actually sell. "I think [Stephano's] trying to find his way," Susan Rolontz, executive vice president of the Tobe Robert, said recently. "I don't think he has a signature or a grip on what the collection should really be."

It is this constant shift in design voice that may ultimately have a devastating impact on luxury fashion. When a company changes designers every two

**MOST PEOPLE THINK YVES SAINT LAURENT STILL DESIGNS HIS OWN LINE, EVEN THOUGH THE COUTURIER COMPLETELY RETIRED IN 2000.**

particularly Asians, would not buy if the [clothes] were not made in Italy," says Pellicelli.

To be sure, 31 percent of Italy's top design houses admit to having, at one time or other, outsourced abroad; only 7 percent never have, according to Pellicelli's study. But most fear a loss of control over the product and the demise of critical skills in Italy. "If outsourcing is the only strategy, the firm is going to lose technical competence and ultimately its ability to innovate," she says. Many high-end designers believe that the MADE IN ITALY label, evoking a long history of artisanship, justifies premium prices—even if the items are produced by foreigners. "If their clothes are stitched at low-cost factories overseas, how will consumers react?"

Not necessarily badly, as Benetton has found. Though the company produces 80 percent of its clothing outside Italy, its profits continue to grow, with an increase of almost 12 percent in first-quarter net income from 2006 to 2007. The clothes may be produced in China or Turkey, but the labels simply read MADE BY BENETTON.

Some production will never move to foreign hands, especially sophisticated items made in low volume. And the push to keep manufacturing in Italy has some pretty powerful proponents—chief among them Paolo Zegna, heir to the Ermenegildo Zegna label and president of the Federation of Italian Textiles and Fashion Enterprises. He has become something of a hero in Italian luxury circles for chiding companies that ship production abroad or open sweatshops at home. "For centuries the Italian companies have passed their methods from father to son, offering a product that is quite unique," he says. "If we don't get our act together, we risk losing all that." At this rate, even those who resist the lure of what Pellicelli calls the world's new workshop will have to post an addendum to the MADE IN ITALY label: BY THE CHINESE.

**Model behavior** Striking a pose at a show by Kris Van Assche in Paris

or three years, there is no consistency in product or advertising. "And once you become inconsistent, the customer says 'Thank you very much,' and goes to another brand," says Polet.

The Jil Sander brand is a perfect example. In 1999 the German designer, known for her austere suits, sold her then thriving 25-year-old company to Prada. Six months later, Sander had a falling out with Prada Group head Patrizio Bertelli and quit. She was replaced by an unknown, untested designer named Milan Vukmirovic, whose designs were more '60s futuristic than '90s minimalist, and sales stagnated. Sander returned in 2003, and produced a carefree feminine look—including dresses for a change—and left again 18 months later. She was replaced by Raf Simons, a highly regarded Belgian menswear designer who reinterpreted Sander's original lean, tailored suits beautifully. But by then, there weren't many Jil Sander customers left. Last year, Prada sold the brand to a London-based private-equity firm for approximately $120 million—an estimate of its now meager sales turnover, according to press reports.

The lack of stars also diminishes the quality of the in-house stable. Fashion-school graduates dream of working as apprentices or assistants to the top stars in the business—not for unknowns. "The engine will eventually run out of gas without a star who will attract young and brilliant support talent," says Rita Clifton, chairman of Interbrand, a global brand consultancy in London. "[Stars] bring energy and attention to the brand. They are the most sustainable assets."

Tom Ford agrees. "I mourn [the loss of the star system] a little bit," Ford says (interview). "One of the reasons we were successful at Gucci was because the brand had a point of view and an identity. If the designer is a star and is tied to your brand so that is financially worth his or her while to stay, you're set. Karl Lagerfeld and Chanel is the most successful, long-running collaboration like that. Yes, the legacy is Coco Chanel, but those clothes are Karl's and his personality permeates that brand, and I think that is one of the reasons that brand is so successful. There's a point of view and you know what it is." And, just as important, you know whose it is. ■

See a video clip of "Deluxe" author Dana Thomas at extra.Newsweek.com



STEPHANE LAVOUE—MYOP

manufacturing, the Royal Academy of Fine Arts helped catapult the city onto the worldwide fashion stage in the 1980s after a group of recent graduates—dubbed the Antwerp Six, and including Dries Van Noten and Walter Van Beirendonck—hired a van and headed to the London fashion shows. The Academy, now headed by Van Beirendonck, has developed an international reputation for producing conceptual designers who are also commercially successful; 80 percent of the students now hail from outside Belgium.

Government support is also key to building a design city. In Turkey, years of economic woes made fashion unviable as a career option. But recent political and economic stability have created a massive shift. "I had not been back to Istanbul for about seven years and I was amazed with the number of fashion colleges and universities that have sprung up," says Istanbul-born London-based designer Bora Aksu. "After years of fashion being ignored and underground, now it's really blossoming." Groups like the Fashion Designers Association are lobbying the

**BEING FAR FROM THE FASHION MECCAS GIVES DESIGNERS MORE FREEDOM TO INNOVATE.**

HAUTE COUTURE

# Home Shopping Network

## Elite clients are no longer heading to the ateliers of top designers for fittings. So the designers are going to them.

**BY DANA THOMAS**

In the old days, ladies traveled to Paris to attend the couture shows in the ornate salons of the designers' headquarters. Afterward, they met with their personal *vendeuses*—or saleswomen—to try on the creations they desired. Then they hit the slopes or the beach until their garments were ready. Couture was a fun and civilized affair for clients, and a very good business for fashion houses.

During the past two decades, however, as the number of people enjoying such lavish lives of leisure has declined, couture has struggled to survive. In the 1950s, according to the Federation Française de la Couture, there were 20,000 clients; in the 1980s, 2,000, and in the past 10 years, the number has dwindled to a few hundred worldwide-mostly wealthy socialites and businesswomen-who still regularly visit top designers for made-to-measure clothes. Several houses—including Yves Saint Laurent, Emanuel Ungaro and Versace—have shut their ateliers. The twice-annual couture weeks in Paris have shrunk to a couple of days each, and the shows have changed from demure presentations of new offerings to spectacular million-dollar productions attended by journalists, retailers and celebrities. "The true haute couture clients don't come to the shows now," says Catherine Riviere, head of haute couture at Christian Dior. "The shows are about celebrities and image, and that doesn't interest couture clients at all. They want to see the collection properly and privately and don't want to be exposed to this media circus."

**A perfect fit** Runway couture is less sedate than the home version

So couture houses have adapted their strategy. "If the clients don't come to couture, couture will go to them," says Dior spokesman Bernard Danillon. Like queens holding court, many couture clients now receive their dressmakers at home. The trend began quietly a few years ago, but has picked up dramatically in the past year. Of the dozen major fashion houses that still produce haute couture today, several—including Dior and Chanel—provide home service. "People are getting richer and richer and want specialized service," Riviere says. "Home couture is an optimum service. It's a true evolution in the business."

The couture business has changed because the clientele has changed. Today's couture clients are women working in positions of power and influence. "The days of ladies who lunch are over," says Riviere. Though they prefer to keep a low profile, they are "richer than air," says Chanel designer Karl Lagerfeld. In Europe and the United States, they primarily buy suits and day dresses—at about $30,000 a pop—and a bit of cocktail wear. Asian and Middle Eastern customers order loads of eveningwear, the more embroidered the better; couture gowns start at $100,000. And if they see a similar dress on a red-carpet celebrity, they cancel the order immediately. "They want one of a kind," Riviere says.

A home-couture client first reviews the collection by watching a DVD or looking at photos online. Then she'll talk to her vendeuse and make a few selections. (At Dior, for instance, there are two couture collections: John Galliano's theatrical runway line and a more sober one that clients can actually wear.) The atelier uses a mannequin based on the client's measurements to make a *toile*, or linen mock-up, of each outfit. Then the client will fly in her vendeuse and a seamstress—often on her private jet—to conduct fittings in the privacy of her bedroom. Suits usually require two fittings; dresses and gowns, three or four. Riviere now has three vendeuses on staff, she says, "because there is always one on the road."

Home fittings have been a boon for the couture business. At Dior, for example, sales of this year's spring-summer collection were double last year's. Just as important, they have revitalized a craft that was on the verge of extinction. "It proves that haute couture can be modern, and not something that only references the past," says Riviere. Yet it still makes each client feel like she's the only one who matters.

PHOTOGRAPH BY JESSICA ANTOLA FOR NEWSWEEK