Retail Luxury Strategy: Assembling Charisma through Art and Magic

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Abstract

Luxury retail strategy differs from other retail strategies not merely in distinctive formulations of product, price, distribution, and appeals to customer distinction. Instead, it increasingly stands or falls on the legitimacy of a charismatic creative director. The director offers an aesthetic brand ideology. Luxury retail draws on the principles of art and magic to assemble the charismatic persona of the creative director and to diffuse his aesthetic ideology to the brand. Moreover, luxury retail strategy enlists magical and aesthetic principles within and without the store to achieve these ends. Finally, retail luxury is producer rather than consumer oriented and seeks to generate awe rather than community. This strategy appears to be to some extent a response to legitimacy crises provoked by recent strategic extensions of luxury brands into mass marketing. We offer some implications for marketing in which the charisma of a key personage is at stake.

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After designer Alexander McQueen’s suicide, the PPR Group announced that it would continue to produce fashion collections and accessories under the McQueen brand. Some analysts questioned the strategy’s viability, implying that it would be difficult to continue promoting the brand without the actual designer’s persona and vision (\textit{The New York Times}, Feb 19th, 2010). Behind this concern lie the questions of how effective luxury retail strategy is created, who is the creative persona at the heart of luxury organizations (McCracken 1989; Stern 1994; Weierter 2001), and what role that creative persona plays in the effective staging of luxury retail (Wæraas 2007).

Responding to recent research on retail and luxury brand strategy, our aim is to answer these questions. Our general concern is to determine what dimensions differentiate luxury retailing strategy from other retail marketing strategies (Arnold and Reynolds 2003; Carù and Cova 2006). Following Verhoeef et al. (2009), we want to establish what retail strategy is on offer in luxury outlets, that is, to identify a holistic configuration that characterizes luxury retail (Baker et al. 2002). To respond to our general question, we develop a theoretical perspective anchored on the charismatic creative director in luxury retail; we examine how luxury retailing establishes brand legitimacy (Arnold, Kozinets, and Handelman 2001) by linking the retail offer to the charismatic persona of the creative director through magical principles; we assess what kind of ideology contributes to luxury retail strategy (Borghini et al. 2009; Floor 2006); and we suggest how luxury retail strategy differs from that of other themed retail (Kozinets et al. 2002). Our discussion contributes to understanding the nature and role of charisma, retail ideology, and persona in retail marketing management.

Theoretical background and context

To begin to determine what differentiates luxury retailing strategy from other retail marketing strategies we clarify our understanding of key constructs, for example, luxury brands, charismatic legitimacy, retail brand ideology, and magic.

Luxury brands

Whereas a premium good is an end-range product with better quality, higher prices, and so on; luxury goods have additional qualities (Chevalier and Mazzalovo 2008; Kapferer and Bastien 2009; Lipovetsky and Roux 2003). Their specificity is shaped by cultural and historical heritage (Assouly 2005; Kapferer and...
Bastien 2009; Mason 1993; Sicard 2005). Compared to fashion wedded to short-term cycles and perpetual change, luxury is typical inscribed in longer term traditions (Assouly 2005). And the specificity of luxury translates into tactics that invert many standard mass marketing approaches (for specific details see Dubois and Duquesne 1993; Kapferer and Bastien 2009).

We follow Assouly (2005), who emphasizes that philosophical reflection on luxury draws attention to its symbolic uses with little regard for the material form that it takes (clothes, car, housing, tourism, jewellery, cuisine, perfumes...), and towards the postures, ways of speaking, interests, and relationships to time and space that luxury organizes. Thus, we suggest it is not the objects that furnish us with a definition of luxury but the relationships that develop with regards to them. Consumption of luxury is often discussed in terms of aspirations to elite status or to assert symbolic dominance over others. Moreover, there is no intrinsic luxury good; instead we say retail marketing systems organize and govern not only access to luxury (e.g., DeBeers’ distribution strategy that keeps diamonds artificially scarce, Dubois and Duquesne 1993), but the ways in which luxury is materialized and expressed in particular cultural contexts (Kapferer and Bastien 2009).

Next, whether brands or retail outlets, luxury offers hedonic appeal and this appeal is multisensorial; luxury is affect-rich, connecting with customers on an emotional level. Consequently, luxury has a high “ratio” of intangible value to price (Hagtvedt and Patrick 2009; Kapferer 1997; Nueno and Quelch 1998; Vigneron and Johnson 2004).

In addition, based on Benjamin (1927/2002; see also Arvidsson and Malossi 2011) and following Heilbrunn (1999, p. 189), we propose that successful luxury brands are auratic. Similar to works of art, they “possess an aura of authenticity which surrounded the original – nonmechanically reproducible – work, endowing it with qualities of uniqueness, distance and otherness.” Thus, managing luxury consists in managing the aura of the brand over time. Similarly to retro brands (Brown, Sherry, and Kozinets 2003) the challenge is to create new products within the brand but without losing brand’s aura. These qualities are in question for many luxury brands because of recent mass marketing experiments that pose a legitimacy predicament for them. Following Shaw (2001), we suggest that the key to maintaining luxury brand legitimacy despite mass distribution is managing the charismatic aura of the creative director.

Beyond conventional explanations focused on ostentation (Han, Nunes, and Drèze 2010; Leibenstein 1950; Veblen 1899/2004), symbolic Han, Nunes, and Drèze 2010; Leibenstein 1950; Veblen 1899/2004) or hedonism (Hagtvedt and Patrick 2009; Lipovetsky and Roux 2003), we will argue that successful luxury retail strategy relies on a logic of adoration which has a charismatic basis.

From traditional to charismatic legitimacy

For a long time, the legitimacy of luxury relied on traditional qualities: the rarity of materials and the finesse of craftsmanship (Roche 1989; Sicard 2005), and some luxury brands continue to rely on these criteria, for example, Hermès. However, in the 90s, the luxury retail sector began mass marketing based on (1) an intensification in distribution methods (increased number of shops opened, development of on-line business and opening of shop-in-shops in duty-free areas); (2) an evolution in production methods (a changeover from craft production to mass production); and (3) a modification in the structure of inventory turnover, now depending financially on the marketing of accessories (handbags, perfumes, cosmetics, etc.) targeting a wider public. This mass distribution strategy, as in Benjamin’s (1927/2002) analysis of the effects of mass reproduction on art, reduces perceptions of exclusivity, aesthetic and technical superiority, distinction, and singularity, thereby threatening luxury brand legitimacy (Assouly 2005; Brown et al. 2003; Heilbrunn 1999, 2005; Lipovetsky and Roux 2003; Marion 2005). The resulting challenge for luxury brands is to balance broader distribution while reasserting the singularity of its offerings (Remaury 2005). To address problems of brand legitimacy, we argue luxury brands such as Vuitton, Dior and Chanel have linked traditional legitimacy based on craft skills and know-how to charismatic legitimacy based on an exceptional charismatic persona, the artistic director who designs the products.

Charismatic legitimacy is based on creating devotion to (adoration of) the exceptional character of a leader (Warras 2007). Charismatic legitimacy is not based on law and rules as in legal-rational legitimacy found in the traditional corporation. Charismatic legitimacy rests on the exceptional qualities of the leader, dramatized in his or her persona, and the compliance of followers with the leader’s mission out of affectionate devotion to this persona (Weber 1915/1996). In a marketing context, luxury strategy will be concerned primarily with effective expression of the leader’s charisma; we need to show that luxury retail strategy is also built on what Heilbrunn (1999) calls an ideology of expression, diffusion of the leader’s aesthetic vision. Here we want to examine how luxury brands’ charismatic ideologies are expressed through the retail strategy.

According to Weber (1915/1996), charisma is “an exceptional quality that a man has (regardless of whether that quality is real, presumed or faked),” which gives that person an authority to which others submit. That is, charismatics have a kind of aura. Charismatic authority appears as “a domination over men to which they submit because they believe in the quality associated with that person in particular” (Weber 1915/1996, p. 370). Management research has followed this line of thinking in investigating charismatic leadership (Avolio, Walumbwa, and Weber 2009; Campbell et al. 2008; Judge and Piccolo 2004). This psychologically oriented work establishes the significance of charismatic leadership but provides little guidance either in understanding how charisma might be communicated extra-organizationally or of its strategic value in marketing.

Unlike management research, however, we base our work on the related concept of persona, which allows us to take a fresh look at how charisma may be integrated into luxury retail brand management strategy. The term persona refers to clusters of images or symbols and may constitute an archetype or a fiction deeply embedded in the consumer imagination. A commercial or brand persona is the “someone” created within a marketing communications effort (McCracken 1989; Stern 1994, p. 389).
Brand persona folds personality traits and psychographic details into a caricature (McCracken 1989; Stern 1994), for example, the tragic hero, the blond bombshell. Commercial persona has been shown to induce emotional bonds with an audience (Russell, Norman, and Heckler 2004). We will argue that it is the charismatic persona of creative directors that is central to luxury retail rather than individual traits.

Expressing brand ideology through the store

Floor (2006) used the concept of retail brand ideology to explain the role of ideology in managing a successful retail experience. Others have shown how retailers build brand legitimacy by evoking moral ideologies (Arnold et al. 2001; Borghini et al. 2009). Borghini et al. (2009, p. 365) define retail brand ideology as “retail branding initiative and experience based on a detailed representation of moral and social values, presented in an extensive and intensive manner through the physical environment, and linked to actual moral action in the lives of involved consumers.” We argue that this definition is a bit too narrow first, because ideologies are not restricted in scope to moral or social values; they encompass any kind of normative values and ideals, and second because they may be communicated through narrative as well through in-store physical features. In accordance with current conceptions based on Foucault’s perspective (Foucault 1975/1993; Thompson 1982; Thompson and Haytko 1997), ideology can be defined as a coherent system of ideas authorizing value judgments and guiding action (Baechler 1972). An ideology consists in the “laces that tie a society together and the forms that define what, for a given society, is “real,” an “established order” (Thompson 1982, pp. 665, 667). Consequently, ideologies are inherent in any sociocultural perspective, and practices are always constructed within ideological systems (Thompson and Tambyah 1999). In sum, we propose extending the definition of retail brand ideology to any retail branding initiative based upon the operationalization of normative social ideals.

If ideology can be thought of as a comprehensive vision, a way of seeing things applied to matters of public interest, it may include a set of ideas on beauty and the beautiful proposed by a cultural agent, for example, a brand. We assert that luxury brands transmit an ideology of the beautiful. But the beautiful is relative and has no intrinsic essence; hence a key basis for strategic competition in luxury concerns relative representations of beauty.

However, the existence of beauty or the beautiful is not a sufficient ingredient for defining luxury. The alchemy of luxury is more complex. Technical excellence is also necessary but not sufficient. A fine machine tool is not a luxury although it may be expensive and perform refined tasks. A luxury good represents simultaneous aesthetic and technical excellence. In this research, we will focus on the aesthetic issue and show how ideology of the beautiful is diffused through the store to the products.

Magic

We add a note about the social scientific theory of magic that we invoke below. First, magic is a system for managing the transfer of qualities through similarity and contiguity. Second, magic entails nondiscursive, embodied acts intended to persuade an audience of the efficacy of performers’ words and deeds. Third, it requires engaged performers with exceptional and charismatic characteristics. Fourth, magic provides evidence of contact with transcendent forces (Arnould, Price, and Otnes 1999; Malinowski 1935; Mauss and Hubert 1902/1993). Finally, it incorporates ritualized, rhetorical words sometimes glossed as “spells,” and not unlike commercial speech (McCreery 1995).

Drawing on eclectic theoretical sources, we have hypothesized that luxury retail strategy may be thought of as a system that brings together dimensions that include (1) the traditional ideas that luxury encodes rarity, scarcity and a high “ratio” of aesthetic value (workmanship and precious materials) to price, with the somewhat novel ideas that luxury encodes (2) an aura of authenticity; (3) bases legitimacy on an exceptional charismatic persona, that is, the artistic director who designs the products; (4) expresses the creative leader’s charisma; and (5) advances a retail ideology anchored in a vision of beauty. Such elements may appear in other retail strategies, but it is their holistic organization that is unique to luxury retail. After a discussion of our method we turn to our findings where we unfold how luxury retail strategy operates.

Methodology

To analyze the system behind luxury retail strategy we adopted an inductive approach. This approach yields interpretations based on an emergent and interactive research process rooted in ongoing engagement with the field of retail action (Glaser and Strauss 1967; Hudson and Ozone 1988). Our analysis is thus built on continual comparisons between the data collected through field observations and interviews with experts, inductive analysis of data, and the scrutiny of this data through a number of conceptual lenses, for example, theories of legitimacy, charismatic leadership, art and magic (Glaser and Strauss 1967).

Since we do not study consumer’s experiences and perceptions but the way firms build their retail brand legitimacy (in particular through the stores), we based our empirical study on observations in stores and on websites, and on expert interviews. The data collection began with observations in 45 luxury shops in Paris. Stores were selected by location; we visited all the fashion and jewellery luxury stores located in the Triangle d’Or, the historic headquarters for luxury shopping outlets in Paris. There is wide variety among the stores visited in terms of brand range, history, parent company, and popularity of artistic directors (Table 1). These 45 stores can be defined as marketscape themed brand stores (Sherry 1998) since they focus on a single brand and provide the visitor with a consumption experience that is designed to engage them (Hollenbeck, Peters, and Zinkhan 2008). The length of each visit varied from 15 to 45 min depending on the size and the complexity of the shop. Systematic observations were carried out using the following observational grid: description of the substantive staging of the point of sale (design, materials used, decorative elements, music, fragrances, lighting, colors, street frontage) (Arnould, Price, and
Table 1
Stores visited.

<table>
<thead>
<tr>
<th>Brand</th>
<th>Foundation</th>
<th>Group</th>
<th>Artistic director</th>
<th>Stores visited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Georgio Armani</td>
<td>1974 (Milano)</td>
<td>Armani SpA</td>
<td>G. Armani</td>
<td>Georges V</td>
</tr>
<tr>
<td>Cartier</td>
<td>1847 (Paris)</td>
<td>Richemont</td>
<td>–</td>
<td>Ch. Elysées, Paix, St Honoré, Vendôme</td>
</tr>
<tr>
<td>Chaumet</td>
<td>1780 (Paris)</td>
<td>LVMH</td>
<td>–</td>
<td>Vendôme</td>
</tr>
<tr>
<td>Balenciaga</td>
<td>1919 (Paris)</td>
<td>PPR (Gucci group)</td>
<td>N. Ghesquière</td>
<td>Georges V</td>
</tr>
<tr>
<td>Bottega Venetta</td>
<td>1966 (Vicenza)</td>
<td>PPR (Gucci group)</td>
<td>T. Maier</td>
<td>Montaigne</td>
</tr>
<tr>
<td>Boucheron</td>
<td>1858 (Paris)</td>
<td>PPR (Gucci group)</td>
<td>–</td>
<td>Vendôme</td>
</tr>
<tr>
<td>Burberry</td>
<td>1856 (London)</td>
<td>Burberry</td>
<td>Ch. Bailey</td>
<td>Madeleine</td>
</tr>
<tr>
<td>Chanel</td>
<td>1912 (Paris)</td>
<td>Maison Chanel</td>
<td>K. Lagerfeld</td>
<td>Cambon, Montaigne, St Honoré</td>
</tr>
<tr>
<td>Chanel joaillerie</td>
<td>1993 (Paris)</td>
<td>Maison Chanel</td>
<td>–</td>
<td>Vendôme</td>
</tr>
<tr>
<td>Chloé</td>
<td>1952 (Paris)</td>
<td>Richemont</td>
<td>H. MacGibbon</td>
<td>Montaigne, St Honoré</td>
</tr>
<tr>
<td>Dior</td>
<td>1946 (Paris)</td>
<td>LVMH</td>
<td>J. Galliano</td>
<td>Montaigne, Royale</td>
</tr>
<tr>
<td>Dior joaillerie</td>
<td>1998 (Paris)</td>
<td>LVMH</td>
<td>V. de Casellane</td>
<td>Vendôme</td>
</tr>
<tr>
<td>Dolce &amp; Gabbana</td>
<td>1985 (Milano)</td>
<td>Dolce &amp; Gabbana</td>
<td>–</td>
<td>Georges V</td>
</tr>
<tr>
<td>Fendi</td>
<td>1925 (Rome)</td>
<td>LVMH</td>
<td>K. Lagerfeld &amp; S. Fendi</td>
<td>Montaigne</td>
</tr>
<tr>
<td>Gianfranco Ferre</td>
<td>1974 (Milano)</td>
<td>IT Holdings</td>
<td>–</td>
<td>Georges V</td>
</tr>
<tr>
<td>John Galliano</td>
<td>2003 (Paris)</td>
<td>LVMH</td>
<td>J. Galliano</td>
<td>St Honoré</td>
</tr>
<tr>
<td>Jean-Paul Gaultier</td>
<td>1976 (Milano)</td>
<td>Gaultier SA</td>
<td>J.P. Gaultier</td>
<td>Georges V</td>
</tr>
<tr>
<td>Givenchy</td>
<td>1953 (Paris)</td>
<td>LVMH</td>
<td>R. Tisci</td>
<td>Georges V</td>
</tr>
<tr>
<td>Guerlain</td>
<td>1828 (Paris)</td>
<td>LVMH</td>
<td>T. Wasser</td>
<td>Champs Elysées</td>
</tr>
<tr>
<td>Gucci</td>
<td>1921 (Firenze)</td>
<td>PPR (Gucci group)</td>
<td>F. Giannini</td>
<td>Montaigne, St Honoré</td>
</tr>
<tr>
<td>Hermès</td>
<td>1837 (Paris)</td>
<td>Hermès International</td>
<td>J.P. Gaultier</td>
<td>Georges V, St Honoré</td>
</tr>
<tr>
<td>Hugo Boss</td>
<td>1923 (Metzingen)</td>
<td>Permix Holdings Lim.</td>
<td>–</td>
<td>Champs Elysées</td>
</tr>
<tr>
<td>Kenzo</td>
<td>1970 (Paris)</td>
<td>LVMH</td>
<td>A. Marras</td>
<td>Georges V, Madeleine</td>
</tr>
<tr>
<td>Lancel</td>
<td>1876 (Paris)</td>
<td>Richemont</td>
<td>–</td>
<td>Champs Elysées</td>
</tr>
<tr>
<td>Mauboussin</td>
<td>1825 (Paris)</td>
<td>PUG</td>
<td>–</td>
<td>Champs Elysées, Vendôme</td>
</tr>
<tr>
<td>Nina Ricci</td>
<td>1930 (Paris)</td>
<td>Richemont</td>
<td>P. Copping</td>
<td>Montaigne</td>
</tr>
<tr>
<td>Paul &amp; Joe</td>
<td>1995 (Paris)</td>
<td>Montaigne</td>
<td>S. Albou</td>
<td>Montaigne</td>
</tr>
<tr>
<td>Prada</td>
<td>1913 (Milano)</td>
<td>Prada SpA</td>
<td>M. Prada</td>
<td>Montaigne</td>
</tr>
<tr>
<td>Ralph Lauren</td>
<td>1967 (New York)</td>
<td>Ralph Lauren Polo</td>
<td>–</td>
<td>Madeleine</td>
</tr>
<tr>
<td>Ungaro</td>
<td>1965 (Paris)</td>
<td>Asim Abdullah</td>
<td>E. Archs &amp; L. Lohan</td>
<td>Montaigne</td>
</tr>
<tr>
<td>Van cleef &amp; Arpels</td>
<td>1896 (Paris)</td>
<td>Richemont</td>
<td>–</td>
<td>Vendôme</td>
</tr>
<tr>
<td>Vuitton</td>
<td>1854 (Paris)</td>
<td>LVMH</td>
<td>M. Jacobs</td>
<td>Champs Elysées, Montaigne</td>
</tr>
</tbody>
</table>

a The luxury industry is dominated by three groups: LVMH (2009 turnover: €17,053 millions), Richemont (2009 turnover: €5,418 millions) and PPR (Gucci group 2009 turnover: €3,390 millions).

Tierney 1998), evaluation of the point of sale (inductive appreciation of the atmosphere and retail design elements) and the impressions made by the store and personnel (Arnould et al. 1998; Baker et al. 2002). We analyzed notes taken in the field by using a categorization process (Dion 2007a; Glaser and Strauss 1967). We made a succession of store categorizations (e.g., by brand, by country of origin, by street, by parent company, by store design style, by artistic director, etc.)

We next interviewed seven experts in luxury retail: three luxury boutique managers, a vice president in luxury, and three architects specializing in luxury commercial architecture (Table 2). Experts were recruited using a snowball technique. The interviews were nondirective and organized around the themes of luxury and luxury shops.

Based on the observation categorization process and the interview analysis, we prepared a document presenting our initial findings (cf. Dion 2007b). We then met additional experts to obtain feedback on the preliminary theoretical analyses (Table 2). These meetings allowed us to make an external triangulation of the analyses (Wallendorf and Belk 1989). All these interviews (individual or collective) began with a 15-min presentation of our interim analysis of luxury brand strategy. We let the professionals react freely to this presentation and then the discussion was extended to luxury and luxury shops. These different interviews allowed us to validate several theoretical insights and to orient additional analysis.

Based on the expert interviews, we returned to the data collected in the first step to conduct further analysis. In this second analysis, we concentrated on three brands (e.g., Vuitton, Dior and Chanel) because they appeared to best exemplify the use of charismatic legitimacy. We also plumbed their websites to collect instances of charismatic legitimacy at work. The second data analysis combined with a new literature review allowed us to propose a refined conceptual analysis. Finally we met additional experts to obtain feedback on the second theoretical analyses that had been made. Three expert interviews were conducted following the same rules as in the first triangulation process (Table 2). As an outcome of the iterative research process, it is not uncommon to highlight in-depth interpretive analyses of a small number of representative cases in presenting culturally oriented retail research (e.g., Borghini et al. 2009; Kozinets et al. 2002). We follow this convention here.
Table 2
Expert interviews.

<table>
<thead>
<tr>
<th>Data collection 1 (exploration)</th>
<th>Jérôme</th>
<th>Luxury manager: Hermès, Guerlain, J.P. Gaultier…</th>
<th>1 h 30 min, face to face</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Myriam</td>
<td>Senior sales manager, Cartier flagship (Rue de la Paix)</td>
<td>30 min, face to face</td>
</tr>
<tr>
<td></td>
<td>Fabrice</td>
<td>Retail architect (luxury and mass market): Dior, Lancôme, Renault…</td>
<td>1 h, face to face</td>
</tr>
<tr>
<td></td>
<td>Marine</td>
<td>Store director, Multibrand luxury shop (Paris)</td>
<td>20 min, telephone</td>
</tr>
<tr>
<td></td>
<td>Pierre</td>
<td>Retail architect (luxury): Baccarat, JP. Gaultier, Armani, Troisgros…</td>
<td>30 min, face to face</td>
</tr>
<tr>
<td></td>
<td>Catherine</td>
<td>Senior sales manager, Chaumet flagship (Place vendôme)</td>
<td>20 min, face to face</td>
</tr>
<tr>
<td></td>
<td>François</td>
<td>Vice president, Louis Vuitton</td>
<td>2 h conference</td>
</tr>
<tr>
<td>Data collection 2 (first external audit)</td>
<td>Oscar and Marc</td>
<td>Co-founder, Communication and design agency, Flower (St Dupont, Issey Miyake, Smart box…)</td>
<td>2 h, group interview</td>
</tr>
<tr>
<td></td>
<td>Delphine and her team</td>
<td>Retail, design and merchandising department, Helena Rubinstein</td>
<td>2 h, group interview</td>
</tr>
<tr>
<td></td>
<td>Christian</td>
<td>Luxury consultant and former CEO of Loewe and Ferragamo USA</td>
<td>45 min, face to face</td>
</tr>
<tr>
<td></td>
<td>Elise</td>
<td>Luxury consultant and former Marketing Director of Christofle</td>
<td>1 h, face to face</td>
</tr>
<tr>
<td>Data collection 3 (second external audit)</td>
<td>Elise</td>
<td>Luxury consultant and former Marketing director of Christofle</td>
<td>1 h 30 min, face to face</td>
</tr>
<tr>
<td></td>
<td>Stéphane</td>
<td>Make-up Artistic director, Maison Chanel</td>
<td>1 h 30 min, face to face</td>
</tr>
<tr>
<td></td>
<td>Sophie</td>
<td>Merchandising director, Printemps Haussman (luxury department store)</td>
<td>1 h, face to face</td>
</tr>
</tbody>
</table>

Analysis and interpretation

Analysis and interpretation presented here focus primarily on the ways Vuitton, Dior and Chanel stage their brands in their flagship retail locales with special attention to the sources of the charisma of their artistic director (see Appendix for detailed information on the three brands). We make occasional reference to other similar brand stores where appropriate. We explain how management draws on principles of art and artistic legitimacy, as well as magic, to create, test and maintain the persona of artistic directors, and then transmits the director’s charisma and aesthetic vision through luxury flagship boutiques to foster brand legitimacy.

The artist as a source of legitimacy

The creative directors of all three brands are presented as art lovers or artists underscoring their links to the world of art and to an aesthetic vision. For example, here is the way Marc Jacobs, artistic director at Vuitton, is presented on the brand’s website:

Marc Jacobs designed his first collection while he was still at the Parsons School of Design. Robert Duffy noticed him and suggested teaming up which was the first in a long series of collaborations. In 1997 Marc Jacobs’ arrival as artistic director at Maison Louis Vuitton gave a new pertinence and a fresh energy to Louis Vuitton’s longstanding associations with the world of art. The creator, himself a knowledgeable art collector and friend of many contemporary artists, invites the sharpest talents worldwide to collaborate with him on the seasonal collections. (http://www.louisvuitton.com/espacoculturel/index_FR.html; 10 Dec. 09)

Jacobs is described as the “friend of many contemporary artists” and an “art collector” who knows how to persuade “the sharpest talents” to work with him. He is an artist and is recognized by other artists. And he was a prodigy, designing his first collection while still in school. Similarly, Miuccia Prada is known as a collector of avant-garde art and presented the 2010 Turner Prize for art. Chanel directly asserts Karl Lagerfeld’s artistic status by presenting his fine art (photographs and short movies) on the Chanel website (http://www.chanelnews.com/fr/category/by-karl/; 30 March 10). These elements provide evidence for the historic change in the representation of the luxury brand designer we suggested as important to building legitimacy for luxury brands. They are no longer titled couturier but artistic director. Thus, we see evidence that aesthetic vision moves to center stage in the representation of the luxury brand.

The singularity of the artist

By building on its links with art, luxury branding strategy accentuates both the aesthetic gift of the creator (Lipovetsky and Roux 2003), and also the singularity of that genius (Sicard 2005). The artist creates new things; he or she moves towards the unknown in this quest for novelty; and transgresses prevailing aesthetic norms and renews them:

Vuitton collaborates a lot with the art world because art is at the origin of creation. (…) What is interesting in art, is that it is an experimental universe. For the Christmas window displays, Vuitton worked with [artist] Olafur Eliasson. Vuitton gave him a window and left him plenty of room to express himself. He created a radically different window display without any product. That is the artistic way. It was interesting because it was different from the Christmas window displays one usually sees. (François; Vice President, Luxury brand)

In this quote, François underlines the embedding of Vuitton in the world of art and the values contemporary art brings to the luxury brand, for example, “experimentation,” “uniqueness” and “radical difference.” Significantly, these are the aural qualities described by Benjamin (1927/2002; see also Arvidsson and Malossi 2011, p. 226), and here ascribed to the creative director, not to objects. Behind this quote we detect the myth of the artist developed in the 19th century, according to which the artist can produce original and singular creations because of his or her
artistic genius (Heilbrunn 1999; Heinich 2004). Since the age of Romanticism, artistic excellence is no longer defined by the mastery of the artistic codes and canons of the period in order to accede to a recognized style. Instead, the artist is defined by his or her ability to escape these codes; the excellence of the artist is necessarily defined as something singular and unique (Becker 1982; Heinich 2004). Contemporary art puts to the test all the traditional conventions of art: medium, material, technique, durability, visibility, authenticity, sales... (Comte and Laval-Jeantet 2008; Fillis 2004; Heinich 1998; Honneth 1990; Millet 2006). In the following description of Galliano (see note in Appendix about his firing), we find all the characteristics of contemporary art: eccentricity, inventiveness, questioning, explosion, the evocation of the Renaissance highpoint of artistic innovation – values that our informants seek to associate with the world of luxury (Ryan 2007):

John Galliano is an eccentric who has taken Paris, indeed the world, by storm. Galliano has not only retained his position at the forefront of fashion, he has redefined it with every presentation. Galliano has not only broken the rules, he has rewritten them. Galliano will be remembered as one of the most exciting, innovative and romantic designers of the twentieth century on the red carpet, and on the runway, on the most iconic looks of today in his own label, as well as spearheading a couture Renaissance and a New Look, and New Energy with his New Vision at Dior. (www.johngalliano.com; 10 Dec. 09)

Note also in this excerpt that according to the informant, Galliano is said to have “rewritten the rules”, in other words he has imposed his vision.

The magic power of the artist

Beside offering an aesthetic vision and creating the singular and original, the artistic director has also the magical power of creation:

Haute-couture workshops are under the supervision of a creative director who creates 30–50 new designs every year which are shown twice a year in haute-couture fashion shows. These creations are hand-made, made to measure with no prefabrication. They are an exercise in excellence. They give a glimpse of the artist’s know-how. It’s a free-form exercise where the artist can express his very essence and on which the prestige of the brand will be based. (Jérôme; luxury manager)

The artistic director possesses technical skills (“hand-made,” “made to measure,” “no prefabrication”) but also the transcendent power to create (“the artist can express his very essence”). We find here the concept of transformative power (Becker 1982; Heinich 2004). The artist has the power to turn any object into an artwork by the force of his name, sanctioned by his recognition as an artist, which in turn, is infused by belief in his authenticity (Becker 1982; Bourdieu and Delsaut 1975; Heilbrunn 1999). Thus, any object can be considered a work of art on condition that it results from the action of an artist; an artist who has been recognized as such by society, generally via processes of framing and performing of actions in conformity with generalized notions of artistic behavior (compare Gardner and Avolio 1998 on charismatic leaders). Similarly for luxury goods to attain the status of artworks and thereby highlight their auratic qualities, it is crucial their creator be recognized as an artist. He thereby acquires the power to transform an everyday object into a work of art.

This representation of the artistic director as artist/magician is vital to luxury brands under study. As Kapferer (1998, p. 5) forcefully argues, magic “deals with the forces of intentionality and its transmutations that are at the heart of the creation by human beings of their social... worlds”. In this framework, we see the artistic director as a kind of magical being who not only passes on his/her revelation but also “transmutes” (rewrites) codes of beauty and fashion, and creates a distinctive imaginary world. We next elaborate these ideas linking art and the persona of the artistic director in order to understand how luxury brand’s charismatic authority is implemented and maintained.
Assembly and test of charismatic authority

An exceptional persona

“Not just anybody can be a magician: the magician possesses qualities which distinguish him from common men” (Mauss and Hubert 1902/1993, p. 19). Like magicians, artistic directors stand apart. In the luxury context as we have already seen, they are distinguished by prodigal, singular artistic gifts; they also tend to distinguish themselves by projecting transgressive or iconic images as shown in Figs. 1, 2 and 3 (Goffman 1959; Takala 2005). Karl Lagerfeld’s costumes are so iconic – dark glasses, white shirt, fingerless gloves, ponytail – that he photographed a model dressed up as himself for the Harper’s Bazaar March 2010 issue (www.chanel-news.com/en/page/2; 30 March 10). This episode evokes the practice of magical doubling, magicians’ purported ability to project simulacra at a distance (Mauss and Hubert 1902/1993, pp. 42–44).

As with traditional sorcerers, creatives require personal sacrifice (Kapferer 1998; Mauss and Hubert 1902/1993; Stoller and Olkes 1987). Thus, many artistic directors have nonmainstream personal relationships (Chanel, Dolce, Gabbana, Jacobs, Galliano, Lagerfeld, McQueen, St. Laurent, Versace); everything is sacrificed to their passion, to their art.

Not long ago, Printemps Haussman featured window displays with artistic directors, living artistic directors! They were obliged to spend several hours in the windows. Well, Karl Lagerfeld played along. He spent many hours in the display window... many hours in the window at 90 degrees. He played the game and he loved it. He really gave of himself. But, he has given his life to this. This is an iconic character... he doesn’t play at things; wherever he is, he is like that. (Sophie; merchandising director)

This discourse mixes ideas of singularity, sacrifice, dedication and force of will (“many hours in the window,” “90 degrees”), all Romantic characteristics of artists magicians. Again, with Lagerfeld as with Jacobs and Galliano informants evoke special characteristics to represent the creative directors’ exceptional, even magical persona.

Legitimation by art world authorities

Also at the source of magicians’ power are publically recognized actions (victories, miracles, successes...) where beliefs are rooted and whence charismatic leaders can draw their authority and their command (Arnould et al. 1999; Gardner and Avolio 1998; Takala 2005; Weber 1915). Thus, public consecration is integral to the magician’s authority (Mauss and Hubert 1902/1993, p. 50). Similarly, to establish the artistic director’s charismatic authority (and, thus that of the brand) it is important for there to be a consecration that simultaneously legitimizes the creator and his or her creations (Bourdieu and Delsaut 1975). This consecration takes place through collective rituals. Fashion shows constitute the most important collective ritual for luxury brands and they are a major symbolic moment for them (Evans 2001; Kamitsis 2006; Sackrider 2006). In fashion shows we find the principal properties of magical ritual (Lardellier 2005). They are characterized by repetitive formal and normative sequencing and by a ceremonial protocol (Mauss and Hubert 1902/1993, p. 63; Sackrider 2006). They have a spectacular dimension that associates staging, actors (the very unnatural models), celebrity spectators, décor, stage design and dramaturgy (a long period of anticipation, a very intense display accentuated by visual and auditory effects that are like an adrenaline rush). “The whole thing is bizarre, involving artifice and unnatural features,” as Mauss and Hubert (1902/1993, p. 62) remark with regard to magical rites. Successful shows, it should be noted, conclude with expression of acclaim for the designer. In luxury, restaged shows are shown on video loops on large screens so clients may witness them; and they appear on television, especially Fashion TV (Lécallier 2006). This is one way the creative directors’ charismatic aura presence is transmitted to the boutiques.

Fashion shows put the emphasis on the creator, his skills and abilities, and all the sacrifices made during the creation of the collection: the time devoted, the expense, the costs to the creator’s well-being or even health, existential challenges also associated with sorcery (Kapferer 1997; Stoller and Olkes 1987). These elements are highlighted in the creator’s interviews following fashion shows, such as in the following Karl Lagerfeld’s interview:

I make a point of drawing my models by myself. I love designing new models and that even if the creation process is difficult and very chaotic. Even it is hard, I never feel tired. (...). I have any sense of the reality; I am never concerned by expenses issues. (http://fr.fashionmag.com/news/video.php?id_video=4991; 10 December 2009)

Artistic directors must be sanctioned by “the authorities in the art world” (Becker 1982), that is to say, cultural intermediaries (McCracken 1989) who are authorized to decide for others, who have the authority to appreciate the work of artists, and to authenticate the artistic character of their work. Such intermediaries are qualified to sanction luxury brands because they too have an innate gift for doing so (artists), because they are in the know (journalists), or else they are opinion leaders (celebrities) (McCracken 1989; Sackrider 2006). All have acquired the cultural capital that allows them to consecrate the work (Bourdieu 1977; Becker 1982). Thus, the now disgraced John Galliano’s site featured testimonials from journalists and in particular from Anna Wintour (notorious Vogue magazine editor) (www.johngalliano.com; 10 December 09). In fashion show backstage videos and reportages, celebrities are often interviewed to comment on the show (http://www.chanel-news.com/en/; 30 March 10).

As suggested in management work on charismatic leadership (Gardner and Avolio 1998), the brand’s charismatic authority is never acquired definitively. Charismatic authority is constantly subject to the proof of time and events. Hence, the justifiable concern of the PPR group over the staying power of the brand after Alexander McQueen’s death referred to in the opening paragraph. If belief is not confirmed periodically, it risks evaporating and, with it, the authority that is attached to it (Weber 1915/1996). All this then explains why regularly – twice a year – there is a ritual mediation through the fashion show between...
the artistic directors and their special publics and through which their artistic genius and its imaginary “dream” is legitimizated. Something like the fashion show is needed to dramatize and reproduce charismatic authority.

**Evidence of aesthetic vision in retail display**

In the world of luxury we find an ongoing tension between “art oriented towards the market” and “art oriented towards the museum” (Fillis 2004). Garments displayed in haute-couture fashion shows are not necessarily oriented towards the market but are rather displayed as evidence of the artist’s creative power: first to the “authorities” during the fashion shows, and then in the retail boutiques for clients who can admire them. In our field study, we noticed several in-store devices that facilitate symbolic appropriation of the creations in addition to large screens with video loop fashion-shows and displays of “classics.” Thus, Dior regularly shows some collection showpieces in the Dior shop windows (field notes). When coupled with the mass marketed accessories, these procedures invite the public to appropriate symbolically the brand and thus reinforce its value and belief in it (Bourdieu 1977; Thompson and Haytko 1997).1

In our analysis so far, we have shown that retail luxury strategy draws parallels between artists and creative directors and their aesthetic visions; highlights the exceptional character of these directors that draws on the qualities of magicians; finds ways to enlist their sanctioning by authorities from the world of art and celebrity; regularly tests the charismatic authority of artistic directors through the fashion shows; and places evidence of the exceptional persona and aura accruing to the creative director on display in the flagship boutiques. We next discuss some additional qualities the charismatic aura.

**Transmission of charisma through a lineage**

**Maintaining the aura**

Charisma does not necessarily become routine and disappear or evaporate with the demise of the founder as expressed in the PPR group’s concern about Alexander McQueen; it can be transmitted down a lineage and within a bureaucratic framework (Fath 2005). In sacred monarchy, the king is not considered a physical being succeeded by other beings, but as one single and same immaterial person who exists behind a succession of flesh and blood beings (Marx 2003). This belief system allows royalty to persist in perpetuity because Dignitas non moritur (The king never dies) (Boureau and Revel 1999, cited by Marx 2003). Similarly, integration in a lineage is vital to the magician’s authority (Mauss and Hubert 1902/1993).

Thus to avoid becoming routine or evaporating with the death of the founder and their charisma dissipating, again especially with the expansion of mass marketing, luxury brands must manage succession between artistic directors. This is achieved through kinship, for example, Silvia Fendi is the third in a line of Fendi designers; Miuccia Prada is the adopted granddaughter of Mario Prada, the founder of the Prada house; Ermenegildo Zegna is in the hands of the fourth generation. Donatella Versace, the late designer’s sister and artistic director, and her daughter Allegra play leadership roles in the Versace house. Kinship may also be fictive. Co-founder of the Yves Saint Laurent Couture House, Pierre Bergé describes Jean Paul Gaultier as the “spiritual heir” of Yves Saint Laurent (Issac 2011, p. 34). But kinship and inheritance is not enough, for fashion must always prove its creative spark, and for this new, charismatic vision is also required (Bryman 1992; Gardner and Avolio 1998). This is the case at Chanel. Since Karl Lagerfeld took over as chief designer, acolytes claim he has not stopped innovating to reactivate the style territory that Coco Chanel established (Floch 1995/2004):

Yves St. Laurent was an authentic creator. He created his own style, the style of Yves St. Laurent. Karl Lagerfeld is in some ways a usurper. At Chanel, he did not create his own style but reactivated that of Coco Chanel. He reactivated it but did not copy it. He translated, revisited, restored, and reinterpreted her vision in his own manner. (Elise; luxury consultant)

As Elise explains it, Lagerfeld revisited the essence (aura) of Chanel. He identified and assimilated the visual symbolism of the Chanel look (Greimas, Collins, and Perron 1989; Floch 1995/2004; Lipovetsky and Roux 2003). But his work avoids any outright duplication, which would lead to routinization and brand decline (Bourdieu and Delsaut 1975). Lagerfeld took on the mantle of the founder’s charismatic authority. Thus, through renewed artistic vision, luxury brands recover for their artistic directors the aura of the founders to whom are attributed the innate and transformative essence of the artist as suggested in the reference to Louis Vuitton above.

**Mythologizing the founders**

Writing oneself into the lineage does not just happen through action; the flagship boutique appears key in framing and sustaining this narrative (for a mass market example, see Hollenneck et al. 2008). In the historic flagship brand shops, that is, the Chanel shop in rue Cambon (since 1954), the Dior shop in avenue Montaigne (since 1946), the Cartier shop in avenue de la Paix (since 1899), the founder is referred to through explicit images and symbols. For example, the Dior shop in avenue Montaigne uses several architectural devices to refer to Christian Dior: the large windows of the entrance open onto videos of his villa in Normandy, and a portrait of Christian Dior by Bernard Buffet is displayed (field notes; see Fig. 4). Similarly, the Chanel jewellery shop in place Vendôme was built around the question: “In what sort of interior would Mlle. Chanel live today?” (field notes; see Fig. 5). The aura of Coco Chanel is all around, as if she were still there through portraits, reconstitution of her living room, and personal objects (field notes). In all these cases indexical symbols are evoked to create auratic connections between the customer, the shop personnel and the mythic creator (Grayson and Martinec 2004). Chanel’s historic shop is so central for the brand

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1 By symbolic appropriation we refer to the general process by which cultural outsiders acquire something, typically an aesthetic form, thing or symbol, produced by cultural insiders and through diverse actions – redefining its functional purpose, customizing it, or investing it with idiosyncratic symbolic meanings – make it their own (Mackay and Gillespie 1992; Young 2005).
that Lagerfeld recreated a life-size simulacrum of the storefront for a fashion-show in the Grand-Palais in Paris (see Fig. 6).

Mythologizing the founders is also implemented by retail sales people who receive extensive training on the history of the brand and of the founders:

At Vuitton or Dior, a lot of time and effort is spent training the sales staff. A really large effort has gone into training, and not on sales techniques, nor on the products because the sellers know the products like the backs of their hands. The training doesn’t focus on the products but on their history. The sellers must know everything about Christian Dior: where he came from, what he did, who he was, that he liked lily of the valley... They must be impregnated (!) with the dream. (Elise; luxury consultant)

In this quote, Elise clearly states what the role of the sales-persons is in transmitting the brand ideology, which as we have seen associates the product with the artistic creator and the worlds of art and magic. Salespersons communicatively stage the brand (Arnould et al. 1998), telling well-known stories about the founder but also more confidential anecdotes such as the fact that Christian Dior loved lily of the valley. They must be “impregnated” with the vision, share in it, and prepare to impart it, processes of contagion we discuss further below. This story telling resonates with Brown et al’s (2003) theory of retro branding in which heritage stories are key. Although luxury brands are not strictly speaking retro brands, heritage stories are important in providing a sense of historical continuity between creative directors and preserving the aura of the brand. It may be that learning and transmitting these narratives is productive of the development of parasocial relationships between salespersons and clients and the artistic creator as found in other research on commercial persona, but this is beyond the scope of our research (Russell and Stern 2006; Russell et al. 2004).

The process of legitimation that we have identified aims at inscribing the artistic director in the core of the retail brand. It is through the reciprocal magical power of the designer that the aura of branded luxury goods is sustained. Having now, enumerated one additional set of processes that contribute to the aura assembled around the creative directors, we now turn to consideration of the process by which the charismatic brand aura is transferred to the retail environment.

Transferring charismatic aura to luxury boutiques

In our field studies, we observed two laws of magic operating, according to which luxury boutiques quit their everyday status to reach for auratic status: contamination by similarity and by contiguity (Mauss and Hubert 1902/1993). Research in varied fields confirms that these two principles are still present in daily activities (Arnould et al. 1999; Newman, Diesendruck, and Bloom 2011).

The contamination by similarity

The law of similarity stipulates that sympathetic effects are transmitted by actions: absorption, touch, infusion, and so forth (Mauss and Hubert 1902/1993). Similarly, when a person recognized as an artist lays his hands on a product it can be transmuted into a work of art though his intermediation (Heilbrunn 1999; Honnef 1990; Millet 2006). The bringing together of the
contaminating entity and the object that is contaminated via intermediaries who, thanks to their charismatic powers, can do this without risking personal destruction is enshrined in magical tradition (Kapferer 1998; Stoller and Olkes 1987).

Contamination by similarity can be carried out by any intermediary who has the legitimacy to do so (Mauss and Hubert 1902/1993). Insofar as the artistic director is accepted as an artist, he or she enjoys the legitimacy necessary to manipulate objects and transmit new properties to them. With a view to affecting this transmission of properties, the creative process is staged through multiple channels. For the collection “Tribute to Stephen Sprouse,” Vuitton created a web site with a presentation of the artist (biography, art pieces, influences . . . ) and a video of Marc Jacobs explaining his creation process:

I had this idea to kind of deface the monogram and I wanted to do that with graffiti ( . . . ). So I thought whose hand, whose graffiti would mean something to me and of course I went back to Stephen who has always used these graffiti. Stephen Sprouse was always a real fiction in New York night life and in New-York city as an artist and as a fashion designer and as a personality. ( . . . ) I did my best in a very first degree way to imitate what I think Stephen would have done or has done in terms of fashion. ( . . . ) I tried to use the things in Stephen’s vocabulary and give it the shapes and the way of styling that Steven would have done when he was at his top of his game. . . . (http://www.welovesprouse.com/#/en_GB/videoblog/marc-jacobs-. 30 March 10)

In this video, Marc Jacobs explains with many details the contamination process, for example, the way he inscribed Stephen Sprouse’s design in the products. For the collection release, Vuitton “tagged” the Champs Elysées flagship store with graffiti in reference to the artist’s style and announced “Tribute to Stephen Sprouse” on the front door (see Fig. 7). Tagging both contaminates and makes the contamination explicit; it helps clients to decode the symbolism of the place (Bourdieu and Delsaut 1975; Morelli 2003).

In the boutiques that are close to the haute-couture workshops, the boutiques make use of architectural artifices to induce the process of contamination. These artifices are important since clients do not have access to the haute-couture workshops. For example, the Dior workshops “nestled” on the 7th floor of 30 rue de la Montaigne in Paris, are referred to as “the holy of holies” (Vulser 2011). This forbidden domain (the workshops) both announces, and preserves the aura surrounding the site from the uninitiated (Wunenburger 2001). At Chanel the forbidden is symbolized by the presence of a guard who supervises access to the haute-couture workshops upstairs:

At the entrance of the Chanel shop on rue Cambon, there is a staircase at the foot of which stands a large portrait of Coco Chanel and there is a guard. As I was moving towards the staircase with the intention of going upstairs, the guard quietly told me that the staircase led up to Karl Lagerfeld’s haute-couture workshops and to Coco Chanel’s apartment and that that floor was not open to the public (field notes, Chanel rue Cambon)

Luxury brands contamination through similarity with the art world is conveyed through the flagship boutiques’ architecture, which themselves are conceived of as works of art (Barreneche 2005; Ryan 2007). Our informants tell us that each flagship boutique is now considered a distinctive architectural project: the Maison Hermès in Tokyo (2001), Prada in Tokyo (2003) and in Los Angeles (2004), and so forth. Star-architects are called on to design these stores: Renzo Piano for Hermès, Rem Koolhaas for Prada, Frank Gehry for Vuitton:

It is a race to associate with artistic elements. One has to associate with great artists, great architects, with great designers. Luxury brands try to appropriate part of culture. It is very expensive and creates barriers to entry that are difficult to surmount. This is the case for example with Vuitton and Mourakami, of Baccarat with Starck or Prada with Koolhaas. This is another way of creating new myths for the brand. (Stéphane, Luxury consultant)

Flagship boutiques set up additional mechanisms for fostering contagion through similarity between brand and fine art. In their substantive staging, luxury brands deploy a range of formal mechanisms derived from the world of museums so that the commercial luxury object obtains the aura of noncommercial art works. Sales items and items drawn from the designer collections are placed on pedestals; shiny display cases are ubiquitous, lighting is focused on the objects, clients are placed at some physical distance from the items, and so forth. (field notes). Dior also elaborated such devices for their haute-couture fashion show of 2006, where the models were presented in giant picture frames (Fig. 8). These museological techniques have been identified in other contexts (Peñaloza 1999; Borghini et al. 2009; Hollenbeck et al. 2008) but their use in luxury retailing is part of a holistic strategy designed to sanctify the creative director’s vision, at the limit his or her lineage, not primarily the brand as in other retail contexts. Thus, art is not only in the object: it is also a mode of display that uses similarity to transfer meaning (Melot 1994). It is not the properties of the work of art that have been transmitted to the luxury goods, but rather things
associated with works of art such as cases, lighting, pedestals, and so forth.

The contamination by contiguity

The second sympathetic law of magic, that is, the law of contiguity states that elements once in contact may continue to effect one another across time and space even after contact is severed (Mauss and Hubert 1902/1993; Newman et al. 2011). Simple contact between luxury objects and the world of art means that the former may acquire the properties of the latter. With a view to this, luxury brands include art at their flagship sales outlets. In Fig. 9, we see a video installation by Tim Whitesobieski in the staircase of the Louis Vuitton flagship store on the Champs Elysées. Works of art are installed even in the best in-store locations and the focus is on the artist’s imprimatur:

In the buildings with high value turn-over we never display products but artworks. The art is not hidden in a corner. It is really at the heart of the merchandising in the buildings with strong turn-over. Before, the art would have been put in second place, in a corner, in the back. Today, it is central. Art has become a sensor. (Sophie; merchandising director)

Through the intermediary of works of art on display at the point of sale, luxury products bathe in an artistic ambiance so that artistic properties will infuse and contaminate, them, but more importantly will continue to emanate from them after sale.

Contagion is a reciprocal process. Thus, artists are invited to create works of art from luxury products as if to suggest a vital association. For example, Dior has called on 20 or so Chinese artists to create works directly inspired by the brand. Their works have been exhibited at UCCLA, a private contemporary art center in Beijing (see Figs. 10 and 11). At L’Espace Louis Vuitton on the Champs Elysées there are regular exhibitions of art created from the Vuitton brand (for example, photos by Vanessa Beecroft created around Vuitton products). Thus, even at a distance, through association, art impregnates the retail brand.

Retail staging of contamination

Boutiques and shops are punctuated by rituals that structure clients’ contact with the objects on offer. Like other magical rituals (Mauss and Hubert 1902/1993), they invite the clients to absorb some of the magic of luxury creation through contagion. First of all there are the rituals of preparation. In a luxury shop the front door is closed, which is fairly normal in that, traditionally, these shops are not open to all (or rather, let us say that the shop is open to all, but the substantive scene setting of entry into the shop gives one the impression that entrance is restricted). In order to go in, a well-dressed doorman opens the door for the client and bids one welcome. Perhaps his dress
and demeanor may sow doubt in some that one is welcome, but in any case this ritual signals a break with the external environment; the entry into a place of privilege is marked (Campbell 1961; Wunenburger 2001).

Once one has entered, sakes rituals follow, which resemble in their weird details the fashion shows described above. In top jewellery shops, for example, there are ritualized gestures around access to the jewels. In our field research, we repeatedly found this rite was accompanied by numerous specialized accessories (a ring sizer, a mandel, a show tray of dark velvet, wearing of white gloves, use of a powerful magnifying glass, etc.) and stage business (to decide on the demonstration room to use, to fetch the jewels from the safe, to try them on...). There is a ceremonial cadence (slow, muffled, solemn...). There is exaggerated theatricality (handling the jewels with care and reverence, preparing the gems, procedures for opening the safes...). These specialized objects and procedures recall practices that accompany magical rites everywhere (Kapferer 1998; Mauss and Hubert 1902/1993; Newman et al. 2011; Stoller and Olkes 1987); they help to bring the clients into the heart of the magic of the brand, and importantly, induce a climate of reverence. Through these ritualized procedures the contagion should transfer from artistic creator to branded good to client (Newman et al. 2011). Through repeated field experience we felt the hierophantic effects (Belk et al. 1989) of the laws of contagion ourselves. As others have noted, the substantive and communicative staging of the artistic creator, the themed retail environment, the luxury objects, and finally the sales encounter are designed to create a special retail experience (Borghini et al. 2009; Kozinets et al. 2002; Hollenbeck et al. 2008). In the case of luxury brands such as Chanel, Dior and Vuitton, one experiences awe and reverence (field notes).

Discussion

In this analysis, we investigated how luxury retail holistically organizes complex cues to implement and maintain the aura and singularity of the brand. Unlike previous research on luxury retail strategy (Kapferer and Bastien 2009), we began with the charismatic authority of the creative director. In addition, we take a different angle on charisma than management with its emphasis on leader attributes, vision, and utilitarian exchange (Judge and Piccolo 2004). Instead we show how elements drawn from the art world are assembled to create a persona around the creative director and project that aura. Further we show how the charismatic authority of the creative director is periodically tested in seasonal fashion shows, transferred over time, and assembled in the flagship boutiques.

Following Verhoef et al. (2009), we document a luxury retail strategy. This strategy works to render tangible the brand’s singularity and impart a vision of beauty upon which a distinctive positioning depends. In luxury retail, it is easier to show technical excellence since it is tangible, visible, and palpable; artistic excellence is less tangible. Luxury retail strategy assembles and diffuses an ideology of beauty through the substantive and communicative staging devoted to the creative director’s artistic credentials, testing and celebrating this vision in the fashion shows, enshrining past creations, showing off reciprocal relationships with the art world, and deploying the apparatus of museum display.

To create and diffuse this aesthetic ideology, we further argue for the relevance of magic principles to luxury retail strategy. In describing our creative directors, for example, we point to characteristics they have in common with magicians—exceptional talents, devotion to craft, novel appearance, contact with transcendent forces, that is, their aesthetic vision, inscription in a lineage, transformational abilities, endurance, and so forth, which are empirically grounded (Kapferer 1998). We also highlight principles of similarity and contiguity to transfer meaning between director, store and objects at work in brand communications.

Unlike Sherry’s (1998) brandscape idea, which places the brand at the center of the retail experience, we point out that it is the charismatic persona that stands behind the particular kind of magic produced in luxury retail. Unlike Peñaloza (1999), who emphasizes spectacular retailing as a venue for performing dominant social values, we suggest that luxury retail conveys aesthetic ideologies. Unlike Kozinets et al. (2002) who argue that consumers visit themed flagship stores to engage in company-staged experiences that focus on an established brand, we have shown that luxury retail is organized around the persona of the creative director, not the brand, per se. Unlike themed entertainment brand stores, such as the Hard Rock Café, that focus on selling a variety of branded products, luxury retail sells the product range contaminated by the aura of a single creative director. Unlike themed flagship brand stores such as ESPNZone (Kozinets et al. 2004), where customers become co-creators of the retail experience, we place greater emphasis on the active role of front line personnel in creating the experience and a more passive role for consumers in more museum like environments, environments which conforms to the logic of adoration we describe. The reactive role of customers is reflected for example in a comment from the Dior couture studio about the obedient punctuality of elite couture clients (Vulser 2011). While customers may go to luxury retail for the experience, it is the experience of the creative director that is highlighted in the staging, not the brand (Kozinets et al. 2002). Like a brand museum (Hollenbeck et al. 2008), luxury retail foregrounds historical linkages, in this case the lineage of the creative director and the fashion house itself, and museum like qualities in terms of the substantive staging described above. Unlike brand museums, the mission of luxury retail environments is not primarily educational.

Expressing brand ideology through the store

Previous research studies the way retail ideologies are diffused, transformed, appropriated, and reinterpreted through brand communications (Holt 2004), the role of cultural intermediaries as spokespersons (McCracken 1989), and consumers’ appropriation efforts (Kates 2004; Murray 2002; Thompson and Haytko 1997). Extending the concept of retail brand ideology (Borghini et al. 2009; Floor 2006), this research provides insight into the way an ideology of beauty is institutionalized at the point
of sale (and through its extensions in fashion shows, websites, and museum exhibits).

As Baker et al. (2002) suggest, because that is where the stage is set substantively and communicatively, and where the brand’s charismatic power becomes tangible, the luxury flagship store is central to the process of ideological transmission and appropriation. In the stores, the beliefs on which the charismatic authority of the brand are rooted in place; the stores anchor these beliefs in time and space. The stories told or evoked in and through the boutiques, through sales ritual, video, proximity to the ateliers, or images provided in display cases, window displays, and catalogs, anchor luxury in the myth of the founder’s aesthetic vision and his or her lineage, as well as in the world of art, and thereby evoke both singularity and magic.

To reinforce transmission, different communication devices are employed, especially the front line staff who can explain the stories in the place where they are set. Repetition and redundancy are established rhetorical devices used by charismatics and sorcerers alike “to drive home their message, to evoke positive affect and to forge an emotional bond” (Gardner and Avolio 1998, p. 42) with their audience. For luxury brands, which “are very sensitive to inconsistent brand cues” (Hagveedt and Patrick 2009, p. 616), repetition and redundancy are key to success.

The architecturally complex luxury shops are basic elements in substantive staging. Once placed in its flagship setting, a brand draws meaning from architectural form. These forms are indexical symbols of the world of art. The flagship brand store becomes an “autonomous presence” (Habraken 1998, p. 233) contributing to the brand’s persona “at least as much through connotation as it does explicitly” (Kozinets et al. 2002, p. 28). Further, drawing on the principles of similarity and contagion embodied in museological techniques, luxury brand flagships stores also substantively stage their wares so they become talismanic, iconic works and thereby achieve singularity. As works of art, they substantively stage their wares so they become talismanic, iconic works and thereby achieve singularity. As works of art, they

Kozinets et al. (2002) argue that experiential retail can be dimensionalized in terms of a fourfold classification. Our study suggests a modification of their scheme. First, they argue that “the way for organizers of flagship brand stores to maintain the identity of the brand . . . is to provide construction templates that can be customized for local tastes” (Kozinets et al. 2002, p. 26). In contrast, our study suggests that the imperatives of authenticity, singularity, indexical association with the artistic director, and charisma that impel the luxury brands render adaptation to local taste secondary. Second, they argue that “one important key to success [of marketscapes] will be to define the product and the flagship store as a communal gathering place” (Kozinets et al. 2002, p. 26) in the service of a moral ideology (Borghini et al. 2009). We argue that luxury retail stores should instead seek to create a space of reverence and awe around an ideology of beauty. But we cannot here address the question of whether an emotional community that shares this reverence and awe may form around luxury retail.

The marketing of adoration

Luxury consumption is often studied from the angle of domination and power. Luxury consumption is described as the exclusive privilege of the elite and the powerful, who use it as a sign of distinction and an affirmation of their power. Luxury consumption, it is said, dominates by the use of signs of distinction. It shows that vast expenditure poses no threat to the social position of the elite consumer. If display remains a driver of luxury consumption for the newly wealthy (Han et al. 2010; Kapferer and Bastien 2009; Veblen 1899/2004), other client orientations towards luxury brands may develop as luxury undergoes the transformation induced by mass marketing.

In our analysis, it is not a question of symbolic domination between members of different social classes, but rather of the relationship between the luxury brand and the client. Beyond ostentatious display, it seems to us that the retailing of luxury products aims to induce a relationship of adoration, with a charismatic origin. In our view, the worlds of art and magic are used by luxury brands not only as a source of legitimacy and authority, but also as a model for appreciation and reverence. Here, brands try to impose their offerings on the market not by responding to customer demand, but by developing an aesthetic ideology that can be diffused to the consumer. The aim is that the bewitched consumer becomes a willing adorer. He or she becomes receptive to the codes of taste, beauty and fashion that are proposed because this is the way that the creative director, at once creative artist and magical being, has defined these codes (Castelnuovo, Ginzburg, and Curie 2009; Martin and Szelenyi 1987). This kind of symbolic domination is about accession to an “emotional community,” that relies not on constraint but on enthusiasm (Waeraas 2007; see Arvidsson and Malossi 2011).

However, the charismatic leader’s power is not totalitarian since charisma relies on a social process in which various stakeholders play a role. Contrary to current theory on leadership that takes a rather mechanical and transactional perspective (Takala 2005), our analysis shows that the task of creating belief is akin to a “social alchemy” in which agents in the luxury “field”
collaborate (Becker 1982). These agents include the artistic director, who possesses the aural power of the brand; luxury retail environments that set the scene for the artistic director’s creative performances (which reinforce beliefs in this power); journalists who bless the creations through their judgments; artists who co-create with the creative directors; celebrities who make the brands their own (both materially by wearing them at special events and symbolically by attending and commenting the fashion shows); key clients also through material and symbolic possession of the products; and the broader consuming public (not discussed here), who takes symbolic possession of luxury creations, primarily through accessory purchases.

Thus, as suggested by Weber, belief in the charismatic authority of the artistic director is the result of a collective process that develops over time (Gardner and Avolio 1998; Mauss and Hubert 1902/1993). Multiple stakeholders play an active role (Takala 2005); they can reject the artistic director’s authority by shifting their view of his talents, by criticizing his creations, and by turning their attention to other artistic directors’ creativity. Charismatic authority is unstable and depends upon popular approval, and regular rites of renewal (seasonal shows and special events). The artistic director has no authorial power to self-legislate the luxury world since he has to be approved by heterogeneous social agents. Market power is fragmented and spread between the different agents, who variously appropriate, interpret and as we suggest, legitimate the aura of the charismatic leader rather than luxury goods themselves. Thus, in luxury power dynamics do not concern consumer submission to or emancipation from an imposed ideology (Firat and Venkatesh 1995), but instead shifting configurations of power relationships that emerge around luxury brands (Thompson 1982; Thompson and Haytko 1997).

However marketing of adoration that relies on the charisma of key players can be dangerous since they are likely to leave the company in a more or less chaotic, if predictable way (i.e., Alexander McQueen’s suicide, John Galliano’s disgrace, Yves St. Laurent’s breakdown, etc.). Because of their iconic qualities, the departure of specific human assets can deprive a company of a charismatic resource that is not merely a question of functional competencies. When brand’s charismatic legitimacy is thus endangered, the brand can first turn to the mythification of the founder. This is for instance the case of Dior that has tried to put back Christian Dior in the forefront. As we showed this inscription in a lineage is important to make the charisma continue and the aura not disappear. Second, the brand can compensate the lack of charismatic legitimacy by highlighting temporarily complementary sources of legitimacy. This is what Dior has done for the haute-couture summer shows 2011 after John Galliano’s layoff by stressing the savoir-faire and the expertise of the petites mains as they are called in the industry (literally little hands, i.e., all the women working on dress making). Thus while prospecting for the new Dior artistic director the brand has compensated the deficit in charismatic legitimacy by emphasising another and complementary legitimacy basis (i.e., artisanal savoir-faire) and by strengthening the inscription of the brand into the founder’s mythology.

**Charismatic experience management**

Discussions of retail strategy still focus almost exclusively on dimensions of price, assortment, format, and service features (e.g., Gauri, Trivedi, and Grewal 2008) despite evidence suggesting hedonic (Naylor et al. 2008) and ideological appeals influence retail experience and success (Arnold et al. 2001; Benjamin 1927/2002; Kozeiners et al. 2002). A review of practitioner-oriented publications such as Chain Store Age, Design Week, Retail Traffic, or Women’s Wear Daily suggests that recommendations related to experiential retailing rarely rise above urging managers to make “stores as fun as possible,” or to create “environments that engage people’s senses and allow them to participate on a much higher level than your typical store” (Bodamer 2010, p. 4). Their advice tends to be resolutely product and brand focused. They suggest that “retailers can surround customers with colors, music and mood that match their brands” (Lahey 2000, p. 12), although how this should be done is unclear. They argue that experiential marketing is about offering product experiences and creating emotional connections with products (Hazlett 2003), although they are vague on how experience translates into emotion, or what elements of the retail environment induce these effects. Or they argue that the “merchandise and special effects have to reflect the brand” (Wilson 2001, p. 73). They encourage “re-enchantment,” but their recommendations for how to produce magic fall short. Recommendations tend to be overly general, assuming all experiential retailing is the same, “the name of the game is going to be ratcheting up sales per square foot and getting the most productivity out of the smallest square footage you can while still presenting your concept.” (Wilson 2001, p. 74); clearly not the strategy adopted in luxury flagship retail. Sometimes they advocate architectural consistency with the overall brand image in the interest of increased sales (Lewis 2002, p. 48), again something not evident in luxury retail. And while there is nothing intrinsically wrong with any of these recommendations, they stop far short of the specific how-tos we propose.

Contributions to journals where practitioners may occasionally venture in search of guidance, similarly offer the bromides that consumers of retail experience look for unique experience, value for money and distinctive products (Murphy et al. 2011). In a somewhat more ambitious holistic study of retail atmospherics Ballantine, Jack, and Parsons (2010), for example, offer the useful advice that attractive stimuli and facilitating stimuli that evoke participation are both needed to increase customers’ responsiveness to themed retail environments, but also the more generic advice that such cues need to be tailored to the customer base. What constitutes attractive and facilitating stimuli and how such cues could be so tailored, they do not say. Our recommendations below are more tightly linked to a specific type of retail environment where customer participation is less critical, and more directive.

Clearly our analysis reinforces the contention that specific ideological meanings associated with the brand should be actively managed in the retail environment. And we have also suggested that managing the persona of the creative visionary at the heart of luxury brands is an affective dimension of
importance in luxury retail. In addition, our analysis supports the idea that retailers should manage the substantive and communicative dimensions of other environments linked to the brand such as the Internet, museum exhibits, and fashion shows to communicate specific brand meanings, in addition to store environments.

We also offer specific recommendations that are different from those offered about general flagship retail. To be specific our analysis suggests some lessons that can be applied to retailing founded on a leader’s charisma. For charisma based retail offers, retailers should focus primarily on the persona of the visionary on which the brand is founded. Thus, rather than speaking of retail experience management, we could talk about charismatic experience management based on two dimensions: enhancing the “extraordinary” persona of the leader, and bringing consumers into the magic of the contamination process.

To address the first dimension, enhancing the persona of the leader, stores should provide evidence of the charismatic leader’s legitimacy by presenting past “victories” placing iconic products in-store, excerpting highlights of the leader’s biography, and providing testimonies from cultural intermediaries that is, influential stakeholders such as celebrities, journalists, and other experts through video or on-line channels.

The flagship store should also display the leader’s latest creations, models, and prototypes to give customers the opportunity to admire and evaluate them. These actions can reinforce perception of the leader’s exceptional persona and in that way reinforce his charismatic authority.

In order to avoid the disappearance of charismatic authority with the death or the departure of the leader, it is important to write the leader into a lineage. Thus, along with the current leader’s “victories,” it is important to remember previous leaders’ achievements. This will allow charismatic authority to perpetuate in the long-run.

As for the second dimension of charismatic experience management, bringing consumers into the magic, the flagship store is the place to experience and witness the creative alchemy behind the brand. Thus, communication should furnish customers information on sources of the creator’s inspiration and challenges in the creative process (number of hours spent, efforts and sacrifices, technical difficulties the leader and his team faced, beta versions, special materials, etc.).

Opportunities to come into contact with top end products, view cultural intermediaries promoting the designers’ creations, and even the designer and his/her lieutenants as in the fashion show may be organized. However, to preserve part of mystery, communications should leave some imprecision, emphasize some mystery, keep some elements secret, like the couturiers’ workshops, whose sanctity should be reinforced (Vulser 2011).

Charismatic luxury authority can be institutionalized partially through museological technique (substantive staging): store design, window displays, merchandising and in-store displays that reference other authoritative worlds, those of art, magic and the museum are candidates as we have suggested. But, it is possible that other authoritative worlds like those of religion, as in religiously themed amusement parks, science, or engineering could be enlisted.

Media and especially salespersons’ communication are also important. In contrast to the product focus of most flagship retail, salespersons can get customers into the magic by giving them anecdotes about creative leaders that emphasize their singularity, power, and creativity. In this model, the salesperson should be more than service provider, product expert or guide in the Pine and Gilmore (1999) framework. He or she should be an acolyte (contaminated or “impregnated” as our informant put it) in order to initiate and convert clients into adorers. By giving them invitations to exhibitions and brand events or narrating to them what happens in these places, the store also can be a departure point to dispatch customers to extensions of the point of sale. Thus, luxury retail experience management should not just be about in-store consumer experience management. Retailers should have an extended vision of the experience by considering simultaneously consumer experiences through all physical and virtual contacts with the brand such as the museum, and the on-line world, as shown by the Dior films starring Marion Cotillard.

Avenues for future research

Avenues for future research should include consumer issues: first, dimensionalizing the hedonic experience of adoration (Arnold and Reynolds 2003). In this regard, investigating whether learning and transmitting heritage stories are productive of the development of para-social relationships between salespersons, clients and the artistic creator as found in other research on commercial persona would be of interest (Russell et al. 2004; Russell and Stern 2006). Second, assessing the impact of repeat experience of fashion shows, a special kind of retail event (Leischnig, Schwertfeger, and Geigenmüller 2011), and luxury retail stores on the effectiveness of adoration marketing across luxury brands would be of value. Third, haute couture cannot survive without the cash flow engendered from perfume or accessories. One creates the aura and the other the cash flow and all this under the overall brand umbrella. Therefore, research should examine the role of accessory purchases in reinforcing/diminishing the brand’s charismatic authority. An interesting fourth path is the interplay of adoration marketing appeals, benefit evaluation, overall retail evaluation, and future intentions. Fifth, examining under what conditions, and for whom, charismatic appeals will impact positive evaluation would be valuable for luxury retailers. One might build on Arvidsson and Malossi (2011) to ask under what conditions emotional communities may form around contemporary global luxury brands that so clearly differ from the local luxury brands they describe. Finally, relying on the charisma of certain personalities for commercial success raises research questions about the appropriate management of, and managerial role for those key players (Michel 2001; Lepsinger and Yukl 2004). Because of their iconic qualities, the departure of these specific human assets can deprive a company of a charismatic resource that, as our discussion shows, is not merely a question of functional competencies, but brand resilience. Thus, future research can assess whether our ideas about the relationship between art, magic and charismatic authority have implications for brand management and marketing strategy outside of the luxury market.
Conclusion

Patterson, Hodgson, and Shi (2008) point out how creating themed retail has been addressed by authors who offer distinct, but overlapping formula. Some advocate retail drama; others recommend being extraordinary or enchanting; others suggest elaborating a cultural theme or embodying an ideology; others still recommend a ‘blue ocean strategy’ (Kim and Mauborgne 2005). While recognizing these contributions to retail strategy, we have derived both novel theoretical and managerial insight. First, we offer the idea of adoration marketing as an alternative marketing strategy particular to luxury, which incidentally contains a critique of classic Veblenesque and Bourdieuan ideas about luxury consumption. Second, we propose the idea of charismatic retail management and elaborate some managerial implications for firms for whom a charismatic figure is at the heart of their retail or brand strategy. Third, we have shown how flagship luxury retail anchored in the charisma of the creative director differs systematically from previous formulations of themed retail.

Appendix A. Exemplar luxury retail brands

Louis Vuitton

Louis Vuitton opened his first store in Paris in 1854. Bernard Arnault merged the company with Moet Hennessey in 1987 to create the LVMH group that is now the world’s largest luxury goods firm (€20.32 billion turnover in 2010). Vuitton operates 332 stores in 50 countries and made over €7.5 billion turnover in 2010 (with a nineteen percent increase in 2010). Marc Jacobs has been the artistic director since 1998. The brand now operates on three markets: leather, prêt-à-porter and jewellery.

Dior

Christian Dior established the House of Dior in 1946 in Paris. It is now a part of the LVMH group. Dior operates about 160 boutiques worldwide and made over €282 millions turnover in 2010 (with a ten percent increase in 2010). John Galliano was the artistic director between 1998 and 2011 and at the time we collected the data. His recent, rapid fall from grace precisely illustrates the fragility and socially constructed nature of charismatic legitimacy. In the immediate aftermath of a February 2010 incident in a bar in Le Marais district of Paris, Dior quickly fired Galliano and removed him from his eponymous label as well. In this incident, Galliano hurled racist and anti-Semitic at other clients of the bar. Even in the face of disgrace, his lawyer vainly evoked the extremity of his character, citing his triple addiction to alcohol, anti depressants and sleeping pills to explain this aberrant behavior. Clearly LVMH was afraid of being labeled an anti-Semitic company, something that recently afflicted Guerlain, another of LVMH’s brands. In a published interview, one of the descendants of the Guerlain family offered some racist opinions. This transgression produced demonstrations in front of the Guerlain boutique and efforts to boycott the Guerlain brand. LVMH could not possibly allow another such train wreck to occur, since Galliano’s remarks were really unacceptable to French sentiment. Indeed, this behavior is more than inappropriate, in fact, is a crime in France. Galliano was fined €2,500 by the appropriate judicial authorities (Le Monde 2011). Following Weber, we may say that this incident confirms Webers’s thinking about the threat to charismatic authority posed by bureaucratic authority. For Weber argued that charismatic authority could cause the disappearance of the charismatic leader, and that charisma could be dissolved through routinization, in this case realized through the demonstrations and boycotts perpetrated against Guerlain and the legal judgment rendered against Galliano.

Chanel

Established in Paris in 1912 by Coco Chanel, Chanel is a private company (owned and run by Alain and Gérard Wertheimer). Chanel has expanded its line to include women’s fashions, perfumes (Chanel No. 5 has long been the world’s top-selling perfume), jewellery and accessories, handbags, leather goods, and other products. Chanel operates over 200 Chanel boutiques worldwide and its annual revenues are estimated to €1.04 billion in 2010. In 1983, Karl Lagerfeld took over as chief designer for Chanel.

References


