CHANEL



THE MARKET

True haute couture - exquisite, made-to-measure and highly exclusive fashion - can only be found in Paris.

Yet, as long as luxury perfume, jewellery and fashion items are treasured as the perfect gifts, the influence of the great designer houses will continue to be felt far beyond France.

For that touch of exclusivity and quality, premium skincare and make-up products are in big demand - that's evidenced by their Australian market value, in 1995, of \$432.3 million. In the same year, the Australian luxury ladies' fragrance market alone was worth \$150.4 million, with the men's fragrance market valued at \$53.2 million.

A critical factor is exclusivity. For sheer class, a luxury watch is unbeatable, but the main players in the luxury ladies watches market are few, and include the likes of Rolex, Cartier, Patek Philippe and CHANEL. Similarly, truly exclusive designer clothes can only be purchased from selected outlets: CHANEL only has one boutique in Sydney.

ACHIEVEMENTS

The old saying "fashion fades, but style lasts forever" is at the heart of CHANEL's enduring success. It is an incredible story, a virtual fairy tale. It

is the story of how one single innovative Frenchwoman had a vision of a new society, a new woman.

This vision has revolutionised the world of haute couture and forged a style and brand which has become synonymous with elegance and glamour the world over.

As the brand's creator, Gabrielle Chanel (better known as Coco Chanel), once said: "In a quarter of a century I created fashion, because I was living in my own era. The secret is to do things at just the right moment. I created the most well known style in the world, because fashion is ephemeral, but style is eternal."

Classic CHANEL style is to be seen in all CHANEL's branded products, ranging from perfume (including the famous CHANEL No.5), make-up, jewellery, and handbags through to the ubiquitous 'little black dress', adored by women spanning all generations and cultures.

One Chanel devotee, Andre Malraux, once said: "Chanel together with de Gaulle and Picasso are the greatest figures of our age". The force of her personality was such that, from a millinery boutique in Deauville, she developed an empire with offices stretching across the globe, including the celebrated salon on rue Cambon and her own rooms at the Ritz Hotel in the Place Vendome in the heart of Paris. Petite and dark-haired, Chanel exuded a magnetism and exacted a respect which enabled her to rub shoulders with the elite and rule her domain with a tight grip.

Her life story was even celebrated in a musical, 'Coco', which hit Broadway, New York, in 1969, with Katherine Hepburn in the starring role.

Since Coco Chanel's death in 1971 at the age of 88, the CHANEL empire has remained true to her vision. Masterminded by Karl Lagerfeld, the classic, timeless designs which made Chanel's name continue to thrive and evolve.

HISTORY

The woman who came to define style had surprisingly humble beginnings. In counterpoint to her suave, urbane image, Gabrielle Chanel was brought up in the French countryside. The daughter of a pediar, Chanel was born on 19 August 1883 in

Saumur. Her mother died of tuberculosis when she was just twelve years old leaving Gabrielle in the care of an orphanage. In 1900, she moved to a convent and from there she went to Moulins where she started working in the trousseau and layette trade

But Gabrielle had an artistic streak. She longed to be a professional singer. In 1908, while working and singing part time in Vichy, Gabrielle met a young officer, Etienne Balsan, who invited her to his country estate where he enjoyed a genteel existence. This proved to be a fortuitous moment in her life. It was here that she was first dubbed 'Coco', met a host of celebrities and well placed members of society - all Etienne's friends. Among them was Arthur (Boy) Capel, a brilliant businessman, who was instrumental in setting her up with her very own shop, designing and selling hats, in Deauville.

From hats, Coco soon graduated to clothing, applying the principles of simplicity ('less is more') to her designs. A second CHANEL shop was opened in Biarritz in 1915. The outbreak of war changed women's fashions irrevocably. With the men on the frontline, women's styles had to be more practical, in line with their increased contribution to the war effort. Coco catered exceptionally well for this change in taste. Her fashions were soon featured by the US magazine, Harper's Bazaar. Her international reputation was under way.

After Boy Capel's death in 1919, Coco turned to new friends to guide her through her grief. One such friend was Misia Sert, a famous pianist, who whisked her into a social circle known for its highbrow intellect and creativity. Coco befriended the likes of Diaghilev, Picasso, and Stravinsky and a Russian emigre with whom she had a passionate affair.

This liaison awakened her interest in antique Russian and Slavic decor, jewellery and perfumes -



an interest which spilled over into her designs.

In 1921, with the talented perfumer, Ernest Beaux, Coco devised a new scent, the evocative CHANEL No.5. Chanel opened up for business in Paris, at 29 Rue du Faubourg Saint-Honoré. Her reputation, both as a formidable woman and the foremost couturier of her age, was gaining ground. The launch of the Chanel little black dress' in 1926 sealed this status. At the time, American Vogue described it as the 'Chanel Ford'.

An English look crept into her designs. This was partly due to the influence of her new lover, one of the richest and most powerful men in England, the Duke of Westminster.

By 1928, Gabrielle Chanel had moved her business to three floors at 31 rue Cambon and was widely acknowledged as 'the first lady of France'. She was dressing the Hollywood greats - Gloria Swanson, Greta Garbo, Marlene Dietrich - but despite her star's dramatic rise across the Atlantic, Coco chose to stay in France, living in a sumptuous villa, where she was attended by a succession of brilliant admirers.

Times changed. World War 2 forced her into exile in Switzerland as the German Army occupied France. It took many years - until 1954, when Coco had turned 70 - for CHANEL to revive the famous, simple look. By then, the newly crowned master of French haute couture was Christian Dior, but the Americans still turned to Chanel for simple, practical elegance. Before long, Chanel was back in business.

The famous CHANEL fitting rooms at rue Cambon were soon crowded with aspirants to the CHANEL look. The nearby Hotel Crillon was famous for being full of American ladies whenever Chanel presented her latest collection.

Even after her death at the Ritz Hotel, where Coco was a permanent guest, the spirit of Chanel lingers on, breathing new life into the company year in, year out. The product range has continued to grow and similarly high design standards have been endorsed by a new and talented designer, Karl Lagerfeld, who assumed the mantle of Mademoiselle Chanel in 1983.

THE PRODUCT

Quality and style are resonant throughout CHANEL's product range. CHANEL offers women the 'total look'. First there is the suit, described by designer Philippe Starck as "the one and only modern suit". It has gone down in the annals of fashion history as an absolute classic, offering quality in both fabric and design. Coco Chanel abided by two basic principles, discipline and thoroughness. To this day, the company adheres to Chanel's golden rules: "Always remove things, never add," and "No buttons without buttonholes," and "The inside must be as perfect as the outside".

As writer Jean-Marie Rouart succinctly puts it: "Fashion fades, but the CHANEL suit lasts forever." This timeless quality has been achieved

through simple, elegant design and conscientious attention to the fitting. When a lady wants a haute couture suit from CHANEL, she is encouraged to have at least two fittings, to ensure the garment is perfectly matched to her personal style and body shape.



The classic CHANEL handbag, known as '2/55', the handbag's birth-date, was first designed by Albert Monnot. The bag was formed in jersey, overstitched in a diamond pattern and lined with grosgrain. Chanel conceived the handbag's chain and leather strap which has become so characteristic of a CHANEL handbag, along with the double C's logo as a clasp. CHANEL shoes were primarily twotone beige with a black toecap. To this day, all CHANEL shoes are hand sewn and all leather.

A wide range of make-up and skincare products has been introduced over the years to ensure that women can enjoy the high quality CHANEL experience from top to toe. And of course - the perfume. CHANEL has spawned some of the most famous, almost legendary brand names in the perfume market, with the likes of CHANEL No.5, CHANEL No.19, COCO (dedicated to the company founder), Cristalle, and for men, Égoïste Platinum, Antaeus and Pour Monsieur.

The original CHANEL No.5, was created in 1921 with the master perfumer Ernest Beaux. The main floral notes in CHANEL No.5 are May rose, ylang-ylang and jasmine from the French town of Grasse, the centre of the French perfume industry. Beaux submitted two lists of samples to Chanel to choose from, numbered 1 - 5 and 20 - 24. She opted for No 5 - which then became its name. Later, CHANEL No. 19 was named in honour of her birth date - 19 August.

Coco Chanel was also a great believer in bold jewellery. "A piece of jewellery can never be mean," she said.

RECENT DEVELOPMENTS

CHANEL continues to introduce spectacular new designs, modern extensions of Chanel's vision. Since 1987, notable additions to the 'must have' CHANEL

range have included three collections of ladies watches - Première, Mademoiselle and Matelasseé, all retaining the exquisitely simple style advocated by the company's founder. Première reflects the shape of the classic perfume bottle stopper; Mademoiselle is a perfect square; and Matelasseé, with its quilted face, reinterprets the stitching on the famous handbags.

Most recently, a collection of fine jewellery has been created as a natural extension of the company's luxury products and reflects Chanel's love of jewellery with innovative designs. In September 1996, CHANEL launched a new fragrance, Allure.

PROMOTION

Huge press and consumer attention is given to CHANEL's fashion shows, where some of the most beautiful women in the world today model CHANEL's latest collections. To support this, the fashion house has pursued an effective advertising campaign, reaffirming the basic classic values and beauty of the CHANEL brand. Jacques Helleu, artistic director at CHANEL describes these classic values as: "Perfect lines. Captivating shapes. Films designed to convey eternal truths in the space of sixty seconds". A succession of famously beautiful faces have been used to capture the CHANEL legend, including the French actress Carole Bouquet and the legendary Hollywood film star Marilyn Monroe.

BRAND VALUES

Coco Chanel once said: "When I started work in the profession, my ambition was not to create things I liked, but to stop the fashion for things I didn't like".

The result was luxurious simplicity, quality of design and manufacture, discipline, and timelessness. This has been recognised and consistently delivered by the modern, post-Coco house of CHANEL. As Karl Lagerfeld said in 1993: "The spirit of Chanel must be part of today's life. It is a phenomenon of here and now, of this day and age".

Things you didn't know about CHANEL

- O CHANEL No.5 was Marilyn Monroe's preferred and only nightwear.
- Whole fields near the French town of Grasse, have been planted with jasmine, as this specific plant from this location are key components of the CHANEL No.5 formula.
- OHANEL buttons are treated as works of art. Often, they are made from galalith, a rare substance made from milk protein. Buttons made of gilt metal are usually engraved with the famous OHANEL trademark, a camellia, a four-leaf clover or an ear of wheat.
- O Towards the end of her life, Coco Chanel lived at the Ritz Hotel on the Place Vendome. Whenever she ventured to her salon at the rue Cambon, a phone call warned her entourage that she was coming. Wafts of Chanel No.5 were sprayed throughout the salons. Chanel would sit on a now-famous long beige sofa to receive guests. Her other favourite spot was at the top of a mirror lined staircase, from where she could oversee all the comings and goings of her private universe.