

Luxury ad world increases its star power

By Shermakaye Bass

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Dior Watches believes Sharon Stone has the face that can launch thousands of new Christal watch sales. Ditto, Louis Vuitton luggage and Mikhail Gorbachev. Likewise, the designer Marc Jacobs and 13-year-old Dakota Fanning.

All three are among the well-known faces fronting fashion luxury brands these days, and all help to fuel a global industry - the luxe behemoth - whose worth exceeds \$184 billion and whose use of celebrity to sell goods has soared in the past decade.

According to Cinecitta's marketing division in Italy, the number of general advertisements featuring celebrities has doubled since 1995, from one in eight to one in four. Uche Okonkwo, a Paris-based consultant with Luxe E.t.c., agrees that the number is large - but not quite that large, because Cinecitta probably is "counting models like Kate Moss and Gisele Bundchen as celebrities, not models."

But when you consider the sector overall, Suki Larson, chief executive of the Provenance luxury consulting agency in London, said, "The role of celebrity in popular culture and fashion is higher than ever."

The emergence this year of Gorbachev, Fanning and Stone (who last year also signed a multi-year contract with Dior's Capture Totale skincare line for a reported \$8 million) hints at new horizons in the age-old practice of celebrity product endorsement: A strictly pretty or famous face is no longer sufficient to sell a product. Now, a campaign must have an edge, a new angle, something unexpected, even disturbing.

"What's weird yesterday is normal today," said Larson, whose company was founded last year by the international advertising giant M&C Saatchi. "The bottom line is the luxury market is hot, and everyone's trying their best to make sure they get pieces of it. Back in the old days, you wouldn't show celebrity in the same ways as now; it was more discreet - like Grace Kelly wearing Van Cleef at the Oscars because she chose to."

But over the past few years, strategies have changed, Larson said. Increasingly, ads focus on offbeat or controversial personalities, like, say, the independent film star Vincent Gallo for Yves Saint Laurent; or they promote social or ecological responsibility (think Tag Heuer's joint campaign with Save the Children; Vuitton's support of Al Gore's The Climate Project). Also, more and more advertisements are using children: Fanning for Jacobs, or David and Victoria Beckham's children for Marks & Spencer.

Even the traditional approach to campaigns is being redefined. "One of the things that's happening these days is that celebrity has been so overdone that people are now trying to turn it on its head," Larson said.

"Like Nicole Ritchie for Jimmy Choo last year - the campaign used a glamorized paparazzi shot. There is more of a message or some oblique commentary. The new trends in the market are to use politics or ecological issues or social responsibility" to draw attention to the brand, she said.

Larson added that in general, the increasing use of famous faces seems short-sighted to her. "Luxury brands used to take 20 years to build, and I think that now people are trying to shortcut it by relying on celebrity endorsements," she said. "I don't think that works as hard toward long-term equity."



If a company does go the A-list route, it is essential to find the right "face" and set the right tone, Larson said, citing Dunhill leather goods' Asian campaign featuring Jude Law.

"You're entering a market that huge, where a bunch of brands are competing - you use Jude Law and put an Aston Martin next to him, and immediately you've established modern British heritage."

But luxury brand professionals say there are risks to using someone of Gorbachev's stature or Law's celebrity - there is the possibility that the "face" can eclipse the brand.

"An example would be Celine Dion with her fragrance," said Marshal Cohen of NPD Group, an international marketing-analysis company. "When she retired, her fragrance practically did, too. Upon her return, a new scent was launched and it prospered like the first. So, as goes the celebrity, usually so goes the product."
Messages also can be lost, he said.

"We saw this with the phone companies - James Earl Jones with Verizon and Catherine Zeta-Jones and T-Mobile. It became very confusing. The consumer didn't hear the message anymore, because it became more of a form of entertainment - and that took precedence over the product," Cohen said. "There were so many celebrities in these commercials, and so much messaging going on. Unless you needed a new cellphone, why would you listen to the actual message?"

Cohen added that even so, the true superstar is usually worth the money. Consider the Nicole Kidman-Chanel No. 5 deal, which earned Kidman a reported \$7 million.

"Three years ago, Chanel No. 5 was losing market share," he said. "They introduced Nicole Kidman and their business went from a negative growth number to a positive of 16 percent. They didn't change the bottle, they didn't change the fragrance. What changed was, they had Nicole Kidman," which tapped into a new audience of young people who had never worn Chanel No. 5.

"They would not have done it without Nicole," he said.

Valentino executives are still quoted as saying that the design house reaped nearly \$25 million in publicity when Julia Roberts wore a vintage Valentino dress (black silk with white piping) to the 2001 Academy Awards and then took the best actress Oscar for "Erin Brockovich."

And what of Dior's deals with Stone? One Parfums division insider said the company has seen a substantial uptick in skin-care sales since her campaign started in spring of 2006. So, is her four-year Christal watch deal paying off?

"It is too early to determine, as that campaign started in May," said Isabelle Lazarus, international communications coordinator for Dior Watches. But she affirmed the label's choice of the 49-year-old Stone: "Her bold personality perfectly embodies the values of Dior - a unique mix of glamour, sex appeal, charisma, beauty and intelligence."

Still, industry experts increasingly say the celebrity appeal may be starting to wane.

"The pendulum is starting to show signs of swinging the other way," said Cohen. "It's starting to show signs that at least the more sophisticated consumer is starting to rebel against the celebrity approach, but the average consumer could go either way."

As for what's next, the New York-based analyst mused, "How about the integrity of the product itself? Wouldn't it be new and novel if someone even went out of their way to explain to me why I should buy their product instead selling me the product through someone famous?"

Probably won't happen anytime soon. Stone's still got three and a half years on her Christal contract.