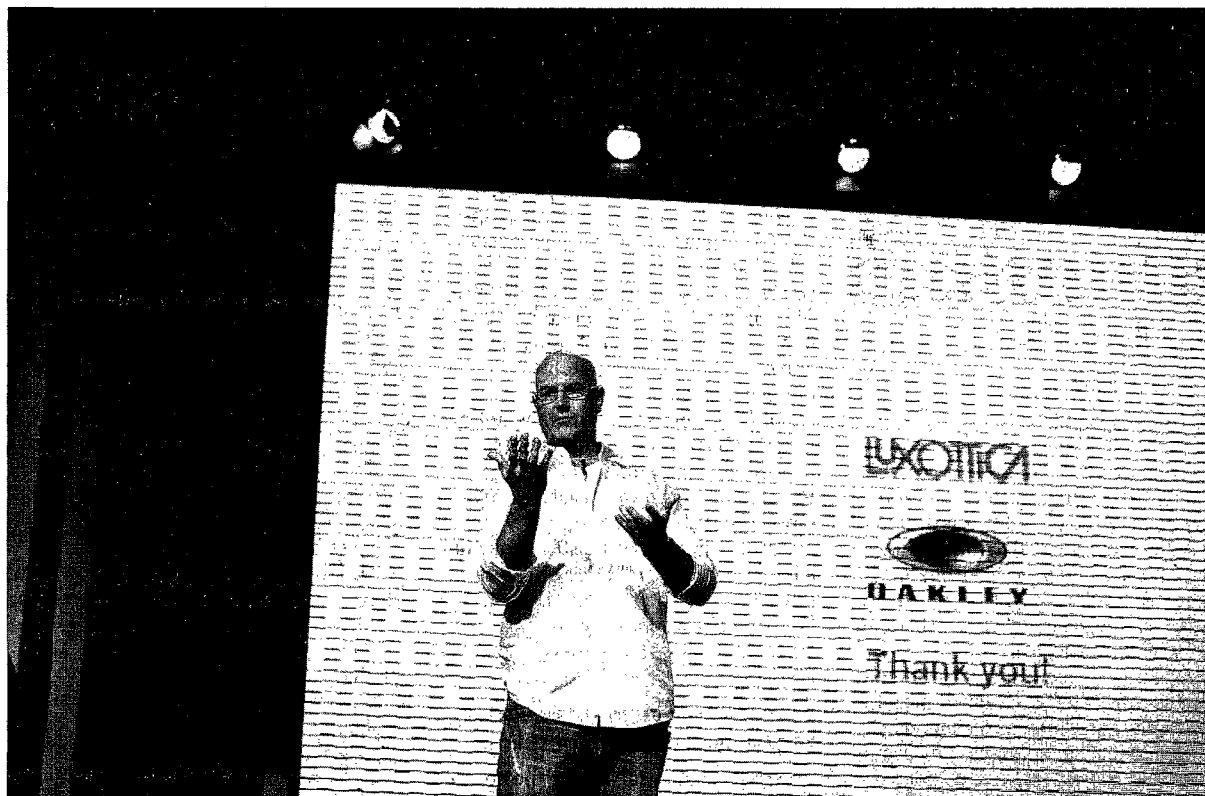


# Luxury brands find technology redefines mission



BERLIN

BY ERIC PFANNER

Oakley, a maker of sports sunglasses, introduced a pair a few weeks ago made of carbon fiber, employing technology used in the manufacture of Formula One race cars and requiring 96 hours of labor. The cost: a cool \$4,000.

When a pair of sunglasses intended for activities like bicycling or running can fetch as much as a Swiss watch or a designer gown, it is clear that the world of luxury is going through a cultural shift. As the purveyors of bling adapt to the era of the blog, technology is not just changing the way that high-end brands communicate with their customers. It is also broadening the definition of luxury itself.

"Rather than stitch a bunch of diamonds on them and say, 'This is a pair of \$4,000 sunglasses,' we decided to put \$4,000 worth of work into them," said Colin Baden, chief executive of Oakley, which is owned by Luxottica Group, of Italy. The company plans to make 250 pairs, he added, and demand is so high that "they're not spending any time in the stores."

Some traditional luxury brands, more comfortable with materials like crocodile skin or cashmere than carbon fiber — let alone the virtual fabric of the

Web — continue to fret about the effects of new technology on their industry, the subject of a conference here this week organized by the International Herald Tribune. Indeed, the democratizing influence of the Internet can seem at odds with the image of exclusivity cultivated and carefully guarded by these companies.

Imran Amed, who runs a Web site called The Business of Fashion, said that two years ago, when he started urging big luxury brands to embrace social networking as a communications tool, executives of these companies told him the idea was "stupid." He is getting a lot less of that these days.

Increasingly conscious of the power of bloggers as tastemakers, and the speed with which their opinions — and those of ordinary consumers — can

spread via social networks and other online forums, fashion brands are seeking to engage with them before they walk through the door of a luxury boutique.

"The more you can open up your brand to the client, the better," said Frida Giannini, creative director of Gucci.

In an effort to reach new audiences, Gucci recently introduced an iPhone application that lets users share music, among other things. Ms. Giannini said she was pleased that Gucci's Facebook

page had half a million fans.

One challenge for fashion houses, she and other executives acknowledged, will be how to deal with the effects of rapid-fire communications on the industry's traditional semiannual product cycles, in which new designs are often displayed on the catwalk long before they become available in stores.

When fashion shows were mostly aimed at professional critics or buyers for retailers, that mattered less. But now, with bloggers getting the word out immediately, new designs can also seem dated more quickly.

"In six months, a million things can happen," Ms. Giannini said. With traffic at stores remaining slow as the global economy struggles to recover, she said, it is especially important now to keep consumers' attention attuned to the brand online.

That mass communications technology can coexist with, or even enhance, an exclusive image has also been



demonstrated recently in the Swiss watch industry, often a bastion of tradition in other ways.

Peter Speake-Marin several years ago started an independent watchmaking business in Switzerland, creating timepieces that start at 32,000 Swiss francs, or \$31,700, and quickly escalate from there. Mr. Speake-Marin said he had no budget for advertising, but was able to reach potential customers around the world via discussions on Facebook and in other watch forums.

“If it hadn’t been for the Internet, I wouldn’t have been able to build the network of clients that I have,” he said. He added that he expected to sell about 175 watches next year, up from 80 this year.

Not everyone in the luxury goods business sees technology as a revolutionary — or even recent — influence.

Alain Dominique Perrin, executive director of Richemont, which owns jewelry and watch brands like Cartier, Jaeger-LeCoultre and Piaget, said Swiss watchmakers had always embraced advanced technology in manufacturing.

But he questioned the durability of any change in cultural perceptions of luxury. While the company’s brands have integrated technology in some unusual ways — a new watch from Jaeger LeCoultre, for example, doubles as a car key fob — Mr. Perrin said he saw little similarity between a fine Swiss watch and some arriviste icons of the technology world.

“To me, these products are worlds apart,” he said. “Who would consider handing down an iPhone, or even a Swatch, to their child or grandchild?”