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# Branding Luxury: Japan, China, and *Vogue*

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## Abstract

This thesis examines the role of luxury across histories and the democratization of modern luxury. This thesis then looks at the value of the *Vogue* brand as both a product and an agent in the development of luxury taste and participation within emerging markets, particularly within Japan and China. A developed nation today, Japan was able to engage with modern international trade and luxury consumption decades before China's currently emerging society due to internal socio political factors and events dating back to the 17<sup>th</sup> century. China's particular political turmoil over the past century then further dissuaded essential participation. This paper discusses the varying ways Western luxury brands have entered these disparate economies and argues that the creation of luxury desire must be rooted in a localized cultural understanding. The paper then argues that just as *Vogue* allowed the emerging US economy to establish luxury and fashion tastes and industries independent of France and Other Europe following World War I, international editions of *Vogue* allow emerging societies the same confidence. This confidence translates to a more extensive repertoire of brand engagement and further refined taste as well as the development of a homegrown industry held to international standards. Employing a first hand analysis of *Vogue Japan* and *Vogue China* advertisements over time, this paper further confirms these assumptions by finding: advertisements and content reaching younger consumers through *Vogue China* must further localize and employ educative content when compared to the advanced readers of *Vogue Japan* and that since inception the number of participating domestic luxury brands within *Vogue China* has dramatically increased.

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## Introduction

During the brief time I spent in Asia, I found myself navigating walkways interlacing Hong Kong's countless commercial complexes and posing for photos before impressive fountains edging one of Bangkok's massive malls, all teeming with consumers. I even refilled a prescription at a doctor's office on Shanghai's notorious Nanjing Xi Lu the floor above both a Miu Miu and a Tom Ford boutique. It was here, with fashion magazines in every family mart and luxury labels flashing from every hotel lobby and street corner fake market alike, that I began to take notice of commercial luxury consumption as a function of modern economic development.

The motif of China as the modern economic powerhouse with incredible spending capacity and a penchant for luxury is heavily featured in discussion on Chinese economic development. Via Japan and Korea's luxury bubbles in the 80s and 90s, insatiable Asian consumption had long been a force to be reckoned with, while high Chinese luxury taxes and global luxury tourism were dated stereotypes. Yet, as I became embedded within Shanghai's upstart creative culture, I couldn't immediately understand how Western brands and labels so quickly established value within Asia. The Western luxury ideal had crossed borders so seamlessly. I attended local fashion fairs and art exhibitions in Shanghai, watching as Expatriates and progressive Mainland citizens belabored various grassroots initiatives. Yet even within the vibrant and comparatively liberal city, uptake of such enterprise was slow and the favored innovations appeared, to my untrained eye, reflections of the dominant global aesthetic culture. The developing environment of consumption flaunted an overwhelming preference for and perceived value in the dominant Western luxury brands. As I prepared to work at *Vogue Japan* and *Vogue China* that next summer, I wondered what role the glossy editorial magazines had played as meaning-manufacturing agents in this quick and smooth establishment of Asian luxury markets.

## *Literature Review*

Luxury itself fosters a complex and pervasive conceptual debate spanning centuries. Ancient narratives of ornamentation and leisure impulses across cultures suggest that the desire for luxury itself may be a basic human need, a way to win against the cruelty of life (Tungate 2009, 5). In recent history, the luxury debate has coincided with increased global communication and the establishment of modern global economies.

Theorists and economists of the late 19<sup>th</sup> century, including Thorstein Veblen, elaborated modern thought regarding luxury and fashion. Veblen was one of the earliest theorists to analyze economies of consumption rather than production (as did Marx); he differentiated wearing honorific dress or fashion from useful clothing as a practice of the affluent or leisure class. To Veblen, for dress to be an index of wealth required not only the physical dress as a visual representation of financial worth but also a society-wide medium to circulate and legitimize such symbols.

To contrast Veblen's modernist theory with a postmodern approach, we can look to sociologist Jean Baudrillard's analyses of contemporary Western consumption (Baudrillard 1970). Baudrillard's novel conviction that consumer behavior and consumption patterns not only relate to the object at hand but also to the society and surrounding world has directed much of modern consumption theory. Stressing that consumption rather than production drives the capitalist society, Baudrillard first presented the idea that objects hold a sign value outside of their functional purpose. This sign value, in a system or series of goods, can be used to say something about the owner and can publically signify social value or prestige.

The Hartman group, a US based consumer research and consulting firm, argues that consumers pick and choose involvement across different consumption worlds: clothing, food,

automobiles, travel, and real estate. One's involvement with luxury consumption is not limited to irrational or emotional compulsions to fulfill unmet needs or participate in collective one-upmanship via logo-emblazoned status symbols. Luxury consumption can in fact be an entirely rational and predictable set of choices made by each individual consumer based on his or her relationship to the consumption worlds around them. People choose which consumption worlds to take part in based on self-satisfaction, enjoyment and hobbies creating an infinite number of individualized luxury consumers from the foodie to the baby boutique shopper (The Hartman Group 2004). Luxury is no longer just for the affluent class.

This educated and dedicated consumer profile is echoed by Pierre Xiao Lu in his own study on consumer values and attitudes, represented in his book *Elite China*. According to Xiao Lu, people hold a finite set of overarching moral values, which inform their choices in every aspect of their life. These fixed moral values are formed based on cultural (religious, regional, political), familial, and personal experiences, and inform the consumer formation of attitudes. The individual consumer forms attitudes towards thousands of items based on personal experiences and information presented over time, particularly in the context of Hartman's consumption worlds and as Xiao Lu argues towards brands and products.

Radha Chada and Paul Husband in *The Cult of the Luxury Brand: Inside Asia's Love Affair with Luxury* argue that an acute understanding of the Asian consumer psyche has allowed luxury brands to develop cult-like followings. The nucleus of such luxury adoration is today in Japan where the Japanese account for over 40% of worldwide luxury sales. The statistics that 94% of Japanese women own a Louis Vuitton product, 92% own Gucci merchandise, 57% own something labeled Prada, and 51% have the Chanel label in their wardrobe, support the central thesis of Chada and Husband's argument that today, "luxury brands are a set of symbols that

Asians are wearing to redefine their social identity and social position” (Chada and Husband 2006, 3). Within emerging and consumer driven Asian economies, you are what you wear as one’s social identity is determined purely by the visible brands on your body.

Research on the function of *Vogue* in emerging luxury markets today has not been extensive although the American title and its history are chronically reviewed and celebrated within popular culture today. *Vogue* has been championed, even by *The New York Times* as indispensable to modern culture, a bible to all those concerned with fashion and society (Weber 2006). Many have recognized *Vogue* as a causal factor in the proliferation of Western brands and trends over time, yet others have critically argued that the relatively small circulations are valueless in building true brand awareness.

In their article “Fashion as a consumer entrepreneurship: Emergent risk culture, social network markets, and the launch of *Vogue* in China” John Hartley and Lucy Montgomery argue that the launch of *Vogue China* in 2005 marked a “decisive moment” in the Chinese fashion industry. *Vogue* not only provides a locality access to images, the common visual language that connects producers and consumers within the fashion industry, but also provides knowledge on how to navigate what they term the newly developed social network market. These magazines provide new consumers access to a global ‘risk culture’ or frameworks through which risks can be made. To Hartley and Montgomery, the display of foreign labels does not stifle the local influence, rather provides a global benchmark or standard for which to measure developing taste (Hartley and Montgomery 2009).

Chada and Husband in turn dub the glossy fashion magazines found across Asia today ‘Magalogues’: a functional cross between magazines and catalogues. Particularly within emerging markets, Chada and Husband believe that readers rely on the judgment found within

the pages of such ‘Magalogues’ when making personal consumption choices, creating significant associations for luxury marketers.

Xiao Lu on the other hand argues that *Vogue* and other luxury magazines are unimportant for luxury sales and branding today (Xiao Lu 2008, 181), working under the assumption that the readership of the glossies does not correlate with the true consumer. To Xiao Lu, the girls pursuing the editorial pages are the truly aspirational youth who cannot afford the real product. Perhaps many of these girls do read the magazines, and perhaps many of the readers do not translate into more than \$500-2000 of sales per year. Yet as Chada argues these younger, immature consumers translate to important sales figures over time. I also argue, that perhaps more importantly these readers and their bible like treatment of the glossies provide the legitimacy and social value to the luxury items and brands they read about, and the social elite in turn buy.

As Chada asserts, magazine editors can make or break both trends and brands. As the societal taste makers, the opinions of the editorial elite affix the labeling system of the social hierarchy, their coverage serving to reinforce public understanding of this visual system of social stratification. Magazines imbue brands with a known, widely understood social meaning, acting as a “meaning manufacturing agent” (Chada and Husband 2006, 63). Magazines connect the global and the local, and according to Chada, “provide the fuel on which the fashion industry runs,” linking the runway and retail scenes with the consumer. While traditional billboard and media advertisements may get notice, editorial backing imbues a brand with societal legitimacy.

### ***Methodology***

Treating Japan as a developed market and China as an emerging market, I attempt to provide comparative case studies on the relationship between luxury and luxury marketing

platforms, particularly print magazines and *Vogue*. Although much information has been produced and disseminated regarding luxury branding and marketing across Asia, the relative interest in and discussion of the role of magazines and media as both singular products themselves and mechanisms that sustain luxury marketing has been limited.

I was generously granted access to the Condé Nast International archives and have conducted primary research with the collection of past *Vogue Japan* and *Vogue China* issues I was able to bring back. Through both a qualitative and quantitative comparison of the issues over time, as well as interviews with the New York based editors of *Vogue Japan* and *Vogue China*, I have worked to develop an understanding of brand entry and adoption patterns within emerging markets. I have also relied heavily on various online and print sources to situate my historical understanding of both Japanese and Chinese societies. I want to move from an overview of the growth of and development of the luxury industry to look at the development of a luxury consumer base in Asia, and to then look forward to a discussion of the future of the luxury market in Asia.

### ***Thesis Overview***

I attempt to understand luxury brand entry and reception over time within first Japan and then China as well as the role that western fashion magazines have played in influencing these markets. I move from an overview of the growth of and development of luxury theory and the luxury industry today to look at the development of a luxury consumer base in Asia, and then look forward to a discussion of the future of the luxury market in Asia. By 2020, China has been estimated to become the largest domestic luxury market, accounting for some 44% of total global demand (Fung, MacAusland, and Mazza 2012). This growth will continue, but I want to

understand both the parallel and divergent timelines of Japanese and Chinese luxury market development.

In the first chapter, I begin with an attempt to situate my thoughts on the modern luxury market and the development of current mass luxury consumption in both the West and abroad. I have found that the free trade of luxury goods has been central to the foundation of modern free-market economies and, although initially tied to an aristocratic class system, to the overthrow of traditional power structures. As integral to the materialization of mass luxury in the last century, I then outline a brief history of the *Vogue* brand and the vital role that the domestic magazine played in the early development of the young American fashion industry and consumer.

In the second chapter, I detail in succession the regional consumption histories of Japan and China as well as their subsequent yet staggered luxury booms. Japan, as a developed nation, and China, as a currently emerging nation, have followed radically different adoption timelines of modern global culture and influence despite similar contact with the West across history. I believe that domestic social political events over the past two centuries in China as well as Japan's own internal free-market history allowed the modernization of the two nations to diverge over the past century.

In the third chapter, I attempt to describe the actors directing local preferences over time and hope to show a correlation between local histories, brand entry, marketing, and trend adoption. Analyzing *Vogue Japan* as an example of a publication in a developed consumer market, and *Vogue China* as the subsequent emerging market, I explain advertisement strategy in relation to regional economics and the change in advertising content within the two magazines over time. I make the case that for emerging economies still in need of specialized pedagogy,

localized branding and association with luxury taste makers including the *Vogue* brand remain valuable.

I want to explore the dynamics of taste making mechanisms in Asia. I believe luxury preference to be both a function of luxury marketing machines (brand decisions, magazine editors, celebrity influence) and an educated, confident consumer base driving demand within a joint feedback loop. The exacting consumer and consumer led marketing result from recent globalization and modernity.

Recently, a conscious preference of the extremely wealthy Asian consumer for absolute luxury over aspirational luxury has been noted (Lopez 2012). Absolute luxury can be defined as discerning in personal luxury decisions, choosing exclusivity and aesthetic appeal in contrast to aspirational luxury, where consumers seek easily identifiable luxury goods imitating opinion leaders and trendsetters. Yet I want to understand who the taste makers in Asia are, and if this preference is a function of the luxury marketing machines (editors of magazines, and celebrity influence) or, is a more educated, confident consumer base driving demand.

Fashion as a pursuit in China has gained in reputation as the government has accepted its cultural and economic relevance. The large increase in cultural interest and fashion retail in Asia is not unlike the urbanization of previous global centers including London and New York. Looking to establish themselves as global centers, rapidly expanding cities in Asia have recognized the importance of culture in building a "super-competitive, super-productive society." According to Richard Florida of the University of Toronto, an impressive arts and culture scene "can attract the world's best and brightest" professionals from an array of industries, placing these cities on the map. "What makes New York and London so robust, even at times of economic crisis, is that anyone in the world wants to go there" (Seno 2009).

I argue that luxury brands are not an economic and cultural imposition by the West to extract financial gain and profit from aspirational, uneducated and excited new consumers through meaningless and unfulfilling material goods. I spent four months in Shanghai with brief jaunts throughout Mainland China and South East Asia, and the excitement was palpable. The excitement to be entering the global market if not leading international economic discourse after centuries of dormancy is only amplified by the visible luxury logos and radical consumer behavior. The glossy, bright, and inspiring images of consumer culture, albeit of western brands, are all consuming. We all understand, recognize, and live alongside this culture exceeding desire to take part and in and to attain these recognizable logos. Mass-market luxury brands today are no longer solely high quality, exclusive, tailored crafts. The market has instead generated transnational lifestyle stamps that appear to transcend borders and impose foreign history. Yet I argue that these powerful and entrenched global social logos do not simply bulldoze built up consumer histories with the intent to intimidate, flatten, repress, and overcome local culture and preferences. To neglect or discount local consumer histories would render a death sentence for any brand. The market entry process is not a one sided imposition, rather a branched, complex and multichannel stream of trial and error preference matching has developed within the luxury fashion space, in which *Vogue* and the magalogues play an authoritative role.

*Vogue* in itself is not only an advertising platform; it is first and foremost a luxury product. *Vogue* is an entry-level luxury product functioning much in the way that cosmetics and fragrance function to welcome younger and financially immature consumers into the lifestyle. Yet the magazine is also a platform for brand feedback and discussion between consumer and label to take place, as *Vogue* globalizes it also localizes. As we move into an era of ever increasing dialogue and global interaction, consumer to consumer contact across borders will

only naturally create new global trends, new global preferences, and new global cultures that do not outshine, crush, or demerit local histories in so far as local consumers are driving these choices.

## Chapter One: What Is Luxury?

### *Defining Luxury*

The concept of luxury including goods, services, ideals, and lifestyles, has evolved to function in varying capacities over time, giving way to numerous meanings and uses. It is then necessary within a discussion on the modern luxury market to first survey the definitions, understandings and histories of luxury as well as the unique economic space occupied by luxury. Luxury goods operate on a different set of social and economic rules than that of normal consumer goods and therefore must be discussed on separate terms.

A strictly economic definition of luxury taken from the Oxford University Press published A Dictionary of Economics reads: “luxury goods are goods whose consumption at any given price point rises more in proportion to an increase in income.” A basic humanist understanding from the Oxford University Press Dictionary of the Enlightenment subsequently defines luxury as “goods or services that have been valued throughout human history because of their perceived rarity, beauty, comfort, or heritage... [and also] reflect the position of the powerful people who own them and whose visible status they ratify.” Ornamentation and the impulse to collect rarities absolutely predates modern history (Tungate 2009, 4), and in the modern period, “widening circulation and acceptance of luxury... has entailed emulation of older elites and the mass production and consumption of luxury, which challenges its exclusive power while heightening social and cultural discussion.” Some, such as French historian Jean Castarède, argue that mankind holds a primitive and instinctive desire for luxury. Luxury is so often associated with the senses as man’s aspiration for betterment is a complete and corporal response. True luxury, it can be argued, is not superfluous yet a refined, sophisticated, and substitutive version of basic goods or necessities (Tungate 2009, 6). Such varied understandings

have resulted in a complex scheme of terminologies and classifications by which the development of the modern luxury market can be traced.

Within economic theory there are three categories of consumer goods: luxury goods, necessities, and inferior goods. Necessities are universally required expenditures such as food that consumers at lower income levels spend a large portion of their income on. As the consumer's income level rises total expenditure on such necessity goods does increase, but the proportion of necessity expenditure to total income declines (wealthier consumers may buy more milk yet because wealthier consumers have more discretionary capital, the total milk cost is a smaller proportion of the wealthier consumer's total expenditures compared to that of poorer consumers). When compared to increases in income, although necessity good total consumption rises, it increases proportionately less than the consumer increase in income (necessities have positive income elasticity of demand yet less than unity: as income rises, spending on necessity rises, but the proportion of income spent on the necessity declines). Inferior goods then are those goods whose consumption declines as income rises. The proportion of consumer income spent on an inferior good, such as Top Ramen, declines with an increase in consumer income (inferior goods have a negative income elasticity of demand: as income level increases, spending on inferior goods declines) (Black, Hashimzade, and Myles 2012). On the other hand, at any given price point, consumption of luxury goods rises proportionally to an increase in income. What this means is that wealthier consumers spend a higher proportion of their income on luxury goods when compared to poorer consumers, therefore the income elasticity of demand for luxury goods exceeds unity (Black, Hashimzade, and Myles 2012).

In his widely influential book *The Theory of the Leisure Class* published in 1899, American sociologist and economist Thorstein Veblen first characterized the increasing

competition for status as conspicuous consumption, or the acquisition of goods or services to publically display economic power. Veblen's theory of status emulation argued that conspicuous consumption, conspicuous waste, and the avoidance of useful work functioned to reinforce such socio-economic distinction (Moykr 1990). In his investigation of popular taste and demand, he provided an early analysis of the upper or leisure class and class based taste differentiation, designating one chapter solely to "Dress as an Expression of Pecuniary Culture" (Veblen 1953). Under this tiered logic of consumption and society, you are what you consume. There is no faster way to acquire social prestige than to consume like those higher up (Xiao Lu 2008, 36). Veblen first recognized those luxury commodities whose demand was proportional to their price, a direct inverse of the law of demand. At this most basic level, a Veblen, or luxury, good is one whose demand increases with an increase in price (Black, Hashimzade, and Myles 2012). In Veblen's theory, conspicuous behavior suggests that the rich prefer to pay high prices to advertise their ability to afford such things while simultaneously excluding those who can't. Veblen also noted that for the leisure class the price tag is essential for status, and "the Veblen effect" describes this willingness to pay more when comparable merchandise is available for less (Xiao Lu 2008, 36). Price therefore is not interpreted as a benefit to the consumer but rather as a decrease in quality, exclusivity, or desirability followed by a decrease in demand (Black, Hashimzade, and Myles 2012). Veblen's theorization, although radical at the time, has greatly influenced and informed modern luxury assumption.

Although I intend to later discuss Western brand and entry within Asia, the modern and commoditized luxury market of the 80s and 90s is historically rooted in Western luxury history and Western capitalism. Therefore, before contrasting Japan and China's individual relationships

to luxury concepts and commodities, it is first important to understand the economic and sociological history backing the major logos today.

Aristocracy and highly stratified social systems demarcating prestige and power traditionally cornered early luxury good trade as a method of status emulation. Such elite goods, including precious stones and spices, fueled early exchange between and globalization of premodern empires. Eventually, trade routes funneled luxuries, such as salt and jade from Mesoamerica and silk from China, to the elite of Japan and of Europe simultaneously spurring the development of an urban bourgeoisies class outside of the normative aristocracy. With such new merchant wealth in the eighteenth century, “more and more people were finding themselves wanted, and being able to acquire ‘populuxe’ copies of fashion accessories... and household goods... with which the rich were becoming a central part of the urban experience” (Francks 2009, 6). Over time, it “became impossible to tell from appearances who was servant and who was master or mistress” (Francks 2009, 6), a blending which eventually transitioned luxury from sinful extravagance to a divine, deserved right within Western ideology.

In Britain, this shift followed a major financial crisis in 1640 and the subsequent founding of the Bank of England. The downturn transformed Britain from an agrarian nation to a modern commercial society, while the development of a national debt as well as a new class of creditors and speculators created a novel class of unprecedented wealth. As a derogatory term, ‘luxury’ originally described the newly affluent and upwardly mobile classes. The emerging selection of consumer goods available and the so-called consumer revolution created a highly lamented social leveling, and merchants were seen as confusing the historically accepted social order by purchasing prestige. Classical and Christian moral arguments against indulgence in luxury, backed by the displaced traditional authorities, therefore dominated the development of

capitalism and global trade until Dutch physician Bernard Mandeville published his influential and far reaching poem “The Grumbling Hive” in 1705. This work, later expanded to the novel *Fable of the Bees* (1724), argued that the positive economic consequences of luxury desire acted in benefit of the public. Mandeville argued that desire for luxuries (all goods beyond what is necessary to survive) fuels commerce and trade, in turn promoting widespread employment and prosperity. Following Mandeville, contemporary discussion on luxury spending centered on the positive creation and redistribution of overall wealth (McDonogh 2008).

Concurrently, much of the luxury debate in France surrounded the female dominated (both producers and consumers) fashion industry. Stratified consumption and consumer choice can be traced to the initial phenomenon of the affluent or leisure class using dress as an expression of wealth. The shift from ‘clothing’ to ‘fashion’ can be explained as the shift from the fulfillment of practical needs to emotionally driven luxuries. The fashion industry can be traced through the aristocracy to the women of France who were denounced in the early 1700s as *nouveaux riches* until Jean-François Melon brought Mandeville's theories to France in 1734 through the essay *Essai politique sur le commerce*. Both works were later used and further popularized by Voltaire in “Le mondain” (translated to mean ‘the Worldly Man’ and written in 1736) and later “Défense du mondain” (written in 1737), in which he argued luxury spending by the rich circulated money through society and in turn sustained the poor (McDonogh 2008), a concept that played out with increased production over the next few centuries.

Modern, and mass-produced or democratized, luxury is founded in the industrial revolution and the development of twentieth century consumerism, commodification and marketing campaigns. During the industrial revolution, new mass production techniques allowed for the rapid diffusion of goods creating larger consumers and in turn requiring new methods of

distribution and advertisement. Such a process is central to the luxury retail industry today as fashion:

Drives the never ending development of new products and people define themselves by means of the goods they consume. The emergence of the consumer has therefore come to be seen as bound up with the availability of the ‘modern’ goods, produced and marketed in ‘modern’ ways, which resulted from the industrial revolution in the West. (Francks 2009, 7)

“Fordism”, initiated by Henry Ford’s introduction of assembly line production, drastically reduced and simplified production processes. This radical new school of thought, to minimize consumer choice and to maximize speed of production, enabled the first true creation of an attainable luxury. Ford produced one standard black automobile model with the goal to reduce costs and to reduce the price point so that even workers would earn enough money to purchase the product. At one time, true luxury may have denoted handcrafted or individualized work, yet the dominant trajectory of accessible and modern luxury specifically within the fashion and retail industry has its roots in such increased production and product proliferation (Black, Hashimzade, and Myles 2012).

Widespread promotion of high-end fashion and adornment goods can be loosely pinpointed to standout marketing cases, such as De Beers “A Diamond is Forever” campaign in the 1940s, and the foundation of holding conglomerates in the 80s. French holding company Moët Hennessy Louis Vuitton (abbreviated to LVMH) for example is often credited with the establishment of the modern luxury industry. In 1987, LVMH spearheaded the merge of many smaller family-run businesses in champagne, cognac, fashion, and accessories under the LVMH global holding conglomerate umbrella (Silverstein and Fiske 2003). Today, LVMH operates over 2,400 stores worldwide, with recorded revenue of 20.9 billion Euro in the first 9 months of 2013 alone (LVMH Results 2013). Along with competing luxury conglomerates including Richemont

and Gucci, LVMH reinforces the global status of varied brands in a highly gendered and rapidly expanding international market (Silverstein and Fiske 2003). Today, luxury consumer products and fashion remain large and formidable industries. As the origin of the fashion industry, in France alone, fashion and retail generate \$35 billion dollars per year and employ 150,000 people, and as the reigning industry leader, fashion accounts for 43 % of total French advertisement expenditure and heavily underwrites many other aspects of French economy (Girod 2012).

### ***Luxury Segmentation***

Cultural goods such as clothes and jewelry have, and always will, act as accessible commodities that, in a Marxist sense, can be used to condense and conceal social relations (Silverstein and Fiske 2003). Luxury brands therefore uniquely require visual consumption by all socioeconomic levels of consumer, the true buyer and the visual consumer. For a rarity to become a luxury, it must be universally desired. All levels of consumer must buy into the vision, the dream, the lifestyle to create the luxury for those elite. By fostering the creation of desire within all levels of consumer, luxury brands ensure the prestige and value of the brand experience for the true consumer. Within normative luxury marketing and luxury understanding, “a luxury value [proposition] corresponds to someone’s dream; it is a source of pleasure, a sign of status; it is unique and incorporates a certain heritage and refined craftsmanship. Identification with it does not stem from a customer need, but only when needs are satisfied do we enter the realm of desire” (Hoffman and Coste-Manière 2012, 24). Luxury goods evoke emotion and retain a global presence in that they are only attainable after all needs are met. Luxury is the impossible dream desired for the identity, perceived beauty, and visceral evocation.

Luxury brands are in the business of selling dreams regardless of buying capability and the modern luxury brand must exist outside of the physical objects or commodities they produce. Today, it is central to the success of a luxury brand not to compete with mass consumer goods yet to build value through desire. Unlike other consumer goods, where market research identifies target consumers' own preferences and then creates goods to sell to their needs, luxury labels must create wants and desires (Wang 2008, 182). One can easily consume the Louis Vuitton idea, vision, and brand although most will not be able to afford the commodity in the current or future reality. The universally recognized symbol adds brand value by increasing willingness to pay for the true consumer and fashioning a segment of sidelined consumers saving up to nibble at the edges.

Within the luxury market or the more general high-end market, it is important to understand further internal market stratification. Referring back to the economic definition of Veblen luxury goods, these do not solely include the layman's perception of luxury but also all goods whose consumption increases with increases in wealth. Defining goods in terms of need within the apparel and luxury cultural good industry, brand names and higher prices classify goods as fashion not clothing. Therefore by definition, most clothing beyond necessary consumption purchased primarily by those with increased wealth can be classified as luxury commodities. Within this high-end space further stratification is then needed to flesh out the levels of brand recognition, quality, and price point. Looking at price point alone, the Federation of the Swiss Watch industry breaks down the high-end market into three segments: luxury (approx. US\$5,000-10,000), prestige (approx. US\$10,000-20,000), and fine (greater than US\$20,000) (Hoffman and Coste-Manière 2012, 63). Extrapolating this high-end watch market

to the high-end retail industry more generally, one can stratify levels of high-end goods and the correlating consumers (each segment with different brand loyalty and motivation to buy).

I will use absolute luxury to describe the highest level of luxury consumption. Such items largely include super yachts, business jets, collectible automobiles, and fine jewelry (Hoffman and Coste-Manière 2012, 63), and revolve around consumer desires for rarity, passion, individual distinction, expression, and investment. I will use prestige and aspirational luxury interchangeably, and high-end or brand name to refer to all other more general luxury segments (not luxury like the FSW). An intermediate level of accessibility defines prestige goods. Although high-end and prestige goods remain expensive, the handcrafted, exclusive nature of absolute luxury is often merely replicated to provide a ‘heritage’ feel. Such brand level stratification ties to and targets the similarly tiered motivations of the current luxury consumer.

The importance of rising middle class affluence in product line differentiation ties to the evolving and stratified nature of luxury consumer motivation. Although many variations exist and a true understanding of consumer motivation would probably correlate best to a sliding scale, self-assertion, differentiation, and a genuine appreciation of product quality, function as the three primary motivations for luxury consumers. Luxury consumption is an upward spiral that progresses tier by tier (Wang 2008, 181). Concept and perceptions of exclusivity are central to the function of luxury and as a consumer or a consumer group matures the individual interpretation of such exclusivity as well as purchasing motivation develops, “from the consumer’s perspective the definition of exclusivity goes through an evolution”. Such a process is key to understanding the necessary role magazines, media, and marketing play in luxury consumer pedagogy. Initially, the mere ability to personally purchase and own a recognizable and widely desired luxury brand denotes exclusivity. This primary understanding correlates to

the most basic motivation of luxury consumption, self-assertion. At the lower level, aspirational goods, as well as high-end brands, are sought by immature consumers to establish status, and to associate with a universally desired lifestyle.

With the growth of this initial luxury “ownership circle” and increased knowledge or awareness of the luxury market and space, the symbol of the widely recognizable luxury brand no longer satisfies the consumer understanding of exclusivity. With time, consumers develop a need to further assert their affluence and social status while differentiating from equal peers. At this level, desired exclusivity can be realized through the acquisition of limited editions, unprecedented product capability, or rare material. Yet a deeper understanding of and appreciation for craftsmanship as well as distinctive brand value and brand heritage also begins to manifest as a driving factor. Such progression from self-assertion to differentiation is accompanied by the development of a much more extensive repertoire of luxury brands and cognizant, discerning, or informed decision making factors. Such factors include knowledge of lesser known and specialty brands as well as the maturity of a personal rationale behind brand loyalties, a rationale often based on brand heritage and craftsmanship (Arora n.d.). Such a transition provides rationale for the consumer phenomenon currently observed across Asia with the rising middle class.

Current economics of consumption and the growth of a consumer-driven economy in Asia, have led consumers to further demand quality and novelty based on exposure to more brand choice than ever. With this choice, more recently, the developing conscious preference of the extremely wealthy Asian consumer for absolute luxury over aspirational luxury has manifested (Lopez 2012). The affluent and educated luxury consumer today is further discerning in personal luxury decisions, and has begun to test luxury to fulfill individual dreams as opposed

to the brand afforded social reinforcement that has characterized traditional Confucian markets. A clarifying example then is the scarcity differential between two luxury handbags: a Hermès Birkin (an understated handbag with imposed scarcity, a prolonged waitlist up, and incredible prices up to \$60,000) and a Louis Vuitton Monogram Speedy (the signature Louis Vuitton bag that has thousands of consumers lining up at international store openings and stalls in every fake markets stacked with replicas). Across Asia, the ultra-affluent have for the first time, a progression mirroring the earlier advancement of Western markets, initiated investment in absolute luxury out of passion and consumption led by emotive and aesthetic value as well as lifestyle appeal, leaving the cult brands such as Louis Vuitton to become cultural assimilation symbols.

The range of luxury from accessible to exclusive consumer goods can infinitely be stratified based on persistent narrowing of target consumer, valuation, and scarcity (controlled availability). Luxury consumption operates on a fluid and unsettled metric system as retailers attempt to capitalize on and meet consumers at varied levels of consumer motivation. While consumers, in turn, buy into the luxury story. Aiming to build upon their personal understandings and to graduate from high-end to aspirational and ultimately absolute consumption. This strategy is best used by retail brands to access consumers across niche markets. Ralph Lauren Corporation for example is now a holding company with various brands aimed at different luxury market segments. Ralph Lauren Purple Label and Collection (runway) translate to nearly unattainable, absolute, exclusive luxury; Black Label and Blue Label are targeted at a prestige level with widely unattainable price points but less imposed scarcity; Polo Ralph Lauren and RRL then fall into attainable, branded luxury or high-end goods. The job of the upscale market, in order to maximize profit potential, is to further and further differentiate consumers within the

social hierarchy. The creation of progressively smaller niche market segments, even within consumers of the same social class, creates the desire for high-end consumers to separate themselves not only from the masses but also from one another (Wang 2008, 181).

Aspirational luxury therefore has created accessible super premiums over the past century with the rise of mass production and consumerism. This new category of goods and the rapid proliferation of global brands has confused the traditional definition of luxury and generated a new paradigm on modern luxury: modern luxury, metaluxury, aspirational luxury, prestige goods, high-end branding, and consumerism. Within luxury marketing, the accessible super premium is a novel new concept that further delineates the previously discussed scale. Brands price goods at the top of their class but not out of reach, creating new levels of desire. Such goods allow customers to budget discretionary income toward a particular goal, creating new growth in middle market consumers who want to trade up and can now afford to (Silverstein and Fiske 2003). Such product differentiation capitalizes on the 'luxury nibbler' the immature yet aspiring consumers who individually account for few purchases per year yet over time and en masse offer indispensable profit growth (Chada and Husband 2006, 231).

Again, luxury goods make the client and the client makes the goods. Hence, such high-end, high price point products demand visibility in movies, on television, with recognized celebrities, and within glossy advertisements. Luxury today does frame ritual and cultural events, from Princess Diana's wedding to the nuptial rental of Cinderella's carriage at Disneyland, yet such exclusivity, nevertheless, is affirmed by price, waiting lists, or special collections with limited access. Once past the waiting list, the modern luxury brand must also perform at an experiential level. As luxury consumers mature, and available high-end options increase, they require points of differentiation and substance to justify premium values and pricing. As

established, the paucity factor or degree of exclusivity mainly functions as an initial attractor to the brand, yet successful brands today also build detailed brand characters. To establish pedigree and heritage, brands construct legendary brand histories denoting mastery and lineage. Through ongoing PR and public figure endorsement, such emotional and sensual stories are visually consumed across markets to distinguish the brands and accelerate brand desire. Finally, the retail experience and exceptional service throughout the product lifecycle all carefully fold into the scaffolding of the modern luxury brand and the sign value ascribed to it (Arora n.d.).

To illustrate the practical importance of such marketing and the power of the luxury brand story, I have pulled a recent and brief blog contribution. Written by Caroline Palmer, the online editor of *Vogue*, and titled “Visual History: 50 Years of the Chanel Bag on the Street” the post verbalizes in a contemporary and colloquial context the value of the Chanel 2.55 bag as a heritage item, as well as the entrenched cultural beliefs promoting the consumption of such heritage products today.

Palmer first provides a brief and edifying history of the bag, which was:

First dreamed up by Gabrielle “Coco” Chanel in the early 1920s when, ever-practical and tired of having to carry her bag in her hands, the designer took inspiration from soldiers’ packs and incorporated an extended strap into her own carryall. After World War II, she launched the quilted bag in earnest, in February 1955 putting a long, chain strap model forth (hence the name) and captivating women ever since (Palmer 2013).

The value-added chronicle of the carryall imbues meaning and connection to the reader, or consumer, by including intimate cultural details and history such as the February 1955 date naming the infamous 2.55.

Palmer strongly brands the Chanel 2.55 as “for more than half a century, invading not only our wardrobes but our cultural consciousness as well,” and the bag “communicates” a “much-sought-after sense of sophistication and polish”. The 2.55 confers an understanding of

cultural heritage, of economic and intellectual prowess, and associates its wearer with a steeped history of feminine necessity and innovation as well as commanding and provocative figureheads including Coco Chanel, Audrey Hepburn, Jackie Kennedy, and Princess Diana.

Generations after its first foray into the market, the 2.55 still commands an ownership circle worth more than mere exchange value. The 2.55 bag is seen cross culturally and generationally as far more than a modified military lambskin carryall and epitomizes the weighted historical and social importance or sign exchange value of luxury commodities. The use value of the carryall is of little consequence in this context, and even the exchange value, the conversion of the carryall's convenience or utilitarian benefit into currency, fails to incorporate the cultural value supplementary to the bag in one sense yet essential to it in another.

### ***Exemplifying Luxury: The Value of Vogue***

*Vogue is to our era what the idea of God was, in Voltaire's famous parlance, to his: if it didn't exist, we would have to invent it.*

– Caroline Weber, *The New York Times*

### From Social Guide to Fashion Focus

As an “active participant in the culture of fashion,” the Vogue brand has influenced the modern histories of American and Western consumer cultures themselves. First published on December 17, 1892 (Chase and Chase 1954, 30), *Vogue* was initially founded as a high-society journal and lifestyle guide targeted at the new American aristocracy. As coined by Mark Twain, the period of extraordinary domestic economic development from the 1880's through the 1890's, which created levels of wealth unprecedented before in the United States, are often referred to as America's Gilded Age (Mintz and McNeil 2013). Newfound advances in technology and

communication, including the telephone, radio, electric train, and automobile, facilitated trade and movement across the nation while contributing to the fortunes of a new ownership class. While electric streetcars accelerated the foundation of commutable suburbs, advances in inexpensive photography and printing expanded the reach and feasibility of mass-circulated magazines and newspapers. Urban department stores and brands recognized the immediately magnified consumer potential and the catalogue was born. The 1897 catalogue of The Sears, Roebuck and Co. introduced 20,000 items for sale outside of the city center, including men's and women's ready to wear (Podesta 2004). The new mass buying power of the American consumer stimulated a domestic spurt of retail opportunity to which America's new wealthy, lacking any indigenous leisure class history, needed guidance.

A New York society figurehead and graduate of Princeton class of '76, Arthur Baldwin Turnure, recognizing this need, founded and published this first guide. Immediately, fifty-six high profile New York families rushed to back Turnure's *Vogue* venture including the Vanderbilts, Astors, Stuyvesants (Encyclopædia Britannica 2014). Committed to celebrate all that was ceremonial in society and fashion, *Vogue* provided the social elite with coverage and guidance on high society traditions and etiquette. The *Vogue* brand's privileged heritage stems directly from Turnure's convictions that high society life:

has in the highest degree an aristocracy founded in reason and developed in natural order. Its particular phases, its amusements, its follies, its fitful changes, supply endless opportunities for running comment and occasional rebuke. The ceremonial side of life attracts the sage as well as the debutante, men of affairs as well as the belle. It may be a dinner or it may be a ball, but whatever the function the magnetic welding force is the social idea. (Smith 2013)

The new wealthy American cohort yielded great, never before seen levels of disposable income, yet the immature *nouveau riche* desired a social model by which to manage and wealth, class and social graces. New York city's new elite struggled to navigate and organize within the new

domestic high society apart from England and the Old World, a knowledge gap much like the contemporary Chinese consumer.

The launch of *Vogue* intentionally coincided with, and effectively created, the first palpable American ‘ownership circle’, recognized as “the Four Hundred.” The Wife of millionaire William Backhouse Astor Jr. held an annual, members only winter ball, the first of which “sent ripples through the most illustrious names in the city” (Smith 2013). An invitation to the ball acknowledged one’s position within the top aristocratic club of New York society. If one were not a member of the Four Hundred, one did everything one could to act like a member. With so many new fortunes, an invitation to the ball more heavily weighted one’s exhibited social graces than comparative bank accounts and the pages of *Vogue* representing the values of these elite acted the premier guide.

From inception, *Vogue*’s lasting role as a manual to acceptable brands and retail goods took shape. Through features including: “Seen in the Shops,” “Smart Fashions for Limited Incomes,” “On Her Dressing Table,” and “the Well-Dressed Man,” *Vogue* functioned as a magalogues or consumer guide linking products to potential customers. Yet the callous tone remained alienating to all but the upper class, establishing a judgment of value and worth that remain present in American culture. One section “As Seen by Him” reminded the American gentleman to act civil when interacting with inferiors and servants, although never familiar. (Chase and Chase 1954, 33). While another issue, conscious to maintain breadth outside of women’s fashion, highlighted acceptable high society sports featuring both the Yale and Princeton football teams (Chase and Chase 1954, 34). Even from the outset, *Vogue* acted as a social force solidifying hierarchies and preferences that remain to this day. Through America’s coming of age, *Vogue* fashioned the new American gentleman much like the contemporary

influence in the developing world, although just as consumers in Asia today look to American *Vogue* and the West for sign and heritage value, early readers of *Vogue* continued to seek value and affirmation/legitimization through the ‘old world’ European understanding of class and ceremony:

A spring 1911 article devoted to the wedding of Helen Vivien Gould and John Graham Beresford remarked, “Never in the history of nuptial events in New York have we had so many of the old British nobility represented at one fell swoop.” Another nod to the aristocracies across the pond came in the article “Where Europe’s Varied Society Seeks the Sea.” The old world continued to be a source of intrigue and emulation to the early readers of *Vogue*. (Smith 2013)

Yet a change of ownership, the refocusing of the *Vogue* brand, an innovative new Editor-in-Chief, and the First World War would later provide the *Vogue* audience confidence on the world stage.

In 1909, Condé Montrose Nast bought and transitioned *Vogue* to a women’s fashion publication spotlighting beauty and etiquette through distinctive, unprecedented editorial quality. Looking to compete with new publications entering the space and to focus editorial content, Nast noticed women renewed subscriptions, and to confirm additional advertising pages transitioned the pages of *Vogue* to a women’s fashion magazine and “practical shopping guide rather than a gazette of social activities” (Chase and Chase 1954, 49).

In the 20<sup>th</sup> century, *Vogue* has championed the implicit associations between high-end culture and style. While dominate publications and catalogues of the time rushed to acquire the largest circulation base, Nast radically schemed to appeal not to the largest audience, but a valuable audience. Nast targeted readers with money who sought taste rather than mass popularity, aiming to establish *Vogue* as an indispensable and authoritative force.

Revered for its editorial excellence and its visual panache, the magazine has long functioned as a bible for anyone worshipping at the altar of luxury, celebrity and style. And while we perhaps take for granted the extent to which this trinity

dominates consumer culture today, *Vogue*'s role in catalyzing its rise to pre-eminence cannot be underestimated. (Weber 2006)

The quality of the *Vogue* product, both editorial content and reach, then forced advertisers to appear in the pages of *Vogue*. Such a valuable association strengthened and legitimized those who advertised within *Vogue* (Chase and Chase 1954, 66).

Nast quickly hired Edna Woolman Chase, who would reign as the longest-serving editor of *Vogue* from 1914 through 1951, spanning both world wars and leaving *Vogue* a world-famous, border-crossing brand. Chase fiercely insisted her staff uphold the standards of the Four Hundred; infamously scolding an editor's inferior suicide attempt: "We at *Vogue* don't throw ourselves under subway trains, my dear. If we must, we take sleeping pills." Yet despite her eccentricities, Chase's legacy brought the world of fashion and luxury retail to the states. Apprehensive about French fashion security during World War I, Chase staged the first domestic fashion show, a charity to benefit women and children affected by the war. Using the magazine's reach, Chase brought together high society women of the Four Hundred as well as elite American designers and retail institutions including Bergdorf Goodman, Bendel and Maison Jacqueline. The runway and high fashion concept was so unfamiliar in the states that local models employed had to be taught to pose and walk down runway.

The distance from Europe the First World War provided, allowed the *Vogue* brand to transform, the magazine was "no longer self-consciously taking its cues from the European elites. It was confidently coming into its own and defining fashion for an international audience" (Smith 2013). Shortly thereafter, *Vogue*'s mass success in the states prompted the 1916 launch of the British *Vogue* edition, followed by the 1920 launch of the French *Vogue* edition. Within fashion and luxury history, cultural borrowing has functioned as the necessary process and transfer of inspiration over time, and can be seen as the evolution of cultures based on contact

and shared experiences rather than a dominant versus submissive relationship. In fact, Chase herself regarded the launch of French *Vogue* as spawning a rivalry of different tastes across the channel with influence extending both ways (Chase and Chase 1954, 163).

Within the US, *Vogue* was immediately attributed with the toppling of the French monopoly on global fashion and taste manufacture. Domestically, *Vogue* has led the foundation and expansion of the domestic fashion industry, a phenomenon that *Vogue China* Editor-in-Chief Angelica Cheung hopes to replicate within China. *Vogue* has also promoted the dominance of the female consumer as a powerful force for modern business and markets to contend with as arbiters of taste (Chase and Chase 1954, 379).

### Magazine Economics

The evolution of advertisement and media outlets, particularly magazines, has facilitated the diffusion of consumer goods and popularized luxury. In 1897 American media mogul Cyrus Curtis purchased the failing publication *Saturday Evening Post* for \$1000, and by 1922 had increased circulation to well over 2,000,000 issues via targeted, well-founded business editorial. Such a powerful reader base quickly allowed the magazine to command more than \$28,000,000 in advertising revenue. This initiation of the modern magazine advertising model alleviated revenue dependency on cover price and subscription fees. Money initially funneled into high quality editorial content, resulted in wider circulation justifying high advertising rates (Encyclopædia Britannica 2014). Shifting the revenue stream onus from consumer to advertiser further allowed for dropping retail price, circulation growth, and value added for advertising companies.

Circulation rates quickly became all-important across the publishing industry, and such research eventually led publishers to develop general market research practices on consumer and reader preferences in the 1930s. To bridge this gap between editorial and advertisement, reader research, ascertaining what readers wanted from magazines, was developed as a field in the 1930s and proved to be a useful tool. The association between magazine advertising, consumer spending and development is most apparent in women's magazines, as in most economies women are the greatest buyers of consumer goods. Until the 1960s in Britain, issues that cost double to print than the price they sold for, lost money; yet then when consumer spending, and therefore advertising, boomed, the upsurge immediately reflected in increased women's magazine revenues (Encyclopædia Britannica 2014). Yet such research was no substitute for editorial flair in the business of selling and creating luxury desire. As was once observed by the features editor of *Vogue*: "If we find out what people want, it's already too late."

By the third anniversary issue, *Vogue* had already made a critical and novel announcement affecting and noticing the role of fashion magazines over the next century within advertising and consumer culture. In his editorial, Tenure denounced the newspapers of the day and asserted that *Vogue* as "the high class weekly is the coming advertising field of the future" (Chase and Chase 1954, 49). Later with Nast at the helm, *Vogue* also championed the modern magazine profit model. Nast appreciated that additional copies sold, even at a deficit, added value to advertising pages sold and therefore the rates at which ad space could be sold. To test this theory, Nast took over *Vogue* in 1909 and focused on selling the magazine for less than the cost to print yet to a valuable circulation that could afford the target luxury advertisements (Chase and Chase 1954, 66). Yet despite recognizing advertisement potential, the *Vogue* brand has remained formidable by maintaining editorial control.

In her autobiography, Chase recalled her early understanding of the relationship between *Vogue* editorial and advertising content shortly after her appointment as editor in 1914. As an editor Chase did not want to print merchandise she did not see fit or up to par with the *Vogue* quality and esthetic and in rebuttal to the advertising manager's assertion that advertising pages paid her salary she reminded him that her editorial content was the product he had to sell. Chase understood her role as editor was to maintain the quality of the print content and to deliver reader expectations, but also recognized the importance of popular reader taste and reception. Chase once denied to publish an advertiser's poorly designed veil requiring only material she could be proud to feature come through the editorial door (Chase and Chase 1954, 108), as such *Vogue* has maintained a brand and space which demands association within the luxury industry.

*Vogue* is often cited as brokering the modern symbiosis between journalism and advertisement. *Vogue* was later one of the first print magazines to publish a color cover in 1932, providing space for retailers to more accurately publicize clothing (Encyclopædia Britannica 2014). Through the 20<sup>th</sup> century, *Vogue* continued to consistently champion aesthetic, technological and commercial advances within fashion and media. Often revolutionary, the brand's influence has informed interdisciplinary networks of consumer culture today, a contemporary understanding of advertising, retail, celebrity and mass-market style can all be traced to the print issue.

### *Vogue's* Impact Today

*Vogue's* cultural impact has extended far beyond the advertising and retail spheres, and for better or worse *Vogue's* influence echoes in the self-perception of the modern woman today. In the book *In Vogue: The Illustrated History of the World's Most Famous Fashion Magazine*,

author Angeletti contends “that *Vogue* reflected and, often, shaped—the evolution not only of fashion but of women themselves, how they choose and wear clothes, interpret beauty, assume a changing role in society.” From early on, *Vogue* undeniably dictated popular preference regarding body image and beauty. Sewing patterns sold by the magazine were only produced in what Edna Chase, the first official Editor-in-Chief of *Vogue* as a women’s fashion magazine, referred to as “the perfect 36” (Chase and Chase 1954, 32), a shapely ideal figure left many self-conscious of their flatter chests. As tastes shifted through her tenure, Chase later wrote that *Vogue* acknowledges that “a lady may grow mature, but she never grows fat.” (Chase and Chase 1954, 34). In the 1960’s the magazine then completely redefined the look of female models, eschewing shapely figures to highlight thin, gender-neutral physiques, an influence that has reverberated in popular culture and taste through today (Encyclopædia Britannica 2014). In the same decade Editor in Chief Diana Vreeland appealed to the youth of the sexual revolution featuring a candid and highly controversial editorial on sexuality within contemporary fashion. At the tail end of the Black Power Movement, the August 1974 *Vogue* cover chose to make a novel statement within the fashion world by featuring an African American model for the first time (Encyclopædia Britannica 2014). In 1988, current Editor-in-Chief Anna Wintour’s debut cover originated modern fashion publication and designer retail. Entering her new role burdened to increase profitability by both maintaining reputation and providing a more accessible concept of fashion, Wintour chose to print Israeli super model Michaela Bercu in a Christian Lacroix Jacket opposite a pair of blue jeans rather than featuring a close up headshot with strictly couture dress. The full body image allowed “greater importance to both her clothing and her body while promoting a new form of chic by combining jeans with haute couture. Wintour’s debut cover brokered a class-mass rapprochement that informs modern fashion to this day.” In modern

history, *Vogue* has continued to push the envelope and maintain its premier status under the direction of Anna Wintour, and in 2007 the *Vogue* September issue set the world record for any monthly magazine ever published at over 5 pounds and 840 pages.

Anna Wintour's authority within the global fashion industry is inextricably linked to the international reach of the modern *Vogue* brand, and may foreshadow the growing respect for and role of her Chinese counterpart Angelica Cheung. Although Wintour was once able to have the entirety of "Milan fashion week rescheduled... so she could go home before attending the shows in Paris", her pervasive influence extends even to cultural affairs including Kate Middleton's choice of wedding dress. A recent *Time* article on Wintour's relationship with the American fashion industry read, "Runway shows don't start until she arrives. Designers succeed because she anoints them. Trends are created or crippled on her command" (Orecklin 2004). Wintour has decidedly worked over the past few decades to foster the development of a domestic American fashion industry. While luxury labels owned by the major conglomerates largely remain French and other European heritage brands, Wintour's heavy backing and various initiatives have been rightly credited with the recent escalation in quality and number of American fashion designers.

Although the reigning arbiter within the fashion and luxury industries, the *Vogue* brand has also employed its reach to comment on political and social issues, both locally and internationally. For example, American *Vogue* featured a controversial burqa spread in 2006 and later launched the *Vogue* initiative "Beauty without Borders" bringing cosmetic and hygiene education to Afghan women (Hombach 69). Most notably, the *Vogue* initiative Fashion's Night Out, launched to kick start stagnant economies and to support full price retail, has garnered global participation. Twenty-seven high profile cities across the fifteen countries participate in the annual event with all proceeds benefitting various approved charitable causes. On March 5,

2010, all sixteen Editors-in-Chief of international *Vogue* editions met together for the first time to discuss the Fashion's Night Out event and the global reach of the *Vogue* brand.

Today, *Vogue* has expanded such international influence by continuing to establish local titles in emerging economies. The launch of a new *Vogue* title within an emerging economy indicates that the nation has undergone “a change in the politics of style, imagery, gender representations, and consumption practices”, and that the society is ready to engage with the modern international luxury system. In 1998, *Vogue* Russia for example, “set about introducing Russian women to a new world of fashion and opportunities in a post-Socialist society.” (Hombach, 69).

By definition, *Vogue* can and must both localize and glocalize to contemporary expectations. As recalled by Edna Woolman Chase, the title *Vogue* when chosen by the first editors from the Century Dictionary signified a “mode or fashion prevalent at any particular time; popular reception,” a translation Chase recalls as integral to the foundation of the brand. *Vogue* recognized from the outset its role as a responsive feedback loop, charged to monitor reader reception. Initial founder Turnure himself asserted his belief that “Two leading ideas control (*Vogue*'s) career –one the constant recollection that improvement and development go hand in hand; the other that its readers are gentlemen and gentlewomen and that to the requirements of this class its energies and resources shall conform” (Chase and Chase 1954, 35). The only element missing from this early verbalization of the *Vogue* concept is that of space, of location. As the *Vogue* brand has matured over the past century, parallel to modern globalization, the brand has adapted, developed and conformed to the needs of the reading class within various societies. I argue that *Vogue*'s editorial ability to conform to time appropriate audience

requirements has allowed the luxury brands found within to similarly appeal to nuanced consumer desires.

*Vogue* has formed contemporary culture as we know it. The relationship between media, celebrity, desire, style, self expression, pop culture, women's rights, cross border communication can in many more ways than above be linked back to both the editorial and advertisement pages of *Vogue*. A common critique of the *Vogue* brand entering foreign nations including Japan and China, centers on the linkage to consumerism, conspicuous consumption and material gratification. Yet because of the importance of local reception, I argue that *Vogue* is not a foreign cultural construction entering to impose manufactured desires and extract profit from immature economies, yet *Vogue* provides access to so called 'new world opportunities.' Access for the local to first discover and understand current global taste before responding based on culturally inherited preferences and later reciprocating within and producing for such international exchange.

## Chapter Two: Japan and China as Luxury Markets

My goal is to treat the staggered economic development within Japan and China as a parallel adoption timeline to that of Europe and America. It is therefore necessary to explain Japan's emergence as a mature luxury market in relation to China's currently emerging luxury market on three comparative fronts: each nation's historic internal consumption, particularly in relation to luxury; each nation's historical openness to and acceptance of the West; and finally, each the development of the current luxury market within each country. Contrasting internal political structures and subsequent manifestations of nationalism primed divergent environments for modern luxury brand entry.

In making the case that desire for luxury goods, including branding, acceptance, understanding even for the consumption of *Vogue*, must be fostered on a regional, national, and local basis, Japan serves as the first critical model outside the Euro-American context. Japanese domestic consumption has been intricately linked to the nation's rise as a super power and as a node between the industrialized West and the currently developing nations of East Asia and South East Asia, including China. I argue that, within Japan, a highly developed historic free-market promoting accessible luxury consumption to the middle class starkly contrasted with consumption patterns within historic China. This contrast, combined with social political events over the past two centuries, can explain Japan and China's staggered economic development, luxury adoption and luxury market participation.

From 1840 onward, China has experienced violent social change and a complete uprooting of culture, creating what is today an "adolescent" melting pot of both new and traditional ideals. In the very recent past, China has operated under distinct social systems, each with own effects on the consumer psyche: the feudal system: Ancient China – 1911; the

Republic: 1911 – 1949; Communist China: 1949 – 1978; Post Communist Socialism: 1978 – Today. Isolated until 1978, China emerged onto the global scene following an extremely volatile political period. Communist insulation significantly delayed China's participation within the international marketplace foreshadowing the nation's unprecedented development and engagement with the global economy following Gaige Kaifang, the CCP reform and opening up policy.

Although under Ancient Chinese state authority hierarchical social status was revered and displayed with appropriate levels of adornment, China never developed its own market economy. China did engage in Euro-Asian trade during the era of the Silk Road and in this respect, Ancient China was a more significant trade hub than Ancient Japan for a longer period of time. Despite this early advantage, China only briefly toyed with modern transnational trade and marketing at the turn of the century before political hubris, unrest, and communism began to stall the progression of the timeline (Xiao Lu 2008, 39). Over the past few decades, the modern Chinese consumer, unlike that of the Japanese consumer, has not been trained to recognize luxury and market-based economics. Promoters of the new Chinese economy have thus had to reach consumers through localization and specified education.

The economic and social highlights of these recent periods grossly contrast with simultaneous development within Japan. Japan's independent economic maturation, which had advanced so far as to include an indigenous high fashion industry, allowed Western brands to easily enter during the 1900s and soon after Japanese brands to swiftly establish and compete within the international marketplace. Culturally, Japan had a steeped appreciation for luxury that, along with certain economic conditions, further primed the nation to become the leading market for luxury goods in the second half of the 20<sup>th</sup> century.

The Japanese, in comparison to the Chinese, instantly understood the importance of accepting international norms, particularly in the area of dress, as a method of national and self-assertion; by immediately rising to the level of the international standard, Japan ensured future respect and autonomy globally. Accustomed to the workings of cultural and economic diffusion, Japan was then able to engage as an effective producer. At first, Japan only produced on a global scale traditional goods peculiar to Japan, such as kimonos and futons, before transitioning to an inexpensive manufacturing base for increasingly Western goods. Yet following the Second World War, both Japanese goods and Japanese tradition became a part of global consumer culture. Japanese-owned and Japanese-designed high technology as well as pop culture, from noodles, sake, and karaoke to manga and anime, spread globally.

To the Japanese consumer, the art of both consumption and production, enjoyment derived from spending and adornment, and market-based segmentation and stratification, are not Western constructs; luxury branding and desire are not consequences of Western propagation. In fact, Japanese consumption histories provide successive paradigms of localized taste and preference despite transnational consumption patterns.

### ***Distinct Free Market Histories***

Consistent with European and other consumption histories, the maturation of the modern Japanese consumer directly correlates with the birth of the modern city. Urbanization and later industrial urbanization within Japan shaped modern consumer behaviors and desire, as it was within the urban context that Japanese people began to engage in market-based consumption.

Japanese consumption developed similarly to that of markets within Europe and America, following an analogous consumer progression from novice to self-assertion to differentiation. In

both instances, urbanization ultimately overthrew feudal political power designating a new leisure class tied to economic success. Compared to Ancient Chinese hubs and early modern Chinese cities, which at their peaks operated under limited markets controlled by political authority and later expatriates, Japan and its consumer population easily adjusted to the international market economy due to familiarity with its own independently developed market-based consumption.

The early Japanese consumer was informed not only by income levels, but also by “the changing infrastructure within which they lived, worked and shopped; the family patterns and gender roles that structured their day-to-day lives; the popular culture, advertising and media environment that surrounded them; and the prevailing thoughts and ideas conditioning the meanings that material goods, in general and in particular, held for them” (Francks 2009, 10). Consumption patterns and individual consumption decisions had much to do with the values and attitudes of consumers that were socially constructed even within Japan’s insular and domestic market.

As the sole surviving ancient civilization, backed by 5000 continuous years of history, China should draw on a rich cultural history and understanding of luxury, yet as opposed to Japan, an unrestricted internal luxury market never developed. Ancient Chinese value sets and nationalism have had a lasting effect on the populace today. For more than 2000 years, the Chinese empire fostered an appreciation for worldly luxuries and “the finer things in life.” Chinese culture famously valued luxuries including silk, gold, and jade. Ancient China participated in early international trade while engineering technological advances and establishing leisurely domestic pursuits such as art, although these activities strictly remained demarcations of political power. This relationship with trade and luxury dates as far back as the

Han Dynasty (206 BC – 220 AD). Oft referred to as the golden age in Chinese history, it was during the Han dynasty that the Silk Road was established. Such trade spurred great advances in domestic arts and craft techniques including highly admired traditional lacquerware and silk production. A few hundred years later under the Tang dynasty, the capital Chang'an (present day Xi'an), acted as an international mecca or melting pot and became the largest city in the world. Yet during this time, any form of luxury or adornment remained tied to the ruling class. Infamously, one emperor of the Ming Dynasty (1368 – 1644) flaunted a penchant for fineries, and desiring to expand his royal repertoire of luxuries sent a sizeable fleet in search of international indulgences including gold and other precious metals.

Conversely, as an island nation, Japan remained somewhat removed from these early flows of global trade. Then, through the Tokugawa period (1603 – 1867), Japan experienced a class based power shift paralleling the Medici's 15<sup>th</sup> century rise to power in Florence and the subsequent ascent of the merchant class across Europe (History.com Staff 2009). Japan had independently experienced internal urbanization. Present day Tokyo, known as Edo, had become the largest city in 18<sup>th</sup> century world with over one million residents while Osaka and Kyoto populations rivaled those of London and Paris (Francks 2009, 11-12). It was within this early urban context that Japan developed endemic market-based consumption practices.

The traditional Japanese government or *Tokugawa shogunate* operated as a military dictatorship and feudal system. To prevent isolated wealth accumulation, semi-autonomous feudal lords were required to maintain both impressive country residences in their domain of power as well as residences in the capital (Encyclopaedia Britannica 2014). Politically required extended stays within Edo (Francks 2009, 41) resulted in early urbanization, communication, creativity and trade within Japan. Although goods and uses of goods including diet and dress

operated as strict indicators of power and social status, it was through the political migration that retail first became an experience linked to the city and merchant class prosperity originated.

Over time, weakening income bases reliant on remote agriculture forced economic depression on the traditional ruling class. The new commodification and trade within the domestic market economy rendered the socially inferior merchant class the leaders of fashion and style and consumption. By the early 1800s, “the attempt to maintain the link between goods and political status was doomed, in the face of the desire of those profiting from the growth of the commercial economy to demonstrate and enjoy the fruits of their rising incomes” (Francks 2009, 43). The world of fashion and enjoyment through consumption no longer accompanied military or political standing but began to signify economic, commercial and manufacturing success.

Much like the century prior in London and Paris, the proliferation of fashion from the ranks of traditional authority to any who could save to afford luxury goods provoked outrage and desperate attempts to control both the scope of and access to goods now available to the masses (Francks 2009, 43). Yet ultimately, consumers themselves drove the developing “structures of emulation, fashion and refinement” by which goods could demarcate one’s identity as both an individual and a member within society (Francks 2009, 40). Shopping, leisure, and adornment had become a part of the vibrant urban life within premodern Tokyo.

During this period, Japan developed highly nuanced and intricate systems of production, retail and marketing (including premodern magazines) that held influence in Japan’s entrance into the modern international marketplace. Large textile stores within the city employed more than 150-200 people (Francks 2009, 17), while Tokugawa period consumers established the exceptionally localized and personalized shopping experience still demanded by Japanese

consumers today. Shopping became a ritualized social experience with compressed urban creativity and contact manifesting in fast paced evolution of tastes. Advertisers and retailers quickly recognized the importance of brand recognition, evidenced in logo placement on umbrellas and product placement within popular plays. Some of the earliest promotional publications emerged out of the need for new advertising circulation as textile shops produced catalogues displaying new fabrics and designs (Francks 2009, 19). Dining, fashion, and antique shopping guides to help navigate the complex consumption life in Edo then quickly became available. Such publications recognized that purchases of goods and services were autonomous consumer choices based on triangulation among individual taste, social identity and availability. Social and economic standing within Edo developed even so far as to link brand to prestige. Japanese fashion guides, the earliest predecessors of modern fashion magazines, featured prints of famous geisha and theater actors and provided educational guidelines to understand and dress appropriately to one's budget and social standing so as to avoid social embarrassment. Concepts such as status emulation and market-based democratic luxury created a free market for fashion and luxury as described by Francks through the concepts of *iki* and *tsu*:

By the later eighteenth century, the competitive wearing of ever more elaborate and sumptuous clothing had become commonplace among the urban rich and the truly cool reacted by developing the concept of *iki*, often translated as 'chic', as the guiding principle in their dress and demeanor in the 'floating world' (*ukiyo*) of immediate but transient pleasures in which they saw themselves as living. (Francks 2009, 45)

The generally recognized and accepted *iki* style represented the naturally developed concept of competitive dressing and sign-value through adornment. Consumers in Tokyo contended to wear ever more extravagant articles and clashing bright colors to express their own self-worth and, of course, to express their own position as a *tsu*:

Being in fashion had thus become not just a matter of spending enough money but also of being in the know. The *tsu* – the connoisseur or man-about-town – was the man (usually) who knew the rules that distinguished the truly stylish from the boor and the phony... status and worth had long since ceased to depend on hereditary political and military status and were now attached to the ability to appreciate and deploy material goods which economic and commercial development had made available to significant sections of the urban population. (Francks 2009, 45)

Just as in early American society, *Vogue* and the Four Hundred transitioned the focus from displays of wealth to an understanding of social graces, the concept of fashion through the *tsu* and *iki* had become a way to regulate refined Japanese society. The glamorous urban development of Tokuwaga period Edo, despite extended seclusion from the outside world, primed Japanese culture and the Japanese consumer for eventual entrance into the global consumer marketplace, particularly in the importance of sign value, luxury, and status emulation.

Despite China's lack of such domestic consumption, the nation has remained a competitive and demanding Ancient power through strong Imperial leadership. Yet the final Qing dynasty in China, known as the Manchu Dynasty (1644 – 1912), represented the first major lapse in Chinese development. Although China had prospered previously at the crux of the Silk Road, the Qing dynasty, synchronically analogous to Japan's Tokugawa period, suspended international competitiveness. The ruling Manchu refused advances in technology with blind conviction that Chinese power had achieved all that was valuable to achieve. Entering modern contact with the West, the Manchu blindly assumed strong Neo-Confucianism and arrogant nationalism. During this period only domestic art forms flourished as science and technological experimentation were prohibited. With no significant advancement and access to the West cut, the Industrial Revolution in Europe and the U.S. completely bypassed the once great power.

The varied development within the Tokugawa and Manchu periods between Japan and China laid the foundation for disparate modern development. Through the Tokugawa period,

social restructuring allowed the Japanese to develop a robust internal marketplace and penchant for democratized luxury while the Chinese ruling class concurrently reinforced political castes and traditional values. I therefore argue that participation in and understanding of a free market, particularly a consumer market for luxury, when first introduced at the turn of the 20<sup>th</sup> century, was an extraneous concept to Chinese society compared to Japanese society, even before the Cultural Revolution.

### ***Comparative Openness To The West***

The Japanese are, undoubtedly, like the Chinese, a very imitative, adaptive, and compliant people and in these characteristics may be discovered a promise of the comparatively easy introduction of foreign customs and habits, if not of the nobler principles and better life of a higher civilization.

– Commodore Matthew Perry, signing the *Treaty of Kanagawa 1854*

Although both nations were largely closed to the modern West until the mid 19<sup>th</sup> century, imminent contact with the West throughout the next two centuries manifested differently within Japan and China. Perhaps surprisingly, China's seclusion from the West ended over a decade before that of Japan. As Britain sought new trade routes, military campaigns and corruption led to the Opium Wars with and the Taiping Nian rebellions within China. These events left the underdeveloped nation pitifully defeated and in 1840 China ceded to Britain in the Treaty of Nanking. The treaty relinquished Hong Kong to British control while opening major mainland port cities to foreign merchants. Despite the atrocities of the Opium wars and consecutive unequal treaties, this early introduction to the modern international market would seem to provide a head start for Chinese consumers. Yet the lack of engagement within the international marketplace by the local populace and the influx of expatriates left the majority of the vast nation removed from luxury trade (Xiao Lu 2008, 10).

Following the opening of China, in July 1853, U.S. Commodore Matthew Perry ended two centuries of Japanese seclusion from the West. Following repeated attempts to formally engage with Japan, President Fillmore ordered Perry and the U.S. Navy's East India Squadron to request a diplomatic treaty with the emperor of Japan. The fleet posed significant military threat, and in 1854 the Treaty of Kanagawa officially established a commercial relationship between the United States and Japan (Naval History and Heritage Command. n.d.). On first impression alone Perry noted the steeped tradition and modern commercial society within the nation and the developed 'homegrown' Japanese luxury.

Recognition of need to accept the West aligned with longer-term effects of commercialization and wide spread desire to overthrow the Tokugawa system within Japan and immediately fueled intense growth, while China's endemic social political development remained stagnant. The resulting movement in Japan marked the beginning of the Meiji Restoration, a period of reform to establish national independence and military independence in the modern world (Francks 2009, 75).

Modern industrial inventions introduced to both Japan and China facilitated the need to adapt to the modern world. Yet within Japan, namely due to Japan's own avant-garde society and systems of production, new transport and communication did not

... [p]roduce either a flooding of the country with Western-style goods and the culture embodied in them, or the imposition of a homogenized and mass-produced national lifestyle. Rather, it resulted in what might be thought of as product differentiation at the national level, as consumers picked and chose from the widening array of goods available to them, in the context of their changing ways of life. (Francks 2009, 77)

Traditional Japanese consumer goods and luxuries including rice, kimonos, and sake were not outmoded; rather they were funneled into a modernized system of consumption. By 1890, the establishment of transportation and rail networks and the introduction of the modern

printing press allowed for the quick dissemination of emerging news, media and goods nationally. Such accelerated networks “facilitated not just the movement of people and goods but also the transmission of information and desire” (Francks 2009, 79). The industrial advancements garnered from association with the West in effect only helped to bolster the localized diffusion networks of taste, style and consumer preference within Japan.

Modern urban industrial growth took off in 1890 with the urban industrial employment population explosion. The largest cities once again became nodes for taste and creativity. Newspaper and media communication as well as transport efficiency influenced not only the spread of consumer goods and preference from city to city but also the gradual diffusion of consumer goods from the city to the country.

Japan had reached a point of economic success in both consumption and production, where it could compete and trade in the modern world, as well as waging war within it (Sino-Japanese war was fought between 1894-5 and the Russo-Japanese War between 1904-5). By the end of the First World War, the domestic manufacturing industry was primed to secure import and export markets with western powers (Francks 2009, 75) a century before China. Modern consumption practices and economic status within Japan can arguably be traced most directly to the Inter-War period. During this time of heightened contact with the West, department stores, retail practices and localized systems of mass advertising developed. Mass production enabled the desire for leisure, and the desire for the masses to acquire consumer goods and luxuries. Mass advertising and international trade took advantage of new media opportunities such as American cinema to idealize and promote the modern glamorous American lifestyle. Western consumer products became household names, while elite department stores sold Paris fashions. During this time, newspapers and magazines remained a core vehicle for advertising circulation. As in the

West, women's magazines within Japan proved the most influential site of consumer education and taste development. Japanese women managed household consumption, made buying decisions particularly for household goods. Appealing to this market, by 1920 there were many large national women's magazine titles.

Conversely, under the Republic in China, which followed the overthrow of the ancient Chinese imperial system, participation with international trade exclusively clustered in foreign governed port cities. Notably, in the early 1900's Shanghai flourished as the 'Paris of the East' or the 'Hollywood of China,' with vibrant international concessions for the large British, French and American populations. Nightclubs, social clubs, and high-end restaurants commanded the elegant cultural scene, where fashion expression and commodification surged. Shanghai became a focal point for style and luxury as a center of commerce boasting Western tuxedos, newly modern cheongsams or *qipao*, and the finest furs (Chada and Husband 2006, 142), an influence and period that has reverberated through market preference today. Yet although Shanghai's golden age has remained a symbol of engagement and cultural participation for Chinese consumers, the luxury market had a decidedly limited reach within the large nation.

The heavy involvement of both nations during World War II occasioned extreme and contrasting historical courses. While internal conflict at the end of the war landed China back in a period of economic and political seclusion, Japan's defeat and the subsequent American occupation from 1945 until 1952 forced social, political, and economic rehabilitation. The Japanese emperor and traditional government were downgraded to political figureheads to promote the development of a true free-market economy (Office of the Historian. 2014). The heightened communication with the increasingly consumerist West through a period of domestic

shortage further fostered desire for the extravagant material American lifestyle and resulted in domestic productivity.

While the war increased intimate contact with the West in Japan, China left World War II with a deeply wounded national ego. The Japanese invasion of Manchuria devastated the region with more than 300,000 civilians killed in the Rape of Nanjing alone (Xiao Lu 2008, 42), rooting a remaining legacy of staunch nationalism. The subsequent victory, although aided by the U.S and Chinese Nationalist party, boosted confidence in the Chinese Communist party's power, which began China's modern social-cultural setback. In 1949, the Nationalist party fled to Taiwan and the Communist party founded the People's Republic of China. By the end of the 1950s, all private wealth and capital had been nationalized and redistributed (Xiao Lu 2008, 45). The loss of individual capital and the "re-education" of the upper class and previously educated via hard labor, erased any semblance of a modern market economy or luxury market (Chada and Husband 2006, 144).

Later, through China's communist restructuring in the fifties, Japan's swift recovery and propulsion to a modern, urban lifestyle culminated in the twenty-year period referred to as The Economic Miracle (1955-1973). The miracle began with American entry into the Korean War, which fueled Japanese manufacturing and production; the nation entered another period of high-speed growth (Ellington 2004). During this period, domestic production capacity in Japan increased 15.7 times, and the nation boasted an average economic growth rate of 9.1% per annum compared to 5-6% per annum and 3% per annum in Europe and the U.S. respectively. At the same time, Japan again experienced a period of industrial urbanization as workers shifted from agriculture to construction, manufacturing, and even commerce (Yoshioka 2011, 5).

With such increased spending capacity through the 1960s, the Japanese populace was encouraged to “acquire in quick succession the symbols of modern life, from the washing machine and the black-and-white television to the family saloon and fancy stereos”. This marketing spurt has generally been viewed as an ‘export-led’ or ‘supply-side’ phenomenon, yet the domestic market was equally driven by consumer desire for a leisurely lifestyle. Consumption and luxury were necessary conditions for increased productivity, and all labor effort went to realize the dream known as *mai homu* (“my home”) (Francks 2009, 145). Marketing agents identified these collective desires and attached slogans to each successive wave of purchasing: the “three sacred treasures” of the 1950s—a television, an electric washing machine, and a refrigerator—were succeeded by ‘the 3 C’s’ of the 1960s: a car, a cooler (home refrigerator), and a color TV (Yoshioka 2011, 5). By the 1970s, Japan was clearly one of the world’s principal industrialized nations with competitive international firms. This period of increased consumption primed Japan for the ultimate entrance of the *shinjinrui* (“new age consumer”), the 1980s bubble economy, and the infamous Japanese love affair with luxury.

As Japan continued its ascent in the modern marketplace, China remained smothered by Communist regulation. From 1966-1976, the severe social turmoil of the Cultural Revolution forced the Chinese to shed traditional culture in order to cede to “social harmony,” and the nation was immediately reduced to extreme and widespread poverty (Xiao Lu 2008, 44). The Communist Party replaced traditional culture with communist catchwords and slogans relying heavily on art and media as propaganda in attempt to rewrite and reframe society-wide values. Art was classified as either “official,” that is supporting the revolution, or “unofficial,” which included all creative expression outside party ideology (Wang 2008, 24). In a series of lectures on the role of art and creativity in society, his *1942 Talks on Literature and Art*, Mao asserted

that such pursuits should serve the people through guidelines set by the Party while all higher level art was irrelevant to the masses. Any expression of individuality in dress under this system invited severe social and political repercussions. Even national leaders, including Chairman Mao himself, competed to display ultimate proletarian simplicity (Steele and Major 1999, 8). Unusual color, along with personal expression, was forbidden in dress. An entire generation grew up under the reign of the Mao suit (Chada and Husband 2006, 143). In an exceptionally short period of time an extensive cultural history was abandoned; political control over creative expression drained an entire nation with deep historical roots of their cultural creative capacity.

### ***Current Market Comparison***

The onset of the 80s, the heyday of democratized modern luxury brands and the conglomerate race, heralded distinctive economic phenomena within Japan and China. Social priming and motivation to quickly resemble the modernized West guided great economic upsurge in Japan with elevated incomes and optimism championing the global luxury and consumer goods markets. The Japanese populace took advantage of the 1980s bubble economy trade surplus, and resulting high-value yen, to lead consumption in the global luxury good market as the world's most 'discerning yet voracious' consumer. Although this new consumer, "the Japanese ladies who queued to stock up at Gucci or Prada, the businessmen who spent unimaginable sums on nights out or golf, and the teenage girls perfectly and universally attuned to the latest craze all seemed to spring from nowhere" (Francks 2009, 5), domestic consumption history had primed the nation for modern luxury consumption. During this period, 90% of the Japanese populace considered themselves middle class and more than ten million Japanese traveled abroad per year, generating an international tourist consumer base. Compared to

consumer marketing fixations of previous decades, the ‘three Js’ of the 1980s, jewels, jet travel and *jukatu* (home ownership), truly characterized the rapid conspicuous consumption of both luxury goods and lifestyle within Japan (Yoshioka 2011, 9).

Simultaneously, across the East China Sea, China had opened its borders to the rest of the world for the first time in almost four decades prompting what has been a period of unprecedented compressed development. In December 1978, the CCP launched *Gaige Kaifang*, the socialist modernization program to transition to a socialist market economy. In only the three decades following, China has undergone a hurried transition from a planned economy to a market economy (Xiao Lu 2008, 45). By December 2001, China became the 143 member to join the WTO and, as of 2013, China boasted a GDP per capita of \$6091 with annual GDP growth at 7.7% (The World Bank 2014). The new unique communist value system fuses traditional Chinese, Communist, and Western ideals while fostering an intense desire to regain the former glory of the Chinese empire. Various recent events including China’s swiftly established space program, which successfully allowed the nation to become the third country to put a man on the moon, as well as the 2008 Olympic games hosted in Beijing have granted the Chinese confidence on the world stage. Such expositions have altered consumer psyche with Chinese now more daring to try luxury products enjoyed by their Western counterparts. The enormous influx of foreign capital and interest in the emerging nation has generated dynamic, unmatched development. Chinese development, although deeply rooted in traditional and communist ideals and accompanied by an immature, young consumer base with radical income and knowledge gaps, has led contemporary growth in the region.

Today, Asia and South-East Asia form a dynamic and unique region in that they are comprised of countries at all stages of economic development. Now a developed, mature market,

Japan has surpassed the luxury bubble and has perhaps stagnated if not declined in market growth. China and South Korea have significantly advanced as strong emerging markets, while rapidly developing countries including Indonesia, Malaysia, and Thailand are not far behind. China, India, Indonesia, Malaysia, Philippines, and Thailand are in actuality all currently classified by the IMF emerging markets, signifying notable strong growth across the region, which has not been lost on luxury market retailers. In the past decade, Western luxury brands have shown a experienced high success in these emerging nations, reminiscent of Japan's late boom. In the first three quarters of 2006, 18% of the Moët-Hennessy Louis Vuitton Group's net sales came from Asia excluding Japan (Xiao Lu 2008, 36). In 2008, Asia accounted for 33% or \$44 billion of the total \$131 billion global luxury market in 2008, although \$20 billion of the \$44 remained from domestic Japanese consumers alone. At the time, despite the international financial crisis the luxury sales from 2007 to 2008 within Asia, led by China, grew 17 percent while the US only grew 1 percent and Europe 7 percent. Over the same year, Japan however showed a significant 7 percent decline in luxury market sales. A notable drop felt by retailers as Japan remains the world's most concentrated source of revenue for luxury brands with the highest per capita spending on luxury brands in the world (Degen 2009).

The rise of the modern Japanese economy coincided with and arguably championed the establishment of modern commoditized luxury; luxury consumption has therefore endured as a cultural necessity and singularly supported the luxury market. In 2003, the Financial Times dubbed Japan, "home to the world's highest concentration of luxury addicts" and a "cushion for the industry in recent years" (Financial Times 2003). From 2006 to 2010, the cumulative spending power of the nearly seven million aging Japanese baby boomers, born between 1947 and 1949, totaled \$658 billion: almost one-third of the U.S. national revenue. When compared to

older generations following WWII rehabilitation, this optimistic generation built the modern Japanese economy and spent more on leisure. The children of the baby boomers have been profiled as the modern Japanese luxury consumer over the past decade, particularly the group of 13.2 million young professional women between the ages of 20 and 44 and have challenged Japan's patriarchal society (Associated Press 2005).

In 2004, *The New York Times* reported that 40% of all Japanese owned at least one product from Louis Vuitton. In urban Tokyo alone, 94% of Japanese women in their 20's own Louis Vuitton, 92% own Gucci, 57% own Prada, 51% own Chanel (Chada and Husband 2006, 10). Japan has become the only truly mass-market for luxury. Within Japan, luxury consumption, even extreme consumption of handbags and shoes, has become a form of widespread social integration and collectivism (Yoshioka 2011, 115). Due to land scarcity and intense urbanization, the Japanese populace cannot assert social status via property or transport. Expensive, branded clothing therefore acts as the ideal agent of public status symbolism as such commodities "are small inexpensive and fit one's physical requirements." The cultural and geographical needs local to Japan have created a rarity where differentiation could actually decrease a brand's value explaining why "the vast majority of Japanese choose to spend money on outrageously priced pieces of clothing, rather than on home improvements" (Yoshioka 2011, 116), and why brands such as Louis Vuitton have established cult consumers. This intense desire to conform projected the rise of the preeminent luxury brands over the past few decades, almost to the detriment of the brands. At one point, Japanese consumers alone accounted for 88% of all Louis Vuitton's global sales, with 38% sold domestically and 50% of sales purchased by Japanese tourists abroad. This market dependency forced Louis Vuitton to aggressively grow other markets (Chada and Husband 2006, 2), a smart move for although Japan has remained the most concentrated source

of revenue for luxury brands (Degen 2009), following the economic crisis in 2008 Japanese luxury spending has declined with many arguing the entrance of fast-fashion brands has changed the luxury landscape.

While Japanese economic and luxury consumption growth may have idled, China is currently transitioning from an export-oriented economy to a consumption-driven economy with urbanization and consumption on the rise across the country (Flannery 2011). China is no longer purely the world's producer of "Made in China" consumer products yet boasts a powerful consumer base for international retailers to tap. China's wealthy today are worth almost 11 trillion dollars, finally surpassing the combined top wealth in Europe with over 3.3 million individuals in China worth more than US \$1 million (Reuters in Hong Kong 2011). As of 2007, China's fashion industry was worth US \$40 billion with an expected growth rate of 7 to 10 % each year (Ong 2007), and by 2020, Chinese consumers will reportedly consume almost half of the world's luxury goods, worth some US \$27 billion (Coghlan 2012), compared to just 15 percent today (Girod 2012). Yet despite the rapid economic development and excitement of the retail and luxury industries, China remains a highly layered and class ridged society. China's new elite runs off an ever widening and significant gap in disposable income while 26.1 million households linger in extreme poverty (Wang 2008, 3). While today less than two percent of the Chinese population is already buying luxury brands yet the eminent growth of the middle class has positioned the next decade to be the "golden era for luxury" within China (Branigan 2011).

Many leading investment firms and corporations have reiterated optimism in the Chinese domestic consumer market growth, and have recognized clothing retail as a major consumption category. Chinese investment company IDG has heavily invested in the growing market stating they see no signs of growth slowing with great potential in high-end day wear, mass fashion

brands, and luxury (Flannery 2011). The luxury handbag market alone has reached US \$1.2 billion while other accessories and beauty have similarly burgeoned as price accessible categories (Branigan 2011).

Just as in Japan, a cult like attraction to the main brands steeped in traditional collectivism, as well as voracious consumption that extends from Chinese borders exist in Chinese consumption patterns. In 2005, the Business of Luxury Summit held in Shanghai predicted that in 2010 the number of Chinese tourists buying premium goods abroad in attempt to avoid the steep mainland luxury tax would peak at 100 million Chinese tourists per annum (Wang 2008). Statistics show that China had become the fourth largest consumer market for Louis Vuitton, the fifth for Gucci, the third for Mont Blanc, and the tenth for Swiss-made watches (Xiao Lu 2011, 1). Such powerful figures lead one to question how foreign brands so effectively infiltrated these varied new markets and established such commanding influence over time.

## Chapter Three: Luxury Brand Entry in Diverse Markets

### *Adoption Of Western Luxury Fashion in Japan versus China*

In the most recent century, China and Japan adopted Western fashions and luxury influences on a staggered timeline due to various political and social causes. While in the early 20<sup>th</sup> century, much Chinese interaction with Western brands stemmed from Western expatriates in economic trading zones such as Shanghai and Hong Kong, Burberry retail was frequented by locals in Tokyo as early as 1920 (although the brand experienced dormancy until the post-war period) (Chada and Husband 2006, 11). Then, while communist China remained closed to the West, Dior's 'New Look' swept the women of Tokyo during the 1950s.

Japan's insular market economy independently allowed the merchant class to overtake the traditional social hierarchy positioned the Japanese to immediately accept international trade, globalization, and fashion at the turn of the century. Following World War II and the American occupation, an intense national desire to save face by competing internationally and promoting national economic development further bolstered Japanese consumer desires decades before the Chinese consumer awakened. When China finally opened its borders to the modern world in 1978, for the first time in 4 decades, the Japan consumer was already leading the charge of the Western luxury label conglomerate race.

Looking at Japan and China's relationship to Western luxury and fashion in the second half of the 20<sup>th</sup> century, significant lag times in product and trend uptake within both Japan and China were predictable. The intensified and compressed adoption timeline in China has created a need for brand entry to localize, explaining then the varying consumer consciousness and disparate *Vogue* approaches within China and Japan.

Although high-end Western brands only emerged onto the Chinese market in the 1990s, with lines queuing out every major fashion house and a Versace in every mall, the appeal and success of the labels is undeniable. In the next five years alone, Burberry, for example, plans to expand from 57 stores within greater China to over 100, attempting to fully capture long-term market potential (Branigan 2011). Yet despite widespread retail fronts across China and East Asia today, the cult of the luxury brand began at the Beijing Peninsula Wang Fu Hotel (Xiao Lu 2008, 115). Following the initial entry of Louis Vuitton in 1985 (Yoshioka 2011, 9), the Peninsula Hotel acted as the mecca and access node for all Western labels trying to secure a piece of the promising new market. Initially just this association alone allowed access to the luxury club. In this way, the Peninsula functioned as an early legitimizer, a physical *Vogue* with retail space substituted for editorial coverage. European luxury brands soon entered China in quick succession through the 90s: Ermenegildo Zegna in 1991, Louis Vuitton in 1992, Dunhill in 1993, Hugo Boss in 1994, Gucci 1996, Christian Dior and Hermes in 1997, Armani, Givenchy, and Escada in 1998. Development initially stalled while Chinese households accumulated purchasing power, yet by the late 90s, these first moving luxury brands had already launched penetration strategies to reach secondary and tertiary cities. Following this success, the second wave of high-end brands, including Prada, Chanel, Versace, and Burberry, only recently entered China in the early 2000s (Bank of America Merrill Lynch 2011).

Only a handful of western luxury brands have truly and successfully established their logos as a form of social currency. Even in the face of ubiquitous ownership, these brands have retained prestige through a nuanced understanding of the tension between the local and the unattainable. When taking a Western brand global, or entering new market, it is important to understand that branding is not synonymous with marketing, in fact branding encompasses an

entire trough of functions including strategy, communications, talent attraction and retention. A singular or systematic failure in any one of these categories can indicate probable failure in brand uptake and market retention. A luxury brand today requires complete control over brand experience in flagship stores, department stores, online retail, editorial advertisement, online advertisement, post purchase customer service, and product. Luxury fashion marketing is not concerned with utility; rather it is a representation of values attributes and lifestyles.

Select western luxury brands have been able to brand themselves as international brands and to build strong, loyal consumer bases globally. I argue they have done so by building strong local histories into their brand image particularly within East Asia. In this way, luxury retail is not a one way concerted effort to woo local consumers yet has become a conversation between the consumers and the creators.

With limited contact with the West in recent history, and a strong sense of inherited nationalism, the modern Chinese consumer is not automatically comfortable with the other. The Chinese consumer has not reached a point of maturity where the other, or the West, can be sought and approached with confidence as in Tokyo. The West is of course regarded as Avant-Garde and Western brands and fashions are highly valued as symbols of economic success, yet the luxury brands that have succeeded in building loyal consumer bases in China have recognized the psychological distance between modern luxury and Chinese Communism (Xiao Lu 2008, 167).

Historically complete brand focus in the luxury sphere expended on the creation of desire with little regard to regional consumer variation. The average Chinese consumer is not automatically comfortable entering a purely Western or French boutique, and in fact by blindly assuming the allure of the West alone would create desire, Louis Vuitton actually lost money in

China in 2005 prompting a reevaluation of the in store brand experience (Xiao Lu 2008, 167).

The introduction of ‘global retail networks’ and communication, as well as the rise of the middle class, has created conscious and discerning consumers. Modern luxury consumption is now accessible and consumer preference is central to the success of retail brands.

Marketing to younger and younger high net worth individuals in Asia is much different than marketing to older inherited wealth in North American and Europe. Looking for example at the *Vogue China* audience, many of whom are wives and daughters from wealthy families, two large, unexpected classes of readers have emerged: entrepreneurial women who have made their own fortunes, and a large selection of younger fashion mavens looking ahead (Karabell 2011). In these mass markets, ‘luxury nibblers,’ or younger consumers with very little savings or net worth who spend maybe \$500-2000 a year on luxury goods, become valuable consumers over time (Chada and Husband 2006). Whether or not they can afford luxury, the younger generations have seen the billboards, pursued fashion blogs, and aspire to the lifestyles presented. Therefore, brands today need to be accessible with price to reach a wider consumer base. A young customer can buy the cheaper wallet or a piece from the lower cost Tiffany silver jewelry line as an initial investment while working her way up the ladder of luxury brands.

One has a few values or morals that one aims to live by, but hundreds if not thousands of attitudes towards things, or brands, which develop based on the reconciliation of one’s personal value sets and personal experiences with the brand. Therefore, a foreign brand entering a culture from the outside will need to understand how traditional consumer values will internalize the brand experience to create a positive brand attitude. The decision to engage with local and regional culture has become an important and necessary adaptation within luxury markets today. For the Chinese consumer luxury is a way to return to the grandeur of Ancient Chinese roots. For

brands now entering a communist-controlled market economy, it is important to understand the cultural value system within China that hallows beauty, luxury, refinery, and fine art as tradition. Understanding this past is central to understanding present and future consumer attitudes.

Collectivism is the commonly discussed motivator in the Chinese and East Asian consumer psyche. In Asia, branded luxury goods are no longer ‘friveries’ one can do without. Goods from the same small set of known, widely recognized brands have become necessities that directly translate to self-esteem and worth. Although the exclusive nature of luxury and collectivism inherently possess opposing psychological values, the deep seeded Confucian social cultural ethic dictates the luxury adoption curve in the East (Xiao Lu 2008, 86). In Asian cultures, few consumers are prepared to take a risk as a first mover, yet this same value spikes second wave adaptation through widespread discomfort and fear of being left behind. Highly receptive to word of mouth encouragement, the collective consumer is keen to try trends almost in effort to hide lack of knowledge. Yet this localized sentiment is where *Vogue* and luxury legitimizers become important to luxury retailers (Xiao Lu 2008, 101) by guiding and influencing young and immature taste. Brands that have recognized the slow regional uptake and the need to build desire through both localized histories and widespread social value have succeeded within these new and emerging markets.

The value of a luxury good is weighted on the ability of the good to realize a consumer dream. To accomplish this, brands must recognize that culturally framed dreams create regional divergence. The dream for the luxury consumer in China is not the same as the dream for the luxury consumer in the United States, and again is also different from that of a consumer in Japan or Thailand or Malaysia. Therefore, luxury marketing often initially serves as an

‘educational’ platform to frame consumer dreams across borders (Hoffman and Coste-Manière 2012) before eventually localizing a marketing adaptation to maintain brand loyalty.

### ***The Role of the Glossies in Marketing Luxury Brands***

Schooling produces knowledge and Vogue has been as much of a school as... in fine taste

– Edna Woolman Chase, *Always in Vogue*

Fashion magazines inform those who are not on the VIP lists at luxury stores or actively seeking out runway trends ahead of the curve. In Asia, there are local versions of international magazines such as *Vogue*, *Elle*, and *Marie Claire* as well as countless local publications. Within these new markets, the magazines serve as carriers of knowledge playing “the role of perpetrators and saviors at the same time. It is their high-decibel declarations of what’s hot that set trends, their do-it-yourself guidance on shopping, mixing, and matching that has girls rushing to the stores.” Just as within the US, fashion magazine editors are “powerful creatures” deserving of “hushed respect” as these publications “provide the fuel on which the fashion machinery runs” (Chada and Husband 2006, 63). Magazines convey fashion intelligence at an accessible, localized, and actionable consumer level.

The relationship between the consumer and industry, particularly in a developing economy and the luxury market, is symbiotic. The luxury magazine functions as a mechanism of communication between the two. The consumer does not purely drive demand, nor does the industry purely impose needs, desires, and tastes through advertisement. The evolution of local preference, as well as the progression of a product through the market (from luxury market, to mass market, to imitation) relies on layered, two-way feedback structures, including the luxury magazine.

“High-end international fashion media are a representation of risk culture,” or the system of values that shapes decisions and provides access to “the visual language and conceptual frameworks within which risks can be taken and choices can be made” (Hartley and Montgomery 2009). By this it is meant that for a newly aware consumer base in an emerging or developing economy, the producers and editors of lifestyle publications provide a framework for consumers to understand and engage with a new market. In China, as within the US, *Vogue* assumed the role of an instructive validating medium, providing context and edification to help consumers take risks. The value of the *Vogue* brand to luxury advertisers derives from *Vogue*’s ability to maintain open channels of communication between luxury labels and consumers. *Vogue* content fashions a globalized, universal understanding of luxury. Via association, *Vogue* can validate an advertising brand, ultimately a lucrative investment for an expanding luxury label.

Despite such localization, fashion publications across the region, in particular *Vogue China*, have received criticism for their own reliance on Western labels. Increased willingness to pay as well as higher advertising revenue from established foreign brands leaves hundreds of pages of glossy ads to outshine the few lines of editorial coverage reserved for emerging Chinese brands. Yet while critics have called for the support of homegrown brands (Coghlan 2012), in my own analysis of the advertisements overtime I have seen a quantifiable shift in advertisement type and region. With negligible history to build a foundation on, I believe that success at the early phase of any Chinese brand should be celebrated and the presence of Western labels viewed as an aspirational benchmark.

As a consumer product in and of themselves, the *Vogue* magazines have ensured success by aligning the global *Vogue* brand with local penetration models. To successfully reach both

economically stratified and regionally divergent consumers, *Vogue* has adapted to the local in different ways. For both China and Japan, the print issues, digital platforms, and various on the ground co-branded events function as facets of this 'consumer pedagogy'.

### ***Overview of the Vogue Brand in Japan and China***

Condé Nast International currently publishes the *Vogue* brand in eighteen countries, including six countries in across Asia and South East Asia. Condé Nast initially entered the region through Korea and Taiwan in 1996, underscoring Taiwan as a satellite market to Korea. The six titles published in Korea today (Allure, GQ, Style.com, Vogue, Vogue Girl, W, GQ Style) are licensed to and published by an established Korean publishing company located in Seoul (Condé Nast International 2014c). As a safety net, Condé Nast International, a subsidiary to Condé Nast, generally licenses editorial brands to local publishers, which the company explicitly chose not do in China and Japan, markets it has valued much higher (Whalen 2013). By 1996, Japan had already progressed through its internal economic bubble and solidified its position as an established luxury market. The decision to allow outside partners to first bring the *Vogue* brand to Korea and Taiwan three years before Condé Nast's own entry into Japan can only be explained as a brief pilot of the brand's advertising potential within the region.

Today, Condé Nast Japan operates as a direct office of Condé Nast International under President Jun Kitada, and publishes four Condé Nast titles: *GQ*, *Vogue*, *Vogue Girl*, and *Wired*. Initially branded as *Vogue Nippon*, the flagship title is described as, "the most influential fashion magazine in Japan... breaking cultural and social trends, it is recognised for its distinctive perspective and stunning visuals." (Condé Nast International 2014b) Eccentric Italian personality, and darling of the fashion world, Anna Dello Russo's reign as Editor-at-Large and

Creative Consultant for *Vogue Japan* has left the magazine with a quirky and definitive style and international cult status with readers across the West.

Condé Nast China was finally established with the launch of *Vogue China* in September 2005 (Condé Nast International 2014a). Chinese Condé Nast publications are directly run and wholly owned by Condé Nast Asia Pacific and Condé Nast International (Fung 2013). Today, Condé Nast China has rapidly expanded to include seven successful brands: *AD*, *GQ*, *GQ Style*, *Self*, *Vogue*, *Vogue Collections*, and *Condé Nast Traveler*, a testament to the reception of the market to luxury magazines. *Vogue China* the crown jewel: “works closely with the world's pre-eminent photographers, stylists, supermodels and designers. With outstanding quality and creativity, *Vogue China* set a new benchmark for Chinese fashion publications, quickly establishing a solid core of readers who appreciate its unrivalled sophistication” (Condé Nast International 2014a). The first 300,000-copy publication of *Vogue China* in September of 2005 immediately sold out requiring a second printing. Following this debut, *Vogue China* advertisement space has become more valuable than that of any other *Vogue* edition, with Western brands competing in the emerging market. Already publishing 16 editions annually, it has been predicted *Vogue China* might have to publish two issues a month to keep ad space from overwhelming editorial content (Karabell 2011).

Readership statistics from the brand media kits allow further insight into the reach of the *Vogue* brand in Asia. A much larger nation and consumer base, *Vogue China*'s print issue, with 640,000 monthly print subscribers, reaches fewer than three times the audience boasted by *Vogue Japan*'s 245,000 monthly print subscribers. Yet while *Vogue Japan* claims 600,000 monthly unique users online with over 10,000,000 monthly page views (Condé Nast International 2014a), *Vogue China*'s digital presence currently claims an incredible count of

16,500,000 monthly unique users and 129,000,000 monthly page views (Condé Nast International 2014d). To add additional perspective to what is an astounding national reader base to have grown in only 8 years, American *Vogue*, launched in 1892 and hailed as the leading industry bible, may have 980,298 monthly print subscriptions yet in the digital age has only garnered an online monthly audience of 1,600,000 (Condé Nast 2013).

As paramount to the initial *Vogue* brand, the circulation maintained today within Japan and China remains valuable to luxury labels. 41.8% of current *Vogue Japan* readers are girls between 25 and 34 years old, 62.8% are unmarried, 65% are employed, and 25.7 % live directly within Tokyo. One can immediately infer that these are young, professional women in an urban setting, championing the stereotype of the aspirational, single Japanese girl living in her tiny apartment and saving every last penny for the newest Louis Vuitton bag (*Vogue Japan* Advertising Division 2013). Surprisingly, *Vogue China* readers are even younger and professional 81% of readers are between 26 and 35 years old, 69% are married, 89% have a university degree or above, and they boast a middle class monthly income average of 18,925 RMB (*Vogue China* Advertising Division 2013). By advertising in *Vogue Japan and Vogue China*, brands may not exclusively reach their chief bank rolling customer, but they are given exclusive access to the luxury nibbling masses. Collectively, these audiences save up to spend a considerable amount per year while simultaneously contributing to the desirability of the brand.

Contrasting *Vogue Japan* and *Vogue China* Content



Figures 1 and 2. *Vogue Japan* May 2008 Cover and *Vogue China* May 2008 Cover

Based on accessible issues of *Vogue Japan* and *Vogue China* I attempted a cursory comparison of the two publications using the earliest paired month I have, May 2008. The May 2008 *Vogue Japan* issue, features well known American super model Christy Turlington on both the cover and in the main editorial shoot. The cover also immediately mentions New York and London. Comparatively *Vogue China*'s May 2008 issue, titled the 'Oriental Express', features prominent Chinese actress Zhou Xun on the cover while the principal editorial spotlight for the issue highlights 'Chinese Girls in Fashion'.

Inside, the content continues to similarly diverge. The 'Vogue Event' pages within *Vogue China* features local events with national celebrities and socialites featured, while *Vogue Japan* ran a six page feature titled "Style Icons in NY" along with a 'New Woman' profile of British

pop singer Adele. Following the theme of the ‘Oriental Express’, the title of the 2008 Balenciaga from which Xun wears a *qipao* inspired dress, *Vogue China* assembled profiles of the ‘Shanghai’s modern qipao’ and original ‘Beijing haute couture’. Despite a highly localized, specific and tangible relationship to modern fashion, I do have to concede that the magazine was not absent of Western influence. Overviews and profiles of Western tastemakers and brands including Balenciaga and Sophie Marceau, a French Actress, did appear, yet the language and delivery of the content appeared instructive. The tone within *Vogue China* and even the layout read as an effort to educate a novice audience on the ‘who’s who’ as opposed to the pages of *Vogue Japan* that seemed to fuel ‘aspirational’ adoration for and almost desire to become the West.

I then looked at the advertisements within both magazines. Branding strategies employed by outside advertisers remain complex with, only at first glance, fewer than expected localized adverts in *Vogue China* and none in *Vogue Japan*. I define localized advertisements as those only featuring a model or models of Asian decent or a localized cultural symbol. Because of my understanding of the need for luxury brands to localize within *Vogue China*, I was struck by how many Western models remained in the *Vogue China* advertisement pages while in the editorial well, the substance yielding editorial portion of the magazine, not a single Western model was used. The Western ads featured appeared to be international, seasonal campaigns, yet I wonder if, for some brands, developing localized ad campaigns would not pay out in the end. Only a few companies tested the regional preference for targeted ads in China; one example a Cadillac folding cardstock insert featuring a famous Chinese Actor, an expensive and clearly well researched marketing effort.

Much of this observation directly aligns with the viewpoints expressed by the New York based Production Editors of both *Vogue Japan* and *Vogue China*. Both magazines function with local headquarters in Tokyo and Beijing and have native Editors-in-Chief. Yet, both also operate with purely Western Creative Directors and outsource to Western creative teams. Anna Dello Russo, based in Milan, is the Editor-at-Large and Creative Consultant for *Vogue Japan* and until this past September, Nicoletta Santoro, based in New York, was the Fashion Director for *Vogue China*. Jennifer Berk, the Production Editor of *Vogue Japan*, explained the brand goal to push boundaries and the desire of *Vogue Japan* girl to completely encapsulate the lifestyle and images of the luxury brands. Conversely, Dora Fung, the Production Editor of *Vogue China* discussed the need to meet the Chinese reader on a culturally relevant level. For the most part, *Vogue China* will only feature domestic models or well-known Western celebrities who have become a part of global culture. As they are not licensed titles, Condé Nast has imposed on itself a responsibility to hold the editorial content of these two editions to the same standards of quality as the Western editions of *Vogue*. *Vogue* has an important heritage and reputation as a brand itself that Condé Nast must protect when trying to walk the tightrope of glocalization. In other words, the magazine is not only a conduit of advertising that might be more or less glocal given the kind of market, but also a product in itself.

*Vogue's* maintenance of an international standard of quality provokes competition and development within the local creative publishing industry. *Vogue Japan* and *Vogue China* see themselves as responsible for setting an aspirational precedent within the local markets. The cultural preferences and distinctions between the two markets are tangible, not only in the slight variance of apparel to feature, although always prominent Western labels within the same season and always featured from, but in the way they are presented and discussed. The Japanese reader

has progressed to aspire the luxury dream outside of the local context while the compressed timeline of the Chinese consumer requires additional adaptation.

### Comparison of *Vogue* Japan and *Vogue* China Advertising Content Over Time

Employing my own analysis of available *Vogue Japan* and *Vogue China* magazines, I have looked at the exhaustively documented demand for luxury goods in Asia through a more unique analysis of the change in advertisement over time. I expected, based on preliminary research, quantifiable variations in both the number and classification of advertisements published over time. I defined number as the absolute numerical count of paid ads published per month and created my own classification category labels. Based on outside knowledge, interviews, and market research at Condé Nast I hoped to corroborate a luxury market entry and adoption timeline that would manifest as initial rapid growth in advertising, followed by an eventual stagnation in new brand introduction, and finally a possible advertising decline. I simultaneously suspected a transition in both scale and prestige of advertising brands over time, and anticipated that with the maturation of the Chinese and Japanese markets, smaller Western brands, and even original Asian labels, had been introduced to the luxury marketing machines alongside initially promoted luxury labels owned by large holding companies. My brief analysis alone has fortunately substantiated these suspected trends.

Based on the issues I had access to and a comparison over time, I worked with the inaugural *Vogue China* September 2005 issue, the *Vogue Japan and Vogue China* May 2008 issues, the *Vogue Japan* July 2013 issue, and finally the *Vogue China* September 2013 issue. I documented the advertisement pages noting within each issue advertisement length, content, and brand.

I then further categorized the advertisements into five product categories: Accessories, Beauty, Clothing, Jewelry, and Lifestyle/Luxury. Although somewhat difficult with ads often falling across categories, I instinctively included all major couture apparel brands with both accessories and clothing lines under the clothing category. Unsurprisingly, many of ads prominently featured accessories. The increased accessibility of these smaller, logo heavy goods has created heavy revenue streams for many international labels, while sum profit from couture apparel is low. Despite this, I only included an ad in the accessories category if the ad did not feature any apparel, and, as most advertised watches fell in or near the fine jewelry space, I included all watches within the Jewelry category. I do recognize that this organization may under represent the true scale of the current accessories market. Under Beauty, I have accounted for the booming cosmetics and healthcare market by including all color cosmetics, skincare, hair care, and wellness products. Finally, the smaller Luxury and Lifestyle category includes high-end brands across different niche luxury industries. Examples of such include: car brands ranging from SAAB to BMW, various tech gadgets including Panasonic's Giorgio Armani phone, and international liquor companies.

Table 1. *Vogue Japan* and *Vogue China* Total Page Count Overview

	<b>VC 2005</b>	<b>VC 2008</b>	<b>VC 2013</b>	<b>VJ 2008</b>	<b>VJ 2008 ADJ</b>	<b>VJ 2013</b>
<b>Ad Pages</b>	126	168	269	187	150	55
<b>Editorial Pages</b>	304	286	326	259	296	225
<b>Total Pages</b>	430	454	595	446	446	280
<b>Ad % Total</b>	29%	37%	45%	42%	34%	20%

Table 2. *Vogue China*, Page Percent Change Over Time

	<b>2005-2008</b>	<b>2008-2013</b>	<b>2005-2013</b>
<b>Total Page Increase</b>	6%	31%	38%
<b>Ad Page Increase</b>	33%	60%	113%

Table 3. *Vogue Japan*, Page Percent Change Over Time

	<b>2008-2013</b>
<b>Total Page</b>	-37%
<b>Ad Page</b>	-71%
<b>Ad Page Adj.</b>	-63%

Over 8 years, *Vogue China* has grown from just 430 total pages with 126 ad pages to boast 595 total pages with 269 ad pages. While Editorial Pages per Month only increased from 300 to 326 pages, Ad Page % of Total swelled from 29% to 45%. In May 2008, *Vogue China* boasted 37% ad pages. Although the rate Ad Page % of Total increased over time appeared to have slowed, growing 8% over the 3 years from 2005 to 2008 and then only an additional 8% over the 5 years from 2008 to 2013, the number of Total of Ad Pages increased a steep 60% over the past five years forcing even the number of editorial pages to compensate. To illustrate this escalation further, between 2005 and 2008 Total Page count only increased 6%, yet between 2008 and 2013 the magazine has grown 31%, and is 38% larger than the initial print. This exponential growth validates the known demand for *Vogue China* advertisement space with the luxury and publishing industries.

From the May 2008 *Vogue Japan* issue to the July 2013 issue, an entirely different phenomenon was observed as Total Ad Pages declined 71% from 187 in 2008 to 55 in 2013. Yet because of an observed advertisement variance, I have also included an adjusted analysis. In the May 2008 issue of *Vogue Japan*, brands Mikimoto, Cartier, Swarovski, and Bobbi Brown each paid for longer ‘Vogue Promotions’, or adverts designed as additional editorial pages and inserted as supplemental magazines. This design was not observed in any of the other discussed issues, and the ‘Vogue Promotions’ ranged from 5 to 30 pages in length. My adjusted analysis assumes that without this advertising possibility the 4 mentioned brands would have aligned with the alternative maximum of 4 ad pages, or 2 double spreads. Yet even with this subjective

adjustment, Total Ad Pages in *Vogue Japan* have fallen 63% over the past five years. The ad pages have then fallen to only 20% of the total printed pages, the lowest of any issue observed. This finding was exaggerated and unexpected. I was aware that *Vogue China* comparatively had become the crown jewel of the Condé Nast Asia-Pacific portfolio, and that *Vogue China*'s operating budget is now significantly higher than other publications, yet I had been assured by *Vogue Japan* Editor of Production Jennifer Berk that the *Vogue Japan* advertising rate had only "Plateaued but not declined". I believe the decline observed was more than a plateau, in 2013 only 29 total companies or subsidiaries advertised in *Vogue Japan* compared to the 84 total companies that advertised in 2008. This decline substantiates the assumption that within Japan's mature luxury market, there is now less value added legitimization gained from advertising within *Vogue*.

Table 4. *Vogue China* Ad Pages by Type

<b>Ad Pages by Type</b>	<b>2005</b>	<b>2008</b>	<b>2013</b>
Accessories	9	21	20
Beauty	45	81	82
Clothes	57	37	116
Jewelry	4	20	29
Lifestyle	11	9	22
<b>TOTAL</b>	<b>126</b>	<b>168</b>	<b>269</b>

Table 5. *Vogue China* Advertising Companies by Type

<b>Companies by Type</b>	<b>2005</b>	<b>2008</b>	<b>2013</b>
Accessories	5	16	13
Beauty	19	28	22
Clothes	37	24	60
Jewelry	4	14	15
Lifestyle	7	7	9
<b>TOTAL</b>	<b>72</b>	<b>89</b>	<b>119</b>

Table 6. *Vogue China* Ad Pages % and Factor Change by Type

Ad Pages by Type	2005-2008 % Change	2008-2013 % Change	2005-2008 Factor Change	2008-2013 Factor Change	05-08 %New Ad Pages (42 new)	08-13 %New Ad Pages (101 new)
Accessories	133%	-5%	2.33	0.95	29%	-1%
Beauty	80%	1%	1.80	1.01	86%	1%
Clothes	-35%	214%	0.65	3.14	-48%	78%
Jewelry	400%	45%	5.00	1.45	38%	9%
Lifestyle	-18%	144%	0.82	2.44	-5%	13%
<b>Total</b>	33%	60%	1.33	1.60		

Table 7. *Vogue China* Companies % and Factor Change by Type

Companies by Type	2005-2008 % Change	2008-2013 % Change	2005-2008 Factor Change	2008-2013 Factor Change	05-08 % New Ad Pages (42 new)	08-13 % New Ad Pages (101 new)
Accessories	220%	-19%	3.20	0.81	65%	-10%
Beauty	47%	-21%	1.47	0.79	53%	-20%
Clothes	-35%	150%	0.65	2.50	-76%	120%
Jewelry	250%	7%	3.50	1.07	59%	3%
Lifestyle	0%	29%	1.00	1.29	0%	7%
<b>Total</b>	24%	34%	1.24	1.34		

Table 8. *Vogue China* % Total New Companies and Ad Pages by Category from 2005 to 2013

	% Total New Companies	% Total New Ad Pages
Accessories	17%	8%
<b>Beauty</b>	<b>6%</b>	<b>26%</b>
Clothes	49%	41%
Jewelry	23%	17%
Lifestyle	4%	8%

Because of the corroborated saturation of the Japanese market and my personal interest in emerging economies, I only further analyzed *Vogue China*. Based on the luxury adoption timeline, I wanted to investigate shifts both in product categories and in the regional variation over time. Immediately, between 2005 and 2013, there was an apparent increase in the number

and prestige of beauty advertisements. The content of the cosmetics advertisements also visibly changed over time, while in 2008 cosmetic promotion almost completely focused on brightening and whitening products, by 2013 beauty ads almost exclusively promoted anti aging skin care. I also found a noticeable addition of smaller, less recognizable Western fashion labels as well as the appearance of local and regional brands (domestic Chinese and Asian companies) both in cosmetics and apparel.

I have already noted the 33% and 60% increase in advertisement pages in *Vogue China* between 2005-2008 and 2008-2013 respectively, yet separating the advertisements by category I hoped to understand the luxury brands funding the luxury publication. I differentiated both the number of Ad Pages by Type as well as the total number of separate holding companies or subsidiaries advertising in each issue as many holding companies invest in larger spreads and multiple layouts. To illustrate this, while from 2005 to 2013 the number of advertising companies only increased by 65% (from 72 companies to 119 companies), the Total Number of Ad Pages during the same time increased by 113% (from 126 pages to 269 pages).

The first three years of publication, saw incredible growth in the number of Accessories, Beauty, and Lifestyle advertisers while Clothing advertisers experienced an initial decline. Yet between 2008 and 2013 Clothing advertisements were responsible for the majority of advertisement growth, accounting for 78% of the new ad pages and 120% of new advertising companies (advertising companies were lost in other categories). I offer that this can be attributed to the later, more recent influx of smaller Western brands as the Chinese market matures beyond established elite labels. Beauty labels, on the other hand, are almost exclusively owned by multi-national holding companies such as L'Oreal and Estée Lauder and with such

financial backing were immediately profitable to advertise as low-risk, widely accessible gateway goods.

Although Beauty advertisements negligibly decreased from 2008 to 2013, the sum growth from 2005 to 2013 is substantial and worth discussing. Cosmetics companies have only accounted for 6% of the total new advertising companies since the launch of the publication, yet beauty advertisements accounted for 26% of the increase in Total Ad Pages; in this space, fewer companies are willing to pay for more advertisement content. Furthermore, the cosmetics advertisements observed included elaborate cardstock inserts, extensive promotional sections, and brilliant, localized ads created specifically for the market. I suspect that this can be attributed to the cosmetics industry's incredible success in Asia, now predicted to become a 13 billion dollar business. The cosmetics industry is an important satellite to the luxury fashion industry. As discussed within Chapter 1, smaller goods such as accessories and luxury branded cosmetics act as a point of entry for new and emerging consumers to the luxury market. Because luxury cosmetics carry the brand name label at an attainable price point, cosmetics satisfy the luxury nibbler and extend the reach of a brand's influence and desirability. For example, a woman who could not buy a Chanel evening gown will instead save up for a Chanel makeup set (Wang 2008, 10).

Table 9. *Vogue China* Ad Pages by Region

	<b>2005</b>	<b>2013</b>	<b>% Change</b>	<b>Factor Change</b>
<b>Australia and Oceania</b>	0	2		
<b>Asia</b>	14	39	179%	2.79
<b>Asia Adj**</b>	10	39	290%	3.90
China	2	25	1150%	12.50
Japan	<b>0</b>	<b>9</b>		
<b>Europe All</b>	77	174	126%	2.26
Europe Other	6	35	483%	5.83
France	40	71	78%	1.78
Italy	21	47	124%	2.24
UK	10	21	110%	2.10
<b>North America</b>	33	53	61%	1.61
<b>South America</b>	0	1		
<b>Unknown</b>	2	0		
<b>TOTAL</b>	126	269	113%	2.13

Table 10. *Vogue China* Ad Pages by Country

<b>Country</b>	<b>2005</b>	<b>2013</b>	<b>%Change</b>	<b>% New Ad Pages (143 New)</b>
Australia	0	2		1.4%
Austria	1	1		0%
Belgium	0	1		0.7%
Brazil	0	1		0.7%
Canada	2	2		0%
<b>China</b>	2	25	<b>1150%</b>	<b>16.1%</b>
China (USA)	2	0		-1.4%
Hong Kong	2	1		-0.7%
Finland	1	0		-0.7%
<b>France</b>	40	71	<b>78%</b>	<b>21.7%</b>
<b>Germany</b>	1	16	<b>1500%</b>	<b>10.5%</b>
Greece	1	0		-0.7%
<b>Italy</b>	21	47	<b>124%</b>	<b>18.2%</b>
Japan	<b>0</b>	<b>9</b>		<b>6.3%</b>
Japan (USA)	2	0		-1.4%
South Korea	4	3		-0.7%
<b>Spain</b>	1	3	<b>200%</b>	1.4%
Sweden	0	2		1.4%
<b>Switzerland</b>	1	12	<b>1100%</b>	<b>7.7%</b>
Taiwan	2	1		-0.7%
<b>UK</b>	10	21	<b>110%</b>	8%
<b>USA</b>	31	51	<b>65%</b>	<b>14.0%</b>
Unknown	2	0		-1.4%
<b>Grand Total</b>	<b>126</b>	<b>269</b>	<b>113%</b>	<b>100%</b>

Table 11. *Vogue China* Advertising Companies by Country

Country	2005	2013	% Change	% New Companies (47 New)
Australia	0	1		2.1%
Austria	1	1		0.0%
Belgium	0	1		2.1%
Brazil	0	1		2.1%
Canada	1	1		0.0%
<b>China</b>	2	13	<b>550%</b>	<b>23.4%</b>
China, FR	1	0		-2.1%
Hong Kong	1	1		0.0%
Finland	1	0		-2.1%
France	23	24	<b>4%</b>	<b>2.1%</b>
Germany	1	7	<b>600%</b>	<b>12.8%</b>
Greece	1	0		-2.1%
Italy	14	28	<b>100%</b>	<b>29.8%</b>
Japan	<b>0</b>	<b>4</b>		<b>8.5%</b>
Japan, US	1	0		-2.1%
South Korea	1	3		4.3%
Spain	1	2		2.1%
Sweden	0	1		2.1%
Switzerland	1	6	<b>500%</b>	<b>10.6%</b>
Taiwan	1	1		0.0%
UK	5	9	<b>80%</b>	<b>8.5%</b>
USA	15	15	<b>0%</b>	0.0%
Unknown	1	0		-2.1%
<b>Grand Total</b>	<b>72</b>	<b>119</b>	<b>47</b>	

To analyze the regional change in advertisements over time, I focused on the total variation from 2005 to 2013. I separated both the Number of Total Ad Pages as well as the Number of Advertising Companies by Country and then by Region. I felt it was necessary to further classify the regional advertisements by number of advertising companies to account for the larger international holding companies that can afford to buy additional ad space per advertising brand.

Most basically grouped by overarching region, Asia experienced the fastest growth with a 178% increase in Asian advertising companies from the 2005 issue to the 2013 issue. Finding

that in the 2005 issue, 4 ad pages came from localized brands owned by American holding companies, I have included an adjusted Asia analysis. When adjusted for these faux local advertisements, Asian advertising pages increased by 290% overall, more than double the 125% growth in Europe.

Most notably, *Vogue China* witnessed huge growth in ads placed by companies in China and Japan as well as ads from companies Switzerland and Germany. After separating independent nations within each region, I found that Taiwan, Hong Kong, and South Korea experienced negligible change in Total Number of Ad Pages and Total Number of Advertising Companies. Yet, as I anticipated, China experienced an extreme 1150% increase with 25 ads in 2013 from Mainland Chinese companies compared to only 2 ads placed in 2009. In the inaugural 2005 issue of *Vogue China*, only one Japanese brand advertised: SK-II, a cosmetics label founded and owned by American conglomerate Procter and Gamble. Yet in the September 2013 issue, 9 advertisement pages came from wholly Japanese owned companies.

Although Western powerhouse nations have not lost their importance as paramount advertising countries in the luxury goods industry, I found a clear increase in advertising companies outside the vastly popular luxury labels. Within Italy, for example, the number of advertising companies has doubled over the lifespan of the magazine jumping from 14 to 28 companies. Similarly, although within the US and France, the total number of advertising companies did not increase, the nations respectively remained responsible for 14% and 21.7% of increased ad pages sold. To explain this further, despite a constant 15 companies advertising from the US, these companies justified value in a 60% increase in ad expenditure within *Vogue China* and increased the Total Number of Ad Pages bought by a factor of 1.6 from 33 to 53 ads. From my observation, many of these new ads feature smaller and more elite luxury labels,

although many are still owned by luxury conglomerates, yet their appearance signifies the emergence of a refined and maturing consumer base within China.

### ***Case Study: Christian Dior in Japan and China***



Figure 3: Dior Presentation in Japan, 1953

As one of the few brands yielding high social influence today within China and Japan, Dior represents a valuable case study on effective, tailored brand entry. The House of Dior has consciously established and promoted a seeming long-term history of cultural engagement adding value to their foreign product. Through recent editorial coverage of the brand, the disparity between Japanese and Chinese consumer desires and reception, amplified by the affected time lag, is made palpably clear.

As early as 1953, only 100 years after the opening of Japan's ports, the House of Dior immediately traveled to Tokyo to present a Japanese inspired collection following the war. The next few years saw Dior collections littered with Japanese influence including a signature cherry blossom inspired outfit "*Jardin Japonise*". Brand reception in Japan was immediate, and in 1959 the empress commissioned Dior to fashion her wedding dresses (Dior Staff 2012).

Contact with the Mainland Chinese consumer, on the other hand, would not occur for almost 30 years. In 1970, Dior presented a collection in British Hong Kong for the first time, and only opened a boutique there in 1980. In 1986, Frédéric Castet, the designer of Dior furs, presented his collection in Beijing. Notably, Dior's first foray into Mainland China began with the informed decision to first introduce the Dior fur collection in Beijing in 1986 (Voguepedia 2014). Because through Chinese imperial culture, the Chinese understanding of luxury has highly valued fur as an investment, a belief still today emphasized by domestic labels today such as NE Tiger, the choice to lead with fur immediately associated the brand with value. Finally, in 1994, Dior opened its first official Mainland boutique in Shanghai.

The uptake for Dior within China and Japan was staggered, yet the Dior promotional efforts and in particular their website heavily promote and presents detailed accounts of enduring local engagement. Highly positive marketing materials attempt to align the Dior brand with the cultures and histories of the individual nations and point out long-term association. The description of Dior's relationship with China claims that "from his very first collection, Christian Dior cast his gaze toward the East", drawing inspiration from and paying "homage to the Middle Kingdom".

Designers Yves Saint Laurent and Marc Bohan, the respective successors to Christian Dior after the master's untimely death, both drew inspiration from the same vision: *Shanghai* returned as a suit in 1958, and *Chinoiserie* as a coat in 1963. And yet, none of the three had ever traveled there. They were creating a fantasy, a dream of China as they saw it from afar.

Contemporary efforts within China in particular have stressed the importance of the Dior brand's localization. In the early 2000s, John Galliano, then the artistic director, traveled through Beijing to draw inspiration for his Spring-Summer 2003 collection. Later in 2008, Dior

bankrolled a Beijing based show titled *Christian Dior & Chinese Artists*, which invited twenty-one contemporary Chinese artists to reinterpret the world of Dior (Dior Staff 2012).



Figure 4. Christian Dior Couture Spring 2007 Collection by John Galliano



Figures 5, 6 and 7. Natasha Poly in Dior Haute Couture S/S 2007 photographed by Horst Diekgerdes for *Vogue Nippon* May 2007



Figures 8, 9, and 10: *L'Officiel China* September 2010

John Galliano based his well-received Spring 2007 collection, depicted in figure 4, on *Madame Butterfly*, a play by Italian playwright Puccini, who was himself fascinated by the exotic and widely popular novel first published in France in 1887. The story of Geisha Chocosan and her love affair with a Western naval officer is in itself a story international contact and commerce, now a part of both Western and Eastern popular culture (Jenkins n.d.). The show painstakingly walked through the progression of the geisha and of Japanese culture, employing detailed cherry blossoms and origami pleating. Praise included:

graceful geisha, which he mixed with Dior's new look and made you think of Grace Kelly, as she stepped off the plane on her tour to Tokyo her ensemble drawing gasps. Today the geisha of the East met the geisha of the West. (Mower 2007)

Of course following this extravagant display, *Vogue Japan* paid tribute to the collection, yet what is notable, and characteristic of the Japanese psyche, was the editorial decision to completely remove the Eastern context. While the runway show employed traditional Japanese beauty, presenting to the larger global audience the exotic dream of the East, *Vogue Japan* conversely shocked readers by presenting the accessible clothes in an unexpected way. Caucasian Western

model Natasha Poly's straightened long hair and natural makeup starkly diverged from the highly ornamented runway account, visible in figures 5 through 7.

Unfortunately, Dior's last Chinese inspired exposition, complete with customary dancers and Kung-Fu acrobats, graced the Paris Spring/Summer 2003 season, two years before the initial publication of *Vogue China* in 2005. Yet one can infer how the clothes would have been portrayed by the Chinese editorial to appeal to a highly Nationalist and immature audience. Opposite the mature Japanese consumer seeking luxury through the other, a rough inference can be made as to how the collection would have been depicted by looking at the highly traditional and localized September 2010 shoot (figures 8-10) in *L'Officiel China*, a comparable French owned luxury magazine first published in 2003 (*L'Officiel China* 2014), which paid tribute to Dior's design relationship with China over time.

## Conclusion

The advanced establishment of a modern market-economy in Japan as well as the nation's development into one of the most industrialized nations internationally over the past two centuries follows mature internal economic history and cultural urban consumption. When compared to China and the various emerging markets across Asia today, Japan's organic acceptance of, adaptation to, and participation within the global consumer market are no curiosity. Domestic commerce fostered internal development of advanced marketing and retail techniques, while China has struggled with national conflict in recent history. As discussed, no native market economy or individual consumption history informed the luxury understanding of this immature consumer base, who can only recall a far off traditional Confucian and nuanced appreciation for such luxuries.

With such a unique and strong cultural background, understanding consumer value systems in China today is crucial to success within the fashion and luxury goods market, and in this way, luxury brand entry must localize. Eying the nation as a goldmine, many European and American brands have rushed to enter the emerging market unprepared to confront the nuanced and multilayered legitimization process (Xiao Lu 2008).

Because of its international status, the *Vogue* brand can wait until a luxury market is booming to launch. In this way, *Vogue* does not establish or create a luxury market or a luxury consumer yet enters when both the consumer and the industry are ready for a guided connection. When deciding to launch an international edition of *Vogue*, Condé Nast must wait until interested advertising potential is strong enough to support the high publication price. Regarding the 2013 launch of *Vogue Ukraine*, Chairman Jonathon Newhouse announced, "The Ukraine is ready for *Vogue* ... Kiev is booming, and there is a strong market demand for luxury products

and the experience Vogue can offer the reader." Within developing nations, the arrival of the global brand has also "become a badge of sophistication for a country." As domestic consumer bases mature and gain confidence, those at the upper end require localized legitimizing authorities to introduce global luxury symbols within their locality (Cartner-Morley 2012).

The desire among consumers for a Vogue specific to that country, rather than imported editions, grows as a middle class gains confidence. The lofty, imperial decrees of a magazine printed in a distant western capital no longer satisfy women secure in their own ideals of style and beauty and looking for publications which reflect these. (Cartner-Morley 2012)

The prior launch of *Vogue China* for example "marked a decisive moment in the development of Chinese fashion and fashion media, linking China more closely to the international fashion system" (Hartley and Montgomery 2009). Chinese consumers were finally ready to access the symbols of international luxury and required a platform for a localized impression of global, border crossing trends.

It makes sense then that *Vogue Japan* entered relatively late, far past the 80's bubble, as there was no need to sponsor or foster Western brand pedagogy yet still a strong demand for luxury goods. *Vogue Japan's* launch then perhaps acted as a trial run for the entirety of Condé Nast Asia Pacific and further international development. By using Western creative direction, *Vogue Japan* immediately garnered global attention in the early 2000's and gained legitimacy not only domestically yet among Western fashion mavens. In effect, Condé Nast may have needed *Vogue Japan* to serve as a regional trendsetter or first mover to build the legitimacy for the *Vogue* brand itself within the region before attempting entry into satellite nations within Asia.

If allowed more time or access to the Condé Nast marketing enclave I think there would be value in future work with the primary source material. Going forward, the various categories of goods by type could be further classified along the luxury segmentation scales. Clothing

brands for example could be sorted among absolute, aspirational, and high-end tiered levels of luxury to quantify the actual change in prestige advertisements over time. Extended market analysis to compare past industry figures with quantities and types discovered within the issues would also be beneficial in explaining various observed results such as the increase in beauty advertisements. Finally, because I am personally interested in these magazines as a function of luxury market advancement, any change in advertising rates over time would be beneficial in substantiating the absolute increased demand for space within *Vogue China*.

Before looking through the *Vogue Japan* and *Vogue China* magazines as primary sources, I wanted to know when and how the luxury within could truly localize, if ever. I asserted that perhaps overtime more local brands would appear and that perhaps the entrance of *Vogue* and the establishment of a strong local relationship with global luxury standards would spur local production to rise to the same. In my analysis of the issues, I did then clearly see the recent appearance Chinese brands. Despite levels of sponsorship from multinational holding companies, the representation of domestic Chinese labels, as well as the repertoire of smaller premium labels advertising outside of the top 10-15 main luxury cults, has clearly grown. For China to counter complications of its compressed modernity and to reestablish a valuable creative culture, participation within these international industries is critical, and *Vogue* has acted as a sponsor of this discursive development.

Contemporary Chinese art, including fashion, has developed in response to the newfound access to the West and to information. Following the damage of the Cultural Revolution, rapid expansion at the end of the last century initiated an extreme break from traditional Chinese stylistic preference (Wang 2008, 5). Domestic Chinese designers do not have a strong contemporary fashion foundation or history to draw on. This is a causal factor of one of the

major pit falls of the industry thus far, reliance on the West. Regardless, the past few decades have been an exciting time for unpacking creativity in China, and fashion has been a way for the individual and the masses to participate in something global.

In the announcement of China's 11<sup>th</sup> five-year plan from 2006 to 2011, CPC party leader Hu Jintao finally pressed the concept of a 'creative economy'. Key takeaways included increasing the weight of, as well as optimizing the structure and distribution of cultural industries (Wang 2008, 41). This party led push for self-expression and private agency within the market was novel and only time will tell how communism will ultimately align with the competitive market, yet total government funding for the arts was immediately reported at US \$1,402,000,000 for 2006 (Maerkle and Ng 2007). Much of this attention to the arts has been directed at luxury and high-end fashion. China now hosts more than four fashion weeks and powerful fashion corporations are some of the nation's most valuable businesses. As the Chinese population rapidly adjusts to the newfound global discussion, Chinese excitement and creativity in the fashion industry will no doubt continue to burgeon. Yet the homegrown industry needs to fight the condensed, express development to gain respect internationally. I believe the strong entrance of Western Brands and fashion has had influence not only at the consumption level but also in rousing a traditionally creatively stark government to kick start local expression and participation.

Coco Chanel was famously quoted: "for a low couture to exist, there needs to be a high one first." Legitimacy derives from the creative, luxury end and tickles down to fast-fashion. China still seen today as the world's factory and not an innovator's heaven has struggled to exchange the "Made in China" mantra for a "Created in China" appeal. The impoverished China of yesterday has not simply disappeared simply because the major cities have attracted the

world's luxury marketers. The massive nation remains a highly stratified society, with numerous social political issues tied to compressed development (Wang 2008, 3). To develop a strong, lasting industry with global appeal, China will need to nurture home grown creativity.

Attaining legitimacy as a quality, uniquely creative brand to is the most immediate challenge facing the young Chinese fashion industry (Girod 2012). If the Chinese fashion talent is to compete internationally, the state, media, and distribution arms must rally behind Chinese talent. Most importantly, education and support for young designers must become more widespread. Through the development of Western centers of fashion, patron donors or angel investors who either realized the market potential or believed in the cultural merits of fashion sponsored emerging designers (Girod 2012). This type of support has so far been scarce in China, and *Vogue China*'s Editor-in-Chief Cheung has described most young designers able to break through as products of new money themselves, their own parents wealthy enough to provide international education and financial backing (Karabell 2011).

Fortunately, powerful players in the contemporary Chinese fashion market have realized this necessity. *Vogue China* has supported multiple young designers in launching shows abroad, bringing back international attention (Karabell 2011), while the CEO of Iconix Group has funded a new CFDA China student exchange program for young Chinese designers to study in New York. The maturation of the domestic Chinese industry has come a long way in only 20 years, and the cultural importance of high fashion must be recognized to ultimately outweigh the economic stronghold of Western labels and mass-market brands within the market.

Characteristic of emerging markets today, the homegrown Chinese fashion industry has developed in reverse to that of the industries in the West. Rather than beginning with small, creative designer labels and expanding to include large-scale chain retailers, China began with

domestically owned and produced mass-market brands, for example: MetersBonwe, online label VANCL, and Li-Ning Co. Today, Li-Ning Co. is one of the top domestic brands in China with over 7,500 stores nationwide (Wang 2008, 10). The early market dominance of these low-cost major retailers, has made it even harder for young Chinese designers, lacking the financial means to support their own line, to discard the made in China stigma of fast fashion or to achieve recognition of quality (Coghlan 2012). To the detriment of the local industry, young Chinese talent has funneled into fast-fashion mass-market companies, or mass-production profit driven companies with little incentive for creativity and merely recreate trends (Girod 2012). Recently increased attention has helped Chinese labels develop, and as expected in the maturation timeline, the *Vogue China* push for Chinese fashion week spotlight has finally enabled both domestic and international holding companies to identify and pick up small to mid sized Chinese labels that would not have been able to expand nationally on their own (Coghlan 2012). Yet thus far, it has remained impossible for China thus far to found an internationally recognized competitive luxury brand. The Cultural Revolution deferred the existence of the qualities that create could create such a trademark label: a world-class designer, long brand history, and a legendary brand story. There are, however, a few domestic Chinese labels that have succeeded in capitalizing on various aspects of necessary luxury branding as exemplified but *Vogue* and the brand entry process.

Currently, by combining a local retail understanding with international legitimacy, Ports 1961 is the most notable domestic brand in international fashion circles, and more successful today than any other brand in China. The label Ports International began as a Canadian sportswear brand in 1961 and was acquired by the two Hong Kongese Canadian Chan brothers in 1989 (Zemke 2011). Following the global recession in the 90s, the Chan brothers notably

relocated the brand to Mainland China in 1994. By selling all US and Canadian retail outlets and moving complete operational capacity to China, the Chan brothers recognized they could lead the luxury brand rush as a prestigious Canadian brand while maintaining competitive advantage through domestic production. Local and vertically integrated operations then allowed Ports International to circumvent luxury import taxes and distribution issues faced by outside brands (Zemke 2011). Today, Ports 1961, launched in 2003, has more retail stores in Mainland China than any other brand. The brand has retained its prominence and legitimacy internationally and built up a Western celebrity following by maintaining design showrooms in international fashion capitals, participating in Milan and New York fashion weeks, and employing celebrated international lead designers. Domestically, the brand has met the Chinese customer at his comfort level with a highly localized retail approach. The brand has hired Chinese employees at all levels of corporate and retail and has developed a renowned training program for sales associates to focus on a tailored retail experience (Xiao Lu 2008, 140). The brand was at one point ranked as the third most sought after label in China following Louis Vuitton and Chanel and has even received the political seal of approval dressing the female commentators for the 2008 Olympic games in Beijing (The Cut Staff 2014).

Although Ports 1961 is the only Chinese-brand currently competing on the world stage, Shanghai Tang and NE Tiger are the only two truly domestic apparel brands building luxury images. Although Shanghai Tang is now owned by French holding company Richemont, it claims to be the sole Chinese luxury brand, and Business Week has before asserted that with time could be Shanghai Tang could culturally become China's Chanel. Three key dynamics distinguish Shanghai Tang: an individual and modern brand style with strong Chinese Characteristics, an effort to act as a cultural interpreter of China's History in place of lacking

brand history, and access to international distribution networks, funds and legitimacy through Richemont (Xiao Lu 2008, 149 - 154). Comparatively, NE Tiger is known for building its own brand legend. Colorful CEO Zhang, now a personality in domestic pop culture, recognized that luxury brands require history and cultures. Zhang has been quoted saying “fashion has no borders but a brand needs roots” and has positioned NE Tiger to provide the ultimate in Chinese luxury. Zhang has overlooked the century of political unrest drawing instead on 5000 years of Chinese history and consumption as a legacy and a story, envisioning NE Tiger as a player in the Chinese luxury renaissance. Through stringent quality checks (up to 120x) and lavish materials including furs NE Tiger has built domestic desire through promises of nationalism, success, glamour, and freedom and attempts to showcase Chinese products to the world (Xiao Liu 2008, 155).

Outside of couture clothing, China has become a significant force in international retail commerce with billions of dollars funneling into the space and a global interdependence. Chinese brand Chow Tai Fook recently garnered huge recognition for the luxury line launch at the 2010 Paris fashion show, and later multi-million dollar IPO (Flannery 2011). Chow Tai Fook is now one of the world’s most valuable jewelry brands with over 1500 stores in Greater China, and a market twice the size of Tiffany & Co. The brand is owned by Hong Kong based holding company New World Development, one a few conglomerates focused on the fashion and retail industry. Another notable group in this category of quickly mounting Chinese holding companies is Iconix China Group, a fashion distribution arm whose owner recently bought out well-known American labels Tommy Hilfiger and Michael Kors further advancing the China’s participation in international retail and cultural transfer within the fluid industry (Hariela 2012).

The initial American adoption and mimic of high culture from across the Atlantic and then later reinterpretation, establishment of confidence, reflection of, and dissemination back to Europe through *Vogue*, mirrors the current maturation process in Asia. China's new money is shocking compared to the poverty and rural fieldwork of recent history. With no context in which to evaluate contemporary fashion, brands entering must work to understand nuanced Chinese consumer desires and value systems. Although Japanese consumers were immediately able to develop fluency within the common visual language of fashion, the Chinese industry, as will subsequent emerging economies, requires further support in building, institutionalizing, and legitimizing an eco-system between the industry, fashion media and the state.

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