

French Connections

Colombe Nicholas
wants to bring Dior elegance to
the Esprit devotee

BY AIMEE LEE BALL

A FEW YEARS BEFORE HIS death in 1957, Christian Dior was visiting New York with his business manager, Jacques Rouet, the man who came up with the idea of licensing the designer's moniker, who took the name of Dior out of the house of haute couture and put it on men's ties. The two were walking down Fifth Avenue past B. Altman when Rouet asked Dior, "Would you like to go in and see some of your licensees' products?" Dior replied, "No, because if I saw them, I would probably stop you from making them."

Given his less than wholehearted enthusiasm for the merchandising of his good name, it's hard to imagine how the designer would view the company as it enters its fortieth year, licensed from head to toe with Dior pantyhose, Dior sweatsuits, Dior bifocals, and Dior bras. It's not difficult to imagine how he'd react to the fact that the person largely responsible for this expansion is an American, and that this American person is—*quelle horreur!*—a woman.

Sometimes when strangers call the president of Christian Dior-New York

and hear the somewhat androgynous, decidedly European name of Colombe Nicholas, they assume that "Colombe" is a family name handed down to an eldest son and ask for Mr. Nicholas. The boss comes as something of a shock: a small blond woman, just past forty, from the decidedly non-European town of Piqua, Ohio. In her six-year tenure, the number of licensees has climbed from thirty-two to forty-six, and Dior's U.S. sales have more than doubled, from about \$150 million to about \$330 million—almost 50 percent of its worldwide business. When Nicholas started, the advertising budget was a million dollars. This year she'll spend \$3 million, part of it on TV for the first time (move over, Calvin Klein), and by 1988 she'll open the first Dior retail stores in this country (move over, Ralph Lauren).

Both the advertising and the one-stop shopping are designed to attract a new kind of customer to Dior—the all-important young urban professional—thus bringing classic French style to Esprit connoisseurs. And Nicholas won't be satisfied with just dressing them. The newest licensees are in home furnish-

ings, so there will soon be Dior china, glassware, and silver, along with existing lines of table and bed linens.

Nicholas uses the word "grow" as a transitive verb—she talks about her responsibility "to grow the business"—but since Dior considers itself "an ambassador of elegance," she also has to ask, "Where do you draw the line? We turned down aprons and kitchen towels, but if you're going to do china, what are you going to dry it with? Do we want to do a designer telephone? No. We've had a long debate about cigarettes. There has to be some kind of synergy. . . . There is nothing, in my opinion, that we could bring to designing a cigarette. I do not want to do automobiles, chocolates, wine. The most unusual request I ever received was for the Rolls-Royce of pregnancy testing. This company wanted to do a designer early-detection pregnancy test, and they had researched the market and thought Dior was the most appropriate. I called them and said I didn't think so."

The company's reach outward is viewed with what could kindly be called skepticism by some of the competition.



“Ralph is giving upper-crust British life-style, Calvin is out there selling sex. What was our niche?”

“You have to weigh what’s going to happen to the label,” says Jerry Shaw, president of Oscar de la Renta Ltd. “In this country it’s hard to do anything without prostituting yourself. So far, Dior has kept a nice profile. But you can do a \$10 million business at a high level or an \$80 million business at a discount level. I’d pick the high route. If that doesn’t work, you can always go the other way. But you can’t rebuild a business.”

Gail Levenstein, director of licensing for Bill Blass Ltd., says that maintaining a classy designer image while keeping current with the market is almost impossible to do. “You can’t have across-the-board appeal and expect loyalty from your customers,” she says. “We’re lucky because we’re not being run by a company that’s looking for the bottom line, that’s looking to have the longest licensee list in the world. It’s very hard to be all over the lot.”

Nicholas’s grand plan for Dior’s newest look seems to be a sophisticate with a bit of Middle America thrown in. To that end, she’s lined up an eclectic group of licensees: Hathaway makes Dior men’s shirts, Jones makes much of the women’s sportswear, Carole Hochman Designs makes the lingerie. And although there are about twenty-two American executives, it is Nicholas who ultimately decides whether Dior will become the next great name in sneakers. “She knows how to make decisions and she knows how to ask for opinions,” says Rosemary McGear, vice president for women’s products. “She sees how things are going to work out toward the end. And she understands the French—the way they think and the way they act. She really is the perfect person for this job.”

THE JOB DIDN’T EXIST A few years ago. Dior’s former parent company was Boussac Saint-Frères, a huge textile conglomerate that had failed to modernize its antiquated factories and could do little to stem the tide when France was losing much of its cotton business in the 1970s. Boussac finally went bankrupt in 1978 and was bought by four brothers whose empire was known as Agache-Willot. Dior had been part of a holding company in Curaçao, but the new owners decided to do away with those holdings and to allow the Dior business in the States to operate

out of a U.S. company—a company that needed a president.

Colombe Nicholas was, at the time, a nonpracticing attorney, not working and not looking. Her mother was French-Canadian, “and she didn’t think that Piqua was the beginning and the end of the world,” so she sent her children to Switzerland for schooling. “But since the Swiss had not given women the right to vote, my father said, ‘This is no place for my three daughters to get a higher education.’” Nicholas entered the University of Dayton at fifteen, and four years later her father said, “Well, what are you going to do?” She said, “I’m going to get a job.” He said, “How much do you think you’re going to make?” She said, “I don’t know—\$125 a week.” He said, “I’ll pay you that much to go to law school. All you have to do is graduate.”

The law was apparently not her calling—Nicholas graduated eighty-sixth out of eighty-six in her class. After that, she worked for a few years in the family industrial-felt business and then spent ten years in New York department stores: a buyer at Macy’s, a divisional manager at Bloomingdale’s, a VP at Bonwit Teller. She dealt with everything from silverware and towels to hosiery and handkerchiefs—a fair prelude to the Dior licensees. “In retailing,” says Nicholas, “they believe that if you can buy chairs, you can buy dresses. One of the reasons I became the cosmetics buyer was that I spent most of my time negotiating some legal problems about unpaid cosmetics freight, which had nothing to do with knowing whether Cherry Berry Frost was the hot color.”

In 1980 Nicholas left Bonwit. “My husband took a job in Philadelphia,” she explains, “and since it was a second marriage, I decided, ‘I’m going to take some time off, move, and be a housewife.’ I was there about six weeks when I got a call from a headhunter friend, saying that the chairman of Christian Dior in Paris was looking for someone to run the U.S. company. And he wanted someone with a legal background, who spoke French, and knew retailing. I said, ‘Here I am—Central Casting.’ Then there was this long pause, and my friend said, ‘But you know the French. They’ll never hire a woman.’”

There were seven finalists. Nicholas was the only woman, and probably the only candidate whose first thought was, “I’d better go buy a Dior suit—I can’t wear Calvin Klein.” “My husband said,

‘You’re going to spend \$1,500 on a suit for a job you won’t get because they won’t hire a woman?’” Jacques Rouet, who had succeeded Christian Dior as chairman of the company, interviewed the six men through an interpreter, and when the French-speaking Nicholas dismissed the translator from the room, Rouet’s decision was practically a fait accompli. As Nicholas says, “I could have had two heads. From the moment he found an American who spoke French, it was a marriage made in heaven.”

In New York Nicholas found an elegant but outmoded organization. The company’s offices were done in Dior Gray, but it had yet to enter the computer age, and the controller was going to night school for her MBA (today she’s the vice president of finance). “We never really thought we were going to get so big,” says Nicholas. She hired women—almost exclusively, if unwittingly. “When I started, there was a criterion, established by Paris, that everybody had to speak French. One day Mr. Rouet said, ‘I’m very upset with you. Why do you only hire women?’ I said, ‘I cannot find an American man who speaks French. American men don’t major in French in college. Will you please change that rule?’ He said, ‘Ah, *bon*.’”

Dior, which is split into five geographic zones worldwide, was the jewel in the crown for Agache-Willot. But it was only one of several profitable divisions, including Conforma, a furniture-store chain, and Bon Marché, a popular Parisian department store. “We were all healthy companies,” says Nicholas. “If anything, it was our revenues that went back to the parent company and the banks to help pay off their losses.” And in 1980, when Nicholas joined the company, she says, “Agache-Willot was doing rather well in pulling together the pieces that were originally Boussac, plus adding their own. Then they made a major blunder: They purchased Korvettes, and ultimately it brought their demise. The money needed to keep Korvettes afloat totally drained them.” The company, except for profitable divisions like Dior, went back into a French equivalent of Chapter 11 that is known by the rather classy-sounding term *règlement judiciaire* (in plain English, “ward of the state”).

Since the newly empowered socialists had nationalized the banks, it fell to the government to devise a plan whereby Dior could be liberated from its griev-

ously ill parent. A foreign buyer was, of course, unthinkable—as one representative of the Mitterrand regime sniffed indignantly, “Dior is *French*.”

The socialists appointed one of their own to head up the restructured group, but their unlikely choice was the former head of the French geographical institute. “He came to visit me here in the States,” recalls Nicholas, “and started to talk about the values of socialism. I told him that in this country socialism was one step away from communism, and since we were in the luxury-goods business, I didn’t think it was appropriate. I said, ‘We’re selling dreams and hopes

consistent point of view. Ralph is giving upper-crust British life-style, and Calvin’s out there selling sex. What was our niche? When you analyze how the customer perceives us, you hear ‘classic’ and ‘traditional.’ You have to be careful that the third word isn’t ‘old.’ We needed to project a younger, more aggressive advertising image, and we had to find a way to pull all the licensees together and to make people say, ‘My God, what’s happening at Dior?’”

Unifying the diverse licensees was no easy task. When a company signs on with Dior, it agrees to pay a royalty in exchange for the use of the designer’s

forty years.” Avedon, who had most recently gotten Brooke Shields to tell the world that nothing came between her and her Calvins, agreed to work with Lansdowne Advertising, providing he could be the creative director, and what he created was the Three Diors, affectionately known in the trade as “the ménage à trois.” The unlikely trio consisted of an avuncular, elfin-looking fellow called The Wizard, a pouty female model called The Mouth, and a dashing interloper called Oliver, all cavorting about Noël Cowardishly and described in witty, if somewhat obscure, copy written by Doon Arbus (daughter of Diane). Nicho-



Fashioning new offices: Nicholas relies on her hunches to expand Dior with dignity

and glamour—we’re not selling potatoes.” The socialist had a little epiphany. “Aha!” he said, “you’re talking about fashion.”

THERE WERE CERTAIN proscriptions against Dior’s expansion as long as Agache-Willot was under government stewardship, which meant that Nicholas was in something of a holding pattern. But one thing she could work on was image. “When I came to the company, I realized we were fragmented,” says Nicholas. “Not all of our licensees were targeting the same customer. When you look at Ralph Lauren and Calvin Klein, you see a

name (the industry standard is about 5 percent of sales). In addition, the licensee, who manufactures the product and is responsible for its quality, contributes a percentage to Dior’s national advertising budget and has a say in the campaign. “It’s very hard to get people to agree on advertising,” says Nicholas. “So we thought if we could get the licensees to agree on who was a good photographer, then we could back-door our way into what was a good campaign.”

Nicholas found her consensus with Richard Avedon. “I think he hates to admit it,” she says, “but he was a cub reporter in the audience in 1947 when the New Look came down the runway, and he has watched the house over the past

las insists that the sexually ambiguous ads were not an attempt to one-up Calvin’s bare bottoms. “The ménage à trois sounds controversial,” she says, “but actually it came out of a very practical reason: we had twice as many men’s products to show as women’s, and we thought if we could get two men in a photograph, we had a better shot. We also had a certain older customer and we were trying to get a younger customer, and we didn’t want to lose the one while getting the other. I used to get letters from people saying how deviant and corrupt we were, and I thought, ‘Are you kidding? This is a marketing strategy.’”

The campaign engendered hate mail from animal-protection groups (because

Customers see Dior as “classic and traditional,” she says.
“You have to be careful the third word isn’t ‘old’”

The Wizard held a white mouse by its tail), a Zap Award from Women Against Pornography—and a lawsuit. When “the Diors” married, the ad depicting the wedding guests mixed real celebrities with some fakes, notably a Jackie Onassis look-alike. Onassis sued. She won an injunction against further use of her unmistakable image, plus a cash settlement that both parties are forbidden to disclose, but it was, as they say, the kind of publicity money can’t buy.

The Three Diors campaign was expensive and difficult to sustain. (For one ad, Nicholas was told a live camel was needed for authenticity. “Who cares?” she said. “We’re not selling camels.”) Not all the licensees were thrilled by the concept. “They believe national advertising should sell product,” says Nicholas, “and I believe national advertising should sell image and create a demand for the name. I don’t think people tear out an ad, rush into the store, and say, ‘Where is this blue shirt?’ They ask, ‘Do you carry Christian Dior shirts?’ It’s a fine line, which I debate constantly.”

The current campaign is something of a compromise. Old black-and-white photographs, from a cache Nicholas discovered in Paris and turned over to Chiat/Day, are superimposed with color images of today’s Dior products, and the copy is taken from the mouth of Christian Dior himself, waxing Aesopian: a forties fashion show is interrupted by orange plaid shorts and the excuse, “There is room for audacity in the framework of tradition.” A model eating Chinese food in a bed made with purple sheets is set against a vintage shot of Versailles and accompanied by the adage, “There are those people, increasingly rare, who make elegance their sole reason for being.”

Nicholas is crazy about these ads. “You should be able to remove the name Christian Dior from a layout and still recognize the company,” she says. “We really can claim that we are a fashion authority. I think where we have an advantage over our competition is that we have hurdled the death of our creator. Will Perry Ellis be in existence thirty years from now? It’s difficult to say.”

THE MAN WHO HAS CARRIED the name of the designer into the 1980s is artistic director Marc Bohan, now back in control of the ready-to-wear lines as well as the couture collections. (“I think we only

have a hundred haute couture customers,” says Nicholas, “and I don’t think the House of Dior is the exception. Saint Laurent and the others probably have the same Betsy Bloomingdales going from house to house.”) Bohan visits a New York studio staffed with three full-time designers who supply the licensees with ideas, prototypes, fabric, and direction. But it is Nicholas who actually negotiates the licenses, usually three-year contracts with options to renew, and it is not, she admits, a very scientific process. “I visit their factories, meet their management, sit down and discuss marketing strategies and price points. Our contracts are almost like prenuptial agreements: having everything well-planned makes for a good partnership.” She relies on dependable manufacturers that enjoy good reputations with retailers and she looks for arrangements of reciprocal profit.

Take Carter’s, makers of Dior’s infant wear. “Carter’s has about a \$200 million wholesale business. Everybody wears Carter’s little nighties. But they could not raise their prices. People thought of their products as good quality, but not in the grandmother gift-giving category. With Baby Dior they’ve attained another market segment. It’s just plus business.”

The aggressive “growing” of Dior has only been possible since the recent rescue operation that brought the parent company out of receivership. By 1984, the French government apparently decided it would be expedient to resolve the Agache-Willot problem, and they found their benefactor in Bernard Arnault, the thirty-seven-year-old inheritor of a \$135 million real estate empire called Ferret-Savinel. Arnault led an investor group, including such partners as Lazard Frères et Cie., in an acquisition of 54.6 percent of Agache-Willot. The major shareholder of the group, he took over as chairman and CEO of Dior and set up his office over the flagship store in the Avenue Montaigne, which Nicholas visits once a month to talk shop. Her conversation is in perfect French, punctuated by an occasional reference to “*Women’s Wear*,” “Long Island,” “junk bonds,” or the fact that “*le stock market est descendu* twenty-four points.”

In France, Nicholas also meets with her colleagues from the other Dior zones: she has counterparts in Europe, the Far East, Central and South America, the Middle East, and Africa. Dior-

Africa? Yes, says Nicholas, with the same kinds of socks and sweaters that are sold in Paris or New York. “Each month we review the marketing plans and financial outlooks for the preceding month and the next month,” Nicholas says. “Policy is really a communal affair. It’s hard for the parent company to dictate when over 90 percent of the business is not done in France. We’re in the process of working on an international advertising campaign. But you can’t advertise the same way in Japan as you can in the States as you can in Europe. In Japan they want to see the shirt on a hanger; in the U.S. they want to see the shirt on a person; in Europe they want to see the shirt on a moving person.”

In the meantime, with all government restrictions lifted, Dior-New York plans to move in new directions, including into TV commercials. The first foray, an ambitious project celebrating the company’s fortieth anniversary, may start with the Paris of Dior in 1947 and end with the Dior of Paris in 1987—some camera magic that, says Nicholas, “I suspect has a little *Zelig* in it.” But she’s dubious about fashion advertising on TV: “It’s not a very sophisticated clothing image that’s projected, and you have to be careful you’re not next to the hemorrhoid preparations or the loose dentures. But it is the logical next step. There are generations that just watch TV, and you have to figure out how to reach them in a tasteful manner.”

She’d also like to give those generations some new places to shop: twenty-seven Dior retail stores to be opened in the U.S. within the next five years. The first one will likely be on Madison Avenue or 57th Street, but Nicholas sees no disgrace or disparity in the idea of a Dior boutique among the Woolworths and the Burger Kings in a suburban shopping mall, catering to the kind of customer who will wear a skirt born of the sweat of a thousand silkworms with a \$3 T-shirt from Fruit of the Loom. “We want to be able to present the French goods, which are clearly the umbrella for the licensing operation, so that people can see the relationship of our products,” says Nicholas. “And it will be a way to get licensees to upgrade. If I want an all-cashmere bathrobe, my licensee may say, ‘How many \$450 robes will Bloomingdale’s order? None.’ I want those robes in my stores.”

This is, says some of the competition, a risky business. “I don’t think you can



With husband Leonard Rosenberg: Dior's new image, like Nicholas herself, seems to be a blend of sophistication and a bit of Middle America

use the store as a vehicle to upgrade," says Jerry Shaw. "A store's got to cost between a half million and a million dollars to start in Manhattan. That's a pretty steep way to change somebody's image. If they're going to open their own stores and do a class act, they're going to have to watch their licensees and make sure they're not pushing goods out the back door, so to speak." Ralph Lauren is one of the few designers who has mastered the mix of \$30 items and \$3,000 items, but if you buy near the low end in a Polo/Ralph Lauren store you'll get a \$20 tie, not \$20 pants. "I don't think Dior can sell \$500 sweaters and \$50 sweaters in the same store if it's only the one label. The wealthy woman is not going to shop in a store where there are kids looking at cheap sportswear."

Shaw also points out the harsh reality of Manhattan real estate. "There are tons of stores up and down Madison Avenue, and there are more of them that don't make it than that do. They rent at \$200 to \$300 a foot. [One designer] in the

Olympic Tower supposedly was paying \$1 million a year, plus what she needed to oil the hinges in case somebody actually came in the door. Loehmann's cleaned them out every month."

But the man in charge of Dior store planning has a different idea. "The designers who put stores on Madison or Fifth or 57th in Manhattan do so for reasons other than trying to make money in retail," says Dick Shapiro, vice president in charge of marketing Dior menswear. "Many designers—and Christian Dior has to be included in this group—benefit greatly from the public relations and goodwill of having a boutique in Manhattan. If Paris said to me, 'We'd like to give you another million dollars a year to go spend on advertising the business,' I'd say, 'Gee, that's great, but I'd rather have the million dollars a year to lose in the boutique.' It's better than advertising."

For her part, Nicholas thinks the hardest part of retailing will be finding the right people to run the licensed

stores. "I don't want to use the dentist's wife syndrome, but many people think it's glamorous to open a boutique, to go to Paris and buy merchandise. They don't realize the work involved. I'd like to find people who are already in the business, who are running, maybe, a Benetton."

She may covet Benetton's expertise and their customers, but insists she's not interested in their frenetic, plebeian, one-on-every-corner image, which in some circles is seen as the scourge of fashion merchandising. Nicholas has charted a course to turn the House of Dior from a grande dame into a hip chick, but she regards with some reverence her part in carrying on the name of Christian Dior as an arbiter of good taste. "I'm really carrying out his instructions," she says, "but it's my interpretation of his instructions, and I never met the man." M

This is Aimee Lee Ball's first piece for Manhattan, inc.