

The New York Times

First Comes the Baby Carriage

By AMY HARMON

Women opt for sperm banks and autonomy.

WHEN Diane Carr turned 37 with a compelling desire to have a baby and no true love to have one with, she began, gingerly, to explore the other option she had filed in the mind.

Other single women who have found themselves through online profiles of anonymous sperm donors recently, Ms. Carr, a real estate broker in New York, was quickly convinced that buying sperm was the way to have a baby without a partner. She decided that it has quietly become a socially acceptable choice, if only because so many are making it. Carr's hairdresser, it turned out, knew someone who had just conceived that way, as did one of her friends. An Atlanta chapter of a national support group for "single mothers by choice" formed two years ago with 26 members.

On the Internet, Ms. Carr discovered hundreds of other single women trading notes. Some were ar-

ranging to send one another their leftover sperm.

"Five years ago you never heard about this," said Ms. Carr, who had the insemination procedure performed last month. "Now you can talk about it, and it's O.K."

In her effort to become a lone parent, Ms. Carr has plenty of company. The support group she joined is 25 years old, but it has grown to 24 chapters around the country from 12 in the last three years. About three-quarters of its 4,000 members used sperm donors. Sperm banks, which once catered largely to infertile and lesbian couples, are seeing a surge in business from single women, as are obstetricians who perform artificial inseminations.

The groundswell of single women deliberately having babies reflects their increased ability to support a family. It helps, too, that the Internet has done away



Ryan Donnell for The New York Times

with the need to leave the house to find a donor. A woman can now select the father of her child from a sperm bank, have his sperm sent directly to her doctor, and have his child faster and cheaper than adoption, and allow her to bear their own genetic offspring.

Single women have always found adoption more restrictive than they are even for gay men. Many hesitate to simply have a sexual fling with a "known donor" for fear that the father may stake a claim to the child. But thousands are now turning to sperm bank Web sites, where donors can be sorted by medical history, ethnic background and a wide range of physical characteristics. Some use an online dating service where no one ever dates.

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HER WAY Debra Taras, a psychologist in Philadelphia, with her daughter, Olivia, 23 months. Debra Taras selected specific traits she wanted from a sperm bank question-



STARS ALIGN Uma Thurman, with Yves Carcelle, above, president of Louis Vuitton, at the opening of the Vuitton store in Paris. At right, Vuitton bags stacked to resemble the Eiffel Tower.



Optimism's the Point, Not Excess Baggage

Vuitton bets on the luxury juggernaut.

By ERIC WILSON

PARIS AT twilight on the last day of the spring 2006 collections here, a sideshow nearly upstaged the runway presentations of Valentino, Saint Laurent and all the other famous Paris houses. It was the opening party for a Louis Vuitton store, the largest in the world. So many celebrities were invited, including several whose trips from abroad had been paid for by the brand, that face books were distributed to photographers along the red carpet so they would know who was the actress Emmanuelle Seigner, and who was the designer Jade Jagger.

Uma Thurman, who appears in handbag ads for Vuitton, held an impromptu press conference outside



the store. Sharon Stone arrived in a tall black hat and dark sunglasses and cut a symbolic ribbon. Karl Lagerfeld alighted from a Hummer and looked around for 10 minutes before leaving, just as Winona Ryder arrived, asking a handler, "Do I have lipstick on my teeth?"

When the Vuitton ready-to-wear show started a short time later on Sunday evening at the Petit Palais, the clothes almost seemed an afterthought. It was the handbags, not the ornate poncho dresses and embroidered tops that Yves Carcelle, the president of Louis Vuitton, pointed out to the actress Salma Hayek as the models walked by.

Louis Vuitton is the money tree for LVMH Moët Hennessy Louis Vuitton, the multibrand conglomerate that is world's leading maker of luxury goods. Within Vuitton, handbags and other leather ac-

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Photographs by Stuart Isett for The New York Times

Critical Shopper

Alex Kuczynski





Storefront for The New York Times; below left, Victor Tonelli/Reuters

Optimism's the Point, Not Excess Baggage

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cessories are king, the driving source of its estimated \$3.72 billion a year in global sales, roughly a quarter of LVMH's overall businesses. The painted handbag collection created by the Japanese artist Takashi Murakami alone has been estimated to have annual sales of \$300 million.

Even as retailers in the United States fear a slowdown this holiday season because of high energy prices and declining consumer confidence, luxury merchants hope to keep the money flowing by stimulating the desire of affluent consumers, especially for accessories. No expense was spared to promote the opening of this latest temple of luxury, roughly 20,000 square feet on the Champs-Élysées built around a soaring cylindrical atrium. The number floating around the store among guests that night for the cost of the two-year renovation and the two-day opening festivities topped \$50 million.

But in that atrium, where 2,000 sharpened steel rods dangle 65 feet above the floor, some might have perceived a metaphor for the precariousness of selling luxury goods. It could all come crashing down. Although LVMH reported a healthy profit of \$719 million for the first half of 2005 (up 19 percent over the first half of 2004), some of the same speculators that hobbled it after 9/11 — fear of terrorism and war, and a weakening global economy, which dampen international tourism, critical to the success of luxury brands — seem to be growing.

Bernard Arnault, the chairman of LVMH, is bullish on the Champs-Élysées location, so much so that he predicted it will be making money within a month, and some luxury analysts support him.

"I don't think that large stores are the answer any longer for image purposes," said Claudia D'Arpizio, a partner in the luxury goods division of the consulting firm Bain & Company. "Their profitability becomes too

much of a question. But Louis Vuitton can manage to have this as their mother store and be profitable, if not at least break even."

Profitability for such retail behemoths, on the world's most expensive boulevards, is actually an anomaly, analysts say; many flagships are run as loss leaders, meant to enhance the image of a brand and to drive sales of perfume and accessories through other channels. LVMH rivals like the Prada Group and to a lesser extent PPR, which owns Gucci, have scaled back their retail developments in recent years in international markets where tourism and the dollar are weak.

Prada, for example, sold a property in downtown San Francisco this year where it planned to open a mega-store. But the Vuitton store in Paris — actually, a remodeling and expansion that doubled the space of an existing outlet — may be the exception to the rule.

Vuitton decides it can have its bottom line and a big store.

Mr. Arnault described the latest of Vuitton's free-standing outlets as more than a store, calling it a "symbol of France" with its potential for profit linked to a national heritage of fine craftsmanship.

Louis Vuitton, founded in 1854 as a luggage maker, ascended to the throne of luxury brands only in the past decade, largely as a result of the creative efforts of its artistic director, Marc Jacobs, who was hired in 1997 to design a ready-to-wear collection. The fashion industry perceived a creatively daring appoint-



ON LOCATION Sharon Stone, above, was among those attending the opening of Louis Vuitton's store on the Champs-Élysées this week.

ment but hardly one that would reap such outside rewards. Mr. Jacobs was much admired in New York by the cognoscenti, but in 20 years he had never had great commercial success.

The turning point came when he reinvented Louis Vuitton's logo handbag, slightly twisting the house's archival monogram and Damier check and floral patterns into novel new "it bags" of each season. He invited other designers and artists to collaborate, resulting in graffiti-painted hand bags by Stephen Sprouse and the rainbow logos of Mr. Murakami that were instant financial hits, spawning whole industries for copycats and knockoffs.

"What they did to reinvent the Louis Vuitton brand over the past decade is marketing 101," said Carol Brodie, an executive at CurtCo Media, which publishes The Robb Report. "They started out with a very smart advertising campaign, getting the design world and celebrities to endorse the product, hiring Marc Jacobs as the designer and using Jennifer Lopez and Uma Thurman in advertising. What they also have done is successfully appeal to every aspect of the marketplace that can afford their product."

With basic handbags in several varieties that range from \$500 to \$1,500, Vuitton can reach women of moderate incomes who will forego other luxuries to buy a bag and also rich customers willing to spend up to

\$4,000 for more extravagant bags offered each season. "They've reached everybody," Ms. Brodie said.

Mr. Jacobs tied his own fortunes to the brand, once threatening to leave until LVMH agreed to give him greater control and to invest more money in his own signature label, which is now thriving. As a result both Mr. Jacobs and Mr. Arnault have done extremely well by each other — the profit margins for Louis Vuitton are about 45 percent — but maintaining Vuitton's position at the top of the luxury heap requires a constant game of "Can you top this?" It plays out in design, promotion and events such as the Champs-Élysées opening, a veritable three-ring circus.

On Sunday, while the conceptual artist Vanessa Beecroft was photographing half-naked models in one room, Ms. Stone was talking in another about her new contract to become the face of a skin cream for Christian Dior, another LVMH brand. Someone reminded her of her portrayal in "Catwoman" as the aging face of a cosmetics empire that makes a cream that, if not used regularly, leads to paralyzing disfigurement. "Hopefully this time I won't fall down and my face won't break off," Ms. Stone said.

Also to celebrate the new store, 50 top Louis Vuitton customers from the United States were invited to pay their way to Paris and be among the first to preview the store, with a

handful of limited-edition products like a \$3,598 pair of crocodile wingtips, miniature versions of its "Speedy" and "Alma" handbags that can be worn as charms, and a \$41,982 watch with backlit diamonds in the shape of the Eiffel Tower.

LVMH's confidence in the future of the luxury business — and the possibilities for tourists to acquire monogrammed LV handbags in denim, rainbow-painted leather and exotic skin varieties — is reflected in the very architecture of the Louis Vuitton store, with a spiraling floor plan that approximates the mathematical symbol for infinity.

As magazine editors and dignitaries toured the store, Jean-Marc Gallot, the president of Louis Vuitton's American division, lead the way, repeating a refrain: First you buy a bag, then you buy something from ready-to-wear, and then you will need another bag. An entire room was stocked the next logical purchase: suitcases for tourists to carry home their new belongings.

Ms. D'Arpizio of Bain & Company said that estimates among analysts put the Champs-Élysées turnover at \$72 million to \$84 million annually prior to the renovation. An article in Women's Wear Daily this week estimated the volume could reach \$90 million to \$114 million.

The Paris location is also unique in that its success will likely be linked to the rate of the city's tourism, which in recent years has been hin-

dered by threats of terrorism, exchange rates and other economic factors. "Paris needs to recover, in particular with Asian tourists, whose numbers have been reduced a lot in the past year," Ms. D'Arpizio said. "Local customers make up a bigger share of the market in areas like Japan and the United States. The incidence of United States shoppers in United States stores is 60 to 70 percent. In Paris, that could be 10 to 20 percent. It's a really volatile business."

Consumers are also adapting their shopping patterns, spending more on expensive goods other than clothes and accessories, and buying from a variety of sources that sell a lower-priced version of luxury, regardless of a heritage of quality.

But Mr. Arnault, the LVMH chief, waved away this and all other concerns at a press conference Monday morning in a grand salon of the George V, a hotel a couple of blocks away from the Champs-Élysées store. Asked by a reporter how much the renovation and the opening ceremonies had cost, Mr. Arnault said airily, "We are here to dream, not to talk about figures."

LVMH executives and guests alongside him laughed, and an English translator, with a strangely fey voice, sniggered. Such impertinence, his reaction seemed to suggest. As if anyone might doubt the notion of spending baskets of money on the image of luxury.

EVERY ROOM SHOULD HAVE A GARDEN VIEW.

Published by Oppenheimer Editions, Limited-Edition Botanical Prints

The New York Times presents, in collaboration with the Royal Botanic Gardens

