Chanel Watch and Fine Jewelry President Frédéric Grangié on the brand’s experiential super boutique; helming talent and brainstorming at high speed

By Godfrey Deeny - May 18, 2022

This Wednesday, Chanel unveiled its new experiential super-boutique in Place Vendôme, the mecca of the fine jewelry industry, and like the house’s founding designs it feels both luxurious particular and yet iconoclastic.
Coco Chanel always did like to be ahead of her time. The first designer to launch a scent featuring her own name; the first to create a conceptual fragrance with No. 5; the first to liberate women from corsets; and the first couturier to truly revolutionize jewelry by mixing costume jewelry and fine stones back in 1932. At the time, jewels were fabricated on demand, for wealthy male clients. That was not Coco's vision. She only ever designed one iconoclastic jewelry collection, named Bijoux de Diamants, but her jewelry totally broke with tradition. Created to be transformable; to fit and move comfortably, and worn in different ways, which is still true of Chanel jewelry today.

Coco presented that collection in November 1932, like an artist with an opening around the corner at 29 Rue du Faubourg Saint-Honoré, once again breaking with tradition by presenting the pieces on lifelike wax busts and not tucked away in glass boxes. So, this week, the house celebrates that centenary with the opening of 18 Place Vendôme. Where Frédéric Grangié and architect Peter Marino have broken new ground with a novel vision of how to present jewelry and fine watches.

Privately owned by the notoriously discreet Wertheimer family, Chanel stubbornly refuses to break down sales by its key divisions. The house will release financial figures for 2021 later in May. In 2021, total annual revenue was a whopping €13.2 billion. However, judging just in terms of the quantities and size of Chanel's jewelry stores; retail space within its fashion boutiques and global wholesale business, Grangié’s division probably turns over somewhere around $1.5 billion.

After over a year's renovation, the new 18, Place Vendôme must rank as one of the most opulent stores of all time: hammered bronze gates and drawers; patchwork moon gold walls; Coromandel-like lacquered walls; crystal chandeliers by Goossens; and at its center La Borne, Johan Creten's three-meter-tall figurative bronze tribute to Napoleon's giant column outside.

Finished with gilded Louis XV desks; a Hamada Low table in white bronze and a raw black oak by Jean-Luc Le Mounier; a portrait of Mademoiselle Chanel made out of diamonds by Brazil's greatest artist Vik Muniz; or a truly beautiful Asculptural bronze armchair by Voukenas Petrides. The store elevators boast beautiful Picasso facsimile sketches; the stairwell, a punky silver Coco Chandelier sculpture by Joel Morrison.

Practically invisible yet dense glass display cabinets contain a range of classy yet never uptight jewelry, ranging Flying Cloud necklaces or Boy Friend bracelets to superb Comet brooches and a private display area of fabulous archive pieces. In a word, the place reeks of rich, as well it should. Experts estimate the cost at around €30 million, arguably making it in square-meter terms the most expensive luxury store ever built.

So, FashionNetwork.com sat down with Grangié for coffee in Monaco – just before the house’s recent cruise show - for his take on modern jewelry; store innovation; guiding talent and partnering with Monaco to save Mediterranean red coral.

Grangié became president of this Chanel division in May 16, after five years at Louis Vuitton and stints with Goyard and Fendi, and has luxury in his bones. Literally one minute after finishing our coffee he jumped in his own Porsche Spyder with Chanel jewelry designer Patrice Leguéreau, to burn around the famous cliff-hanging cornice road seen in a To Catch a Thief for a little glamour brainstorming.
Fashion Network: Why was it important to recreate 18, Place Vendôme?
Frédéric Grangié: I see it as much more than a store; it's the mansion of Chanel fine jewelry, which takes us back to the origins of our jewelry. Place Vendôme is the heart of fine jewelry, which we still celebrate. Coco did that too. She lived and worked a stone's throw from this store - between the Ritz and Rue Cambon. When we took over the building in 1990s, probably at the time a lot of people questioned why we were coming to Place Vendôme. Then, in 2007, Peter Marino did the first design of the store, which was a key date for us. It became much more than a store, with the creative studios and high-jewelry watches on the fifth floor. To this day, Chanel is one of the very few brands with a high jewelry workshop overlooking Napoléon’s column in the square. We have the best natural light of the square and our own foundry. At Chanel, we believe our precious craftsmen should have the best location. We will have 25 artisans in the building, and we need to expand. That's already in progress!

FNW: How do you plan to make 18 Vendôme different than other jewelry brands?
PG: Back in 2007, Peter Marino created a masterpiece, but 15 years is a very long time for a store idea. Now, we have full activity in four key areas: High Jewelry; High Watches; Precious Jewelry; and Core Watches. We have gone from 450 square meters to 1,000 square meters, between retail and back office. We want to showcase all our creations and bring new experiences to clients – which didn’t exist in 2007. A key element is a great team for remote sales. Say a client is at home in Santa Barbara, the experience she has is remote but personalized. I even tested it with a famous client in California and level of proximity you are able to create with technology today is absolutely amazing. Chanel is the only great house still not in e-commerce. But I am happy to do e-services to bring proximity to clients. When you look at some Chanel masterpieces what makes them very special is that they are mostly transformable, four, five or 10 ways. That is a highly technical adjustment, but now we have ways to do that for a client.

Plus, a portion of space is made of two salons. One space showcases the 55.55 necklace (The famed necklace is a tribute to the iconic No.5 bottle, referencing the bottle cap, silhouette, clasp, made of 104 round diamonds and 42 baguette diamonds). It’s mind blowing – a first again. It is not for sale but will float in space and will be quite an experience, a permanent installation. Though we might move it for a flagship opening elsewhere.

Then there is the Grand Salon – in the Mansart-designed Piano Nobile overlooking the column and the Ritz. It's a great symbol of what our house achieved. But we wanted that space to be absolutely non-commercial – since there is an extraordinary painting by Nicolas de Staël from the 1950s. A very large painting in muted colors and an absolute masterpiece.

Maybe we will stage exclusive, private dinners there. So, 18 Vendôme is not about putting more products in a store. But personalizing. And keeping a human relationship.
FNW: What brief did you give Peter Marino?
FG: The way we work is to tell stories and Peter is a genius and can make that happen. I knew what we wanted was not just a store but all these new elements. Perhaps we waited too long to renovate. After five years, you start thinking of renovating any store.

FNW: Did you incorporate Farfetch’s Store of the Future concept (a collaboration Chanel revealed in 2020)?
FG: There are some elements, the interactive mirrors and screens. But there is a big difference between Fashion and Jewelry in the size of the products. Especially in terms of resolution. Much tighter gesture to show off a watch. So, this is not connected to Farfetch.

FNW: Why are we meeting in Monaco?
FG: Lots of our clients are here. And they love to mix Fashion and Jewelry! We have had a long-standing relationship with Monaco since Coco opened her first affiliate here. And in 2019 we entered into a partnership with Monaco Scientific Center. I’m just back from board meeting. We focus on three specialties – like the preservation of the red coral – one of only two natural gems, the other is pearl. The research potentially has applications that go way beyond red coral, and we’ve made a very substantial financial commitment. There is no commercial intention – we are not planning high jewelry in red coral. Her Highness Caroline is president of the project, and it’s very long-term. We don’t expect results in next two years – but decades along.

FNW: What did you learn at Vuitton that you want to apply at Chanel?
FG: That creation is sacred, and my job is that our two creators – Arnaud Chastainigt (watches) and Patrice Leguereau (jewelry) get their ideas to the market as they intended. At Vuitton, the importance of retail as a dedicated area was vital. Their school of retailing and logic is fantastic – like if you want to grow your business rapidly, you need to really analyze the market – and numbers. Creation, on the other hand, is emotional.
FNW: What's the greatest challenge you face in managing this department of Chanel?
We are very pleased and happy with our growth – business has been extremely good. Our biggest challenge is to sustain that. Our systems manufacturing and logistics support that. But there is a big difference between small and middle and then becoming a top player, and we now have over 400 people in Switzerland. If you look at our key competitors, 95% of our watches are feminine. But at other big brands, feminine watches are smaller version of men’s watches or feminized versions.

FNW: What is the annual turnover of your division?
FG: We don’t break out by division, and I don’t like the term. But when you look at the world of watches and jewelry, the market leaders have been there for one, two or three centuries. That shows how we see our ambition.

FNW: Distribution: how many Chanel jewelry stores? How many sales points?
FG: We have three types – our own 58 boutiques, and 60 by end of year. Then we share with Chanel fashion boutiques – more than 200 have some watches and fine jewelry. Like at the 19 Rue Cambon flagship. And third, wholesale sales in about 350 high-end watch retailers –like Bucherer or Wempe or in Dubai.

FNW: Who are your competitors?
FG: We are all competitors – someone buying an Apple watch is moving the real estate of their wrist. What interests us is brand equity. Very few are really doing that.

FNW: How many watches do you produce?
FG: That recent Morgan Stanley study claims the number of units is around 80,000 and the average price of €3,000 watches. But good luck finding a Chanel watch at that price!
FNW: Is Tiffany a competitor?
FG: Tiffany is a competitor; of course. I won’t comment on others. You may not understand their strategy, but you judge what you see.

FNW: Define the DNA of Chanel?
FG: It’s really about creation; being feminine and daring. That was clear back when Coco realized that famous 1932 collection. Here is this fashion designer and a young woman who has never done jewelry surrounded by mustachioed men in Place Vendôme, and several actually put pressure on the craftsmen not to produce for her! So, what does she do: develop a full collection and already start thinking about merchandising? No one had done that before. She had the jewelry displayed on mannequins – in a fashion statement. And Coco wanted it very light and fluid the way a woman wants– as opposed to heavy chunky jewelry that men ordered for the wives and mistresses. That’s how it worked back then.

FNW: What are the most iconic pieces of jewelry of the maison?
FG: One that is absolutely key is the Comet. That’s very important as Coco famously said she wanted to cover women in stars. Another icon is the Lion, which expresses who she was: the lioness; born Leo and in love with Venice. More recently in world of high jewelry – we developed tweed like jewelry in 2020 – though we had to cancel all the events due to Covid. That’s extraordinary in the world of haute joaillerie. Many houses want to express fabrics, but our house has the craft to do that. It’s a new icon for the house, and we own it. Tweed is key to our DNA.

FNW: How have historical fashion brands been able to conquer such an important part of the jewelry business?
FG: In our case because from the very beginning we committed to key two elements – creation would be key and based in Paris. Both for Jewelry and for watches, and for the latter that is not so common. Second – we would create a technological and industrial environment that would allow us to express that creation. And to make it perfect – from entry price watches to High Jewelry. It’s true that excellence and savoir-faire in Watches moved to Switzerland to achieve a balance. That started back in 1987, when our first investment was buying a small Swiss manufacturing company – La Chaux-de-Fonds. So, I am based in Geneva, but spend a lot of time in Paris.
FNW: What's the most expensive piece you ever sold? Most expensive watch?
FG: A 13-million-euro necklace in a special order for a special client with a unique center-stone white diamond. She is not far away; she’s staying here! (Chuckles). And to be fully transparent, an edition of 12 fully transparent J-12 watches – and we are the only brand to master that technique – sold for roughly €1 million apiece.

FNW: Why have modern watches become such a boom market?
FG: All that speculation has mostly to do with the men’s market. If you take the living watch makers – I don’t think they are so happy with it. Why? Because, in the end it's the gray market making money. But unlike some others, Chanel won’t make it commercial policy not to sell to certain people. Especially as we sell mainly to women.

FNW: What brief will you give Patrice Leguéreau when you go for your drive?
FG: I don't give him a brief – more an ongoing conversation – working two to three years ahead. Like, I can say, I like your idea – so let’s start working. My job is just to guide the process. As soon as we finish this conversation, we’ll do un petit brainstorming around the cornice in my Porsche. I collect Porsches, as when you think about it – they are iconic designs, and absolute excellence in manufacturing. And they are able to make them evolve. That’s close to what we do – at Chanel, like Rolex or Porsche - keeping on making perfect more perfect.

FNW: What brief did the Wertheimers (Chanel owners) give you when they hired you?
FG: I was in my office in Place Vendôme on the first day and they asked me to think about where the brand would be 30 years from now. When I am done. Short and sweet.