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Eleanor Lambert **Demand Creator**

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How They Did It

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ELEANOR LAMBERT
DEMAND CREATOR

Eleanor Lambert was at the center of American fashion for 70 years. It can be said, with very little fear of exaggeration, that she placed American fashion design on the worldwide stage. Lambert had a spectacular career and died at the age of 100 in 2003.¹

In the 1940s, Lambert founded the International Best Dressed List. She also founded the Coty Fashion Critics' Award in 1943, which was sponsored by Coty Fragrances. It is now called the CFDA Award, which stands for the Council of Fashion Designers of America. Lambert founded the Costume Institute at the Metropolitan Museum of Art. While press editor of the New York City Dress Institute, she founded the New York City Fashion Week. In addition, she represented American artists as an agent, and created an international following for them. Her clients included Jackson Pollock, Jacob Epstein, and Isamu Noguchi.

For many years, Lambert was the official representative of American fashion on behalf of the United States Department of State. That position had major ramifications. For example, in 1973 she produced a fashion show at the Palace of Versailles that is famed as one of the most iconoclastic ever. It became known as the Battle of Versailles. Its purpose was to showcase American fashion designers in a realm that had previously been dominated by the French. American designers Halston, Anne Klein, Bill Blass, Oscar de la Renta and Stephen Burrows were introduced to the European public. They were essentially challenging the established French designers at the show, who included Givenchy, Pierre Cardin and Yves Saint Laurent. The French were sufficiently concerned by the challenge that they invited Josephine Baker, the American expatriate singer, to perform on behalf of the French at this Versailles gathering. At that show, American fashion was launched on the international stage.

The point of discussing Lambert's accomplishments is to illustrate the concept of demand creation. Fashion products are examples of those that might be desired, but are not necessarily needed. As the study of economics is generally understood, expansion and contraction of demand is a function of customer needs. If that it is true, then with adequate promotion and proper planning, demand can be created in the absence of need. That statement raises a whole series of questions because, if demand is, to a very large extent, a question of personal preference as can be seen in the example of the fashion industry, how

¹ Nemy, Enid. 2003 "Eleanor Lambert, Empress of Fashion, Dies at 100." *The New York Times* October 8. <http://www.nytimes.com/2003/10/08/nyregion/eleanor-lambert-empress-of-fashion-dies-at-100.html>.

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can that phenomenon be mathematically modeled? If such an important concept can't be modeled mathematically, what is the value of all the mathematical econometric models?

If it cannot be modeled, then how does one perform genuine macroeconomic analysis, if demand is a matter of preference, not need, and preference has a certain unpredictable element to it? If it is very difficult, in that light, to engage in macroeconomic analysis, how does one formulate proper government macroeconomic policy? Phrased alternatively, how is it possible to have a robust government macroeconomic policy if the very underpinnings of demand are a function of preference rather than need?

Lambert created tremendous demand for products that are certainly not needed and she was a factor in the gross domestic product of the U.S., and even of the world. Influence like hers might be viewed as representative of the exogenous event risk in mathematical modeling.