



Luxury Travel and Lifestyle Trends

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2010's Upside-Down Pyramid: All Hail King Consumer

No one knows for sure what 2010 will bring. Most economists say the global recession has probably peaked, but what will the recovery look like? In some sectors, consumer spending is on the rise, and we're spotting more and more post-recession flowers blooming. Whether their pocketbooks were squeezed or not, many affluents are now transformed. They want value, quality, and products with a "moral conscience."

Make every brand representative a concierge. Thanks to now-widespread and powerful social media, consumers - not merchants - increasingly control brands and messaging. In the viral online world, every complaint is amplified, every customer a potential consumer terrorist, able to trash carefully built reputations with a few mouse clicks. Staffs must be empowered to resolve issues on the spot, in person or online. To protect their company brands and reputations, managers can no longer afford to pass the complaint buck to service agents or public relations reps, losing time in the process. Slow response can be just as bad as no response. More than mere "service like it used to be," companies must learn to offer service that seldom was. They must create customer loyalty in the toughest of times. To generate brand devotees, management priorities this year must be service delivery and reputation control.

Nordstrom, the luxury chain retailer, literally wrote the book on employee empowerment: "*The Nordstrom Way: The Inside Story of America's #1 Customer Service Company* (Wiley, 1996. 256 pgs). In every store, Nordstrom staff can make key customer service decisions, fully backed by management. Customers are made to feel they're the boss. Silversea Cruises promotes a "culture of luxury" in leadership training at all staff levels. Ritz Carlton ups the ante, giving employees \$2,000 budgets to help resolve guest complaints.

Quality, at the right price, will once again drive buying decisions. Low prices are still seductive to battered consumers, but the lure of quality is growing stronger. Affluent consumers may be feeling better about their portfolios after last year's 65 percent S&P 500 gain, but many remain value conscious. Even so, an audience is building for brand stories of craftsmanship, top materials and exquisite artistic design. In one recent poll of affluents by The Luxury Institute, 83% cited "superior quality" as essential to a luxury brand, while 78% cited "superior craftsmanship." Slightly more than half said heritage and superior service defined luxury branding. In travel, the goal in 2010 should be to create top service and memorable experiences almost like "investments" for travelers.

This year, we expect to see haute couture purveyors devise new, intelligent ways, via technology, of linking their product to real world experiences. As digital strategist Vikram Alexei Kansara wrote last summer: "Hermès riding saddles might help discover scenic horse trails across France. Cartier watches could connect like-minded people within a time zone and offer access to shared knowledge, expertise and influence."

Consumers will help create what they buy. Do-it-yourself retailing - personalized to the max - is coming into its own. Among the most clever, recent product launches: [A la Carte Maps](#) for Barcelona, Munich, Zurich, Shanghai, Tokyo and Washington D.C. These are gorgeous, hand-drawn maps of insider tips consumers can personalize with their own finds and picks. [LEGO](#), the toymaker, lets consumers create their own building block masterpieces with online company software. Fendi, after success with last year's \$1300 Artist Baguette Bag, launched its second design-it-yourself purse, Baguette Mezzo Punto, in limited release just before the holidays.

What's next? Under pressure to do more with less, marketing will be led by social media strategies. Many brands are turning to a new model of consumer involvement: crowd-sourcing. This means tapping the creative talents of masses to help boost marketing effectiveness. The upshot can be innovation in product development, design, service and evaluation. Perhaps the best example? Wikipedia, the online encyclopedia, created, curated, corrected,

improved and extended by its global users. Fast approaching is consumer participation in tourism advertising and marketing development. One example: Detroit invited ad agencies to pitch ideas for "Selling Detroit," a campaign to encourage creatives to consider the beleaguered Michigan city as a potential home. Online voters picked the winner.

As these trends pick up steam, expect to see traditional corporate ladders begin shaking. Big and small companies will look for newer ways of doing business via unexpected collaborations with other industries, artists, you name it. Overseeing it all, a new position is leading the charge, be it a "chief creative officer" or some other facsimile.

Going back to real simple. Product fatigue: we all suffer from it. Marketplace choice is mind-boggling: cell phone plans, television channels, shampoos, brands of virgin olive oil. Amid the deafening appeals to buy, the main way to make an impression became adding more bells and whistles. But this also makes products complicated and tricky to use.

Overwhelmed buyers will more and more make ease-of-use the gold standard for a product's success. Witness Apple Inc.'s iPhone, whose intuitive design appeals to everyone from teens to seniors. Never mind that pricey designer table lamp. We want the best reading light that easily turns on. Taking a cue from Netherlands-based [Philip's "Sense + Simplicity"](#) campaign for lighting and consumer products, that country's [CitizenM](#) hotels are offering guest rooms with "luxury where it counts" and "friendly technology" with simple remote controls, showers and lighting. More evidence: the resurgence of vinyl in the age of digital downloads. As CD sales decline and downloads multiply, the "extinct" LP is back. Vinyl and turntable sales are up as fans (re)discover a warmer sound in a classic format.

We want authenticity in our consumption. Today's more cynical consumers, burned by pre-meltdown glitz and hype, are demanding proof of the genuine. Their skepticism is fueled by a litany of product recalls, unsafe toys, unhealthy Chinese dry wall, tainted Chilean salmon, and hormone-infused dairy and beef, among many other concerns.

As a safeguard against unpleasant surprises, the importance of **provenance** is growing. Menus, for example, are starting to read beyond the name and location of the food purveyor, or whether a fish was wild or farmed. Here's an illustration of things-to-come. Our friend and fellow foodie, Anita Iaconangelo of [Italian Connection Walking and Culinary Tours](#), dined recently at the Wine Bar & Grill in the Rosa Alpina Hotel & Spa, a Relais & Châteaux hotel in the Italian Dolomites. Its menus celebrate local specialties, such as grilled meat, vegetables and home-made pasta. There, she ordered a veal chop. It arrived, accompanied by a "Calf Identity Card," detailing the breed, town and farm where it was raised, its diet (mostly mother's milk & forage), name of the slaughterhouse, and more.

Besides authentic products, we want more. Social media is built on a semblance of trust (Facebook friends, people your friends know) and is opening the door to authentic dialogues, notably between corporate execs and their target audiences. Consumers expect instant feedback from a living person, not a logo or company name. The most important dialogues happen from the bottom up. At best, companies can participate. At worst, dialogues go viral without them. Marketers can either embrace their audience conversations, or lose control of their brand.

Tell them what they need to know. Traditional marketing is increasingly dismissed by today's consumer as out-of-touch hype. Blame social media for changing the game online and off. To retain them, companies must inform, educate and entertain their hard-won customers. Messages must be woven into a plethora of useful service information for fickle or time-starved affluents. For example, destination websites including full trip planning services. They help travelers feel destinations in exciting new ways, to generate word-of-mouth and spark viral marketing. [Parisians at Work](#) is one innovative example. On this Paris site, visitors can find out how to meet and chat with locals, and see first-hand how Parisians bake baguettes, craft leather, bind books or run theaters. [Amsterdam](#) is another full-scale tourism site about visiting, living and doing business in Amsterdam, replete with an "Expatcenter" for multi-nationals and their expatriate employees to streamline immigration. No longer can destinations get away with simply selling themselves in general niches for golf, culture or scuba diving buffs. Competition is too fierce. It's about drilling down. Why should travelers scuba in your destination? Instead, tell them you offer the biggest population of seahorses or most varieties of coral in your region.

Likewise, many hotels and cruises are beginning to curate information for niche interests, beyond extensive, generalized destination information. For instance, gone are the days of simply selling family travel, a mature niche. To succeed now, marketers must target micro-niches, such as family reunions, multi-cultural families, gay/lesbian parents, active families, religious families, and more.