



Luxury Travel and Lifestyle Trends

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THE RE-INVENTION REVOLUTION

No doubt, you've heard of Greek philosopher Plato's old proverb: Necessity, the mother of invention. For centuries, man's inventions have met man's needs. Nothing remains more necessary today than the need for fresh eyes, ears and ideas applied to new ways of doing business.

The travel industry is no exception. Today, we counsel clients more than ever on issues and opportunities for reinvention in ways big and small as they - indeed, all of us - navigate our way through a rapidly changing world.

Re-invention is in our midst. In a seismic shift timed to our lingering global economic downturn, consumers are changing spending habits. Savvy luxury retailers are changing, too. We're seeing this re-invention of luxury services and products gain steam as mega and minor companies all struggle to boost sales - or just stay in the game.

Acutely significant for the future will be strategic alliances beyond simple branding and joint marketing initiatives. Alliances that create all-new products are already popping up among retailers. Unlikely luxury bedfellows Yohji Yamamoto and Ferragamo, for example, just debuted a new shoe line. We are seeing high-low collaborations managing to sidestep heart attack price tags, such as Commes des Garçons with Tretorn and Converse, or Jill Sander with Uniglo.

Then, too, high-end companies, such as Saks Fifth Avenue and Coach, are expanding their mid-priced lines, as well as many of the big names in hospitality. Even a luxury giant like Rolls Royce is introducing the new Rolls Royce Ghost, a lower-priced model aimed at today's market-shocked affluents.

Can Hotels and Cruise Ships Remake Themselves? Designer hotels and resorts by Versace, Armani and Missoni emerged previously, but were more about branding than reinventing the hotel concept - no small feat, to be sure. Is there such a thing as a truly new luxury hotel product? Always ahead of the pack, former Studio 54 creator-turned-hip-hotelier Ian Schraeger is one to watch. In 2007, he teamed with his stylistic opposite, J.W. Marriott, to create "Edition" lifestyle hotels, promising a "unique environment and experience." Keep an eye, too, on Starwood Capital and French crystal king Baccarat's hotels and residences. Will they be all aesthetics or hotels and residences of a new breed? Cruise lines are particularly ripe to develop genuinely new travel concepts, especially ones that excite a younger, affluent demographic.

How to Re-invent the New You. Sadly, jobs once held by many of the recently unemployed may never be refilled. Rather than grieve, now is a good time to craft new identities, shift gears and find new career paths that bring better work/life balance. It's a moment to find roles that better play to strengths or to create more meaningful work. Even those who still have jobs are noticing they need to keep up lifelong learning to stay competitive as the term "job security" becomes an oxymoron. Once seen as frills, career-related self enrichment and ongoing professional development are becoming critical marketing tools for helping consumers and employers remain competitive in today's unstable world, opening up new business opportunities for perceptive entrepreneurs. While book sales sank this year, according to the Association of American Publishers, retailers report books dishing out career advice and inspiration are this summer's hottest read. It's no coincidence that young and old, employed and idle, are seeking any possible edge in the tightest job market in decades.

As we all know the travel industry has suffered greatly from companies cutting back on business and incentive travel. Hotels, destinations and cruise lines would do well to offer more innovative products based on reinvention travel as a way to make business travel more compelling. Cost-effective webinars and now high resolution video conferencing systems in city hotels (recently announced by Marriott and Starwood), can replace travel to hear speakers and lecturers. Networking? Social communities, such as Linked-In and Facebook, or profession specific sites

by industry (e.g. revenue management, IT, PR, digital marketing, sales), increasingly suffice for this requirement. Still, solid arguments for leaving home could include professional development with mentoring sessions and team building exercises, the chance to do charitable work alongside peers or mentors, and even one-on-one workshops with a life coach.

Or How about strategic alliances with colleges and universities, variations on the traditional "Semesters at Sea" concept? This can create revenue streams for all parties, especially when budget-squeezed schools also need new income. Or, as we proposed to one of our clients, why not create a meeting program offering to bring in a creative team from one of the country's many Schools of Art and Design to brainstorm with company executives in a relaxed environment away from daily office pressures?

Inspiration is Key to Finding New Paths. Today's less ostentatious affluents are rediscovering the simple joys of creativity and self expression. We'll see more products and services surfacing to meet those needs. Just a few years ago, affluent women held fashion trunk shows in their upscale homes selling precious and semi-precious jewelry to their social circles. Now, beading shows are the hot new ticket. These fashion mavens attend beading and jewelry design classes, purely for the creative fulfillment of it. Always wanted to learn to paint? One Vancouver café is now doubling as an art studio. [Raw Canvas](#) is a creative hybrid: bustling café and full-service art studio that encourages customers to express themselves on canvas. They can drop in at any time and just start painting in the open studio space that's connected to the eatery. Or why not learn a new language? Hamburg-based [Language Lounge](#) combines English lessons with a coffee shop. For a monthly fee, members can drop in for conversation classes. Feeling artsy-craftsy? The Ace Hotel in Palm Springs lets guests dabble in summer camp-style crafts by hosting an "all-inclusive art-making weekend," with proceeds benefiting Children in the Arts.

Luxurious Tweeting? Luxury brands and the Internet are one combination that has not been a love affair. Ditto for many of these brands and social media. Some may fear diluting their elite and exclusive community. Another concern is that *luxury* is not just a product, it's an experience. Consumers need to see and feel luxury with their own eyes and hands. They want first-class service, personalized design and unique touches unavailable elsewhere. This need for a "touch point" is precisely why retail outlets have traditionally been so essential to a luxury brand. It's not a "feeling" conveyable online.

Louis Vuitton's approach to luxury bears watching. The brand's newly launched [Twitter page](#) doesn't necessarily tout product. Instead, it gives followers a behind-the-scenes glimpse of Louis Vuitton's world, insight formerly reserved for the most privileged. It keeps followers current on new product launches, progressive collaborations, exclusive images, celebrity sightings and details from private events. The aim is to offer even more customer service to current clientele, but also to cast a wider net to a broader audience - untapped markets all purveyors seek in these demanding times.

Luxury travel brands are extending their service halo to Twitter and Facebook. They hope to humanize their business online and create an emotional connection with past, present and future guests. [Townhouse Hotel Maastricht](#), opening September 2009, will offer Twitter as an in-hotel communication tool to chat with the concierge or order room service. So far, [HyattConcierge](#) is the first global, 24/7 dedicated concierge service on Twitter. Ideally, it's supposed to function as a new medium for hotel guests to tweet concerns, questions or requests, and to let the company communicate with its guests.

Kelly Nelson, director of marketing at the Four Seasons Hotel in Palo Alto, CA, is the first in the 82-hotel chain to get permission to Twitter officially on behalf of the chain. If you're wondering why your business should be on social networks like Twitter, Friendfeed or Facebook, Kelly has a good answer: "It takes, at minimum, seven touch points to talk to a customer," she says. "It's an obvious choice."

Sandy Carrier, resort real estate expert and KWE associate, says: "Social media is a new way to perfect the follow-up scenario with today's savvy real estate clients, and keep them connected to you and not the competition. No more getting lost in voicemail. You know your client is instantly getting your message." Whether Facebook and Twitter are just fads remains to be seen. Some said the same of the Internet not so long ago. Still, luxury providers can't afford *not* to play the game, lest they risk becoming relics.