



LUXURY TRAVEL & LIFESTYLE TRENDS FOR 2012

April 2012

UNAPOLOGETICALLY EXPENSIVE: HYPER LUXURY BACK IN FASHION

99% vs. 1% was the rallying cry behind the Occupy movement. Despite this, the richest elite haven't been shamed into downsizing their purchases. From mega [real estate](#) and new [luxury magazines](#) targeting wealthy men, to haute bijouterie and one-of-a-kind travel experiences, unapologetically expensive purchases are back in fashion. There's one caveat: buy what you want but don't flaunt it. While the stock market has improved, fixed income investments still have low-yields, so the really big money is turning to other investment options including as art, antiques and even handbags such as [Hermes' bejeweled](#) rose gold and diamond Birkin and Kelly bags or [Hublot's \\$5 Million watch](#).



But what's the difference between pre-recession superluxe purchases and today's? While today's buys still represent fantastic amounts of money, there is some inherent investment value in them – the preciousness of the materials and the exclusivity of the product. Think collector's items that will one day find their way to Sotheby's or Christie's if they aren't passed down as family heirlooms.

How to reach the richest elite? Create things that are *truly special*. In travel, think one-of-a-kind offerings and services that allow elite clients to save time or features that add comfort and more personal service. [Starwood](#) just upped the ante in hotel loyalty marketing and benefits with its [Your24 service](#) for Preferred Guest elite members, which allows for flexible 24-hour check-in and check-outs. [The Stafford London by Kempinski](#) has launched a three-day, [£100,000 Anniversary Package](#) meant for VIP guests to share in the experience and celebrate 100 years of the iconic hotel's luxurious service. And [Six Star Cruises](#) has created the [ultimate luxurious cruise holiday](#) – a 124-day trip for £1 million per couple.

A *one-to-one marketing approach* is also key. It meets individual needs and fosters enduring relationships with clients. We've seen it delivered via one-of-a-kind events or in exclusive environments created by the luxury brands. LVMH keeps finding ways to capture the attention of the elite first with its [Bond Street Maison](#) "apartment" for their richest clients to be entertained in a private, beautifully appointed apartment, complete with collector-class artwork, beautiful furnishings, and accoutrements. And then more recently with its [Island](#) in Singapore, which allows clients to access the lavish, architecturally fashion forward facility by private yacht for an exclusive shopping experience.

Another increasingly valuable attribute for elite marketing is *trust*. We live in a cynical age where American consumers give strikingly low marks to governments, institutions and even to the media. "With trust levels in place, clients will purchase goods and refer affluent friends," as Christian Nielson wrote, fellow member of LinkedIn's Luxury and Lifestyle Professionals group. So it's no wonder that luxury brands left and right are slowly but surely learning the art of proper social media communication to build trust on the consumer level.

MEN FLOCK TO LUXURY GOODS



For a long time, the marketing focus has been on women's purchasing power and their importance in making household purchasing decisions. While this still remains true, men are changing and are coming into their own. Male consumers, Gen Y and Boomers in particular, are now spending \$246 billion a year on luxury clothes and accessories. They're embracing design, fashion, pampering and making more vanity purchases than ever before. Men want to make a statement with a briefcase, a messenger bag, a travel bag, a carry-on bag, a watch. And while they may not admit it, they also want flawless skin, flat abs and a stylish haircut.

Antoine Arnault, the 34-year-old heir to Louis Vuitton Moet Hennessy said, “Men seem to be a little bit more selfish these days, and spend a bit more on themselves and a little bit less on their wives or girlfriends.” He is spearheading the launch of a new, men-only business to provide the bling-free, inconspicuously luxurious clothes, which he believes affluent men want.

Other big names are moving into haute retail for men include Chanel, [Louboutin](#) and [Jimmy Choo](#), which are now designing high-end shoe lines for well-heeled men. Tom Ford has spoken at length on redefining luxury at his flagship store on Madison Avenue built specifically for today’s man, who wants a more sumptuous environment than that offered by the old school tailors on Savile Row.

Men Gravitate to Health, Wellness & Grooming

Men are embracing personal grooming beyond the daily shave as a way to enhance their appearance, which is considered important for succeeding in their personal and professional lives. However marketers need to be careful, walking the line between men’s vanity and sensitivity to questions of masculinity. First we saw the growth of pampering barber shops and now we’re seeing more spa offerings designed specifically for men. A Google search of “men’s spa services” returns results of more than 6 million, and according to an ISPA survey, 45% of spas offer packages tailored to men. The industry has seen a spike in the number of men only spas with recent notable additions including [Kiehl’s men spa](#), [SirSpa](#), [Bbraxton](#), [Nickel Spa](#), etc.

A success story in a bad economy - the [Thrillist](#) formula, which has focused on the “dude demographic.” It’s free daily e-newsletter and lifestyle brand is geared to guys (young, urban men with some cash to burn) it currently reaches over 3 million subscribers in 20 local markets in the U.S. and the U.K. It uncovers local information on food, drink, city culture, gadgets, travel, and sports, event planning and management, lifestyle and fashion advice.



Most Buoyant Market: Gen Y

Eye opening facts for affluent brands: [Generation Y](#) (born 1977-1994) is the biggest generation in U.S. history and represents the largest consumer group in U.S. history - an estimated 83 million strong or roughly 25% of the U.S. population. Gen Y out-numbers Boomers (born 1945 - 1964) by about 4 million and is replacing them as the most important economic force. With a taste for luxury developed through flash-sale websites, [Gen Y shoppers](#) are increasing their spending with full-price luxury retailers. Gen Y’s annual spending power exceeds \$200 billion and they also influence another \$50 billion in purchases. By 2017, Gen Y will eclipse Boomers in spending power.

Advice to marketers - if you’re not already capitalizing on this opportunity, you need to start. Marketing channels play a huge role in targeting Gen-Y. While print continues to be a primary source for information on prestige brands (#1 source for women, #2 for men), word of mouth recommendations from family/friends are also crucial (#1 source for men, #2 for women). Not surprisingly, Gen Y has embraced social media and blogs for information - they are more likely to listen to each other than listen to what marketers and previous generations are telling them.

They are the hardest-to-reach but freest-spending generation. This group of super-consumers has an “always-on” connection to social media and the Web, mainly through mobile devices. Some, like [Red Bull](#), have sidestepped traditional media altogether and created their own [documentaries](#) around extreme sporting events that bring its values to life.

How to earn respect when talking with Gen Y: *authenticity*. Authentic is cool. And they won’t waste time on companies that aren’t being real with them. Who has been successful at marketing to Gen Y? Internet-savvy and youth-aware companies such as [Apple](#), [Jet Blue](#), [Trader Joes](#), [Jones Soda](#) and [Mountain Dew](#), to name a few. How do these companies speak to this demographic?

They don't talk down to them.
They don't push their brands in their faces.
They let their raving fans do the job for them.
They like somewhat quirky, simple and high quality.
They've created a parallel between the brand and Gen Y's favorite things to do.

