

Top Ten Luxury Travel and Lifestyle Trends for 2008

By Karen Weiner Escalera

Luxury markets will continue to expand, while consumers of all high-end luxury products will hone their tastes ever more pointedly. The urge for self expression will spread while a new ethical and environmental consciousness will take an even firmer hold. These are among the many forces that will help dictate where and how the affluent will spend their money in the new year of 2008.

1. Traditional demographics won't define luxury consumers. Buying behavior, geography, interests and connoisseurship will become the new definition of wealthy, particularly in emerging markets where luxury status will be displayed outwardly via symbols: luxury goods and labels such as Louis Vuitton handbags or Chanel cuffs, which are ubiquitous among their peers.

Mature affluents are gravitating to "stealth wealth." They seek products that express personal interests and style while requiring connoisseurship. They prize uniqueness and limited-edition luxe: originals, one-of-a-kind objects, which are expensive and highly collectible. Think men's shirts with the monograms inside the sleeves, bespoke Hermes and non-branded, one-of-a-kind hotels that are all about the owner's exquisite taste, selectivity and demanding standards. To know and appreciate these products, one must savor subtle details and be in the loop.

2. Relationships with family and friends take center stage. Accelerating since 9/11 and fueled by a backlash against a contemporary world dominated by 24/7 work schedules and dehumanizing technology, family travel is growing at a faster rate than all other sectors of leisure travel. A recent survey of American Express travel agents revealed a significant rise in luxury travel among families, 82% wanted high-end hotels with kids programs and 56% were traveling with nannies. Parents, grandparents and friends are looking to travel as a way to reunite, and to celebrate life's landmark events. Business trips with the whole family will become as common as tag-along spouses, while high-end business hotels and resorts will roll out the red carpets for families with special suites and villas.

3. Creativity checks in. As Thomas Friedman writes in "The World is Flat," we are living in the Talent Age. Companies will need to innovate to set themselves apart and find new solutions and alliances to tap into fresh talent. The right side of the brain will trump the left as creativity and design sell. Look to more companies to follow the lead of Richemont, a Swiss luxury goods group (Cartier, Montblanc, Dunhill and others) which established The Creative Academy, its own international Master of Arts in Design school, an alliance that bears creative fruits.

4. Concierges are king. A lack of time and an overload of information for the affluent to sort through mean they will pay for an expert to create lives they desire. Personal concierges are all the rage. They are the go-to curators for sourcing flowers, a home or even friends. Many times, they help their clients define their own tastes and style. Witness the success of the U.K.'s Quintessentially, which evolved from a concierge firm to become wine consultants, art advisors and collection managers, as well as a bespoke estate property search business.

In retail, it's labeled "curated consumption," where stores offer the finest designs, already individually selected by the proprietor for buyers of electronics, fashion, furniture, etc. Now, there is an online model - www.couturelab.com - a brilliant

webzine that promises to be the template for other luxury products, including travel. Luxury travel brands will be expected to go beyond providing luxury service and hospitality in their hotel, cruise ship or airline. They will be pressed to offer quality, inside-track local information and time-saving services, such as Virgin Atlantic's Upper Class Wing, a fast track security channel to get passengers from limo to lounge in ten minutes or less.

5. Altruism and social responsibility are back. Differing from the cause-related marketing that prospered during the end of the 90s, today's wealthy consumers want to believe their consumption is also helping to save the planet or that there is an altruistic motive behind it all. In a recent HSBC luxury goods research report, a graphic of American psychologist Abraham Maslow detailed the hierarchy of emotional needs. The highest is said to be having oneself linked to a higher cause. He said: "The future of luxury will be about imparting real meaning into a product." The product itself must be sustainable and show a genuine sensitivity to community. The operative words here, as succinctly put by London's Future Laboratory, are the three "T"s: truth, transparency and trust. A good example of responsible luxury of the future, courtesy of Jeffrey Miller, consultant and columnist for *Luxury Briefing*: a Gucci Green Car.

6. Health, well-being and looking good continue to move up in financial priorities. The New York Times recently documented the lives and beauty budgets of three women in different parts of the country. One, a real estate agent from Los Angeles, admitted she regularly spent several thousand dollars monthly just for "maintenance," as she said, to "be in the game." These motivations are driving the spa and medical tourism boom we saw in 2007. Spas are going well beyond the dedicated spa outlet or the home spa, and branching out into mobile spas, "macho" spas for men, and even for pets. We are seeing the advent of medical real estate, where entire communities are in the works, such as Cooper Life at Craig Ranch in Texas. There, monthly fees provide luxuries, including annual physical examinations and doctor house calls. Five star hotels are increasingly offering medi-healthy holiday packages in alliances with neighboring medical facilities. Next step? A key buzzword will be "age management" programs to help the rich look and feel young.

7. Saving time. This is the greatest luxury in our 24/7 world. So, any service that achieves this will be a big winner (as evidenced by the number of jet sales and private jet charter companies serving time-starved travelers and the boom in secondary airports). Major airports are becoming luxury shopping destinations, targeting power spenders on layovers. Aside from the usual high-end watches and handbags, Heathrow's Terminal 5 set to open in March 2008, will have a two-story Harrod's luxury department store, stocking only high-end brands. Additionally, numerous new companies are springing up to train armies of professional household and estate managers (butlers, maids, personal chefs, wine stewards, etc.). A new real estate development in Umbria offers farmhouses with onsite architect, contractors, artisans and maintenance staff, so the owner can move in with just a suitcase. Lenovo just introduced its ThinkPad Reserved Edition (\$4999), standard with supple leather case and, more importantly, in-person assistance on call, guaranteed within four hours.

8. Big money follows culture and is big news. From Miami's burgeoning Art Basel to the celeb-filled Sundance Film Festival in Park City, Utah, publicity seekers should take note of the international coverage that cultural events are receiving.

Art tie-ins also make good financial sense: Sotheby's introduced a co-branded World Elite MasterCard, giving cardholders VIP access to cultural events and receptions, even guided tours of newly excavated, private areas of Angkor Wat. More and more hotels are realizing that art attracts a certain art-savvy clientele, who are happy to spend freely on suites, spa treatments and fine wines. We will continue to see hotels become houses of culture, with in-house museums, curators, artists as interior designers, and stepped up marketing efforts that embrace culture. But it won't stop there. We will see more luxury retail and commercial spaces being treated as curatorial, artistic projects, such as Ferragamo's flagship in New York: a boutique, corporate office and museum under one roof. Seen, too, are online sites such as Artipolis, a private members club for individuals who meet on- and off-line to share their passion for the arts.

9. The affluent are becoming sated with product and looking for unique experiences. Luxury is being redefined as experiences because consumers are overloaded with products. Today's increasingly well traveled individuals want new and exciting experiences to be intrigued, entertained and enlightened. They will spend top dollar to be first, or reach the most remote, exotic places. Witness how quickly private suborbital flights and space travel took off. Marketers need to think big, imagining how to turn any product into a life-enhancing experience. This can mean asking how visitors could have interactive experiences instead of passively visiting the Forum in Rome or the pyramids of Teotihuacán. When selling multi-million-dollar condos, marketers must go beyond touting professional style kitchens to throw in a dinner party cooked by a personal chef on the day the buyer receives the keys or a personal training session in a state-of-the-art triathlete fitness center. Acquiring knowledge and expressing one's creative side also rate highly, with hotels, resorts and destination management companies going well beyond cooking classes to offer everything from videography and tea ceremonies, or instruction in the visual arts and even gallantry at Paris' Belle Ecole.

10. Space, space and more space is luxury. I always recall what contemporary music composer John Cage said: the greatest luxuries are time and space. Especially when it comes to first class travel, airlines are vying to outdo rivals in offering the world's largest airplane bed. Witness Singapore Airlines' new private suites with double beds that sleep two. Refurbishing will come to mean over-sizing hotel guest room and ship cabins, not just the usual interior furnishings and amenities. And top hotel suites will get larger and pricier, appealing, as they must, to the super wealthy who are accustomed to homes of 10,000 square feet or more.

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