

COLUMNS

Sheep and eagles: The 95:5 rule of marketing to UHNW globally

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Eagle eye. Golden Eagle image courtesy of the American Eagle Foundation

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The world is made up of two kinds of people: sheep and eagles. The two can co-exist, as neither is a predator to the other.

Ninety-five percent of the population falls into the sheep category. They are the backbone of the population. Five percent of people fall into the eagle category. That is why eagles are on the endangered list.

It is not a question of good and bad, just a fact of personality with which they were born.

Taking count ...

Sheep live in large groups, see things from the ground, make up the majority of the work force and so do not differ much from each other outside of physical appearance.

Sheep have a universal quality to them. There are good sheep and bad sheep just like eagles.

Eagles live high up on the cliffs, do not follow the masses, soar free and see things from an aerial view and are very independent.

There cannot be many eagles as they do not live crowded together. They do not hunt sheep, but they are not really interested in them either.

But the sheep like to watch the eagles soar.

Eagles are people such as Microsoft founder Bill Gates who change the world with their inventions, or Facebook's Mark Zuckerberg creating new social media, Berkshire Hathaway's Warren Buffet who gives \$54 billion to charity, and political and business leaders such as Michael Bloomberg and Larry Ellison.

Eagles can even be the Adolf Hitlers and Joseph Stalins of the world too, as the species is not what makes them good or bad – that is their choice.

Indeed, eagles are the ones you read about in history books. They are the artists, fashion designers, inventors,

architects, entertainers, presidents and scientists who make a mark on the world that is so big that it lingers long after they have passed this Earthly sphere.

Sheep cannot understand the mind and soul of an eagle and an eagle cannot live in the confines of mediocrity.

It is not that sheep do not have the talent or intelligence. It is that they do not have the personality to reach the extremes of their potential.

Sheep are dreamers, but are not willing to make the ultimate sacrifices necessary to truly succeed on a global level and an eagle can only take those risks, wise or not, as the life of a sheep is worse than death to them.

Both are as the Universe designed them to be, and both are equally important to the future of the world.

In business, as in daily life, it is important to realize with whom you are dealing.

Expect a sheep to act like a sheep and an eagle to act like an eagle and you will not be disappointed. But never expect them to act the same.

The ultra-high-net-worth (UHNW) group has a large concentration of eagles. This is important to remember when implementing marketing strategy. This is why mass marketing, which is what most universities teach, is unsuccessful in reaching this demographic.

Those factors that sway the masses – sheep – are inconsequential to the UHNW group.

In the luxury sector, marketing is much more crucial.

Luxury startups need substantially larger marketing budgets than mass-market brands.

A luxury brand will never be higher than where they launch. That takes more initial capital to enter the luxury market.

It is harder to break into the luxury sector than it is the mass market. Everything is more expensive, from the talent to accomplish it, to the media sources that reach this niche.

The luxury market is far less forgiving than the mass market that allows failed products relaunch as “new and improved” and slowly work their way toward the top of the mass sector.

... and taking flight

When I see business plans for startup luxury companies, they almost always have insufficient marketing budgets, because the person who wrote their business plan was used to working with mass-market companies.

The attitude “I will spend money on marketing after I have made money,” just will not fly with the eagles.

My experience has shown me that most people perceive themselves as eagles.

Being able to correctly evaluate the difference will not only assist in your luxury marketing needs, but will also make you more effective in developing your company’s talent.

Sheep and eagles seek different things, so they must be managed differently to get the most from them.

Sheep need to take in change slowly. Their initial gut response tends to be resistance if too much is given to them too quickly. Eagles immediately take to it and need to feel that you keep up with them.

In families, eagles birth sheep and sheep give birth eagle personalities. That is why great wealth is often created in one generation and lost by the next two.

The difference in personalities often makes for family rifts. It is important that parents recognize in which category their kids are.

Eagles born to sheep is why a person from the slums can become a billionaire.

Cases in point: John Paul DeJoria, Roman Abramovich and Mohamed Altrad, who is said to have survived on one meal a day when he moved to France, as well as Kenny Troutt, Starbucks' Howard Schultz or Oprah Winfrey, who was born into poverty and became the first African American television correspondent in Nashville, TN, breaking not only class barriers but race too.

John Paul DeJoria, the man behind a hair-care empire and Patron Tequila, once lived in his car, and the list goes on.

THERE ARE MORE mass-market products sold than luxury products. There is space for both because they have a different audience. “Premium” products are the best of the mass markets.

To reach the UHNW audience, your brand needs to be an eagle, not a sheep.

If you are not willing to pay for quality in luxury marketing and branding, do not expect others to be willing to pay the premium for your products and services.

You are either luxury or you are not. You are either an eagle or you are a sheep.



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