

COLUMNS

Playing to ego: Targeting the new generation of ultra-high-net-worth individuals

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The rules of luxury are changing. Traditional stereotypes once attributed to the super rich are being overturned, as luxury becomes more than just a symbol of status and financial wealth.

According to **Moody's Investor Service**, earnings growth among luxury retailers could rise from 4 percent to 7 percent this year. But with a return to double-digit growth still a few years away, it is vital that brand marketers understand the fluctuating needs and nuances of the luxury consumer.

Enter the new generation of millennial, Silicon Valley-influenced, ultra-high-net-worth individuals (UHNWIs).

Billions deserved

Driven by a boldly entrepreneurial spirit, today's young super rich are challenging perceptions of affluence, looking for new values to define their status.

It is not hard to see why.

According to the **Wealth-X Billionaire Census**, while billionaires with partially inherited wealth continue to be the fastest-growing segment of this population, 87 percent of billionaires made the majority of their fortunes themselves, up from 81 percent in 2014, challenging the way many of us think about the super rich.

One trait remains constant with UHNWIs, however.

As the creators of United States television show "**Billions**" put it: "They have a belief system that supports considering themselves the hero in their story".

Marketers should not be afraid to celebrate ego, using marketing narrative to make their customers feel in control and maverick.

It is an approach that automaker Lamborghini has tapped into with its **Dare Your Ego** campaign for the Aventador S

model.

The ad tackles traditional perceptions of the super-rich head on, with a voiceover dismissing what "they" (meaning the masses) think about show-off Lamborghini owners.

"I think those who speak of ego like a disorder have never cultivated their own," the narrator says.

It is a surprisingly defiant campaign, reflecting that the affluent can indeed be the unabashed heroes of their own story without feeling guilty about it.

Meanwhile, Swiss watchmaker Piaget's **Game Changers** campaign promoting its Polo S watch focuses on creative men who are, in the brand's opinion, rewriting the rules of their industry.

Piaget produced eight short videos featuring global game changers such as U.S. actor Michael B. Jordan, tennis player David Goffin and Japanese musician Miyavi.

While some brands are using new personality and product to target the super rich, other brands are exploring the trend of experience, playing to new definitions of luxury: knowledge, security, privacy and personal happiness.

Clubby sort

As UHNWIs dismiss traditional forms of assistance and advice 72 percent of the super rich describe themselves as being "self-directed" in their investing, while 41 percent report having no financial adviser of any kind (**Bank of America**, 2015) there is a growing opportunity for brands to act as guides and educators, offering experience and knowledge in one.

Whisky brand **Johnnie Walker**'s invite-only membership program grants access to customized tasting experiences, rare casks, private events and concierge services.

There are three levels ranging from \$6,000 for one-year, entry-level access, to \$128,000 for two years' VIP status, limited to 200 people. It is even operating some of its flagships such as members' clubs access to its Beijing "House" is now limited to the chosen 200 VIPs.

We can also see this trend reflected in the growing number of high-end concierge services and elite social networks.

Luxe concierge brand **Quintessentially** and elite social network **Eleqt** pioneered this concept, while Swiss financial services firm Credit Suisse has its own invite-only club for billionaires called **Clade**.

From a fashion standpoint, Canadian athleisure brand **Kit and Ace** regularly holds invite-only Supper Clubs in its flagships, demonstrating how brands and retailers operating at both ends of the luxury scale can explore the role of social connectors.

Just as knowledge has become a status symbol, so security is highly valued.

Luxury brands are tapping into this trend by offering services that will help UHNWIs secure and protect their assets.

Italian luxury brand Bulgari launched the **Bulgari Vault** application in June 2016, enabling customers to secure their data in security bunkers in the Swiss Alps, for example.

THE NEW RULES of luxury represent a huge opportunity for brands cross-industry.

While product remains a key avenue through which to sell, marketers should also be asking how their brand can deliver or create a value that UHNW consumers desire.

Do not be afraid to revisit the rulebook when looking at how to communicate with this self-directed demographic.

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