

MARKETING

All luxury should be about humanity, hospitality

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Hospitality is important for all luxury companies today. Image credit: Taj Hotels Resorts and Palaces

By SARAH JONES

NEW YORK Hospitality is no longer a separate luxury category, as every brand must find ways to incorporate experience and service into their offerings, according to an executive from Bond Brand Loyalty.

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During a panel discussion hosted by the Luxury Marketing Council on Jan. 24, speakers concurred that the luxury business needs to adapt to new pressures and evolving consumer behavior and mindsets. Even with the rise in digitization, the panelists agreed that luxury still needs a human touch.

"Everybody has run to the digital side of the ship, and I think we're forgetting some of the humanity of these things," said Sean Claessen, executive vice president of strategy at **Bond Brand Loyalty**.

"Loyalty programs or anything about bringing back your best customers is often about personalizing that experience and giving people something that is not what money can buy," he said. "And that idea is propagating a lot of categories.

"Hospitality used to be a category, I think it will be a competency of every brand to understand how to be hospitable, how to anticipate a need, how to respond to situational awareness."

Personal service

"Temperature Taking: The Year That Was, the Year to Come," moderated by Luxury Marketing Council CEO Chris Olshan, shared a look back at 2017 as well as the outlook for the coming year.

One of the biggest topics among the panelists was the rising millennial luxury buyers.

Just as the baby boomers before them transitioned from a free-love lifestyle to settling down, millennials are also beginning to look more like their predecessors as they mature. Today, they make up 20 percent of the luxury market, and their share of purchase is only expected to rise in the coming years ([see story](#)).

Even if millennials are not buying luxury today, brands are still seeking out their influence on social media. According to Laura Hall, CEO of **Hall Communications**, social influence is an increasingly important part of

brands' storytelling.

As millennials age into luxury, their experiences even outside of the industry are going to come into play for defining luxury service. These consumers are accustomed to having a private driver accessible with a tap of their finger via Uber, for instance.



Hugo Boss partnered with Uber to deliver fashion experiences. Image credit: Hugo Boss

Bond Brand Loyalty's Mr. Claessen noted that the concept of exceeding expectations is therefore set to change.

According to [Ponant Yacht Cruises and Expeditions](#)' Americas brand chairman Edie Rodriguez, one of the ways that luxury can evolve to meet rising consumer demands is through newness.

For Ponant, this meant gaining approval from the International Maritime Organization to install an underwater glass window in a new build vessel. Typically not allowed, this allows Ponant to be the first to offer this type of view to travelers.

Rather than look at their tours as "products," the company instead speaks of their excursions as experiences.

"In luxury, it is about promising a lot and delivering more," Ponant's Ms. Rodriguez said. "And luxury is a very personalized thing, whether you're a millennial or you're a millennial in the mind and heart, you want what you want, when you want it, in the flavor you want it. And so as a supplier, you need to understand that."



Ponant prides itself on unique experiences. Image credit: Ponant

While luxury has faced pressure from services such as Airbnb, traditional upscale hotels are successfully wooing young guests by offering experiences that cannot be had at rented properties. Taj's [The Pierre](#) has extended the hours for its afternoon tea on the weekend due to heightened demand.

The hotel's general manager Francois-Olivier Luiggi also noted that another draw of hotels is the opportunity to meet people and find a sense of community. As casualization takes hold of style, millennial customers also appreciate the chance to dress up to go out for an event.

Hospitality is also seeing high demand from multigenerational groups. The Pierre sees higher occupancy for its suites than single rooms.

Another way in which the property is adapting is by opening up rooms to guests on a minute to minute basis. This draws travelers on their way to another destination or business people who want to freshen up, work or relax before an evening client meeting or event.

Brand loyalty

Digital is still pushing the luxury business in new directions. As brands seek to incorporate more touchpoints, Bond's Mr. Claessen warned brands not to forget humanity.

"Luxury has never been self-serve," he said.

A villa in Anguilla represented by Ms. Hall is also centered on a human touch, allowing for a level of personalization with dedicated butlers for each of the eight suites.

Affluent consumers today are less likely than ever to feel like they personally relate to a brand, which for many is a major factor in whether they are willing to spend on that brand at all.

According to YouGov's new Affluent Perspective Global Study, 72 percent of affluent consumers worldwide said that they felt there were very few brands that they could personally relate to, with the Middle East being the region where this feeling is the strongest. To fix this, luxury brands need to deepen their understanding of the values and desires of their customers and learn how to approach them in a way that feels both appealing and authentic ([see story](#)).

As luxury brands from travel to apparel seek to set themselves apart, one of the most important priorities is protecting their legal assets.

Companies need to monitor and take action when someone oversteps an intellectual property boundary. Milton Springut, partner at [Springut Law](#), warned brands to be diligent.

"If you don't enforce your rights, you're going to lose them," he said.

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