

MARKETING

Do affluents value privacy as a luxury?

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Private air is becoming increasingly popular. Image credit: Michael Kors

By BRIELLE JAEKEL

Luxury goods have been a staple in the retail sector for an immeasurable amount of time, but with high-end experiences growing at an exponential rate, many experts are questioning if private isolation is the next element of luxury.

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Anonymity is important to the segment of high-net-worth individuals of today, who are opting for amenities that eliminate the ability for others to track them. These consumers are opting for more and more privacy measures, adding expense while traveling and even hiring executive protection.

"Privacy has shifted from being a right to a luxury good instead we're able to track and monitor everyone's daily lives on the Web," said James Henderson, president of commercial operations at [XOJet](#). "For billionaire moguls, CEOs and celebrities, privacy has always been hard to come by, and with all of the advances in technology it has become harder to maintain.

"In the aviation space, individuals who own private jets can be tracked via tail number and some elect to fly charter in order to insure more privacy," he said. "Our clients rely on us to be their trusted advisor providing expertise and anonymity both on and off the tarmac."

Privacy is luxury

With the growth of the Internet and social media, it has become much easier for consumers' whereabouts and information to be hacked.

While it has always been a luxury to book private rooms and private planes, the nature of privacy in luxury is changing.



XOJet is a private aviation firm affluents use for privacy in travel. Image credit: XOJet

Many billionaire moguls are opting to charter private jets that are not their own, making it more difficult for others to track without knowing the individual tail number.

Often times, the public is aware of the private jets of well-known mogul and celebrities. For instance, actor John Travolta's N707JT is a source of interest for the public, allowing the actor's whereabouts in the plane to be easily tracked.

Families and business associates are also investing in protective coverage, especially in the travel space. Today, security goes beyond just celebrities and government officials but now to anyone who can afford it.

The Private Suite at LAX is also equipped with a bodyguard and allows for quick and discreet exit from and entry to the airport.



Private Suite at LAX. Image credit: GDBA.

With the on-demand, at-your-service lifestyles of today, affluents have become more accustomed to getting services such as this on an as-needed basis.

"In today's society with so much conspicuous consumption, UHNWIs are choosing to be more discreet and as a result of this many have shifted toward the on-demand economy, which allows them to utilize a service without owning," Mr. Henderson said.

Beyond physical privacy

Privacy also goes beyond physical threat as well, with the rise of digital devices.

Due to the growth of the Internet of Things, privacy will likely turn into a luxury item in the future, with consumers trading data for ownership in goods.

In the near future, vehicles are likely to be so integrated with the IoT that it is likely consumers will be able to barter for vehicle use by selling the personal data that the car will produce, according to a keynote from the managing partner of Identity Praxis at Luxury Marketing Forum on Sept. 26. While the industry does need to work on gaining trust back in the eyes of consumers thanks to pitfalls in the news, over the next 10 years Cisco reports that IoT will generate \$19 trillion in net economic value to society ([see story](#)).

In the aftermath of the massive data breach at Marriott's Starwood Hotels, it has become abundantly clear that while luxury brands have exclusive price points, services and products, their operations are just as vulnerable to cyber crime as any other company.

Numerous high-profile security breaches have been reported over the past several years, exposing the personal information of potentially billions of consumers, and social media platforms have similarly hemorrhaged the data of their users via behind-the-scenes transactions and reckless expansions that leave gaping security holes. Altogether, these events underscore how much work has to be done to shore up privacy and security in the luxury business, and hint at the massive investments that are already underway to earn back the trust of consumers ([see story](#)).

"Now that privacy is worth something, companies must ensure that the product or service they're providing is not only reliable, but also convenient for their clientele," XOJet's Mr Henderson said. "The privacy of our clients is the utmost importance to us and acting as their trusted advisor is part of the process."

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