The New Jet Set
A PSYCHOGRAPHIC ANALYSIS OF LUXURY SPENDING

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# The New Jet Set: A Psychographic Analysis of Luxury Spending

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© Russ Alan Prince, 2006
The New Jet Set was coined in the 1950s, shortly after the introduction of commercial air travel, for the famous and well-to-do individuals that traveled the world while average folks relied on trains, buses and automobiles for mobility. In the second half of the 20th century, as airline travel became more accessible, the jet set referred to the narrow social circles wealthy enough to purchase first-class tickets or travel at supersonic speeds on the Concorde. Over the past few decades, the world and its modes of transportation have continued to evolve – the Concorde is gone, commercial air travel has become frustrating and inconvenient, and the first-class cabin is no longer an exclusive destination – and, as a result, there is a New Jet Set.

This New Jet Set is still famous – actors, musicians, professional athletes and television personalities can be counted among them. And the New Jet Set is still wealthy – in fact, wealthier than ever, thanks in large part to strong economies, unprecedented business growth and the recent real estate boom. But perhaps most importantly, the New Jet Set still travels extensively – but not by commercial air. Membership in the New Jet Set is based on outright or fractional ownership of a jet.

The Accessory of Choice

A private jet is the new accessory of the extremely wealthy. Donald Trump travels the world in a jet emblazoned with the word TRUMP. John Travolta owns a fleet of private jets, as does Tom Cruise. The world’s wealthiest individuals – Warren Buffett or Oprah Winfrey, for example – and the world’s most talented athletes – such as the Dallas Mavericks and their owner, Mark Cuban – regularly travel by private jet. Even celebrities that don’t own a jet prefer to travel in one. People as varied as Bill Clinton, Julia Roberts and Kid Rock are spotted frequently in private aviation facilities.

But jets aren’t just for the entertainment world; they’re a staple in the business world too. Almost all the chief executives of Fortune 500 companies travel in jets owned by their companies, or leased by them on their behalf. In fact, nearly all jet owners have built their personal wealth through successful private and corporate business ventures. And despite a few high-profile exceptions, most jet owners value the privacy and confidentiality of private jet travel and prefer the anonymity of an unmarked aircraft.

The safety, efficiency, discretion, style and exclusivity – not to mention the cost – of private jet travel provide a clear signal that jet owners are more extraordinary and insulated than the average millionaire – differences that make reaching them and understanding their behavior extremely difficult.
A Tailwind for Growth

The New Jet Set is an important group for luxury goods companies because they have both the interest and the resources to purchase exclusive, expensive items. And at times, their fame and wealth offer the bonus of additional media attention on the luxury brands they buy.

The good news for luxury marketers is that the New Jet Set has been growing, and continues to grow, at a rapid pace. Despite an average cost between US$5-50 million, and operating costs that total roughly US$10,000 an hour, jet ownership has increased exponentially in the past decade. Today, private aircraft account for roughly 4,000 movements (take-offs and landings) each day in the New York metropolitan area, Los Angeles and Southern Florida. As reported in The Wall Street Journal, private jets are expected be more than 20 percent of all traffic at Las Vegas McCarran airport in just five years. And over the coming decade, the Federal Aviation Administration expects ownership to double and private jet flight hours to triple. Later this year, the VLJ (very light jet), at an average cost of US$1.5 million, will enter the market further broadening the appeal and accessibility of jet ownership and travel.

Our own research shows more than 300,000 families worldwide with a net worth comparable to our survey respondents – another indication that the ownership of private jets could expand even more rapidly than anticipated.

Finding the Rarefied Air

Affluent is defined in different ways for different reasons – we’ve all heard about the Emerging Affluent, the Mass-Affluent, the Millionaire Next Door and the Middle-Class Millionaire, most of which encompass individuals and households with a net worth between US$500,000 and US$10 million, at the very high end. Even highly regarded studies on the subject of wealth have liberal definitions. For instance, the Mendelsohn Affluent Survey includes only those households with an annual income of at least US$85,000 and the Merrill Lynch/Cap Gemini World Wealth Report studies individuals with at least US$1 million in financial assets.

For our purpose: a true understanding of the wealthiest segment of consumers, we chose a more restrictive and exclusive definition of wealth. As a result, we focus on a much smaller group with significantly greater purchasing power. We conducted detailed in-person and telephone-based interviews with 661 private jet owners. The New Jet Set – those individuals at the pinnacle of the financial pyramid – report an average annual income of US$9.2 million and an average net worth of US$89.3 million, further distinguishing them from their less wealthy counterparts.

The New Jet Set is a diverse crowd with a few things in common. Most of them are self-made millionaires with a significant net worth. Many of them still draw a multi-million dollar annual salary and they spend freely on luxury products and services. In short, they are super-rich, big-time spenders – and this is the first time the details of their spending activities have been available to the public.

The questions luxury brand and marketing professionals should be asking themselves include:

- What does the New Jet Set buy with their discretionary money?
- What drives the spending patterns of the New Jet Set?
- How can we better influence that purchasing behavior?
Inclusive Spending Habits

The New Jet Set spends frequently and extravagantly:

- They don’t need to sacrifice or save to get what they want;
- They rarely trade up or trade in, instead opting to acquire more;
- They enjoy the rewards of their wealth and spend freely on a wide range of items.

Exhibit 1 displays the average annual personal expenditures of the New Jet Set in fourteen key luxury consumer categories.

Ignorance is Bliss – A Note about the Data

Qualitative information from our research indicates that these figures are extremely conservative. In our extensive work with high-net-worth households, we’ve found that the truly wealthy rarely know all the details of what they spend. For instance, a notorious socialite may note that the total amount on her receipt from a store like Maxfield is around $17,000 but she probably won’t know, or bother to find out, what the prices of individual items are. Furthermore, family members don’t always inform one another of their purchases. It’s highly unlikely that a high-profile talk show host shares the details of her visit to the Louis Vuitton boutique, or similar retailers, with her husband or that a member of a European royal family passes his decision to have new a home theatre installed by his wife. It’s not because the New Jet Set are duplicitous, rather it’s because they are extremely wealthy and “small purchases” have no impact on their day-to-day life.
Another reason many high-net-worth individuals can’t recite the fine points of their expenditures is because they don’t pay for things themselves – many monetary transactions are handled by an assistant or a business manager. Recently, the chairman of a leading Wall Street firm, was seen in the lobby of a five-star hotel in Washington DC. He was with three colleagues and greeted by three hotel staffers, all of who accompanied him to the presidential suite. We don’t know for sure, but our best guess is that the chairman didn’t know the exact cost of the presidential suite, nor was he asked to complete a registration card or acknowledge and circle his room rate and departure date like most hotel guests. The larger relationship between the hotel company and the CEO’s firm supersedes the need for any paper work upon check-in as there is an established billing relationship, and goodwill, between the two organizations.

In addition to surrogate purchasers, the exceptionally wealthy also arrange for after-the-fact payment or business-to-business billing, effectively removing themselves from the process. And often, large costs such as real estate and cars are handled through a business in which the wealthy have an interest. This means that databases of credit card transactions and other payment activity may not include significant pieces of information and may not accurately reflect the buyer.

Our own research shows that less than 34 percent of the New Jet Set regularly open their own mail and, even fewer, 19 percent, pay all of their own bills. In fact, the New Jet Set may never see the bills given their tendency to travel and the number of residences they own. The shrouding effect of business structures, the layers of support staff, and the desire for privacy all add up to a group of people that wield significant purchasing power, are difficult to identify and even harder to reach.

The Three Faces of Luxury

Because the New Jet Set is not a homogenous group, the goal of our study was to better understand the differences in the group and whether those differences have a material impact on spending habits. By focusing on psychographic segments, rather than more traditional demographic factors (such as gender or geography), we uncovered some distinct consumer personalities within the New Jet Set. These personalities explain the psychological foundation behind their luxury purchases and, as such, can be a powerful tool for luxury marketers in reaching, connecting with and cultivating a wealthy customer over the long-term.

An affluent luxury personality includes the overriding motivational state and buying patterns of a wealthy individual when purchasing luxury goods and services, and within our survey sample there were three. They are:
1. **TRENDSETTERS** This group is attuned to the social zeitgeist and the popular media, such as magazines, television and movies. They are early supporters of significant changes and introductions in the luxury marketplace and can be influential within their social circles. They are more likely to be impulse buyers than the other affluent luxury personalities and, as long as the luxury product or service is validated by their reference points, they will readily buy. The greatest number of spenders in each luxury category are Trendsetters, although they generally spend less than their counterparts, with one exception: fashion & accessories.

2. **WINNERS** This group makes purchases to reward themselves, and those in their inner circle, for personal and professional accomplishments. More often than not, the spending is triggered by an event – such as a birthday, a large legal settlement or the incorporation of a new business – but their purchases are generally thoughtful and well researched nonetheless. Sometimes Winners will loosen their self-imposed guidelines for purchasing and buy aspirationally. In effect, buying in expectation of greater future success. Winners anticipate spending less in 2006 than they did in 2005 in every luxury category, further supporting the idea that their purchasing is event-driven. It is possible, however, that unforeseen events will provoke higher spending levels.

3. **CONNOISSEURS** This group is the most knowledgeable and discerning of the three affluent luxury personalities. They are deliberate in their purchasing behavior and thoroughly research all aspects of a category, and a particular item, before making a decision. They focus intensely on such factors as construction, quality, value and history, and often turn to professionals and specialists for advice. When compared with the other affluent luxury personalities, Connoisseurs tend to concentrate their purchases within a few categories. In most cases, they are the smallest percentage of spenders in each category, yet the dollar amounts they are willing to spend far surpass that of their counterparts.

**Key Observations**
- The New Jet Set is very wealthy and predisposed to buying what they want.
- The New Jet Set spends its money across multiple luxury goods categories creating an extravagant lifestyle for themselves, their families, close friends and associates.
- The New Jet Set is different than the Millionaire Next Door. They have not amassed their wealth through frugality, nor are they old enough to have memories of the depression or World War II influence their saving and spending habits.
- In total, the New Jet Set plans to spend the same or more in 2006 in all luxury categories except yacht rentals and cruises.
- Overall, the luxury spending categories with the greatest promise for disproportionate market share growth among the super-wealthy are wine/spirits and fashion & accessories. Meanwhile, the New Jet Set will continue to spend extensively in the other luxury categories.
- Each affluent luxury personality is category-specific. This means that Helene might be a Connoisseur when purchasing fine art, but a Trendsetter when it comes to watches.
- Members of the New Jet Set may not actively purchase in all luxury categories. For example, Ricardo may spend extensively on wine, but not at all on cruises and spa services.
TRENDS

In most cases, Trendsetters comprise the largest sample of spenders, indicating a desire to be ahead of the curve and an intense interest in shopping and acquisition.

The number one category for Trendsetters as measured in number of spenders and future spending is fashion & accessories.

Trendsetters expressed a strong likelihood of spending more in 2006 in five of the fourteen luxury categories:

- Jewelry
- Fashion & accessories
- Functions at hotels/resorts
- Villa/chalet rentals
- Wine/spirits

Trendsetters are least interested in purchasing new luxury cars.

WINNERS

By and large, Winners were fewer in number than Trendsetters but likely to spend more.

Winners expect to spend the same or less in every category but one in 2006, which is consistent with their use of shopping as a validation for accomplishments.

The required stimulus of an important milestone makes it difficult for Winners to accurately project their spending. Even though they anticipate spending less this year, unexpected victories will likely prompt them to spend more than they planned.

Wine/spirits is the only category that Winners expect to spend significantly more on this year.

Winners are the largest percentage of spenders in only two categories – yacht rentals and cruises.

CONNOISSEURS

By number, Connoisseurs are the smallest segment in nearly every luxury category by a large margin.

There are only four categories in which the percentage of Connoisseurs is larger than the percentage of Winners – watches, home improvements, wine/spirits and luxury cars – but the difference between the two personalities is less than 5 percent for home improvements and wine/spirits.

At the same time, they spend at the highest levels on an individual basis, emphasizing their willingness to buy the best quality items in categories they care about.

Connoisseurs are not impulse buyers; most purchases are informed and scheduled.

With the exception of yacht rentals – a category Connoisseurs spent no money in during 2005 – this personality indicated the likelihood to spend significantly more money in all luxury spending categories in 2006.

Jewelry, wine/spirits and fine art are the categories with the strongest appeal for Connoisseurs in 2006.

Connoisseurs are, in effect, enthusiasts and will respond to detailed information about product heritage, authenticity, craftsmanship, collectibles and investment value.
Marketing Insights

By their nature, Trendsetters are more inclined to be impulse buyers. As such, the amount of time they spend evaluating a purchase is abbreviated and their selection set is smaller which is consistent with the Trendsetter’s desire to be at the vanguard. Regular editorial coverage in media such as television and magazines, celebrity association and seasonal fashion trends can all have a strong influence on a Trendsetter’s willingness to purchase and provide reinforcement for their decisions.

Winners buy on success – their own and others’ – but their purchases have likely been planned for a period of time prior to the trigger events. A brand and a product must be visible and top-of-mind in order to be part of the Winner’s selection set, which means luxury providers must have a consistent market presence.

Connoisseurs self-define their selection set based on personal interests and their knowledge base. A luxury goods firm must appeal to them with comparable levels of detail, passion and expertise to cultivate a sale and can do so through enthusiast publications and category-specific advisors, like an art dealer or a horologist.

A Pattern for Every Personality

Critical to understanding the personalities are the spending patterns that emerge across luxury consumer categories. As mentioned previously, exhaustive details on spending were not top-of-mind for many of our survey respondents. In those cases, our research associates facilitated the process by providing spending ranges until a reasonable range was identified, after which a probability rating was applied to further refine the number. Again, we believe these figures to be conservative, particularly for the jewelry, fashion & accessories and home improvements categories. For the 2006 projections, we employed a logarithmic scale ranging from negative five (-5) to zero (0) to five (5), indicating the spread between an intent to spend significantly less, at similar levels, or significantly more this year than in 2005.
The following section provides detail on the 2005 personal spending activity and projected 2006 personal spending activity of Trendsetters, Winners and Connoisseurs in fourteen key areas.

Jewelry

Nearly all of the New Jet Set purchased some kind of jewelry, excluding watches, in 2005. Three out of five spenders were Trendsetters, one-quarter of affluent jewelry buyers were Winners, and the remaining 15 percent were Connoisseurs (Exhibit 2). The average amount of money spent on jewelry was nearly a quarter-million dollars, with Connoisseurs spending $413,000 (Exhibit 3). Winners project they will spend less on jewelry in 2006, while both Trendsetters and Connoisseurs expect to spend a great deal more than they did in 2005.

Exhibit 2: Jewelry by Personalities

Exhibit 3: Spending on Jewelry

<table>
<thead>
<tr>
<th>SPENDING BEHAVIOR</th>
<th>Trendsetters</th>
<th>Winners</th>
<th>Connoisseurs</th>
<th>Total</th>
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<td>Projected Delta 2006</td>
<td>3.3</td>
<td>-3.2</td>
<td>4.4</td>
<td>1.8</td>
</tr>
</tbody>
</table>

N = 588 (89.0% of entire sample)
Although **Trendsetters** enjoy their role as style harbingers, they may seek reassurance that their purchases are timely. Editorial coverage and photo spreads on new and vintage jewelry in lifestyle and specialty publications can provide that key reinforcement.

- A top-of-mind presence can support a certain product or a specific brand becoming part of a **Winner’s** selection set.
- Invitation-only parties create an aura of exclusivity and can prove useful in attracting **Trendsetters** and **Winners**, even if they choose not to attend.
- The jewelry designer or a gemologist should be on hand at private events to work closely with **Connoisseurs**.
Watches

About one-third of the New Jet Set bought watches in 2005. As usual, Trendsetters were the largest group of spenders, but interestingly, Connoisseurs were the second largest group at 33 percent of the sample (Exhibit 4). Watches is one of only four categories in which Connoisseurs are not the smallest percentage of the sample (the other three are home improvements, luxury cars and wine/spirits). Connoisseurs, who liken the hand assembly of a fine timepiece to a bespoke suit, spent the most in 2005 and plan on spending more in 2006 (Exhibit 5).

Exhibit 4: Watches by Personalities

<table>
<thead>
<tr>
<th></th>
<th>Trendsetters</th>
<th>Winners</th>
<th>Connoisseurs</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>N=214</td>
<td>32.4% of entire sample</td>
<td>19.6%</td>
<td>33.2%</td>
<td>47.2%</td>
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Exhibit 5: Spending on Watches

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<th>SPENDING BEHAVIOR</th>
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<td>Money spent in 2005 (000)</td>
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<td>Projected Delta 2006</td>
<td>1.4</td>
<td>-2.9</td>
<td>3.6</td>
<td>1.3</td>
</tr>
</tbody>
</table>

N = 214 (32.4% of entire sample)
Select Marketing Perspectives

**Watches**

- General interest magazines can help **Trendsetters** stay abreast of watch trends, such as new complications or casings, the integration of diamonds and other precious stones, and new collections.

- Brands depicted within a lifestyle – world traveler, supporter of the arts or community leader, for example – can generate a response from **Winners** and **Trendsetters**.

- The partnership between a maker of collectible timepieces and a championship sailing team is one example of how luxury brands can use complementary marketing initiatives to stay top-of-mind for current and future customers. This type of sponsorship may also help the watchmaker broaden its brand appeal from a customer base filled with collectors to anyone who identifies with the championship sailing lifestyle.

- Watch companies can easily target **Winners** by positioning their products as rewards without sacrificing, or conflicting with, the historical resonance of their brand.

- **Connoisseurs** often view watches as an investment, similar to art and vintage automobiles, and seek advisors to help them build and refine their collections. They are also likely to read specialist publications for insights and recommendations on timepieces.

- In addition to fine and collectible timepieces, **Connoisseurs** may purchase non-collectible watches for everyday use or as gifts.
Fashion & Accessories

Ninety percent of the New Jet Set spent money in this broad luxury category – which includes apparel, shoes, accessories such as scarves and belts, and luggage – last year. More than 70 percent of spenders were Trendsetters, but there are some additional factors that make this an important category for this affluent luxury personality (Exhibit 6). Fashion & accessories is the only category in which (a) Trendsetters had higher average expenditures than Winners, (b) Trendsetters expressed the highest likelihood (4.4) of spending more in 2006, and (c) Trendsetters were more likely than Connoisseurs to spend more in 2006 (Exhibit 7).

Exhibit 6: Fashion & Accessories by Personalities

Exhibit 7: Spending on Fashion & Accessories

<table>
<thead>
<tr>
<th>SPENDING BEHAVIOR</th>
<th>Trendsetters</th>
<th>Winners</th>
<th>Connoisseurs</th>
<th>Total</th>
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<td>Money spent in 2005 (000)</td>
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<td>$117</td>
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<tr>
<td>Projected Delta 2006</td>
<td>4.4</td>
<td>1.1</td>
<td>2.9</td>
<td>3.6</td>
</tr>
</tbody>
</table>

N = 592 (89.6% of entire sample)
Trendsetters are rarely pioneers, but early adapters, so they frequently seek external confirmations of their purchasing decisions.

Trendsetters are the largest buying segment of the New Jet Set and, as such, they deserve attention. Multiple touch points – such as a combination of invitation-only events, trunk shows, public relations, editorial placements, catalogues and advertising – can reach the Trendsetter, while confirming their choices.

Certain clothing purchases may coincide with a Winner’s celebratory event, such as the acquisition of a custom-made suit and hand-made shoes for an awards ceremony.

Connoisseurs may purchase heavily within a few brands – buying an entire seasonal collection or owning a range of vintage and contemporary pieces from a single designer.

The private wealth of the New Jet Set enables them to be significant customers for multiple fashion brands simultaneously. By recognizing the top-spending customers and cultivating them with highly personalized service, a fashion house will likely realize incremental sales gains.

Understanding the global travel patterns of the New Jet Set may allow fashion houses to build intercontinental relationships with their clientele.
Hotels/Resorts

Overall, 65 percent of the New Jet Set spent money on hotels and resorts for personal use in 2005 at an average cost of $157,000. Trendsetters were, far and away, the dominant affluent luxury personality, representing more than 70 percent of the survey sample (Exhibit 8). Although Winners and Connoisseurs were far fewer in number than the Trendsetters, their spending on hotels and resorts was far greater. Only Connoisseurs anticipate spending considerably more in 2006 (Exhibit 9).

Exhibit 8: Hotels/Resorts by Personalities

Exhibit 9: Spending on Hotels/Resorts

<table>
<thead>
<tr>
<th>SPENDING BEHAVIOR</th>
<th>Trendsetters</th>
<th>Winners</th>
<th>Connoisseurs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money spent in 2005 (000)</td>
<td>$136</td>
<td>$191</td>
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<td>$157</td>
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<tr>
<td>Projected Delta 2006</td>
<td>1.9</td>
<td>0.7</td>
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<td>1.9</td>
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</table>

N = 432 (65.4% of entire sample)
The New Jet Set spend as much time traveling as they do on their home turf and, as a result, hotels and resorts have become an important part of many wealthy individual’s lifestyles.

**Trendsetters** favor what they perceive to be hot properties and are influenced by celebrity sightings and editorial coverage of new features and unique design. They are also interested in having one-of-a-kind experiences during their hotel stay.

Media coverage of high-profile parties can appeal to both **Trendsetters** and **Winners**, as they convey both a desirable destination and an exciting way to reward and indulge.

**Winners** may also be interested in event planning services and the option of property “takeovers,” a situation in which a single person occupies an entire hotel or resort for a celebration (see Events at Hotels/Resorts).

**Connoisseurs** are extremely knowledgeable and can often readily name the hotels they believe have the most outstanding features – private villas with plunge pools, personal concierges, and the most secluded and exotic locations, for instance.

One businessman we spoke to described himself as a “collector” of a particular hotel chain, vowing to visit every new property within a year of its opening. This **Connoisseur** knew most of the general managers by name and had three of them programmed into his cell phone.

Hotels and Resorts should focus on experiences, not price, when targeting The New Jet Set.
In 2005, three-quarters of the New Jet Set paid an average of $224,000 for functions held at a hotel or resort. This might include events such as family reunions, weddings, christenings, birthday parties and bar mitzvahs. The largest group of spenders, Trendsetters, were 58 percent of the sample. Winners were 29 percent of the sample and Connoisseurs represented 14 percent (Exhibit 10). Connoisseurs spent almost twice as much as Trendsetters, at an average annual expense of $340,000, and they are very likely to spend more in 2006 in this category (Exhibit 11). It is interesting to note that functions at a hotel or resort is one of only three luxury spending categories in which Winners anticipate spending slightly more in 2006 than they did in 2005 (the other two categories are fashion & accessories and wine/spirits). In all other categories, Winners expect to spend the same or less in 2006 than they did in 2005.

**Exhibit 10: Events at Hotels/Resorts by Personalities**

- **Trendsetters**: 57.5% of the sample
- **Winners**: 28.9% of the sample
- **Connoisseurs**: 13.6% of the sample

<table>
<thead>
<tr>
<th>SPENDING BEHAVIOR</th>
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<th>Winners</th>
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<td>Projected Delta 2006</td>
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</table>

N = 485 (73.4% of entire sample)
**Select Marketing Perspectives**

**Events at Hotels/Resorts**

- **Trendsetters** want a venue and an event that makes their event critical to attend. As a result, they want to work with a property that can deliver an exceptional experience.

- **Winners** generally want a venue and an experience that they feel parallels their accomplishments. One **Winner** commemorated the IPO of his Internet travel company by transforming a resort’s pool area into the 1492 harbor of Palos, Spain from which Christopher Columbus launched his voyage of discovery.

- **Connoisseurs** may be the most demanding segment as they are often benchmarking properties against their own experience and expertise.

- Property “takeovers” have become increasingly popular among those wealthy enough to rent an entire property for a multi-day group retreat.
Spa Services

Roughly 60 percent of the New Jet Set spent money on spa services last year at an average annual cost of $107,000. The majority, or 61 percent, were Trendsetters. Half as many were Winners and Connoisseurs were just 6 percent of the sample (Exhibit 12). As seen in other categories, Connoisseurs spent the most in 2005 and plan to spend significantly more in 2006. Research indicates that Winners may spend more than they project as celebratory events occur.

Exhibit 12: Spa Services by Personalities

- **Trendsetters**: 60.9% (60.9% of entire sample)
- **Winners**: 33.0% (33.0% of entire sample)
- **Connoisseurs**: 6.1% (6.1% of entire sample)

Exhibit 13: Spending on Spa Services

<table>
<thead>
<tr>
<th>SPENDING BEHAVIOR</th>
<th>Trendsetters</th>
<th>Winners</th>
<th>Connoisseurs</th>
<th>Total</th>
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<td>Money spent in 2005 (000)</td>
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<td>$128</td>
<td>$107</td>
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<tr>
<td>Projected Delta 2006</td>
<td>1.4</td>
<td>0.6</td>
<td>4.1</td>
<td>1.3</td>
</tr>
</tbody>
</table>

*N = 391 (59.2% of entire sample)*
The New Jet Set patronize both day spas and destination spas.

To reach Trendsetters, one key is to position spas as a fashionable place to unwind, whereas Winners need to view spas as an indulgent place to celebrate a success and an enjoyable way to pamper themselves.

Generating awareness of signature services is one way to reach Trendsetters and Winners and be part of their selection set.

Media and personal referrals are important methods of promoting spas to potential clients.

Connoisseurs will likely want details on specific treatments, products and therapists, and may read spa enthusiast publications to find them.

One path to growth for spas will be better penetration of Winners and Trendsetters, as Connoisseurs represent only a small percentage of this spending category.
Yacht Rentals

Only a small segment of the New Jet Set, just 10 percent of the survey sample, spent money on yacht rentals in 2005 reflecting both the expense and the niche-like nature of this category. Two-thirds of the respondents were Winners and the other third were Trendsetters (Exhibit 14). Connoisseurs were not represented in this category, which may indicate a preference for ownership. Average spending on yacht rentals in 2005 was $404,000, but that will likely go down given projected spending in 2006. In particular, Winners plan to spend significantly less which may underscore the celebratory nature of their spending (Exhibit 15).

Exhibit 14: Yacht Rentals by Personalities

<table>
<thead>
<tr>
<th></th>
<th>Trendsetters</th>
<th>Winners</th>
<th>Connoisseurs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money spent in 2005 (000)</td>
<td>$372</td>
<td>$419</td>
<td>-----</td>
<td>$404</td>
</tr>
<tr>
<td>Projected Delta 2006</td>
<td>0.8</td>
<td>-4.2</td>
<td>-----</td>
<td>-2.7</td>
</tr>
</tbody>
</table>

N = 68 (10.3% of entire sample)
Yacht charters tend to be cyclical among the New Jet Set, with most individuals renting no more than once in a 12-month period.

Widely publicized pictures of a hip-hop artist and his girlfriend on a yacht off the coast of St. Tropez during the summers of 2004 and 2005 fueled interest among Trendsetters.

Because Winners assemble their selection set in advance of a purchase, it is important to maintain a consistent presence in the marketplace.

While Connoisseurs have not demonstrated a robust interest in yacht rentals, they may consider a charter prior to purchasing a vessel.
Cruises

Just 21 percent of the New Jet Set went on cruises in 2005 with an average spend of $138,000. Winners constituted slightly more than half of the survey respondents that took cruises (Exhibit 16). It is worth noting that cruises are one of just two categories in which Winners represent the largest percentage of spenders (the other category is yacht rentals). The Trendsetters represent roughly two-fifths of the sub-sample and Connoisseurs are a tiny 6 percent. Once again, Connoisseurs spent the most and anticipate spending more in 2006 (Exhibit 17).

Exhibit 16: Cruises by Personalities

Exhibit 17: Spending on Cruises

<table>
<thead>
<tr>
<th>SPENDING BEHAVIOR</th>
<th>Trendsetters</th>
<th>Winners</th>
<th>Connoisseurs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money spent in 2005 (000)</td>
<td>$109</td>
<td>$152</td>
<td>$189</td>
<td>$138</td>
</tr>
<tr>
<td>Projected Delta 2006</td>
<td>1.9</td>
<td>-4.1</td>
<td>3.4</td>
<td>-1.4</td>
</tr>
</tbody>
</table>

N = 136 (20.6% of entire sample)
Winners often use cruises as a way to celebrate milestone anniversaries and birthdays, regularly citing the appeal as sufficient accommodations for large parties, activities for a wide age range and broad opportunities to socialize.

As with other spending categories, Winners often assemble their selection set months in advance of an actual purchase so cruise companies must be routinely available to inquiries.

Other features that may attract Winners and Trendsetters are unique shore excursions. One high-end cruise company offers hot-air ballooning over the French countryside on its Mediterranean cruises. Another provides exclusive access to the Hermitage and the Winter Palace on its cruise down the Neva.

A cruise that incorporates art historians, architects or authors with itineraries that include their areas of specialty can appeal to Connoisseurs, such as a cruise to Pompeii paired with a lecture on the art of mosaics.

Because the New Jet Set is rarely sensitive to price, promotional materials should focus on experiences.
Slightly more than a quarter of the New Jet Set rented villas, chalets or vacation homes in 2005 to the tune of $168,000. Half of the sub-sample was comprised of Trendsetters, and Winners were also well represented at 44 percent (Exhibit 18). Only 6 percent were Connoisseurs, however, their average spending of $284,000 in this category more than doubled the spending of Trendsetters. Both Connoisseurs and Trendsetters plan to spend more on vacation rentals in 2006 (Exhibit 19).

---

**Exhibit 18: Villa/Chalet Rentals by Personalities**

- **Trendsetters**: 50.8%
- **Winners**: 43.7%
- **Connoisseurs**: 5.5%

*N = 183 (27.7% of entire sample)*

**Exhibit 19: Spending on Villa/Chalet Rentals**

<table>
<thead>
<tr>
<th>SPENDING BEHAVIOR</th>
<th>Trendsetters</th>
<th>Winners</th>
<th>Connoisseurs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money spent in 2005 (000)</td>
<td>$133</td>
<td>$194</td>
<td>$284</td>
<td>$168</td>
</tr>
<tr>
<td>Projected Delta 2006</td>
<td>3.1</td>
<td>-3.5</td>
<td>4.2</td>
<td>0.3</td>
</tr>
</tbody>
</table>

*N = 183 (27.7% of entire sample)*
The aura of exclusivity around villas and chalets can be a powerful motivator for potential renters, especially Trendsetters and Winners.

Villas and chalets appeal to the New Jet Set’s desire for privacy and control.

Rental aggregators can selectively promote individual properties with editorial coverage, reaching Trendsetters and Winners through travel and general interest publications.

Location – cliff-side on St. Barths, in the Sydney Harbor or within the walls of Siena – may be as important as the actual structure to potential renters.

It’s possible that a desirable location will vary from year to year for Trendsetters, but is more likely to remain constant for Connoisseurs.

The unique attributes of a dwelling – staff, acreage, private pools, number of bedrooms and baths, surveillance equipment – can also be selling points for the New Jet Set and position a private home as a suitable alternative to hotels and resorts.
Experiential Travel

One of the smaller luxury categories in terms of numbers, experiential travel drew only one-in-ten members of the New Jet Set (Exhibit 20). This category includes guided tours, such as photographic safaris or hikes to Macchu Picchu, and activities planned around a theme or a purpose, like eco-tours to the Brazilian rainforest or kayaking in Baja California during the gray whale migration. Again, half of spenders were Trendsetters, 38 percent were Winners and 12 percent were Connoisseurs. As usual, Connoisseurs had the highest average spending levels at nearly a quarter-million dollars, four times the dollar amount spent by Trendsetters and more than double the dollar amount spent by Winners (Exhibit 21). Only Connoisseurs anticipate spending significantly more on similar trips in 2006.

Exhibit 20: Experiential Travel by Personalities

- Trendsetters: 50.5%
- Winners: 37.6%
- Connoisseurs: 11.9%

Exhibit 21: Spending on Experiential Travel

<table>
<thead>
<tr>
<th>SPENDING BEHAVIOR</th>
<th>Trendsetters</th>
<th>Winners</th>
<th>Connoisseurs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money spent in 2005 (000)</td>
<td>$58</td>
<td>$105</td>
<td>$241</td>
<td>$98</td>
</tr>
<tr>
<td>Projected Delta 2006</td>
<td>1.9</td>
<td>-3.4</td>
<td>3.8</td>
<td>0.1</td>
</tr>
</tbody>
</table>

N = 109 (16.5% of entire sample)
Winners often seek a truly unique experience to commemorate a significant event in their lives. One couple celebrating their 50th wedding anniversary parlayed their involvement with endangered sea turtles at their South Carolina island home into a trip to the Galapagos Islands to observe the captive breeding program.

Trendsetters, instead, are more likely interested in activities they perceive as fresh and novel such as a guided tour to Antarctica timed to coincide with the wide-release of the documentary, March of the Penguins.

Connoisseurs appreciate the access to experts and guides that are often part of experiential trips.

Unlike Trendsetters, Connoisseurs may return to the same place over and over to learn more about it, such as visiting every game reserve on the African continent.
Home Improvements

Another broad category, this includes furnishings, electronics & technology, interior design, home improvements and renovations. **Three-quarters of the New Jet Set spent money on a home improvement-related activity in 2005 at an average cost of $542,000.** This figure is significantly greater than the average spending in most other categories due in large part to the number of residences owned by our survey respondents. Eighty-six percent of the New Jet Set owns a home and, on average, they own 2.3 principal residences worth US$2 million or more.

The largest percentage of spenders was Trendsetters, at 64 percent, followed by Connoisseurs at 21 percent and Winners at 15 percent (Exhibit 22). Home Improvements is one of four categories in which Connoisseurs outnumber Winners (the other three are watches, wine/spirits, luxury cars). None of the affluent luxury personalities express a strong interest in spending more in this category in 2006 (Exhibit 23).

---

**Exhibit 22: Home Improvements by Personalities**

<table>
<thead>
<tr>
<th></th>
<th>Trendsetters</th>
<th>Winners</th>
<th>Connoisseurs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 Money spent</td>
<td>$447</td>
<td>$581</td>
<td>$806</td>
<td>$542</td>
</tr>
<tr>
<td>2006 Delta</td>
<td>1.4</td>
<td>-4.2</td>
<td>1.9</td>
<td>0.6</td>
</tr>
</tbody>
</table>

N = 494 (74.7% of entire sample)
Hotels, resorts and spas visited were often cited as providing the inspiration for a major home renovation.

Trendsetters have been known to undertake a complete, and perhaps unnecessary, renovation to install kitchen, media and exercise equipment they believe is state-of-the-art.

Because most of the New Jet Set own multiple homes, many have had projects in progress at more than one home simultaneously. And a successful change in one house can prompt a change in another property.

Winners may be attracted to discrete projects as an easy way to commemorate an achievement. Afterwards they can take stock of their successes simply by looking around their homes – the wine cellar (and its contents) for the opening of a new shopping mall, the home theatre for a profitable private equity investment, and the guest house for a golf handicap below ten.

Connoisseurs often conduct extensive research – on anything from architectural history to plasma technology – before making any significant changes or purchases, and regularly seek the input of an expert.
Wine/Spirits

A majority, or 85 percent, of the New Jet Set spent money on alcohol for personal use during 2005 (Exhibit 24). The average expenditure was $29,000 and all three affluent luxury personalities anticipate spending more in 2006. Connoisseurs spent almost twice as much as their counterparts, and are the second largest group of spenders, which may indicate a personal collection of wines, champagnes or fine scotches (Exhibit 25).

Exhibit 24: Wines/Spirits by Personalities

Exhibit 25: Spending on Wine/Spirits

<table>
<thead>
<tr>
<th>SPENDING BEHAVIOR</th>
<th>Trendsetters</th>
<th>Winners</th>
<th>Connoisseurs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money spent in 2005 (000)</td>
<td>$20</td>
<td>$28</td>
<td>$54</td>
<td>$29</td>
</tr>
<tr>
<td>Projected Delta 2006</td>
<td>3.9</td>
<td>2.8</td>
<td>4.7</td>
<td>3.9</td>
</tr>
</tbody>
</table>

N = 563 (85.2% of entire sample)
Placement of new alcohol brands at parties, restaurants, night clubs and hotel bars can attract Trendsetters through first-hand experience or media coverage.

Invitations to brand-sponsored events and tastings can help increase awareness among Trendsetters and Winners, whether or not they are attended.

Advertising and editorial coverage in lifestyle media can also be influential to Trendsetters and Winners, while specialty publications are a better way to reach Connoisseurs.

Some companies use publicists and event planners to pair new products with celebrities to imply endorsement. A new designer liquor sponsored a series of high-profile events near the time of its launch – the distinctive bottle was easily spotted in publicity photographs – placing the brand front-and-center for media attuned personalities like Trendsetters and Winners.

Advertising for new brands is important to keep the product top-of-mind and enable it to be part of a consumer’s selection set.

It’s not uncommon for Connoisseurs to employ an oenophile or a broker to help them build collections or find a rare vintage.
Luxury Cars

About one-sixth of the New Jet Set acquired luxury vehicles, excluding business acquisitions or any form of lease, in 2005. Roughly half of the survey sample was Trendsetters, a third were Connoisseurs and the balance of the sample was Winners (Exhibit 26). Luxury Cars are one of only four categories in which Connoisseurs are a bigger group of spenders than Winners (the other three are watches, home improvements, wine/spirits). Connoisseurs spent the most, at an average cost of $380,000, and they are the only personality that plans to spend a great deal more in 2006 (Exhibit 27).

Exhibit 26: Luxury Cars by Personalities

N = 104 (15.7% of entire sample)

Exhibit 27: Spending on Luxury Cars

<table>
<thead>
<tr>
<th>SPENDING BEHAVIOR</th>
<th>Trendsetters</th>
<th>Winners</th>
<th>Connoisseurs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money spent in 2005 (000)</td>
<td>$136</td>
<td>$179</td>
<td>$380</td>
<td>$226</td>
</tr>
<tr>
<td>Projected Delta 2006</td>
<td>-0.8</td>
<td>-3.8</td>
<td>4.2</td>
<td>0.4</td>
</tr>
</tbody>
</table>

N = 104 (15.7% of entire sample)
Select Marketing Perspectives

Luxury Cars

Media advertising and editorial coverage can provide a critical link to Trendsetters and Winners, and may increase the chances of making their selection set.

Car shows and vehicle displays can also help keep a brand and model top-of-mind with non-enthusiasts.

Invitation-only test drives, special events and experience days can attract and educate uninformed buyers, like Trendsetters and Winners. Even events that are not attended can have a positive impact on the New Jet Set and their appreciation for a brand, assuming they receive the correspondence.

Customer appreciation events can cultivate loyalty among existing owners. For instance, a German manufacturer of luxury motor vehicles sponsored a series of arts and cultural events, allowing them to provide their best customers with privileged access to opening night galas and film premieres.

Marketing messages that position cars as rewards or gifts will be most effective with Winners.

Connoisseurs may be reached through vertical titles and car clubs.

Performance brands can increase their appeal to Connoisseurs with factory tours, on-site custom outfitting and the option to buy future vehicles.
Fine art is the number one luxury category as measured in dollars. Just one-third of the New Jet Set bought fine art in 2005. Roughly 60 percent of spenders were Trendsetters with the remaining sample closely divided between the other two affluent luxury personalities (Exhibit 28). The difference in spending between personalities is significant, with Trendsetters spending about a half-million dollars, Winners spending just over US$1 million and Connoisseurs spending more than US$6 million. The spending level of Connoisseurs indicates an interest in original work or rare pieces and only Connoisseurs are likely to spend significantly more this year (Exhibit 29).

Exhibit 28: Fine Art by Personalities

- Trendsetters: 59.5%
- Winners: 21.5%
- Connoisseurs: 19.0%

N = 200 (30.3% of entire sample)

Exhibit 29: Spending on Fine Art

<table>
<thead>
<tr>
<th>SPENDING BEHAVIOR</th>
<th>Trendsetters</th>
<th>Winners</th>
<th>Connoisseurs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money spent in 2005 (000)</td>
<td>$509</td>
<td>$1,026</td>
<td>$6,433</td>
<td>$1,746</td>
</tr>
<tr>
<td>Projected Delta 2006</td>
<td>0.6</td>
<td>-4.4</td>
<td>4.3</td>
<td>0.2</td>
</tr>
</tbody>
</table>

N = 200 (30.3% of entire sample)
Select Marketing Perspectives

Fine Art

- Word-of-mouth, openings, research and specialty publications, websites, dealers and newspaper coverage are among the most reliable ways to reach the members of the New Jet Set who are interested in artwork.

- Galleries and auction houses are important outlets for original artwork.

- Commissioned work – by subject matter, palette, shape and size – can appeal to the New Jet Set’s desire for customization and personalization, and is most common among Trendsetters and Winners.

- Connoisseurs frequently employ dealers to build collections and locate specific pieces.

- Connoisseurs will know the influences, techniques and biographies of the artists in their collections, along with the history surrounding important artistic movements.

- Connoisseurs may also demand private viewings and access to living artists.

- Openings, and the opportunity to meet artists, can be influential for Trendsetters and a way to access a Winner’s selection set.

- The popularity of artists may peak and wane on a variety of factors, including the artist’s health, and may pique the curiosity of a Trendsetter.

- An anonymous buyer made a successful US$95.2 million bid for Picasso’s Dora Maar au Chat at a May 2006 Sotheby’s auction. Such a buyer would likely be a Winner – maybe a hedge fund manager celebrating a year of exceptional returns – or a Connoisseur, expanding his collection of Modern art.
Implications for **Luxury Brands**

The reality for luxury providers is complicated: categories are crowded with brands sharing similar, even overlapping, messages trying to reach a finite universe of sophisticated and perceptive buyers. With constrained funding and resources, a luxury marketer must rely on product distinction at the technical level – quality of materials, craftsmanship or performance – or getting directly to a prospect with a targeted and relevant message. And in many cases, success with extremely wealthy buyers will require both.

**A Model for Reaching the New Jet Set**

Our research reveals that success in the retail market, particularly with coveted consumers of exceptional wealth, requires four separate activities. First and foremost, you must understand your customers. Your knowledge must then be leveraged to create a buying experience tailored to their preferences. All opportunities to connect with current and potential customers must reinforce your familiarity with their needs and expectations. And along the way, all brand-building activity must carry evocative messages that emphasize their purchasing instincts and predilections. When implemented in unison, these four components create an environment of tangible and intangible support that envelops the consumer and facilitates the buying process.
Four Steps to Reaching the New Jet Set

Identifying the three affluent luxury personalities is the first step of a long journey toward customer awareness and market penetration. Luxury brands should use this insight to inform their marketing decisions, prioritize their client-facing activities and build consumer loyalty through a thoughtful and iterative process. The following sections discuss each of the four activities in greater detail.

1. Profile

Knowing whom your prospects are makes it easier to construct the interfaces that best meet each market segment’s needs and prompts the desired behavior. Identify those individuals that fit each of the three affluent luxury personalities: Trendsetters, Winners and Connoisseurs. It’s important to realize that impromptu profiling can be confusing and flawed. For instance, a customer that walks in off the street to buy ten matching watches for gifts could be an impulsive Trendsetter or a Winner simply acting on six-months of thought and research. A good start to understanding psychographic profiles is a customer ranking of the elements that are most important and influential in the purchasing process. Some examples are: style, brand, status, cost, reputation of firm/designer/artist, fit, function, timeliness, past experience, availability, investment potential, critical reviews, need, special event. It may also be possible to construct a profile of a future buyer using information you may possess about your current customers:

- Who is currently buying (examples: age, gender, income, education level)
- How they make decisions (example: impulse or informed)
- Why they select your product (examples: style, craftsmanship, unique features)
- Their post-purchase level of satisfaction (example: low, medium or high)

You can use the intelligence gathered from this exercise as the starting point for understanding your buyer and measuring your marketing effectiveness.

2. Experience

While it’s clear that the buyers of luxury products and services are sophisticated and discerning, that may be where the similarities end. Consumers come in all shapes, sizes, creeds and colors, and they are motivated to buy in different ways. Unfortunately, most companies that market high-end retail goods to wealthy consumers still emphasize a ‘one size fits all’ approach that often fails to resonate with the most powerful segment of the buying population.

Brands and messages reach individuals best when they are delivered and absorbed under optimal conditions. To achieve a favorable experience, a luxury marketer must create and control the setting for buying, servicing and relationship building, and all efforts must be organized around the affluent luxury personalities. Interfaces may include sales representatives, storefronts, displays, literature, toll-free numbers, advertisements, events and web sites, among other conduits. Two practical examples include:
An auction house dealing in 20th century art will make its experts available in-person, on the phone and via online chat to discuss a particular artist’s background, influences, techniques and individual works with known Connoisseurs, while similar levels of detail would be wasted on the other two affluent personalities.

At a prestigious design house, a conversation with a Winner would focus on the personal reward of owning a one-of-a-kind jacket or how an identifiable evening gown is the perfect indulgence for the accomplished individual. By contrast, conversations with Trendsetters would center on the latest collections, exclusivity of designs and the waiting lists for special items.

Most luxury products have established an alliance with a specific affluent luxury personality. It may, however, be possible to capture market share with other personalities or convert one personality to another with a superior experience tailored to their interests.

### Connect

Price is almost never a concern for a member of the New Jet Set, so communications must find another focus in order to be effective. An important objective of luxury marketers is to connect with buyers on an emotional level and appeal to both their conscious and their unconscious desires. The characteristics behind the affluent luxury personalities provide the basis for building that connection and, when properly conceived and executed, can result in an impulse purchase by a Trendsetter and can substantiate the research conducted by a Connoisseur.

In fact, when it comes to luxuries, the emotional connection between an affluent consumer and specific products and services often supersedes the functional purpose of the item. For instance, a $240,000 Ferrari is overkill if an executive simply needs transportation to and from the office and a flawless diamond from Harry Winston doesn’t make a marriage more or less legal (or meaningful) than a plain gold band.

Using a variety of communications media allows messages to be adapted for specific audiences and increases the likelihood of reaching a cross-section of potential buyers.

No single method of communication will reach all desired targets and, in fact, consumers may select different methods of researching and purchasing products depending on the luxury category and their physical location. A blend of activities can accomplish numerous objectives and target multiple market segments simultaneously, making it more cost effective to pursue Connoisseurs and Winners, for instance. A number of high-profile luxury brands utilize the following methods in combination to great effect:

- Print advertising
- Sponsorships
- Partnerships
- Specialty events
- Purchase-driven database mining
- Product placement
4. Brand

The brand is the short-form representative of the product and the purchasing experience, and as such, every interface should support it. Brand equity is intangible, but it is extremely powerful; strong brands can win business and promote customer loyalty, while lesser-known brands, or those with poor reputations, may struggle to retain their customers and remain viable. Arguably, a brand should have a simple but resonant message. Even though it may be known for one specific idea or concept, it is possible to convey other qualities associated with the brand through customized marketing initiatives for specific psychographic market segments. One example is:

- A luxury hotel chain provides a consistent experience reinterpreted for business travelers, vacationers and home owners, as well as those who travel for parties and grand openings (Trendsetters), personal milestones (Winners) and truly unique experiences (Connoisseurs). The elegance of the environment and the emphasis on service is embodied by the employees and variously reinforced by merchandising, advertisements and feature coverage in travel magazines.

Because the wealthy are difficult to reach, some firms rely on anecdotal evidence to develop communications and marketing programs. There will always be at least one story to represent a particular point-of-view, but by their very nature, stories are often about outliers rather than the majority. Personal accounts and subjective information are simply not scientific, nor proven, enough to use as the basis for multi-million dollar marketing campaigns. Instead, the basis of brand messages and media plans should be data and analysis.

The New Jet Set has arrived and, by all counts, is here to stay. Their substantial wealth, unique purchasing behavior and insular lifestyle make them different from other groups of affluent individuals – and it is these very differences that undermine traditional marketing techniques and proven communications methods. When targeting the New Jet Set it’s important to remember that:

- Individuals with substantial personal wealth consume in ways that are distinctive and consequential to the luxury goods market.
- Knowledge of potential buyers is paramount in shaping both the purchasing experience and the communications that help bring clients and companies together.
- The brand is a ubiquitous vehicle and acts as both the foundation and the keystone for marketing initiatives.

Using these elements in concert, luxury brands can outdistance their competitors with an exceptional knowledge of the target market, connect with new potential buyers and distinguish themselves as students of the ultra-affluent.
Sample Demographics

INCOME IN 2005
- Median = $4.1M
- Mean = $9.2M
- Study participants with a zero income were excluded from the calculation
- N = 661 jet owners

NET WORTH
- Median = $41.2M
- Mean = $89.3M
- Study participants with a zero or negative net worth were excluded from the calculation
- Net worth was capped at $500M
- N = 661 jet owners

AGE
- Median = 49 years old
- Mean = 57 years old
- N = 661 jet owners

GENDER
- Male = 68.4%
- Female = 31.6%
- N = 661 jet owners
Sampling Methodology

In studying the wealthy, we use a non-probability sampling process often referred to as snowball sampling. When possible, probabilistic or random sampling methods are preferred over non-probabilistic ones. However, it is accepted practice in applied social science research to employ non-probability sampling approaches in circumstances where it is not feasible, practical or theoretically sensible to do random sampling. When it comes to studying the wealthy – a segment of the population that is often fiercely private and guarded – it is not possible to engage in probabilistic sampling. The difference between non-probability and probability sampling is that non-probability sampling does not involve random selection and probability sampling does. This does not mean that non-probability samples are not representative of the population, but it does mean that non-probability samples cannot depend upon the rationale of probability theory.

With a probabilistic sample, the odds or probability that the population is represented can be computed; the confidence intervals for the statistics can be estimated. With non-probability samples, there is a risk that the population is not estimated well, although we employ a number of statistical controls to avoid this outcome. Broadly, non-probability sampling methods can be divided into two categories: accidental or purposive. Snowball sampling, like most sampling methods, is purposive in nature because the sampling problem is usually approached with a specific plan in mind. In non-probability purposive sampling, sampling is performed with one or more specific predefined groups in mind, such as the New Jet Set.

Purposive sampling is very useful for situations where a targeted sample cannot be cost-effectively reached using probability methods. The risk of non-probability purposive sampling is that subgroups in the target population that are more readily accessible may be over-weighted. Non-probability purposive sampling approaches include modal instance sampling, expert sampling, quota sampling and heterogeneity sampling, as well as snowball sampling.

Cluster analysis was used to identify the affluent luxury personalities. Examples of the factors used in the analysis are:

**TRENDSETTERS**
- I’m very attuned to the changing trends
- I like being close to the cutting-edge

**WINNERS**
- I enjoy sharing my success with others
- I deserve a (luxury product)

**CONNOISSEURS**
- I pay a lot of attention to the quality of (luxury category)
- I’m very familiar with the history of (luxury category)
About the Authors

**Russ Alan Prince** is the president of Prince & Associates, Inc., the leading research and consulting firm to the high-net-worth and their advisors. He is the author of more than 35 books on private wealth and is a highly sought counselor to elite financial practitioners.

**Hannah Shaw Grove** is an expert on the psychographics, financial and purchasing behavior of the high-net-worth market. She is a noted columnist, author and speaker and is regularly quoted in the national and financial press.

About the Sponsor

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About the Research

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