

Interview with Luxury Lifestyle Guru Lorre White

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Q. What's your favourite luxury shop and boutique ? What makes it special?

A. For elite luxury brands the physical shop is still a mandatory requirement that separates them from the blue chip mass market, but the truth is much of the non-tourist shopping is going to the web. Successful boutiques need to be a destination. I have traveled much of the world and have been in boutiques for buying private jets, and boutiques such as private banks, and boutiques such as a designer mono brand flagship location. It is really quite impossible to compare these, but what all must have is beautiful surroundings and great customer service. I usually have a relationship with a sales person at my favourite brands, so that I save time.

Q. What would luxury lifestyle followers be surprised to know about you?

A. With so much social media, and the fact that I get featured often in magazines, plus the fact that my following is a small group globally that I often interact with....Probably not too much would surprise them. Everyone knows I love champagne, large dogs,

cooking, being on the sea in France, Italy and Greece. I love NYC, Paris, Venice, Rome. My favourite designers for general categories of clothing, and photos of me in my favourite restaurants, are all available on the web.

Q. What's your favourite luxury service?

A. 75% of all elite luxury brands are European. America's biggest contribution to the luxury sector is in media and service standard and the fact that they are home to more Billionaire than any other country. I think it is the service standard that I most appreciate. For example in New York I have my yoga teacher, my masseuse, my wine, my sushi dinner, my laundry/dry cleaning delivered right to me. My doormen mail packages, send my shoes out to be fixed and walk my dog. The point is everything is easier because of the service standard. It is not surprising that most elite brands actually use the American service standard in training their sales staff. Among the cash rich, it is time that they value most. Much of the supporting services of a luxury brand is designed to create ease through the reduction of time requirements on the customer.

Q. What is Luxury? Is its Definition Changing?

A. No the definition of luxury is not changing, but the mass market has used, or should I say misused the term luxury to include mass market products and services in an attempt to fool unsuspecting consumers to purchase. When you see the word luxury used around blue chip products, or in conjunction with words like discount, coupon, or sale, you know that they are trying to reach the mass market. Luxury might be the most misused word in advertising.

"Luxury is the best of any art form, and like any art, luxury is defined by its ability to evoke an emotion...and like any great masterpiece, quality is inherent. Luxury comes in every category. It is something that separates itself from the others by uniqueness and evoking pleasure. Not all luxuries have an expensive price tag but often the rareness, and the increased time to produce quality and the more expensive components of "the best" does drive price too." says Lorre White, The Guru of Luxury

Q. What makes you a Luxury Lifestyle expert?

A. I have two separate, and for the most part, completely unrelated jobs in the luxury sector. I am a luxury marketing consultant that works with companies that need to reach the world's wealthiest due to the price point of their product, like a \$60 million jet, or a \$120 million yacht, private banks moving hundreds of millions in family assets, etc. Completely separate from this is my luxury media work. I am the only internationally recognised luxury media personality. I have a monthly column in Portugal's #1 luxury magazine and I am a frequent guest contributor to fashion and luxury magazines globally. I have a very wealthy following. From my work in private aviation I developed a large private jet owning following. I never cover aspirational news like most of the "luxury" magazines, because as I stated before TIME is their most valuable asset. If I waste their time with information that is not relevant to them than they would not be subscribers to www.luxGuru.Typepad.com. As a luxury media personality I get asked to give information about luxury products and services. There are as many types of luxuries as there are categories of items in the world. So I really do not refer to myself as a "lifestyles expert". I am not a personal shopper. Some have compared me to being the Martha Stewart for the super-rich.

Q. Define old money and new money and it's tastes in the luxury market place in terms of fashion and lifestyle?

A. Old money constitutes less than 8% of the UHNW (\$50 million liquid assets) globally. That number is shrinking rapidly. A little over 92% of the world UHNW is self-made and of those 80% have had it 10 years or less. Most all UHNW is new money, and that is why the educational information I supply is so beneficial to the consumer and the brands. These people did not grow up knowing luxury brands; they are more likely to know mass brands.

The fact that most UHNW came from poor or middle class backgrounds is also why philanthropic giving has never been higher. These people have a stronger sense of giving back.

There is a maturation process that occurs in luxury ,particularly visible in fashion. That is because it is more aspirational in general. The newly arrived wealth often has a tendency to need to announce it, and so bling is a bigger factor. Designer embellishments and logos are larger on the products sent to China than they are to the US or European community. However due to the globalisation and less regionally of our modern day living, this cycle is greatly shortened for the UHNW. Designers are already starting to see the Chinese UHNW preferring understated luxury, where their aspirational group is wanting the bling. This Logo need is seen globally between countries like BRIC countries where there is growth in the luxury consumption, but also just between socio-economical stratus within the same country.

Q. Would you say there is a definite difference between British aristocracy and Americans of the same and their tastes in the luxury lifestyle market if yes what defines them as being different?

Americans do not have Aristocracy, that is what the revolution was about. Titles that are used as status symbols in Europe, are often hidden when they work in the US, until after they have proven themselves. Americans see titles as riding the coattails of dead ancestors. America is a country that prides itself on the fact that you could be raised by a single mother who cleaned toilets, and grow up to become president of the United States. America is known as the Land of Opportunity as someone from a middle or even poor back ground can rise to great wealth. Two American examples are Warren Buffet and Bill Gates. Americans do not care where you came from, only where you are going. This opportunity has many foreigners moving from their homeland to the US to get their shot at the brass ring. The culture in Europe is quite the opposite.

Americans love the underdog and it is the place where "rags to riches" happens regularly; It is the American dream. This is a marketing issue that I often help European brands/clients to understand. Many have never been able to successfully capture the American market and frequently has to do with just this issue. America has the largest amount of UHNW. It is a huge country and it has only reached about 37% of luxury consumption potential, whereas Europe is at capacity. A luxury brand must market to this group differently than the European cousins. An example of a cultural difference in the fashion industry is fashion magazines/sites in the US, such as GQ, Men's Vogue, etc., are considered "gay" magazines. This is not the case in Europe. In the US a man reading one of these would be announcing his homosexuality, this makes targeting the larger heterosexual male audience harder.

As a whole Europeans have a higher cultural knowledge. In the US there is a large group of educated individuals, but there is a relatively low "cultural" knowledge. If you go out to dinner with 12 accomplished C level professionals, you may find it hard to carry on a group conversation about anything that is not work oriented or involves a ball (sports). A dozen individuals that could discuss the symphony, ballet, art and rare wines, etc., and involve everyone would be infrequent. But you can get in a cab in Europe and find the less educated driver reading Nietzsche, listening to Mozart, and

have a bottle of wine to take home for dinner that he can explain the intricacies. This is why such an economically established country has only achieved about 37% of their luxury consumption potential. Thus luxury brands need to explain the art, or culture, of their luxury. Only through education and cultural awareness, and thus appreciation, can brands hope to open the doors to more consumption by these individuals. It must be presented in a "fun" to learn media venue. My Luxury shows educate people on the distinctions between the brands and "The Luxury Guru's" extensive luxury marketing back ground gives the credentials/trust to present it effectively.

Because my following is UHNW, they have multiple multi-million dollar homes in several countries (average 5). The cultural/regional differences really is more relevant to my luxury marketing consulting work for brands having a lower price point than my luxury media work. I have almost as many Londoners as I have New Yorkers. My group is global. They are small in terms of the number of people, but large when measured in spending power, as they control 50% of the global wealth.

Q. Who is your chosen luxury lifestyle designer and why?

A. Nobody designs my lifestyle. I think for myself. My followers are a very accomplished and clever group. I simply educated them on the brands and they choose for themselves. I work with leaders, not followers.

Q. Define luxury fashion and who wears it?

A. Fashion is a unique place in the luxury sectors. Everyone loves luxury and fashion is a popular way for the aspirational classes to sample the Lifestyle. The reason is simply that the price point allows more people to participate. Up to 80% of the fashion, cosmetic, skin care, perfume, industry's profit is derived from the aspirational consumer. They cannot afford a \$75 Million jet or a \$140 Million dollar yacht, but they can buy a designer purse, a pair of shoes, a tie, a bottle of perfume and other small items that allow them to "feel the luxury," and to show others that they have achieved a certain status by wearing designer apparel. Most of the luxury sector eliminates the middle classes do to price point, and thus have an exclusive UHNW consumption. This is why FaceBook Fan pages, and other mass social networking sites, are effective in the fashion & cosmetic industry more than the private jet & yachting sectors.

The aspirational group has a large variance as it covers middle middle, upper middle, lower upper, and for some products middle upper (psychologist Abraham Maslow's famous hierarchy of emotional needs). Between these groups there is a great deal of behaviour difference and income difference. The aspirational group is the largest in terms of numbers of people, but is actually smaller in actual dollars than the top 2% globally that control 50% of the world's wealth. What group a product or services needs to target, depends on what price point and what behavioural attributes they need customers to have.

Q. How do you set apart women with class who have cash and those that aspire to be like that?

A. I am not sure what this question is asking. I do not set apart anyone. People often ask me to entertain them with tacky "nouveau-riche" stories making fun of people. My experience in general in working with these people is a very positive one. To a large degree they are a smart, fun, generous and interesting group of individuals

who feel gratitude for their good fortune.

"The Luxury Guru's" work is free from criticism and judgment. I offer the wealthy (often new money) the opportunity to learn about the best in all luxury categories. My shows/articles offer a safe and private venue, where those that know nothing on a topic, can learn free from the need to protect their ego. My shows do not talk down to people. I embrace positive intensions where all actions are loving and supportive. These people did not get to their level of success from being stupid, but because 92% of the world's Ultra High Net Worth is "new money" they simple did not have the exposure to be brand aware. Most grew up in the middle class and would be more aware of mass brands than elite brands. They may know Nike but not Armani. Luxuries evoke positive emotion. These individual want to experience life to the fullest that their means allow, and they are hungry to understand the art of the different luxuries. The only way for luxury brands to grow in this environment is to educate these consumers on their brand's history, quality and uniqueness. This is true globally. Everyone is targeting this uber-rich group, and so TRUST is a big issue. To simply send out long videos with no identification as to the validity of them is just wasted capital. That is why media ventures like "Luxe TV" were not successful in reaching the UHNW. They just became one long running ad after another of luxury sales pitches with no sense of credibility, no person to trust, no connection made. The power of the personality is seen when Oprah mentions some obscure book and the next day it is on the best sellers list. People can connect to another person, but not to a thing.

There are a plethora of travel sites with recommendations on where to stay. "Just because a site/show/magazine/product has the word luxury shoved in front of it, it does not make it one. Many sites give a recommendations on a hotel/spa/products. When one of these sources says it is "great"....Who are they? Is it the mail room clerk that makes \$40,000 annually, even someone that makes \$200,000 annually, is he/she qualified to say that it would meet the expectations of Bill Gates, or Warren Buffett, as a luxury accommodation? Unless trained, probably not. What might seem amazing to someone with an aspirational background is likely to not meet the standards of this small more demanding group? They are not dollar sensitive, they are time sensitive. Who is giving the evaluation, is where all the credibility emanates. The UHNW know this. That is why I have the unique situation to have such a specific following."

Lorre White

The views expressed in this interview are those of Ms White and not British Fashion Week or The BFWA

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