

THE LUXURY GURU

In a world replete with hedonistic luxe offerings for those willing to pay, luxury marketing expert Lorre White guides the finer nuances involved. Maleeka Kashyap unravels the tricks that set a brand apart alongside an expert opinion on the changing face of things closer home.

Lorre White is a prime authority on marketing consultancy catering to Ultra High Net Worth (UHNW) individuals. Called 'The Luxury Guru'

by mainstream media for her expansive expertise spanning over 25 years, White highlights, "The combined net worth of the UHNW could pay off the United States deficit (USD 16 trillion plus) and still have a net worth higher than the GDP of the US and China combined and this amount is controlled by less than 200,000 people globally." Figures and stats apart, White personifies extravagance through her company White Light Consulting – for those who sell and those who buy! And here's her verdict on luxe closer home.

Where does the South-Asian luxury market stand at this stage?

The South-Asian region is growing and will continue to do so for the foreseeable future. China is currently the world's second largest luxury market. Dubai, Singapore, Hong Kong are increasing their consumption in all sectors. Indonesia is expected to become the largest luxury market in Southeast Asia over the next few years.

And what's in store for India in the next 10 years?

There is a great deal of opportunity and there is also a great deal of challenges. According to a recent report released by The Associated Chambers of Commerce and Industry of India (ASSOCHAM), India's luxury market could expand three-fold in the next three years and the number of millionaires is expected to triple in another five years. Increase in spending is anticipated across the country and beyond the walls of the metros, in second and third tier cities. Overall, India's luxury market is projected to reach USD 14.7 billion in 2015. On the other hand, India, which is Asia's third biggest economy, has hit a number of crucial problems resulting in growth fall. There is a fast-growing budget deficit – fuelled by higher government spending and inflation is creeping up.

India's rapidly growing luxury market is seeing emergence of potential for luxury travel retail, luxury hotels and yachts. These new segments are slowly sprouting amid several infrastructural, legal and bureaucratic bottlenecks that continue to impact growth. India's weak airline industry

and lack of transit passengers really hinders its luxury travel growth. Increased tax on the rich is yet another concern that could have major negative impact on India's luxury market.

Comment on brand visibility. Does it affect exclusivity?

In the luxury sector, even in the same category there is status. For example, Chanel won't be seen on a site where Coach advertises. Luxury brands are sensitive to whom and what they are affiliated with. You could say that Ferrari is the Cristal of the car world, or that NetJets is the Valentino of the Fractional Jet ownership, or that Augusta is the Buckingham Palace of the golf courses. Anyone listening to you would understand what you are saying. I tell my

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consulting clients: Luxury marketing is a lot like school; a brand is judged by the company it keeps. Luxury brands need to advertise where there are other products of their "class" but not competitors. It would be a conflict of interest for Ferrari to be on a site with Lamborghini, but not a conflict to be on a site with Armani.

As a luxury marketing consultant, I am always asked the question: "If you had one piece of marketing advice what would it be?" I will share the reply that Torsten, the global CEO of the British brand Rolls-Royce said, "I would say three words: Authenticity, heritage and substance." He said, "You just cannot create a luxury brand overnight. You cannot sell on bling factor; you cannot just be only the image. You must have the quality and pedigree so that the customer is getting value for their dollar."

And where do some brands go horribly wrong?

The number one cause of failure in the luxury sector is applying mass marketing. In the luxury world, you will never be higher on the luxury scale than when you launch. The class market is not forgiving. You cannot launch mid-level and put more money into it later when the business gets rolling and climb into a luxury status. Where you debut is the highest you will reach and you can only fall from there.

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Another example is, you will not find a sale on Louis Vuitton purses. True luxury brands, managed by skilled class marketers, know that you never put your products on sale. The hundred thousand you save would be offset by the hundreds of millions lost in brand image. It can be irreparable damage. A sale tells clients that it was overpriced to begin with. Brands must be vigilant in the protection of their name.

Conspicuousness versus the aware luxe patron – where do the boundaries become blurred? What is your personal opinion about 'logo-flashing' that you often find in, say, India?

There are cultural differences, and what might seem gaudy to one, might be a cultural expectation to another. For example, if one looks at the magnitude of consumption and expenditure around a wedding in India, it seems very out of proportion to someone in the West. It is also true that many fashion brands create special, more logo-laden products to the new emerging markets. When a group is just learning about a brand, they tend to want to show it off more; as they become more educated consumers their tastes morph. In general, the more mature the market the less the bling. The length of time that brands go from flashy to not, has shortened greatly over the years.

My luxury shows and articles are educational. I teach the UHNW about the brands and their unique qualities. My followers that include billionaires and royals are very clever. They can decide for themselves what suits their taste and style. Thus I am called 'the luxury guru', not the luxury judge. ☺