

COLUMNS

Blueprint for profitable luxury collaborations and partnerships: Part I

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A decade ago if you asked 100 luxury brands in a room for a show of hands as to how many had engaged in a strategic partnership or collaboration with a kindred-spirit luxury brand, you would be lucky to see five hands raised. Today, conservatively, you would see 75.

What was once a "play it close to the vest, our list is our list" mentality has given way to a powerful new insight and law of luxury marketing: luxury brands share 60 percent or more of their top customers (individuals with liquid portfolios of \$1 million and way more). But just not the same 60 percent.

This simple fact has inspired brands to share databases, share costs of jointly-hosted, bespoke experiential and educational events that surprise and delight this shared, elite customer group. All this can come at a ridiculously low cost of acquisition.

Luxury marketers who do not see and leverage this tremendous revenue-generating strategy are missing a bet.

High notes

Two examples: Seabourn partners with New York City Opera to create for passionate aficionados and lovers of opera a 10-day cruise of the Mediterranean's grand, historic opera houses. They invite lovers of opera and, as onboard guests, the great divas and performers, historians, critics, authors, experts on opera and the opera houses to lecture and perform on board: "High Cs on the High Seas." It is a homerun.

The Monaco Government Tourist Agency and Consulate of the principality of Monaco partners with us to showcase a new hotel built literally into the sea.

Forty luxury brands, CEOs, chief marketing officers and spouses are invited to attend a four-day strategic offsite at the new hotel and asked to critique the new establishment, rooms, spa, food, guest and concierges services. It is part of the value proposition helping the hotel to fine-tune its services and products.

Hotel Metropole, Hotel de Paris and Hotel Hermitage, three of the venerable hotels of the principality, outdo one another in hosting three gala receptions, dinners and insider tours of a treasure of great sights and Monaco experiences.

How brands enter and conduct a discussion about a strategic partnership can make or break a deal.

Good beginnings make for good outcomes and, importantly, give partners the best chance of a great event and continuing success by doing more together and not just a one-off, one-shot deal.

This blueprint for partnerships and collaborations can help ensure greatest successes and build powerful, ongoing relationships with partner luxury brands.

Here is a checklist for success: criteria for successful partnerships and collaborations, a surprisingly comprehensive list of partner organizations to consider and some simple next steps:

Criteria for successful partnerships and collaborations

A luxury brand that complements your business, such as cigars and cognac, elite travel agencies and cruise lines, hoteliers or private asset management, or lifestyle concierges and cultural institutions

Good chemistry, personal and corporate, might seem obvious but it is critical and allows partners to say no, disagree and speak plainly throughout the process

Compatible in corporate culture and style

Having the same or similar customer base

The team involved can make the decisions

Ability to enjoy the creative process and maintain enthusiasm for the project throughout

Willingness to share costs, overages, invest time and resources, and a specific and thorough understanding of what is required

A strong commitment to and agreement on very specific qualitative and quantitative measures of success and an agreed-upon benchmark that partners can revisit after the event. Measures should include sales after the event, number of new customers acquired by each partner, publicity for the event, plans for follow-up and special offerings after the event to those attending and results of those offerings

Organizations that make sense all with access to the super-affluent

Best partners are organizations with access to the very best customers.

Whether these customers are best buyers, prospective patrons or sponsors, board directors, consultants or leaders in business, academia, culture and the arts, nonprofits, media or government, they and their best customers likely travel in the same circles. They also demographically and economically represent the most viable community and types of organizations to engage.

If there is any failing, even with marketers that routinely engage in partner marketing, it is not thinking broadly enough about prospective partners.

Here is an exhaustive list of organizations that have access to this elite community: cultural institutions, universities, advertising, public relations, direct marketing, graphic design, corporate identity firms, private banks or brokerages, law firms, accounting firms, estate planners, select civic groups and clubs, local publishers, vintners, art galleries, museums, convention bureaus, high-end car dealers, top restaurants and caterers, luxury jewelers, every segment of luxury retail, wedding and event planners, architects, professional associations, travel agents catering to the super rich, top real estate agents and private jet companies.

Next steps

Contact prospective partners. Start with people you know. Start social: a breakfast, lunch or drinks to guarantee right chemistry. Start small: one or two or three partners.

Make sure people have the idea and time to think about it before you get together.

When you get together, allow time for a deep dive and creative session to consider all logistics including costs, venue, list of guests, qualitative and quantitative measures of success, plans for publicity, capturing of data and specifics of guests attending, and a date soon after the event to discuss what worked well, what could have been done better, what next, and how to expand the circle of partners and build on success.

IF DONE rigorously, strategy is straightforward. Success is won in the implementation: great chemistry among partners and exquisite, even obsessive attention to every detail.

Recent research shows that luxury brands are investing more of their marketing dollars in bespoke special events partnering with kindred spirit brands to surprise and delight, educate and entertain their shared best customers. This is a proven, cost-effective strategy for winning more business like a brand's best customers and profit.

But it is this series will have specific examples of creative partnerships and collaborations among kindred spirit

Part II in this series will share specific examples of creative partnerships and collaborations among kinarea-spirit luxury brands that hopefully will inspire luxury marketers to do similarly.

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