

COLUMNS

## 8 characteristics of luxury products

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Beau Fraser is president of The Gate

By AN AMERICAN MARKETER COLUMNIST

By Beau Fraser

What is pornography anyway?

When asked to describe his threshold test for **obscenity** in the landmark *Jacobellis v. Ohio* case, Justice Potter Stewart answered: *"I know it when I see it."*

You can apply the same answer to what is luxury: "I know it when I see it." And, this author would add, "Feel it or experience it."

Integral to Justice Stewart's answer is the idea that "luxury" is personal, differing for each of us based on the breadth of our life experiences, our standards, even our expectations. Is "luxury" a week at Tuscany's Castello di Casole? A ski trip to Vail? Or a biannual visit to Canyon Ranch?

No offense, but I would say in order they are a luxury, a premium product and an occasional indulgence.

It is this personal and amorphous definition of "luxury" that makes marketing luxury products and services so problematic.

If we cannot agree on "what is luxury," how do we know whom to target an affluent person making \$125,000 a year, or a .05 percenter with \$500,000 in *annual discretionary spending*? What approach to take in positioning (aspirational or as an earned reward) and how best to portray "luxury" in our communications (*Veranda magazine* old-world affluent or *Architectural Digest* younger, contemporary and affluent?)

There is no universal definition of what is a luxury product, service or experience.

To successfully market a luxury product, you have to first know whether your product actually is a luxury product. Because if you think your product is a luxury but your target does not agree, you have a problem of missed expectations.

We believe that to truly be a luxury product, it needs to have at least the following eight characteristics:

1) Rarity

Luxury is not democratic. By definition, it is exclusive, rare and limited or it becomes a mass affluent product.

Luxury products aggressively restrict when, where and how they are made, sold and to whom. This controlled and limited availability adds to its desirability.

Consider the limited edition Lexus F Sport 500 HP LFA that sold all of the 500 cars at \$375,000 each. At that price, I will limit myself to one. In red. Please.

will immerse myself to one, in red. Please.

## 2) Excellence

Luxury never negotiates on quality. No concession is ever made on materials, craftsmanship or standards, which are unflinching.

Excellence is not fleeting or variable. It is earned and consistent. Think of wineries who discard an entire year's production because the vintage does not meet the winemaker's steadfast standards.

## 3) Expensiveness

Just because a product is expensive does not mean it is a luxury product. But conversely, all luxury products are expensive.

Expensiveness intensifies rarity and gives reason to believe that the product delivers on excellence. Think Macallan 64 Years Old Scotch bottled in Lalique crystal and sold for \$460,000.

## 4) Timelessness

Luxury is timeless. It has a past. Even if manufactured through communications. It is also immortal because it leaves a lasting, indelible impression.

Think how Oscar night's best-dressed wear 60-year-old original Valentino dresses as the ultimate expression of a luxurious way of life.

## 5) Honest

Luxury is honest. It is not synthetic or reproduced. It cannot be duplicated. It is simple. It does not try too hard. It attracts rather than shouts.

Take Pratesi linens, for example. They are manufactured by the fourth generation of the Pratesi family using cotton from a remote area of southern Egypt.

Holding the oldest contracts allows Pratesi to be ultra-selective and allows them to buy only the first spinning and the longest threads.

## 6) Tailored

Luxury *feels* bespoke even if it is not. Luxury instinctively knows what its perfect customers want often before they do. So good are luxury products at this magical skill that everything feels specifically designed and, ultimately, unique.

Think Ede & Ravenscroft, London's oldest tailoring company. Its heritage stretches back more than 300 years to 1689 when it was entrusted with the ultimate commission: to create the robes for the coronation of Britain's King William and Queen Mary. This proud heritage continues today by supplying fine quality clothes to men from its six stores around the United Kingdom.

## 7) Pleasurable

Luxury is pleasurable, whether rational (tactile) or, as is often the case, emotional: possessing an object that elicits envy, status or power.

The quest for personal satisfaction is intrinsic to any luxury product or service. Think of the lasting rational and emotional pleasure that the winning bidder enjoyed when the gavel fell with his/her winning bid on Andy Warhol's Liz # 1 (Early Colored Liz). Indeed, \$20.3 million can buy a lot of pleasure.

## 8) Experience

Luxury is an experience and not just an object. For the most part, it is about the little things that leave an outsized impression.

Components of experience include high-touch service or how luxury is delivered, packaging (an object's context which provokes a powerful first impression of what is to come), store environment and sales staff (the store's design, ease of layout, the staff's education, personal style and comportment must match the object being sold.)

Think of the newly designed Burberry flagship store in London which uses RFID technology embedded in clothes to trigger relevant catwalk and other filmed content to appear on nearby screens.

GETTING THE hard stuff right product, distribution, target, market and message is all for naught if you and your target do not agree on the very definition of luxury.

*Beau Fraser is president of New York-based international advertising agency [The Gate](#). Reach him at [beau.fraser@thegateworldwide.com](mailto:beau.fraser@thegateworldwide.com).*

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