



LOYALTY ROYALTY

WHEN HIGH-END BRANDS
WANT TO THANK THEIR
BIGGEST-SPENDING CLIENTS
IT'S ALL ABOUT EMOTION AND
THAT SPECIAL PERSONAL
TOUCH, WRITES **CERI DAVID**.

It's sunset at the 700-year-old Villa Certosa on Capri, and the tiny Italian island is living up to its reputation as a glitterati magnet. Uma Thurman is here, as are Kate Hudson, Alicia Vikander, Eva Green — the list goes on — for the annual unveiling of Bulgari's High Jewellery collection.

Teetering on the craggy coastline that overlooks the impossibly blue Mediterranean, the event begins with cocktails and a runway show, then dinner by Michelin-starred chef Luca Fantin, topped off with a performance by singer Nicole Scherzinger. The location changes each year, but you can guarantee it will be just as fabulous and star-studded.

Perhaps you'd like to go next time? It's not out of the question. The Roman jeweller flies in its most valued shoppers from all over globe – first class, of course – to thank them for their support. Although, to give you an idea of how exclusive this invitation is, just one client from Australia made it onto Bulgari's Capri guestlist.

Welcome to the world of super-elite customer perks. Forget the coupons and two-for-one deals of high-street loyalty programs. This is more about champagne while you shop, lavish gifts on your birthday, and invitations to red-carpet events: bonuses that are intended to keep luxury brands' most valuable customers around for the long haul.

"It's not about points or discounts at this end of the market," says Milton Pedraza of the Luxury Institute, which conducts research into uber-wealthy consumers and works closely with high-end brands. "Obviously in luxury, the levels of expenditures are much higher, so you have to provide an extremely compelling reward. That doesn't necessarily have to be high value in monetary terms, although it sometimes is. But, more importantly, it has to have an emotional connection, where the client feels so special they are moved by the gesture."

Take Maserati. As well as the kind of extras you might expect, such as overseas trips to test-drive new models before they're available Down Under, the privileged few at the top of La Famiglia (as the marque's loyal client base is known) are showered with far more emotive experiences. "One that springs to mind is through our partnership with the Australian Chamber Orchestra," says Glen Sealey, COO of Maserati Australia. "When international musicians visit to play with the orchestra, we invite our clients to sit in on rehearsals.

"Our customers already have access to concert tickets but this is very intimate – no more than 20 people at a time – and you're a metre away from them, so you get to see really closely how it comes together, the authenticity, the sound. Our owners and their families love that."

More to the point, it does the job. "The goal is to keep them within the brand, and it's very successful in that we have so many owners who buy Maserati over and over again," Sealey says. "We have a long product cycle. Those customers who stay with us don't just stay because of how great the product is, but because of how great the experience is. In a market where it's very easy to move on to the next hot new thing, it's important that we create that experience."

How important, exactly? "Well, I can tell you that more than 25 per cent of our budget goes on loyalty," says Sealey. That's not surprising when you consider the stakes.

"When it comes to goods, 20 per cent of your customers provide 70 per cent of your sales, but the top 5 per cent give you 40 per cent. That top five is nurtured very heavily," says the Luxury Institute's

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Above Uma Thurman was at Bulgari's exclusive event on Capri. **Left** More than free concert tickets – Maserati has partnered with the Australian Chamber Orchestra to allow clients to sit in on rehearsals.



them for their loyalty in meaningful ways," says Soneva founder Sonu Shivdasani.

Each year, his chefs and sommeliers from the resorts in Thailand and the Maldives spend a month flying around the world, visiting top customers. "They go to the homes of our repeat guests and cook for them and their friends, many of whom can afford a holiday at Soneva and have a similar profile, so they appreciate our ethos."

So, how does one access the upper reaches and their associated fringe benefits? Well, that's the hard part. Hugo Boss has just 250 individuals in its top tier in Australia; Maserati's rewards focus on the top 10 per cent of its owners; and the majority of Soneva's highest ranking guests have shelled out upwards of \$US200,000 (\$300,000) with the brand.

Australian retailer Harrolds won't reveal the spend required to achieve elite status, but cites the example of a regular who visits the store each week on the same day, to liaise with the same sales assistant, and almost always buys something. Despite stiff competition – particularly from international e-commerce – she prefers to make weekly purchases at Harrolds, making her a very devoted customer indeed.

"We're known for our impeccable service," says managing director Ross Poulakis. "We'll go above and beyond for our clients. It's not just about a transaction at Harrolds, it's about an experience."

The store offers personal styling at home or at work, can deliver an outfit change at short notice if required, and takes VIP clients and their partners out for dinner on their birthday – chauffeur-driven, naturally.

"As you get to know the client, you can really cater to their needs and wants – maybe even their unstated desires – and people love that," says Pedraza. "If you're genuine in what you'll do for a client, that can inspire tremendous loyalty."

What he's saying is that loyalty is a two-way street. Or more likely a chic, tree-lined avenue. But the crux is that both parties benefit. After all, if you don't leave enough time to pack for your holiday, and instead call upon your trusted personal shopper at Farfetch to curate and deliver an entire wardrobe direct to your yacht in the Med – as one customer did recently – you'd be getting outstanding, gold-plated, extra-mile service. And in return, Farfetch is almost certainly gaining a very valuable client for life.

Which brings us neatly back to the island of Capri. "Some of Italy's most celebrated films were shot there, so it was the perfect backdrop for the event, and truly magical for our clients to walk in the footsteps of stars like Sophia Loren and Clark Gable," says Brad Harvey, managing director of Bulgari Australia.

"Clients come back from these events having savoured the best of what Bulgari and Italy has to offer – and they want more."

That sort of secrecy is key, in that it separates luxury brands from the high street's less subtle efforts to win and retain customers, and allows for discretion around who is rewarded, and how. "The criteria will most likely include the level of purchase, years with the brand, maybe the number of people you've referred, but the actual development and creativity is in the hands of humans," says Pedraza.

"It's a judgment call, not just an algorithm, because the element of surprise and delight is part of the deal. You don't want clients to think, 'Oh, you did that for them, too? When I hit a milestone, that's just what you do?' You want to be surprising and innovative and personal."

Audemars Piguet know its clientele enjoys a spot of culture, so they're invited to Art Basel. Hublot's customers, who tend towards the athletic, are gifted tickets to the FIFA World Cup. And top guests of Soneva resorts are treated like royalty even when they're not on holiday.

"We're focused on offering a generosity of spirit when it comes to our guests, who pay quite a lot to stay with us, so we try to thank

Pedraza. The loss of even one customer at this end of the spectrum would have a major impact on the bottom line. It pays – literally – to keep them happy.

At Hugo Boss, the highest tier of clientele are treated to champagne while browsing the store with their own personal shopper, and premium birthday and Christmas gifts, including customised leather bags and money-can't-buy experiences. "Last year, we sent one of our top customers and her partner from Melbourne to New York Fashion Week, all expenses paid, to preview the Boss collection first hand," says Matthew Keighran, managing director SEAPAC region.

Other high-fashion brands prefer to stay tight-lipped on the topic. The likes of Hermès, Prada and Burberry could withstand all manner of interrogation without acknowledging loyalty as a concept, although you can guarantee their biggest spenders are not left feeling unloved. (Louis Vuitton, on the other hand, was comparatively brazen about the launch of an "Apartment" floor above its Sydney flagship in November, solely for VIP shoppers, but won't divulge more than that. And no, *LUXURY* wasn't allowed a peek.)