

PETER GIANOLI'S

How to Market to the Wealthy and the Top End of Town

LUXE MARKETING

NEWSLETTER

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001

***Inside the Mind
of the Wealthy
Consumer
where Price is
of No
Consequence!***

INSIDE THE MIND OF THE WEALTHY CONSUMER WHERE PRICE IS OF NO CONSEQUENCE!

This publication has three key objectives: one, improving your awareness of the emerging, expanding wealthy – top end of town market, what they buy and why they buy; two, helping you better understand the psychology of selling to them; and three, motivating you to adapt your business to attract them.

We begin...

When Is a Cup of Coffee NOT a Cup of Coffee?

Lots of companies hope to sell their products or services to wealthy people because they know these prospective buyers can afford what they offer. Wealthy people are aware of this, so they're often wary, never the less, not too wary as witnessed by **Bugatti** who have found a way to sell a cup of espresso for the staggering sum of \$60US a shot.

At Bugatti's first espresso bar allowing the public access to what was previously an invitation-only location inside the London showroom, a coffee is never just a coffee, for good reasons everyone is made to understand.

This \$60US espresso is the secret pass-key to so many doors.

If you've read Victor Frankel's book "Man's Search for Meaning", you have a higher level of understanding than most about this deep, probably hard-wired desire of every human being: that they and whatever they do with their lives means something to somebody.

I often rant, explain, use stories, and outright praise the meaning; the significance; the merit of being an inventor, innovator, entrepreneur or business owner, capitalist, sales pro. Because this is the secret pass-key to so many doors. Sense of significance automatically improves performance.

What Do Bugatti Know and Feel About What They Are Doing?

Owen Bugatti in Mayfair is named after the company's founder and

patron, Ettore Bugatti, and serves up all your typical coffee drinks: espresso, lattes and the like. But the showstopper is the Ettore Shot, a \$60US pull of espresso served in a cup made from the carbon fibre that usually adorns Bugatti's cars. Partaking in this special drink also grants you full access to the showroom and its lounge area so you can peruse the automobiles that you previously needed an invitation to see.

One of the company's latest hyper cars serves as a café backdrop, and the showroom is decorated with various company merch, like the Bugatti Home Collection furniture. The Bugatti chairs, in particular, are specially designed with the same leather and blue-tinted carbon fibre found in and on the marque's spectacular vehicles.

After taking your shot the trained barista pulls from the high-end Italian-made Ausonia espresso machine, Bugatti ambassadors are on hand to walk you through everything you'd want to learn about the brand.

They've had the rare privilege of getting to drive the automobiles and know the 113-year-old company from head to toe.

Of course, the person buying a \$60 cup of espresso is not always the same person buying a \$3 million Bugatti. But the treatment is first class all the same.

If you are interested in further repping the brand, the Mayfair showroom is one of the only locations that features the company's full range of merch, including hats, clothes and watches.

You can lift your carbon-fibre cup to that.

Do They BELIEVE?

Customers believe. Most buy the merch for their kids, family members, and friends, so they can brag about the price of that cup of coffee.

Bugatti displays zero timidity about making money as a purpose. Forcing people to cough up a price of entry that for many is eye watering but then allowing you into another gift shop that has only one obvious purpose. No apologies. My guess is, taking into account every way they do it, that Bugatti asks its customers for money more times per hour than any other business (especially a coffee shop) does. No apologies needed.

This is a fabulous blueprint for you and your entrepreneurial quest.

And no version of "But MY Business Is Different" provides shelter.

Sorry, your business isn't different 'lest you let it be. And remember My

principle: Making excuses and making money tend to be incompatible skill-sets or behaviours.

What are YOU selling?

Goods.

Services.

Something to do.

Or something to believe in?

In your business, from your staff through to your customers, is a coffee just a coffee or is it the entry point to something a lot bigger?

One of the things we all get to do in life – rich or poor – is to choose our fascinations.

Some choose food. Some choose sex. Some choose a hobby: Ettore was fascinated with speed. I am, with Australian Rules Football. Some choose keeping up with the Kardashians. You can manage more than one. But a fine one that few choose is the deep study of truly extraordinary individuals and enterprises, past and present, that can inspire and instruct us, guide us, add to our creativity and ingenuity, knowledge and wisdom.

I recommend it.

Here are some great ways to go about it...

5 Time-Tested Strategies to Attract and Serve the Wealthy Consumer

A review of affluent-oriented websites, catalogues and magazines proves there is a flourishing segment of the buying population who demand and expect the very best and where price is of little primary concern. For example, Rupert Murdoch reportedly selected an 11 carat engagement ring worth millions for his 3 week engagement to Ann Lesley Smith, although that is a drop in the ocean compared to James Packer's 35-carat diamond and platinum engagement ring for beau at the time Mariah Carey.

The only reason these types of rings exist is because somebody had the brass balls to serve the needs of the consumer who wants to buy a 35 carat engagement ring.

Regardless of what you may “think,” there is a high probability there is an affluent segment for what you sell, and while wealthy consumers like Rupert, James and Mariah are by no means the norm, they do exist, and can be identified, targeted, titillated and moved from lead to prospect to customer to raving fan with properly designed marketing tools, systems and automation.

“People pay you for WHO you are. Not WHAT you do, and for many business owners, this requires a substantial mental shift.”

Strategy No. 1 – Make the decision to attract and serve the Wealthy consumer.

While this might sound rather obvious, it’s been my personal experience in dealing with business owners over the past three decades that most have a mental roadblock when it comes to doing what it takes to attract and sell to the well-to-do consumer. I cannot think of any type of traditional Main Street business owner who cannot make the decision to have a focused effort on the affluent consumer. But most don’t, and rather than investing the time into thinking about and putting together a specific plan of action, they opt for whining about all the reasons they can’t do it or seek a magic pill-like solution that simply doesn’t exist.

The brutal truth is this requires study, work and continuous effort, which is why typically only 20% of the top 20% of business owners do it. I constantly offer the progressive-minded entrepreneur ample opportunities to learn, grow and highlight case studies from successful business owners through [my Luxe Marketing programs](#), and if you’re not tapping into this “well of wealth,” shame on you.

Doing something new, different and outside the norms of your industry cannot be done alone and or in a vacuum. It requires you to stretch and grow in many different ways, yet it can be done, and you can do it. But the first step is the personal decision and commitment to doing it.

You see, as a general rule, it is always easier to do business with and market stuff to people who are in the affluent and wealthy league, and this is especially true in an economic slump. Why? Simply because, no matter how bad the economy gets... these people will never succumb to a "depression mindset." A depression mindset is a sales killer. People who have it (more than 90% of our population) are running scared and have

totally lost the belief (if they ever had it) they have the ability to fashion their own futures. They believe their fate is up to the economy... or... whatever politician gets elected... or... whether or not they can get a "good enough grade" from some employer or educational institution.

It is always good business to sell to people who have money to spend and who spend it.

ACTION ITEM:

Make the personal decision to identify and serve the wealthy and top-end-of-town segment of your consumer base. Write it down, proclaim it to business partners, your spouse, etc.

Strategy No. 2 – Be the sought-after expert and advisor.

You can do this and while it takes time, the investment in the “bank of you” can pay off for the rest of your life. Remember, “People pay you for WHO you are. Not WHAT you do,” and for many business owners, this requires a substantial mental shift. The ONLY way to become a sought-after expert is to focus on becoming the sought-after expert.

Read biographical books of successful people, model truly successful people and become the pre-eminent provider of whatever it is you market and sell. Seek out opportunities to speak to groups. Write a book. Be as everywhere as possible in your niche. Wealthy consumers look for expert diagnosis, expert prescription, expert service and expert care.

ACTION ITEM:

Find three successful entrepreneurs you identify with and read their biographical books. Study how they became who they became.

Strategy No. 3 – Information-first lead generation.

Unlike the masses, the wealthy consumer is typically well-read and informed. Information gathering is part of their daily experience and to attract them, you must have properly designed and written information

that speaks to their specific needs, wants and contentment.

Information-first tools like seminars, books, buying guides, podcasts and videos will immediately position you above your competition. In my business, the educational short book (shook) is a tool I develop for every client, because it works. Crafting such content requires you to use specific language and design. Resist the allure of doing everything online and create some physical media to complete the portfolio.

In his latest book, “Premium! How Experts Just Like You Are Charging Premium Rates For What They Know And You Can Too!”, five-time best-selling author Rob Cuesta tackled how to raise the perceived value of services and products so that you can charge more simply by building authority.

In this book he outlines how by having a book that they have written; entrepreneurs can charge premium prices and better attract the wealthy.

All 'professional experts' - consultants, advisers, coaches, accountants, lawyers, medical practitioners... in fact any business that derives income from advice, experience and or expertise – are better poised for the affluent customer if they claim an authority position with a publication that they have authored.

In an increasingly online world, where people communicate using 140-characters and Instagram photos, the humble book (and that includes eBooks) is still one of the best ways to provide information and demonstrate your authority as an expert. In fact, it has become even more powerful, because it demonstrates that you have put the time and thinking into creating something so valuable.

ACTION ITEM:

Determine what type of information-first tool you can develop (or improve) to attract the wealthy consumer. Identify a single tool, for now, and put a plan together to have it complete within the next 60 days. (For a fee you can ask me to help you!)

Strategy No. 4 – Make it an experience.

As you move up the affluence pyramid toward the top of the top, you have a very different consumer with very different expectations. They want to

be treated differently than everybody else and look for a better experience, which is why simple things like First Class-only lanes exist at the airport.

Creating an interesting and engaging experience opportunity exists in your business.

In essence, no matter what you are marketing you should for the health of your business offer the VIP experience. The catch however is to ensure this offering feels substantially more valuable to the affluent consumer, and this is best done by offering an engaging experience!

The affluent will pay \$60 US for a \$3.50 cup of coffee if you make the experience worthwhile. If you do not start offering the wealthy a super-deluxe experience, I will guarantee you that another entrepreneur eventually will.

Sport is very good at harnessing what I like to call the “sports fanatics’ insatiable itch”. Whether it be season tickets, VIP boxes and or private memberships they are all aimed at the wealthy!

At the FIFA world cup for the right amount of money (it is a lot 😊), the wealthy football fan can invite their friends and clients and know that everyone will be treated like foreign dignitaries.

If the experience is right the affluent consumer will somehow find a way to justify the expense. Half the money in the sports industry comes from designing experiences for a tiny percentage of fans to spend outrageous amounts of money.

This need not be restricted to sports! First class air travel, limousine pickups, gold class movie packages, penthouse apartments, designer clothes, home chefs, platinum credit cards, the no fuss I want it now client, are all prone to having an urge to spend money and buy. It is up to you to devise an appropriate offering for your business.

The flow on from this is the power of “transaction size”.

Here is a very simple statement that deserves posting onto a wall where it is viewed every day.

How do you get to reach a million dollars in sales in your business?

You can get there with one transaction if you can sell somebody something for a million dollars. But if you are selling to somebody something for \$100, you’re going to need to make 10,000 sales.

However, making a million-dollar sale is not 10,000 times harder; so you need to think about giving it a try!

ACTION ITEM:

Look at your business and sales process with an intense focus on uncovering an opportunity to create an exceptional experience. Maybe it's special, appointment-only times. Maybe it's a special qualification process. Maybe it involves an exclusive location not for the masses. Work at uncovering this opportunity.

Strategy No. 5 – Get Client Referrals on Purpose and Not by Accident

For people like me in marketing it is a very unwelcome fact: the higher up the financial food chain you go in search of clientele, the less likely you are to obtain a customer, client, or patient through advertising, direct mail, or other proactive outreach.

Oprah Winfrey isn't going to search Google for a chiropractor, nor will she be motivated by a late-night TV ad.

If she has back pain, she'll reach out to her network for a recommendation.

To woo affluent clients the best weaponry is to repeatedly offer "bragging rights experiences" to your customer and client base.

The hospitality industry has been doing this for years.

Golf resorts have been dispatching massage therapists to deliver a quick rub to sore shoulders or achy backs between greens. Hilton's super upscale Conrad Hotel introduced the now popular "pillow menu" and individual concierges. Whilst St. Regis, introduced your personal butler.

You probably don't operate a hotel or a resort, but you can learn a lot from the most upscale of them. The best have committed clientele, unwilling to stay elsewhere unless absolutely unavoidable, and urging their peers and friends to follow their lead.

Most businesses settle for whatever word-of-mouth advertising or specific referrals they get by accident, but in marketing to the wealthy, it is more vital to get them each referral is so valuable, that a strategic investment of time and money is warranted.

There are three main steps to this strategy:

1. creating experiences that make customers motivated, or better yet compelled, to tell others about - i.e. the basis for storytelling (see Strategy No. 4)
2. recognising and rewarding those who do refer
3. tracking, measuring, and managing referrals

Steps 2 and 3 aren't very useful without step 1, which is pretty obvious.

By taking the time to understand the psychological and emotional drivers of your wealthy customers' buying behaviour and enthusiasm for what they buy and whom they buy from, to crafting the most appropriate sales language and choreographing your sales process – all combines to form the Total Experience as felt by the customer.

That total experience determines a customer's willingness to refer when asked as well as the likelihood of them spontaneously recommending you to others of their own initiative.

An important thing to understand is that mere satisfaction is not sufficient.

For example, there are many businesses I buy things from and do business with which I am sufficiently satisfied to continue as a customer. My dry cleaner, the local car wash, and my Accountant. But I have zero motivation to tell others about these businesses, let alone passionately urge others to use them.

On the other hand, I have actively referred people to my dentist; my graphic designer Troy, my favourite restaurant, Brika.

Why do I champion these businesses but not the others?

Because they do more than satisfy.

They meet a higher standard. The secret to referral stimulus is the difference between satisfaction and enthusiasm, produced either by merely meeting expectations or by exceeding them.

Getting recommendations and referrals from your clients is about turning them into storytellers about their experiences with you.

Nobody gathers a crowd around at a cocktail party to tell them, "My dry cleaner gets my clothes clean, folds them, and puts them on hangers." It's just not much of a story.

Here's why this is particularly important in working with affluent clientele:

Surveys show that the wealthy are 30% less likely than the general public to return or exchange unsatisfactory merchandise, seek out management to lodge complaints, or make their disappointments known.

Their time is too valuable to spend on such activities. They simply go elsewhere. If the experience you are delivering is unsatisfactory or merely ordinary, you can't rely on your wealthy customers to do your work for you and alert you to your mediocrity. You have to determine it, based on poor referral statistics or other statistical measurements and observation.

Wealthy consumers keep their disappointments to themselves and go searching elsewhere for better experiences.

Peer Recommendations Rule

Abundant survey and statistical data supports the premise that, the more affluent the consumer, the more likely they are to rely, in whole or part, on word-of-mouth information and recommendations from peers in selecting stores, restaurants, products, services, and professional providers.

If their interest is captured by advertising or direct solicitation, the wealthy consumer is at least four times (400%) more likely to ask their network about the company than is a consumer of average means.

With the wealthy, word of mouth is far more critical.

And far more valuable. And must be earned through complex creation and delivery of exceptional experiences that serve as a basis for positive, interesting storytelling.

If you have all of this in place, you will get referrals.

When you do, Step 2 (recognition and reward) should occur.

I cannot tell you the number of times I've heard the same unhappy story – "I sent my friend/ client/ neighbour to x and never got so much as a thank-you note."

Each person telling me that story is expressing deep resentment of not being shown deserved respect and appreciation and reinforcing their determination never to recommend that business to anyone else. I don't think most businesspeople understand just how much it irritates people who deserve appreciation but not get it.

This is multiplied with the wealthy, who feel privileged to begin with and

take the absence of appropriate response as a slap in the face.

When they do you a favour, such as referring a customer, they are waiting for an appropriate acknowledgment.

The good news is that recognition and rewards motivate more of the same behaviour.

I guess we can all be Pavlov's dogs.

The best way to turn a first-time or occasional referrer into a frequent one is: recognition.

And, the more affluent the customer, the more personal the recognition should be. They do not need a gift card that you buy a dozen at a time to reward referring customers. A personal, preferably handwritten thank-you note will do.

But, ideally, its best to find and obtain something of specific relevance to the individual or their business, family, pets, or personal interests. And in doing so, you are developing even more “bragging rights experiences”.

Finally, Step 3 is holding yourself, your staff, and even your clients accountable for referral activity.

ACTION ITEM:

This means measuring effectiveness every way you can, beginning with overall stats.

I often ask a professional service provider like a dentist or chiropractor to tell me how many referrals they've received per active patient this year to date vs. last year ... and guess what – most of them have no idea.

You can't manage what you don't measure.

Depending on the nature of your business, you may be able to measure one staff person's efficacy at securing referrals against another's. You can certainly track referral numbers, frequency, and consistency for each customer, client, or patient. The courageous marketer will single out the clients referring below par and engage them in frank discussion about it.

The point is that referral productivity is something to be proactively managed, not passively accepted, whatever it is.

Best Clients Swim Upstream

“People influence people. Nothing influences people more than a

recommendation from a trusted friend. A trusted referral influences people more than the best broadcast message. A trusted referral is the holy grail of advertising.”

Mark Zuckerberg

The “Premiumisation” of Everything

Consumer behaviours of indulgence and choice are permeating every subsection of the marketplace.

“Premiumisation,” the process where previously mundane products or services are elevated to being attractive to the wealthy previously reserved for luxury goods, is affecting daily consumer products even coffee.

These everyday lifestyle choices are gradually growing to become a substitute for classic luxury products. In autos, consumer electronics, beer, wine, cupcakes, ice cream, and even cannabis, wherever you look, there will always be a premium product that consumers will be willing to pay top dollar for, so they can brag about it to their friends and co-workers or simply enjoy the special treat for themselves.

It’s no longer enough to wear a few luxury products—as premiumisation takes hold, luxury is what you do, every day. Filling every niche of your life with custom experiences, from the way you navigate the city, to what you spend your leisure time on, to how you decorate your walls, is the ultimate luxury.

What is more this phenomenon is not restricted to products – it also applies strongly to services.

In this current fast-paced world, the real luxury the wealthy will pay anything for is time: having time off, having time to think, to breathe, to relax, to meditate, to disconnect from the news flow. Wealthy consumers are ready to pay for time. Think about the TSA prechecks in U.S airports that enable you to avoid queuing. Think about Uber which stopped you having to wait around for a cab. The examples exist – all you have to do if you are a service provider is find a way for your affluent clients to jump the queue or to save time or to simply do it for them and they will gladly pay the premium.

“You only live once, but if you do it right, once is enough.”

Mae West

The End

That puts a wrapper on this issue of this Newsletter.

There are three big, basic steps to moving from any point 'x' forward in a particular direction:

- (1) AWARENESS,
- (2) DECISION,
- (3) ACTION.

I've seen, with many of my clients, a gradual awakening about how much money is flowing, about the emergence of the wealthy and affluent, about the opportunities for them. It takes talking about it a lot to create enough -

Awareness to produce Decisions.

Now I'll be nagging YOU! Continually adding to your Awareness of affluent markets, so that you, too, will be pushed to new Decisions, to capitalising on new and different opportunities.

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