

THE LUXURY BUSINESS GAZETTE

Monthly business news, analysis & views from the global luxury industry

The Michelin Guide Will Start Rating Luxury Hotels Next Year

➤ As written in the [announcement](#) on the official website of the Michelin Guide, 'to highlight establishments offering exceptional hotel and travel experiences, the Michelin Guide unveils the Michelin Key, a special distinction which will be implemented from 2024.' The Michelin Guide has already selected around 5,000 luxury hotels around the world.

Elite Universities That Have Produced the Most UHNWI

➤ The 2023 Centi-Millionaire [Report](#) by global wealth intelligence firm New World Wealth has released the top universities that have produced the most UHNWI. American universities dominate the list, taking 11 of the 20 spots. The UK, France, China and Japan also feature in the rankings. The number one on the list is Harvard University, which produced 1,088 centi-millionaires.



QUIET LUXURY AS A BUSINESS MODEL

Quiet [luxury](#) can be a strategic business model. It isn't incidental that the discerning luxury segments are called the tastemakers, those that lead taste, opinion or thought since the segments that are non-cultivated eventually begin to follow the discerning segments as well. The mechanics of this sociological tendency is based on the fact that the ordinary wealthy follow the cultured and influential wealthy that prefer quiet luxury. Moreover, some of the other segments follow this customer segment too due to the law of diffusion, the spillover effect, the trickle-down effect, bandwagon effect and so forth. As the behavioral economist Prof. Ludwig von Mises put it: 'Innovation is the whim of an elite before it becomes a need of the public. The luxury of today is the necessity of tomorrow.'

Forbes' Annual Ranking of America's Wealthiest is Out

➤ As Forbes reports “after losing a collective \$500 billion last year, the America's 400 wealthiest people have gained it all back. This elite set is now worth \$4.5 trillion in aggregate, tying a record set in 2021, and it takes \$2.9 billion to make The Forbes 400, another tied record.”

What Are the Secrets of Ultra-Luxury Hotels World Over?

➤ Highly expensive hotels are not equal. Many of the expensive hotels out there are unable to even achieve the luxury status due to their weak internal culture and lack of professional know-how on true luxury. Top service takes nuance to serve diverse ultra wealthy guests and the balance between privacy and sociability needs to be managed.

Global Lux Brands' Growing Interest In Niche Luxury Firms

➤ According to BoE, giants like Hermès, LVMH and Gucci are building ties with Japan's artisanal producers to tap exclusive materials and ancient techniques and many of the partnerships between small Japanese suppliers and global luxury giants remain shrouded in secrecy to safeguard exclusivity. This is only a microcosm of the macro-tendency in the industry.

CANNES LIONS NOW FOR LUX

The enlightened creatives and luxury industry insiders are not surprised that it took so long for the Cannes Lions festival to see the distinction between mass campaigns and luxury campaigns. Such masters as George Lois and Sir John Hegarty have many times criticized the current advertising practitioners' obsession with digital tech

and social media that led to the lack of independent outside - of - the - box thinking or authentic creativity. George Lois used to protest saying “they talk about ‘mobile’ in a creativity festival!”. Today Cannes Lions is saying good bye to Mobile and finally starting see the distinction between mass and luxury communication that is often substantially more artistic, aesthetically pleasing and meaningful. The decision-makers within Cannes Lions seem to be laggards.

INVESTING IN ‘PASSION ASSETS’

As Will Wainwright from Spear's reports, “many of the UK's wealthiest plan to increase their investment in luxury or ‘passion’ assets in the next five years, with family offices leading the way. Often viewed as collectibles rather than investments, assets such as wine, art and watches are increasingly seen as more secure than traditional asset classes like stocks and bonds, new research from

London law firm Fladgate suggests.” This finding demonstrates that for high and ultra high net worth investors such emotional factors as personal passion are just as important as the clear potential for returns on investments. The high net worth and ultra high net worth investors are also influenced by affluencers and other passion investors who advise new collectors and connoisseurs to invest not only because of an object's financial value but also for its cultural and personal value.

