

“ÜBER PREMIUM”



We've mentioned **ÜBER PREMIUM*** a couple of times in previous newsletters ([MASSCLUSIVITY](#), [HYGIENIA](#)), but never sent you the full bodied trend description. So what is it?

ÜBER PREMIUM is all about status-craving consumers hunting down the next wave in uber-exclusive goods, services and experiences that are truly out of reach for 99.9% of the **MASS CLASS**. Not an easy feat, given that the rapid proliferation of **MASSCLUSIVITY** (exclusivity for the masses) has, over the last few years, commoditized all but the most luxurious products on this earth.

A quick recap: luxury is about status (consuming the best or the most is one of the few surefire ways to establish one's status in a mature consumer society), and it's about fat margins (as consumers are willing to pay just about anything for two things: sex and status).

All of this is of course not new to you, but it completes our **HYGIENIA** scale, and thus may bring you chunks of trend context and, hopefully, some inspiration, too!



Meanwhile, the worldwide embrace of capitalism and wealth crea-

tion, which is making even more stuff more accessible to even more consumers, suggests that **ÜBER PREMIUM** is here to stay:

- The financial wealth of the world has moved from USD 28.5 trillion in 2003 to USD 30.8 trillion in 2004, representing an 8.2% increase. The total number of HNWIs (high-net-worth individuals, who each hold at last 1 USD million in financial assets) increased 7.3%, from 7.7 million individuals in 2003 to 8.3 million in 2004.
- Meanwhile, the number of Ultra-HNWIs (those with more than USD 30 million in financial assets) increased by 8.9% in 2005, to 77,500 (source: World Wealth Report 2005, Merrill Lynch & Cap Gemini).
- The number of billionaires in the world grew from 587 in 2004 to a record 691 people from 45 countries this year. The combined net worth of the absurdly rich rose 16 percent to USD 2.2 trillion (source: Luxury Institute).
- And last but not least: an estimated 236,000 Chinese became millionaires by the end of 2004, while in India, 61,000 now individuals have assets exceeding USD 1 million (source: Cap Gemini).

* The phrase **ÜBER PREMIUM** was first coined by [Tyler Brülé](#).



WHAT IS ÜBER PREMIUM NOT?

Well, for one, it's not the stuff that most members of the **MASS CLASS** in theory could afford, even if they'd have to actively 'trade down' for weeks or months. A [Jo Malone](#) candle selling for GBP 260 is therefore not **ÜBER PREMIUM**, but **MASSCLUSIVITY**. Same for Godiva's USD 100 a pound [G-collection](#) chocolates, even though they're billed as the chocolatier's ultra-premium, couture-style line of hand-made bonbons. It's not Dolce & Gabbana's crystal-studded Mickey T-shirt, retailing for USD 1,400. It's also not [Masa's](#) USD 350 tasting menu, or [Gordon Ramsay's](#) new GBP 100 woodfire-baked pizza topped with

shavings from a USD 1,400 Umbrian white truffle. Not even over the top [A.P.O. Jeans](#), which can cost up to USD 1,000 a pair, qualify.

So... **UBER PREMIUM** is everything that is truly out of reach of the vast majority of consumers. Not just financially, but also by not being invited, or by being too late. No wonder then that **UBER PREMIUM** is increasingly found in the experience part of the economy: an exclusive personal experience can provide for hard-to-imitate uniqueness in ways physical (and uniform) products can't.

Anyway, enough marketing speak: immerse yourself in the following hands-on **UBER PREMIUM** spottings, and try to distill the real value (if not experience) that's on offer, for better or for worse. Real estate features prominently: properties normally represent the biggest of big ticket items, which explains the current craze for second, third, fourth homes, and multi-million dollar mansions.

UBER PREMIUM AND REAL ESTATE



If you want to spot **UBER PREMIUM** in action, what better place to visit these days than the Gulf Region? 'Inspired' by Dubai's man-made Palm Jumeirah and The World Islands (to mention just a few of the [5 STAR LIVING](#) projects nearing completion), other Emirates and Gulf states are now turning into **UBER PREMIUM** nation-resorts as well. A quick overview of new developments that are pushing the **UBER PREMIUM** envelope:

United Arab Emirates ([UAE](#))



Abu Dhabi's Al Reem Island is 300 metres offshore and will be linked to Abu Dhabi by two bridges. First property project on the island is the USD 7 billion [Shams](#) Abu Dhabi development, which will be comprised of a series of themed, exclusive neighbourhoods linked by waterways and the latest ideas in urban transportation networks. The entire development is scheduled for completion by 2011.



Sharjah's USD 5 billion [Nujoom Islands](#) will cover 60 million sqft of prime coastal land near the village of Hamriya. The islands include 40 high-rise towers, 145 apartment buildings, four hotels, two resorts, and 1,400 villas. Located on the north eastern coast of Sharjah, the project will be the largest commercial, residential and tourist landmark in the emirate.

To be completed in 2010, [Saraya Islands](#) (no images available yet) is a USD 500 million project along the Arabian Gulf coastline of Ras Al Khaimah (RAK is the most northern of the UAE's seven emirates). The islands will be spread over one million square meters, with three five-star hotels and 200 lavish residences.

Bahrain



The USD 1 billion **Durrat Al Bahrain** project in Bahrain will comprise a total of thirteen islands: an arc of six atoll- and five 'pearl'-shaped islands -- which will be reserved solely for residential use: think 2,000 luxury sea-facing villas and 3,000 apartments -- and one island accommodating a five-star family hotel and aqua park.



Work is continuing at a rapid pace on the 1 USD billion, 30 million sq ft **Amwaj Islands** project: a group of man-made islands less than 2 km off the coast of Muharraq which will offer a combination of "world-class residential neighbourhoods, commercial districts and opulent resorts."

Oman



The Wave, Muscat, is Oman's top tourism and seafront residential www.trendwatching.com

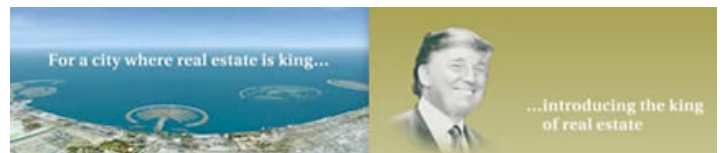
development. Overlooking the Gulf of Oman near the Seeb International Airport, The Wave will occupy an area of 2,500,000 square metres along 7km of natural beach. Expect an 18 hole green Golf Course, a 300 berth Marina, four luxury hotels, and plenty of **UBER PREMIUM** villas, retail outlets and restaurants.

Qatar



The USD 2.5 billion **Pearl-Qatar** offshore residential island, chock-a-block with **UBER PREMIUM** dwellings, is slated for completion in 2009.

Back to Dubai



Meanwhile, back in Dubai, developer Nakheel and The Trump Organization have revealed their plans for **The Palm Trump International Hotel and Tower**; a US 400 million condo-hotel development on the Palm Jumeirah, one of three palm-shaped islands that Nakheel is building off Dubai's coast.



The development will pioneer the condo-apartment hotel concept in the region, featuring approximately 500 apartments, and each residence will have the luxury of access to five-star hotel services and amenities, including "The Trump Touch Concierge Services".

And to further underscore the relationship between luxury and margins: other properties on the 5 km-long island are already attracting a 10 to 40 percent premium (!) over the original selling price.

Learnings, whether or not you're in real estate: the new **UBER PREMIUM** living, entertainment and retail concepts popping up all over in the Gulf Region will eventually be incorporated elsewhere in the world, as well as mass (re)produced and turned into MASSCLUSIVITY offerings. Which makes the region an essential fact-finding destination for every marketer selling to the middle classes.

Floating



Prefer the oceans over the desert? The previously featured [Residensea](#) will soon get company from the [Orphalese](#), a 90,000-ton ocean liner that will have 200 residences and 265 suites for cruise passengers. The ship, which will be named the Orphalese after a mythical city in Kahlil Gibran's "The Prophet," is scheduled for completion in 2008. The two- to four-bedroom residences measure 1,000 to 4,000 square feet and are being sold fully equipped and furnished for USD 1.8 million to USD 10 million. The Orphalese plans to circle the world forever, on an itinerary shaped by events around the world, such as the Cannes Film Festival, the Olympics, Chinese New Year in Shanghai and the Running of the Bulls in Pamplona. Residents will be able to live a year-round life of **UBER PREMIUM** experiences, and studying the Orphalese concept should provide more than a few inspiring ideas to anyone working in service-based industries.

SPREADING THE UBER PREMIUM FEELING

Millionaire Fair



There is of course more to **UBER PREMIUM** than real estate and year-round cruising: to find out about ALL of this year's **UBER PREMIUM** innovations (and next year's MASSCLUSIVITY copycats), check out the rapidly expanding [Millionaire Fair](#). Launched in 2002 by Dutch Gijrath Media Groep BV (GMG) in Amsterdam, the annual fair brings together top names from the international luxury goods industry and **UBER PREMIUM** consumers. A new Russian [edition](#) which took place from 24-28 September in Moscow, was a massive success, and for 2006, fairs in Shanghai, Kortrijk (Belgium) and Cannes are in the works. Competition in Shanghai and Moscow comes from [Extravaganza Fair](#). It's serious business: turnover at the Millionaire Fairs in Amsterdam and Moscow is in the hundreds of millions of euros.

Publications

And let's not forget the burgeoning market for **UBER PREMIUM** publications: the new curators telling the uber-wealthy what to buy and what to experience, all lavishly visualised in glossy magazines. From the [Robb Report](#) and [Worth Magazine](#), to American Express' [Departures Magazine](#), sent exclusively to Platinum and Centurion Card holders, and [Absolute](#), meant for distribution to New Yorkers with an estimated annual household income of at least USD 500,000. Another good business idea AND an interesting source of inspiration to spot **UBER PREMIUM** novelties. TRENDWATCHING.COM also likes [Luxist.com](#) (in their own words: a blog obsessively covering luxury products).



UBER PREMIUM AND ACCESS

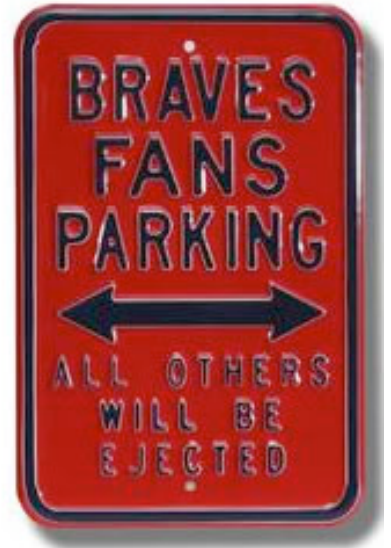
Now, it's not all about EUR 1 million price tags: the "luxury is access" mantra comes in a variety of flavors. Here are two 'out of reach' examples that have cleverly turned scarcity into an **UBER PREMIUM** privilege and experience:



Nike's now (in)famous [Nike ID](#) Design Lab in New York doesn't allow more than three customers in at a time, with visits limited to one hour max. Furthermore, customers need to make an appointment, by invitation only. The haute-design store has three booths, or pods, each with a computer that customers can use to assemble their own unique sneakers. From Josh Rubin, one of the store's visitors: "Clearly the focus of the Design Lab is on the experience of customization. The fact that three weeks after visiting a pair of shoes arrives in the mail is almost like a delayed party favor. Wearing them is as much an opportunity to express your individuality, as it is a chance to tell the story of being in the Design Lab." Nike ID has also set up shop in Paris, Berlin and London, the latter a [pop-up store](#). Waiting lists, invitations, story telling: call it the new **UBER PREMIUM**?

[Lexus](#) owners in the US now have access to premium parking spaces. For the past year the car company has provided exclusive parking spots and lots for Lexus owners at the Atlanta Braves' Turner Field and the Office Depot Center in Sunrise, Fla.

At the Office Depot Center, home to the NHL's Florida Panthers, the first 200 Lexus drivers attending any concert or NHL game park for free in a centrally located Lexus Lot, courtesy of five southern Florida car dealers that each contribute about USD 10,000 a year.



At Turner Field, Lexus owners pay USD 10, the standard stadium rate, but it's for one of the 200 to 300 spots in the lot closest to the front gate. Lexus also plans to repeat the deals it struck last holiday season for free valet parking at upscale malls in Houston, Dallas, and Atlanta. (Source: BusinessWeek.)

UBER PREMIUM EROSION



Nothing lasts forever, and even though the **UBER PREMIUM** trend is still building (and will continue to build for quite a while), there *are* first signs of **UBER PREMIUM** erosion.

All in line with our HYGIENIA trend, selling **UBER PREMIUM** products and services in smaller doses, increments, or units of time WILL create yet another interesting MASSCLUSIVITY market within reach of mere mortals. Point in case: most consumers may not be able to buy a shiny Mercedes Benz convertible, but they probably *can* afford a SIXT rental Benz cabriolet for only EUR 119 a day (USD 158) (**UBER PREMIUM** solution: Rolls Royce's New Limited Edition Phantom, only 25 cars, price in the 'if you have to ask...!' range).

It's in this space that studying what the rich buy, drive, fly, eat, drink and wear, and where they work, stay, and live will pay off fastest. Just make those goods and services available in small doses, or small time segments, to aspiring MASSCLUSIVITY consumers.

Opportunities



Where will this end? The above is just the tip of the iceberg. No doubt you're spotting your own UBER PREMIUM examples on a daily basis. On our side, we haven't even spoken about the 50,000 luxury condos currently being built in Vegas, to accommodate the craze in multiple dwelling ownership. Or a Moscow store that only sells items priced USD 1 million or more, while in the same city, construction on the USD 3 billion Rublyovo-Arkhangelskoye development will start next year. This new UBER PREMIUM community will be twice the size of Monaco, and house up to 30,000 of Russia's new rich.

Or what about the USD 88,300 Vertu cell phone that features eight carats worth of pavé set diamonds. And don't forget the private club trend, with New York's Core Club and Miami's [Casa Casuarina](#) (housed in Gianni Versace's former residence, charging members a one-time fee of USD 40,000 and annual dues of USD 3,600) demanding the UBER PREMIUM spotlights. Equally telling is the explosion in private jet services, from Lufthansa Private Jet to MetroJet. Last but not least, consider the emergence of six star (Setai in Miami), or even seven star (Jeddah Palace, Emirates Palace) hotels. And so on.

In the short to mid term, expect countless more manifestations of over-the-top (if not downright absurd) UBER PREMIUM, as MASSCLUSIVITY will continue to catch up with whatever insanely expensive and/or exclusive offering UBER PREMIUM masters will dream up next. And don't discount the emerging middle classes in China, India, Russia, or Brazil, who are still eager to go through the entire status-through-consumption saga as outlined by more mature consumer societies.

Which means that studying the UBER PREMIUM trend will give you access to plenty of ideas on how to infuse your offerings with 'status', subsequently bringing in higher margins. Which UBER PREMIUM learnings can you copy, improve, or adapt to satisfy your non-UBER PREMIUM customers?



Oh, and for those of you who are freaked out (or outraged!) by this display of excessive consumption, find consolation in the following: parallel to UBER PREMIUM, [GENERATION C](#) continues to grow. And for members of GENERATION C, status not only comes from what they consume or experience, but also from what they create. So will creativity become an alternative source of status? That could actually make UBER PREMIUM one of the last gasps of the consumer society as we know it in industrialized nations.

Or how about the notion of luxury shifting towards something less influenced by the aspiration to consume like those richer than you; and instead find value and satisfaction (hell, even status!) in having more time to oneself, or spending more time with one's family and friends, or in new forms of spirituality? As always, we'll be closely watching these shifts and examples, and we strongly suggest you do the same!

Need even more input and inspiration?
[trendwatching.com's 2008 Trend Report](#)
covers 12 themes, 24 trends
& over 200 examples.

(Download now to start using it within minutes.)



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