

Red Carpet RETAIL



Bulgari's VIP room



Platinum Guild International



J. Farren Price VIP room by Yuri Boloton

RETAILERS ARE OFFERING CUSTOMERS STAR TREATMENT IN AN EFFORT TO STAND-OUT IN A HIGHLY-COMPETITIVE RETAIL MARKET. **CARLA CARUSO** REPORTS.

Italian jeweller and luxury goods retailer Bulgari certainly knows how to treat its top clientele like stars.

In October 2008, the brand will unveil a VIP shopping room at its Melbourne store in Collins Street, where important guests will be able to park below the building and catch a lift directly up to the room, bypassing the store's entrance and any nasty weather.

Its flagship Australian store, which opened in Castlereagh Street in Sydney last June, already houses a plush VIP room, where important clientele can peruse super-expensive collections behind closed doors. The room is decked out with Botticino marble, and pear and maple wood, and there's champagne and espresso coffee on tap.

Fellow luxury brand Cartier also has private viewing rooms in the majority of its boutiques, so clients can enjoy comfort and discretion

when looking at very special pieces.

"Providing these services ensures the client not only feels special but shows how much Cartier cares about them and appreciates them being part of the 'Cartier universe'," explains Cartier spokesman Michael Elek.

VIP shopping rooms are a fairly new concept in Australia, according to the author of *The Red Carpet Guide to Sydney*, Renae Leith-Manos: "In the UK or the States, VIP shopping rooms are massive because celebrities can't shop in public without being followed by the paparazzi. Russell Crowe was recently trying to buy a present for his wife for Mother's Day in Sydney and was followed by three photographers all day. He was seen heading into the private room at Levendi Jewellers soon after.

"One of the most exclusive places to shop in Sydney right now is at Calleija Jewellers on Macquarie Street," Leith-Manos adds. "It's by

appointment only – visiting sheiks from Saudi Arabia have been known to go there to buy one of John Calleija's famous jewels, made from Aussie stones."

Back to Bulgari, VIPs can also have the store opened at odd hours to suit their own timetables, view collections at their home or hotel room, have jewellery flown to remote locations, and have an engagement ring personally delivered on the night of a proposal (for safekeeping).

Other high-end jewellery brands offering similar treatment include Tiffany and Co, Cerrone Jewellers and Jan Logan Jewellery. Aside from VIP shopping rooms, private consultations and altering of store hours, Tiffany's will also throw in the odd complimentary theatre ticket for its extra-special customers as well as jewellery cleaning, while Jan Logan offers in-house sourcing of fine gems and pearls, as well as antique and



Bulgari's VIP room

estate jewellery valuations and repairs.

High tea for VIP customers is a signature of Cerrone Jewellers. And Nic Cerrone believes his customers expect the best – glamour couple Lara Bingle and Michael Clarke reportedly bought a \$300,000-plus engagement ring from Cerrone.

"The jewellery industry is very competitive today, with jewellery coming from every part of the world, and the standard expected from customers is higher," Cerrone says. "We go out of our way to make them happy, even if it takes a bit of time to give them what they want and offer something unique; we need our word of mouth to talk."

Bespoke jewellery – items made to individual order – is another VIP service offered across the high-end retail market. As well, French luxury fashion and leather goods brand Louis Vuitton, whose staff answers the phone with a Franco-phone "bonjour" can create special order items on request for prestigious clients looking to enjoy the privilege of one-of-a-kind luggage or bags – Hollywood star Sharon Stone recently had a vanity case designed just for her.

According to Marina Go, editor-in-chief and managing director of Australian luxury lifestyle magazine *Pinnacle*, going the distance and providing something unique is vital in today's marketplace: "In the past decade, favourable economic conditions, a booming top-end property market and double-digit gains in the financial markets have resulted in a modern-day income elite of a significant size.

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MARINA GO, EDITOR-IN-CHIEF, AUSTRALIAN LUXURY LIFESTYLE MAGAZINE *PINNACLE*.

Astute high-end brands, such as Louis Vuitton and Bulgari, go out of their way to accommodate them. If you want this customer, you transact on their terms."

Still, VIP treatment doesn't have to come just at the pointy end. Daniela Verona, marketing director behind family-run Franco Jewellers in Melbourne, says providing VIP service as a smaller business means repeat customers. "If we have a loyal customer and we know their partner is looking at a particular piece, we make a note and let them know," Verona says. "We also invite our special customers to VIP nights, provide personal deliveries, can open the store especially for them and offer complimentary first-year insurance on a piece. We



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build a rapport with our customers, so we can be there to offer for all their special occasions.”

Family-run Melbourne retailer Anton Jewellery also offers discounts and pre-sale advantages to its top clientele, so they can have access to sale items, say, a week before other customers. The store also sends out complimentary tickets to events, such as charity balls, for a personal touch.

Cath Smith, who works for Melbourne retailer Bijoux by Ian Sharp, says the independent store offers complimentary jewellery cleaning, discounts, invites to special nights, and access to its upstairs private viewing room.

“We differentiate our VIPs from other clients mainly through loyalty over time,” Smith explains. “We provide a VIP service to make the client feel special and feted. People like to have personalised service when they are purchasing jewellery, as it is a very specific and emotional experience. Also, there is a high level of trust placed in the retailer, so clients like to feel as though they can ask questions and be given genuine feedback. The point of providing a VIP service to our clients is to reinforce that trust, which, in turn, reinforces other areas such as quality and exclusivity.”

Customer loyalty is also paramount to Cameron Marks, managing director of Sydney retailer Percy Marks Fine Gems: “Loyalty is more important than how much a customer spends – if all their family comes back 10 times, this is better valued than someone who just makes one major purchase.” Marks says.

A 2005 study by US marketing firm Grizzard Performance Group found three-quarters of consumers believed they should receive specialised treatment if they were particularly loyal to a store. The study found that the top three forms of special treatment requested by consumers were



Franco Jewellers

special pricing (such as, special credit terms and promotions), first access to new and sales merchandise, and invitations to VIP-only events.

"Retailers have to take an extra step to reach these loyal customers," says Michael King, group vice president, Grizzard Performance Group. "They have to make an emotional connection with these people."

In a similar vein, Jean-Christophe Babin, president and chief executive of Swiss luxury watch brand Tag Heuer, told the *Australian Financial Review* in April that ultimate luxury in 2008 is "emotion, especially in a world where everything is about material things".

For jewellery retailers, from Castlereagh to Collins Street and everything in between, this means going the extra mile for loyal customers, being flexible and innovative in what you deliver, and providing a personal touch where needed. And, in doing so, it may make the difference between a one-off customer and a repeat customer ♦



Calleija Jewellers

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WHY VIP TREATMENT IS IMPORTANT TODAY

With VIP service, there is one thing that needs to be tackled first, according to Stephen Ogden-Barnes, director at Monash University's Australian Centre for Retail Studies.

"Many retailers don't know who their best customers are," Ogden-Barnes says. "This can be difficult for big stores if their staff turnover is high and they don't have personal relationships. The businesses that have a customer records system can better identify their best customers."

Daniela Verona, the marketing director of Melbourne retailer Franco Jewellers, says the store relies heavily upon its software system to manage its VIPs: "If we want to do an exclusive launch night or mail-out, the system picks any customer who spends \$15,000 or more. If we want to choose a cross-section, it can do this too."

Ogden-Barnes says clarifying who gets special treatment is paramount: "When does good service stop and VIP service begin? A business must identify how and why customers get this service."

Barry Urquhart, managing director of Perth retail training group Marketing Focus, believes VIP benefits can be a way of garnering loyalty. He uses VIP airline clubs as an example: "If people can go to Sydney Airport and there are 150 people in the usual queue and you're in the premium line with just three people, that's 150 people thinking, 'What do I have to do to get in that line?'. In customer service today, everything is measured in time. Being a priority or privileged customer largely means faster service."

At the top end, VIP treatment is pertinent, says Ogden-Barnes. "If luxury is now trading down, then real luxury has to be about its surrounds. If you're a high-end retailer competing in an increasingly online world, where a customer can often get an item cheaper online than in Collins Street, what type of service do you need offer to remain competitive? It has to be personalised.

It can be a level of exclusivity, where a customer meets the manager and knows their name. Or, if they're buying a Rolex from the other side of town, they might send you a car. So, they're not just buying a watch, they're building relationships.

"VIP nights do a good ego massage, so the 'haves' are not rubbing shoulders with the 'have nots'. The ultra VIPs are used to service in Porsche dealerships and the like, so it meets their service expectations if you offer the same."

James Ogilvy, head of monthly business intelligence report *Luxury Briefing*, says the logic behind his publication is to bring the luxury industry as a whole "all into the one place".

When Ogilvy started out in the 1990s "all these companies had a connection, through their customers, but they worked much more in isolation. They hadn't considered other sectors as competitors," he says. "An accessory brand didn't regard an automotive brand as having a connection but they do if the customer is buying a Louis Vuitton handbag one day and a Mercedes-Benz the next."

And so, whether their purchase in your store is \$300,000 or not, the customer will still expect \$300,000 service.