

# CEPro PARTNER SERIES



## GROWING YOUR BUSINESS IN THE LUXURY MARKET

How to capitalize on this small but profitable market for ongoing business success.





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**How to capitalize on this small but profitable market  
for ongoing business success.**

As trends and smart home technology continue to evolve and home automation becomes more affordable and mainstream, how can you elevate your business and services to attract a base of ultra-luxury homeowners as customers? Is it about carrying the right assortment of products? Should you completely revamp your business strategies? Should you define new methods of curating, communicating with, and catering to this market in a way that's effective, efficient, and creates customers for life?

In this Exclusive Luxury Guide, you will learn how to restructure everything from your business practices and sales and marketing strategies, to project management and customer care to generate new revenue from an expanding lux market.

- › Tips and Tactics from Successful Integrators
- › Marketing & Management Advice
- › Establishing Solid Relationships with Key Influencers
- › Creating Demand for Your Lux Products and Services
- › Selling Yourself and Your Company to a Customers of Ultra-Wealth

*The demographic of ultra-high net worth individuals represents a very small slice of the U.S. population, with about .0007 percent owning more than \$30 million of investible assets\*. Although this segment of ultra-wealthy individuals is tiny, its population grew 3.5 percent between 2015 and 2016, to about 226,000 people. During this same time period, the total wealth of the ultra-wealthy grew by 1.5 percent.*

\* INVESTIBLE ASSETS EXCLUDING PERSONAL ASSETS SUCH AS PRIMARY RESIDENCE, COLLECTIBLES, AND CONSUMER DURABLES.



## How to Identify the Ultra-Wealthy Market in 4 Steps

### Step 1: Find the Key Specifiers & Influencers

Time is more important than money to the ultra-wealthy, so they often enlist their agents, architects, interior designers, or property managers to handle the details and decisions of their home systems design. Consequently, these specifiers and your relationship with them can mean the difference between landing a job of a lifetime and losing it.

Not sure where to look for these important contacts? Most high-end designers, property managers, and architects are members of associations such as the American Institute of Architects (AIA), American Society of Interior Designers (ASID), and Domestic Estate Management Association (DEMA). The local chapters of these professional associations often hold meetings—a perfect place to network and learn more about the ultra-lux market. Check out when and where these meetings are being held and make every effort to attend. Often, these organizations are in need of guest speakers during their gatherings, so seize the opportunity to promote your business, making sure to stick to their agenda and organizational focus.

*The majority of the ultra-high net worth population lives in California, with 13,445 individuals. But you can find super high-end luxury clients in every state, with Texas and Florida coming in second and third behind California.*





## Step 2: Learn Their Language

“The key influencers and specifiers and their ultra-wealthy clientele are driven more by emotion, experience, and aesthetics than by logic, mechanics, or technology,” says David Weinstein, Lutron vice president of residential sales. They aspire for their ultra-wealthy clients to have the best quality products, and money is usually no object. However, just because something is “the latest gadget,” doesn’t mean they will want it. “Their goal is to indulge in items that may not be necessary, but that will provide pleasure, satisfaction and ease as a means of luxury, or as Lutron likes to call it, ‘essence of pleasance,’” Weinstein continues.

Consequently, when networking with these key professionals, it’s important to choose a person on your staff who can comfortably communicate on their terms. “They must have the acumen and be able to earn the trust and respect of the ultra-high-end specification community,” Weinstein advises. “This relationship with the project specifiers—architects, decorators, builders—provides the client the same level of confidence of an integrator’s skills and understanding of best-in-class luxury brands.”

## Step 3: Deliver the Lux Experience to Your Customers

In order to establish credibility among the specifiers and influencers of ultra-wealthy individuals, you must establish yourself as a peer—someone who

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—**DAVID WEINSTEIN,**  
**LUTRON VICE PRESIDENT**  
**OF RESIDENTIAL SALES**

also understands and caters to this uber-lux market. Because these professionals and their clients are driven more by experience and emotion rather than technology and innovation, it's important that position yourself as a purveyor of a lux lifestyle.

Spire Integrated Systems, of Troy, Mich., for example, spiced up its two-day showroom event by bringing in luxury Jaguar and Land Rover vehicles for homebuilders, architects, interior designers, and others. The technology demonstrated was equally as high-end, including systems from Lutron and others. Together, the combination of top luxury vehicles and top luxury home technology brands differentiated Spire as a top luxury home systems integration company and differentiated it from other companies in the area.

#### **Step 4: Create Demand for Your Services**

Arranging for influencers, key decision makers, and possibly the homeowners themselves to visit a luxury show home or a manufacturer's showroom, like Lutron's Experience Centers in Pennsylvania, New York, Florida, and California, speaks volumes of your commitment to their desire for beautifully crafted high-end home electronics. Home systems integrator Lee Travis, owner of Seattle-based Wipliance, often flies his ultra-wealthy clientele to Scottsdale, Ariz., to tour the company show home and play a round of golf. "We also take advantage of events happening in the area that attract wealthy people by hosting exclusive parties at the show home," he continues, "and because it's so important to get in front of top architects and designers, we often offer the show home as a venue for their own association gatherings."

Even something as simple as serving beverages and hors d'oeuvres can go a long way toward establishing a reputation as a company that caters to an ultra-wealthy clientele. "We realized we were on the right track when we started offering clients an espresso or a cold drink upon entering our showroom," says Doug Dushan, senior sales and marketing coordinator of Echo Systems, Midwest, Omaha, Neb.



***Luxury Jaguar and Land Rover vehicles helped Spire Integrated Systems, of Troy, Mich., attract high-end clientele to a showroom event featuring Lutron systems and other upscale products. <sup>1</sup>***



***Echo Systems, Midwest, of Omaha, Neb., gives visitors of its showroom the royal treatment by serving drinks and hors d'oeuvres. <sup>2</sup>***



***Even if you don't have a high-end showroom to impress your luxury clientele, you can always take them to one of Lutron's Experience Centers for a demonstration of the technology.***

<sup>1</sup> PHOTO COURTESY OF SPIRE INTEGRATED SYSTEMS

<sup>2</sup> PHOTO COURTESY OF ECHO SYSTEMS



## Image is Everything – How to Position Yourself in a Luxury Market

### *Sales and Marketing Tactics that Work*

#### **Tip 1: Focus on Design**

Similar to the clientele the influencers and decision makers serve, they speak a much different language than home building professionals of production, mid-market or even high-end homes, high-rise condos and townhomes. “Your top salespeople need to be able to go toe-to-toe with recognized luxury design firms that frankly aren’t necessarily interested in technology, but in delivering an original and aspirational crafted experience to their clients,” Weinstein says.

Architects, interior designers and other specifiers who cater to the ultra-wealthy understand what good design is, so espousing the technological virtues of smart home systems may fall on deaf ears. “What separates this new focus from our general high-end residential focus is really dealing with the emotional and aesthetic oriented specifiers who understand the reality of genuine ‘fashion-meets-technology’ solutions. These projects are usually not sold on the technical nature of what goes into the closet, but on the exquisite keypad aesthetics or a beautiful exposed shade system with machined hardware, and precision components,” Weinstein says.

*One of the most important aspects of luxurious living is a sublime home design. Consequently, systems for the home should look as good as they perform.*



### **Tip 2: Impart an Atmosphere of Luxury**

Rather than hearing about how the technology works, specifiers of ultra-high-end clientele need to see how products and systems complement the overall design of a home and can create an atmosphere of luxury. Keypads, architectural lighting fixtures, and other devices that impact a home's cosmetics will be crucial elements of a luxury system solution. If a specifier of an ultra-high-end client can see a shade, keypad, or thermostat blending beautifully into the surface of a textured wall or how the shape of a light fixture benefits a home's sophisticated aesthetic, they will more fully understand your message and how your products and services can enhance the simplicity and style of an ultra-high-end residence.

To promote this message, Wipliance has a full-time employee who deals exclusively with the design community, including interiors designers, architects, and builders of ultra-high-end residences. "She specializes in communicating information to these professionals on lighting control and shading, Lutron being our go-to brand," Travis says.

### **Tip 3: Do a Dynamite, High-End Demo**

A great demo of high-end systems that triggers a strong emotional response will help get your message of luxury across. Your visitors will feel as if they are expe-

SLEEK COLOR-COORDINATED  
KEYPADS, STUNNING  
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ELEMENTS OF A LUXURY  
SYSTEM SOLUTION.



riencing something special that can have a meaningful impact on their lifestyle—not just greater simplicity and convenience of operation—but an overall feeling of elegance and high style. When visitors see first-hand your level of craftsmanship, it builds your credibility as a provider of luxury goods and services.

Definitive Electronics, of Jupiter, Fla., went so far as to hire a classical piano player, along with renting a grand piano, to orchestrate a one-day, invitation-only event at its showroom for affluent clients. The event, which included a catered lunch with fine wine, resulted in commitments to purchase six-figures worth of equipment.

Definitive Electronics regularly hosts events like this. “We bring in builders, architects, and upper echelon customers,” says Don Dixon, company president and CEO. “We want to educate them on some of the advancements with some of the products out there.”

#### **Tip 4: Carry a Portfolio of Luxury Brands**

To earn the trust and respect of ultra-affluent clients and specifiers, not only do you have to “talk the talk;” you also need to “walk the walk.” This means carrying a suite of luxury-brand products and systems that can be easily integrated into the custom, highly tailored design of an ultra-high-end home. Price isn’t the main concern. Focus instead on finishes and fabrics when proposing keypads, thermostats, and automated shades, for instance. Demon-

*Demonstrations of elegant and smart lighting that have been seamlessly fused with the design of a room can establish your credibility as a home systems integrator who caters to the high end.*



*Music sets the stage, so for an exclusive event hosted by Definitive Electronics, of Jupiter, Fla., a classic pianist to evoke an atmosphere of opulence and extravagance.*

strate at your showroom how an architectural high-performance LED light fixture can evoke ambiance or beautifully showcase a piece of art. Explain how your systems can eliminate “wall acne” and can reduce the unattractive wall clutter often associated with home technology.

Integrated into Wilpliance’s showroom, Lutron’s Palladiom Collection of products have hit a chord with the Scottsdale design community, Travis says. “When they see the keypad, and touch the Palladiom keypad they know instantly that they are using something different and very refined. It was a very strategic move for us to sell the Palladiom Collection to our ultra-high-end clientele, and it works well, as it satisfies this market’s desire to have the very best. The design community loves the finish and color options of the Palladiom Collection; they are creative people by nature, so they are excited about having a new and innovative style to add to their offering.”

### **Tip 5: Pitch Your Case on the Project**

Communicating with the team of an ultra-affluent client requires some degree of research. The first step is determining how the lines of communication between your company and the client will flow during the project. “It is the most complex and essential element of working with ultra-high-end homeowners,” says Travis, “and involves identifying who the real decision maker is and then determining who this person’s key influencers are.”

Once the role of each member of “the team” has been clearly defined, it’s time to “pitch your case” to everyone involved—builder, architect, agent, designer, whoever. “Think of it as if you were on the show *Survivor*,” Travis suggests. “Work in enough time to talk to each influencer individually to make sure that everyone is on your team. If the influencers are on board with your plans, they will help make sure that the key decision maker is also. And remember, you will need to reapply these politics throughout every phase of the project.”



## **HOW TO BRAND YOURSELF AS A PROVIDER OF LUXURY PRODUCTS**

- › Align yourself with high-profile members of the design community
- › Partner with manufacturers of best-in-class, luxury products, like Lutron, that have established relationships with leading architects, interior designers, and other specifiers
- › Focus on experience and lifestyle in your sales and marketing efforts
- › Infuse your showroom with luxury items such as high-end artwork, light fixtures, furnishings and more
- › Host exclusive events for high-end clientele at your showroom, show home, or manufacturer experience center
- › Commit to “no excuses” service and customer care
- › Assign a savvy salesperson to focus on the luxury market



## Craft a New Corporate Culture

Transforming your company into a true luxury service provider involves rethinking and evaluating every area of your business from product offerings and showroom experience to customer care.

### Keep Product Options to a Minimum—Focus on the High End

Spire Integrated Systems, for example, eschewed a good/better/best philosophy employed by many integration firms, choosing a product assortment that is narrow and focused and based more on lifestyle applications than price point.

“I think people today are looking for a curated system that works together and all they need to do is decide on a few minor options [color, size, and such], much like the car buying experience, Blue Apron or specialty clothing companies that create a look specifically for you,” says Spire principal and owner Navot Soresh.

### Save Time by Streamlining Your Proposals

Time is a valuable commodity to a high-end clientele, so your sales process needs to be as streamlined as possible. This is why Soresh implemented a strategy that saves time and effort by getting the customer to say yes or

*To affluent customers, shopping for home technology should be no more complicated than choosing a luxury car—all they need to decide on is a few minor options.*



*To Cantara, of Costa Mesa, Calif., white-glove service for its ultra-wealthy customers starts at its elegant showroom and continues with no-excuses, round-the-clock 24/7/365 service.<sup>1</sup>*

<sup>1</sup>PHOTO COURTESY OF CANTARA

no in a relatively short amount of time. “From a one-page budget estimate sheet we get to a commitment right away such that the customer puts down a 10-percent deposit before we spend time creating a full-blown proposal. Instead of 50 proposals turning into 10 sales, now it only takes 15 proposals to reap 10 sales and that’s a gigantic difference.”

### **Beef Up Client Services**

Affluent customers demand round-the-clock, no-excuses customer service and are willing to pay for it. The team at Costa Mesa, Calif.-based Cantara realized that one evening when a high-end client discussed with them the need for service in the evening—and basically anytime at all. From that conversation, Cantara developed a 24/7/365 client services division, Jason Voorhees, company principal, says the results have been game-changing.

- › It elevated the luxury customer-service experience that Cantara’s clients already received to a higher level.
- › It improved internal efficiency by creating established procedures for handling service requests
- › It introduced Cantara to the benefits of recurring monthly revenue

Rather than put a strain on its staff, Cantara hired an outside firm to field calls.

### **Develop New Employee Skill Sets**

The level of customer care expected by affluent clients requires that your employees develop a new skill set—focusing less on the systems and more on “soft skill” policies such as etiquette and dress code. “It’s important that we look and act respectful to our clients in their personal living space,” says Cantara principal Jim Bras. “Our policies are aimed at almost being a ghost inside the house.” This includes wearing booties inside the house, parking somewhere other than the driveway, and not leaning on any finished surface, walls, and furniture, among other rules.



## **HOW TO SELECT THE RIGHT PRODUCT VENDORS**

- › Team up with vendors that have well established relationships with key members of the design community
- › Choose vendor that carry high-end products and systems with a reputation for reliability and supreme performance
- › Work with vendors that understand the importance of high style, design, and fashion to ultra-affluent customers
- › Choose vendors with impeccably designed showrooms that can be used to entertain clients
- › Partner with vendors who can fulfill orders and requests quickly—ultra-wealthy customers demand it.
- › Choose vendors who develop top-notch products and systems engineered and designed to elicit an atmosphere of pleasure, elegance and opulence.

## How Lutron Can Help You Profit From the Ultra-Wealthy Market

### *Products from Palladiom Collection, Sophisticated LED Fixtures Embody Luxury*

Lutron has always had the reputation of catering to a high-end clientele. The addition of the Palladiom Collection and specialty LED light fixtures has taken the company's offerings a step further into the upper echelon of home market. "Our Palladiom Collection is a great example of Lutron's commitment to the ultra-high-end market," Weinstein comments.

The Palladiom shading system is an artisan solution with machined components that are exposed. The system pairs well with Lutron's Palladiom keypad and thermostat, which come in a variety of stylish finishes and colors to suit any style of luxury home. [Download brochure](#)

Lutron complements the Palladiom Collection with a selection of high-performance architectural LED lighting solutions. [Fixtures](#) including Lutron's Finiré, Lumaris, and Ivalo styles are able to transform ordinary LED lighting into sophisticated and highly engineered luminaires that resonate with

an ultra-wealthy clientele.

"How the ultra-high-end client perceives exclusive lighting controls, shading, and audio/video products is no different than how they perceive fine jewelry, beautiful handbags, and luxury cars," Weinstein says.

To be successful in the ultra-high-end market,



**Buttons are faceplates on Lutron's Palladiom keypad are made from the same material for a coordinated look.**

dealers must present, design, and install products that evoke the luxurious experience these clients expect, and collaborate with specifiers who cater to this small slice of a very profitable home systems market. "Lutron is investing heavily in the luxury market because it's an untapped opportunity for growth. More importantly, it's a profitable market segment for our dealers to pursue," Weinstein concludes.



**Revered for its understated elegance, the Palladiom thermostat delivers on Lutron's promise of providing products that resonate with the ultra-wealthy.**



**Lutron's Palladiom shading solutions redefine modern home design. Engineered as a sleek shading solution that's meant to be admired rather than hidden, it offers an aesthetic that's as unique as it is visually stunning.**