

AMERICA'S TRAINS - SELLING TO THE LUXURY MARKET

A. Introduction

1. It is necessary to have and apply specific knowledge regarding consumer interests to excel in the luxury selling business, and more specifically when selling luxury vacations.
2. The more in tune you are with the desires and needs of luxury buyers, the more sales you will make.
3. Don't waste time, effort and money promoting individual consumers or general market segments that don't have the interest in or can't afford Journeys, Train'Shares and more so, Fractional Interests.
4. Although Journeys by Rail, Train'Shares and Fractional Interests are up-scale luxury vacation products, their different characteristics offer extra benefits and preferences that attract consumers.
5. The following information reviews aspects of luxury product sales, most of which provide positive reasons supporting the sale of luxury Journey by Rail, Train'Share and Fractional Interest sales.

B. **Luxury Buyer Characteristics:** To maximize and most effectively convert qualified Leads to sales, the luxury market and character of luxury vacation buyers must be understood. Some luxury marketing and sales factors follow.

1. **The up-and-coming luxury consumer responds to different marketing strategies** than the baby boomer and older luxury consumer marketers must create massive value to appeal to them, not just in a product or service, but in the overall vacation experience. For example, entertainment, adventure, culture and unique activities are more important; younger generations are not as restricted by boundaries and value travel as earlier generations
2. **Affluent consumers are not prone to substantial changes in their basic behavior and values** from year to year or even over an extended period of time.
3. **A change from one year to the next is not necessarily a market trend**, especially if it applies to a large increase in a very small percentage of the market. That is more likely to be a fad that may or may not become a meaningful trend over a period of two or more years. For example, a market segment that triples from 1 percent to 3 percent is not a trend but may be an indicator of an emerging market. However, the newness of Journey train vacations might be exploited as a wealthy traveler fad.
4. **Affluent consumers are not necessarily luxury consumers.** The definition of "luxury" is in the eye of the beholder. By all reasonable measurements, Journeys by Rail, Train'Shares and even more so, Fractional Interests are luxury products. Only the wealthiest one percent of U.S. households appear to be knowledgeable about the price points and brands of true luxury products. Before the recession, some luxury consumers were among the so-called mass or aspirational, ego driven affluent. These consumers have been largely shaken out of the true luxury market; however, sales based on buyer egos should not be dismissed.
5. **It is important to stay focused on the key marketing priorities of attracting new customers and retaining the loyalty and increasing the support of existing luxury product customers.** Marketers should avoid chasing unconfirmed emerging consumer market segments if that will cause them to be distracted and dilute efforts targeting their existing primary identified consumer markets.
6. **Traditional marketing communications channels should not be forgotten**, especially if marketers are targeting affluent and luxury consumers assuming that a reasonable share of related marketing efforts will produce messages that reach these consumers. An unintended consequence of digital media is that the consumer audience has been substantially fractionated. While this provides the opportunity to personalize communications, it can also make it more difficult to reach large portions of the target market effectively and cost-effectively. Equally important, many in the large numbers of digital fans and followers of luxury brands are "luxury-curious" voyeurs who cannot afford the Journey, Train'Share and/or Fractional Interest products so attention to target markets is important.
7. **The true affluent, who are typically careful spenders living within their means, are the more knowledgeable and more sophisticated consumers.** Their priorities have always been quality and value when making a purchase decision, with significant recent trends towards differentiated, unique travel opportunities. In addition, the vast majority of the affluent have always avoided ostentatious or conspicuous consumption.
8. **There is no substitute for using common sense when thinking about how to be consumer-sensitive in all aspects of the relationship, interaction and communication with customers.** Relatively obvious considerations set the travel, vacation ownership and other aspects of the luxury train travel product apart from less costly and from expensive but unrelated types of vacation products and their markets. The difference between the three products, Journeys by Rail, Train'Shares and Fractional Interests can also require subtle variables when approaching potential customers.

9. **Niche market products are attractive to wealthy consumers.** Journeys by Rail, Train'Shares and Fractional Interests are luxury, niche market products. This niche market is a differentiated and upscale segment within a broader market that caters to the individual interests of consumers, targets identifiable customers and that is not controlled by mainstream suppliers. This allows consumers to be more easily identified demographically (high income is a key point) by niche market activity interests and otherwise.
10. **Price is a general but not final guideline.** Although it is skewed because some equivalent products may have different price levels, a general guideline that defines authentic luxury vacations may be a per day per person price in excess of \$750, more than many consumers are able to pay, while providing value that is supported by exclusivity and special, different vacation experiences. Journeys, Train'Shares and Fractional Interests offer experiences that support prices in excess of \$1,000 per day per person, although they may cost less.
11. **Manage the product after it's purchased.** This is an important point. One of the few objections that the very-rich have to buying large scale luxury goods (vacation property, yachts, etc.) is that a new possession means taking care of it. To make the purchase more risk-free, consumers should be made aware of the complete management that comes with Train'Share and Fractional Ownership, that there is nothing to do but turn up and enjoy the Journey by Rail vacations.
12. **Make Every Sale Unique.** Selling to wealthier consumers is all about the personal touch and catering to the unique needs of the individual. Assume that they are all completely different, identify their individual concerns, learn what makes them excited about the purchase, and find out how to help them achieve a dream.
13. **Don't be inferior** when you're speaking to wealthy consumers. Act as though you are their equal without being pretentious or self indulgent. However, to get in front of some potential buyers you may have to cater to their personal assistants, secretaries and hangers-on, all of whom may demand due or undue respect.
14. **The rich have lots more money, but they're concerned about spending it wisely.** Convince them of the wisdom of a purchase by being passionate about the virtues of Journeys, Train'Shares or Fractional Interests, distinctly communicate appropriate details, treat them with the respect of survivors and make sure that pricing rationalizes the quality or allows buyers to feel they're rewarding themselves for the hard work they've done; stress the features and benefits.
15. **Referrals are the key** to selling to the lucrative wealthy market. Network appropriately.

C. Luxury Buyer Traits:

1. Additional wealthy consumers interests that should considered follow, by age:
 - a. Age 45 to 60 - Like functional and enduring quality; carry out pre-purchase research, logical not impulsive decisions; respond to quality and information intensive messages.
 - b. Age 35 to 45 - Luxury is reward, a status symbol saying "I've made it", want to appear successful and important, luxury purchases enhance their ego, want to buy smart but not be criticized, or appearing lavish, prefer recognizable brands.
 - c. Age under 35 - Luxury is self indulgence, more males compared to other age groups, pay a premium for items to get others to take notice, not concerned about longevity or criticism, make emotional purchases to make themselves feel good; they respond to product uniqueness and emotional messages.
 - d. All ages - Make a dream come true; travel is about emotion; create excitement; they enjoy prestige.
 - e. Don't assume that luxury buyers are older. Young people with high disposable income make up a substantial luxury vacation market.
2. Interests and desires of affluent buyers of luxury travel products that should be considered and/or catered to include the following:
 - a. Substance over style.
 - b. Personally enriching experiences.
 - c. Authentic experiences.
 - d. Seamless travel.
 - e. Time well spent with a loved one.
 - f. Sophistication.
 - g. Quality over conspicuous consumption.
 - h. Desirable but not necessary.
 - i. Treating themselves to something special.
 - j. Lasting, enduring memories and value.
 - k. Want to be pampered.

- l. A reward to themselves for having “made it”.
- m. To enjoy the prestige of being able to afford something unique and great.
- n. Status among friends, associates and peers, that can be talked about.
- o. Self indulgent.
- p. A product that is hard to obtain, in limited numbers.

D. Reasons for Buying Luxury - % of Consumers

- 1. Glamorous 72%
- 2. Classic 71%
- 3. Elegant 70%
- 4. Treat myself to something special 70%
- 5. Escape from daily routines 67%
- 6. Need to escape 66%
- 7. Comforting 58%
- 8. Relaxing 58%
- 9. Pampering 58%
- 10. New and different experiences 55%
- 11. Status symbol 53%
- 12. Exclusive 53%
- 13. Prestigious 53%
- 14. Jet setting 45%
- 15. Prestige seeking 38%

E. More Comments

1. **Outlook.** Luxury travel has been identified as a sure-growth area in the travel agency industry (for example, river cruises) and is a challenging hands-on specialty that has many rewards.
2. **Know your customer.** Listen to clients for key words, then ask them to clarify what they mean. For instance, a client who says he’s looking for “luxury” may be satisfied with a Holiday Inn because he usually stays at Motel 6; or, may be looking for something upscale, such as a Four Seasons Resort or a private villa. Qualify buyers to ensure that their interest is appropriate and that they will afford the products.
3. **Many luxury buyers are concerned with cost.** Although they may be able to afford something, price is frequently a concern. High price should be warranted by high value.
4. **Create mind pictures for your clients.** Pique the clients’ curiosity and inspire them to try something new by titillating the senses about the Journey and destination activities – Is the infinite pleasure greater getting their or after arrival at en-route destinations?
5. **Don’t assume based on the client’s demographics.** Every traveler in every age category has individual needs and wants. Determine why the individual client wants to travel and what they are looking for. Remember that luxury travelers can be fickle, they may or may not have brand or destination loyalty. Compare the advantages of Journeys to the brands or experiences they have enjoyed, and the fact that they are totally unique.
6. **Don’t judge a book by its cover.** Luxury travelers don’t walk the streets in tuxedos or Dior gowns. Don’t jump to conclusions about people because of their attire or appearance. Get to know them.
7. **Know your stuff and never bluff.** Have complete knowledge about the Journey by Rail product. Luxury travelers are looking for value, plus they are doing their own online research and speaking with friends and family. Have an intimate knowledge of the nuances that make each experience unique.
8. **Know who you are.** Learn to express what you do in a single simple sentence and practice conveying this to others. For example: “I’m a luxury travel expert, specializing in luxurious American train vacations.” Exude confidence by being straightforward, not by throwing up a wall of words.
9. **Don’t let price be an issue.** Price is only an issue in the absence of value. Know the value of the Journey by Rail products and communicate it in a way that shows clients how their needs will be fulfilled. Higher value translates into higher costs; features and benefits support higher prices.
10. **Paint a picture.** Create a vision of luxury for those clients who think they can’t afford it.
11. **Contacts.** From existing contacts who already want the best, develop that rich network of contacts who enjoy spectacular experiences.
12. **Patience.** Be patient. Selling multiple luxury train vacation products may not happen overnight. Make it a career path by building trusting relationships. Although efforts to sell during a first presentation are necessary, avoid pressure tactics; follow-up presentations make sales.

