

The Wealth Report

Leading Edge Insights into the World of the Wealthy

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Individual Excellence in Luxury Leadership – Networks & Media

Joe Robinson is CEO of Asmallworld.com, a pioneer in the development of "gated" online communities that control access to preserve privacy and trust of its members. Robinson has grown several online media companies from inception to sale, and been involved in the world of digital media content, social networks, media technology and luxury brands for more than ten years. He was an investor and senior executive of Scout Inc, which, along with Myspace.com, was acquired by the Fox Network as part of its push into online social networking. Joe holds a business administration degree from Skidmore College, in Saratoga New York.

Tell us about the evolution of your career and the road to your current role.

My history in media started in 1994 when I worked with the very first Web browser, Mozilla. My involvement was in trying to understand how brands, direct-response companies, publishers and advertising agencies could use that medium effectively. Since web advertising can be tracked, many believe it should only be used in this way. My career has been about trying to change that perception, and this is something I was able to do with different products along the way, such as UGO Networks and Scout.com. It has been a challenge in my career as a whole because I think that online advertising is just as – if not more – effective than any other form of advertising. It's right in front of you.

Coming to the luxury demographic, I found it interesting that the first set of luxury advertisers who came online had originally looked at the medium as being outdoor or print advertising. That's what they were used to buying. There was no such thing as CPA (cost per acquisition) in luxury advertising. The idea of buying a \$10,000 dollar ring online didn't compute – you had to go into a store for such purchases.

Online media today serve two purposes: a call to action and an information tool. Where you once had to write in to Mercedes to get a brochure mailed to your home, you can now get that same experience in five seconds by viewing their brochure online. But going beyond information dissemination and a call to action, online media today also generate brand awareness. I believe that the next paradigm will combine all of these features such that they coalesce with traditional media styles. In the future, integrated advertising programs will become more prevalent online and, as we've seen at ASW, they will be interactive and engage the user.

Based on your experiences, what are the key issues that luxury brands need to understand to create great customer experiences for high net worth customers?

First of all, luxury experiences are not static. Luxury could be a million dollar diamond, a glass of champagne, a long hike in an incredible destination, or a designer shirt. Experience is the key word.

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Experiences create something that is exciting and interesting for customers. Experiences create memories that consumers associate with brands. These experiences need to be created with the elements of intelligence and elegance. In many cases, luxury experiences tend not to be impulsive, but are well thought out. Usually people don't stop what they are doing to run to the spa on a whim. They plan those things out in advance. In a luxury experience, you need to keep bringing people back in and giving them new information. At the point of inflection when they finally make the decision to buy, they shouldn't be looking at the same thing over and over again. What is the experience that you are offering people to get them to come back, so that they gain further interest? This requires a continuous dialogue with your customer.

What have you found to be the critical skills and attributes that luxury executives need to possess in order to create great customer experiences for high net worth consumers?

I think you need to be bold and that you need to take risks in trying different approaches. From the luxury point of view, however (and specifically from a brand manager's), you need to know media quite well in order to take tremendous chances. I think that the idea that successful luxury brand executives are conservative is a misconception. I heard recently that we are bombarded with 5,000 media messages a day, so how do we hear above the noise? If you're an executive in the luxury business like me, you try to make an impact above the din, and it takes an experiential mentality to accomplish that.

What has been one major challenge in your career and how did you overcome it?

The biggest challenge in my career is team building. It is all about your team and the quality of the people that you have. Anyone who thinks that it's all about them or all about the individual is wrong – they will ultimately be doomed to failure. My personal challenges have often been building the right teams and getting that “special sauce” correct so that we can execute the plan. Taking action when that doesn't happen is the hard part. The single worst thing I ever had to do was lay off 200 people at UGO. Anyone who tells you that that is fun, or is just business, isn't human. It's terrible. What's equally difficult is convincing those who remained that it was a good decision and it's not going to happen to them.

How has the concept of luxury evolved during your career, and how does its definition affect your clients?

We are in a unique situation here at ASW. We're global and a global environment sees luxury through many different lenses. Luxury may mean something very different in Shanghai or Moscow than it does in Paris or New York. I assure you that it does. The distribution of wealth – and the global redistribution of wealth – changes people's perceptions all the time. There are some people who can have anything all the time anytime, and they're often interested in experiences. There are others who believe that vast displays of wealth mean luxury. We live in a world in which that spectrum exists all

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over the place, and we have to be very careful not to tell people what luxury is. That's not our job. Our job is to let them experience luxury as they want to experience it.

If there's any trend that I'm seeing, I think that from a Western perspective, experiences are being put forward more than displays of wealth. That being said, there are still parts of the world where displays of wealth remain prevalent, and I don't see that changing for quite some time.

Luxury for me, personally, sits in two categories: adrenaline-rushes and relaxation. My ideal luxury experience would be driving in a high-speed sports car to an airstrip, flying around in a fighter jet at mach-5 for an hour, and then taking that sports car to a spa where I could chill-out from the adrenaline experience I just had and turn my mind off. To me, those are all luxury experiences. They're very different, but I think that they complement one another. To live well is wonderful, but I never want to be confined by my luxury experiences. One of the great things that we're aware of here is the idea of the luxury adventure. It's interesting to do something aggressive like trekking through the forest and at the end, enjoy a nice cocktail and sit back and reflect on the experience.

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