

# **What Matters Most to Ultra-High-Net-Worth Individuals?**

## **Exploring the UHNWI Luxury Customer Experience (ULCX)**

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### **Abstract**

**Purpose** – The study explores the customer experiences of a under researched luxury client segment, the ultra-high net-worth individuals (UHNWI) in three settings, yacht-made clothing services, chartering a yacht, and art collection.

**Method** – We conducted 13 interviews with UHNWI, enquiring about their experiences with different services. We collected and analyzed the data using a recommended three-step approach: in-depth interviews using soft-laddering; coding and purifying data through a systematic approach and hierarchical coding; and using the emerging consensus technique (ECT) to scrutinize and validate the emerging themes.

**Findings** – Our study revealed UHNWI drivers or purchasing and repurchasing behavior as (mis) managing expectations, personal relationships with personnel, and achieving convenience-driven time savings. The corresponding conceptual framework is the UHNWI Luxury Customer Experience (ULCX).

**Practical implications** – Our study reveals how Über luxury brand manager need to carefully manage the UHNWI clientele expectations, focusing their investment on their brand personnel and the way they can save their clients valuable time.

**Originality/Value** – Our study is the first to explore UHNWI perceptions of their experience with Über luxury provider across multiple contexts. We highlight that the luxury experience, not

the acquisition and owning of luxury goods drive the UHNWI decision making and purchase behavior.

**Keywords** Luxury Brands, Über Luxury, UHNWI, Customer Experience, Luxury Customer Experience, Customer Experience Strategy, HNWI, Luxury Marketing, ULCX

# **What Matters Most to Ultra-High-Net-Worth Individuals?**

## **Exploring the UHNWI Luxury Customer Experience (ULCX)**

### **Introduction**

Customer experience (hereafter CX) is the top business priority in 2020 and draws heavy interest from scholars and managers alike (e.g. De Keyser et al., 2020). CX's ever-increasing importance originates from multiple sources: customer channels, interactions, choices, and customer journeys' increasing complexity are just some of the many challenges managers are facing (McColl-Kennedy et al., 2015).

Managers and researchers view CX as an evaluation of all customer's direct and indirect interactions over time, leading to reactions and behaviors (Manthiou, Hickmann & Klaus, 2020). CX is complex, holistic, and multifaceted. Thus, it should come as no surprise that CX research is seen as in its early development stages (Lemon & Verhoef, 2016). This is especially evident in the luxury environment, where CX is the key strategic focus and source to gain a competitive advantage (Klaus and Mathiou, 2020).

However, there is no consensus on either how to define luxury (e.g., Ko, Phau & Aiello, 2016), or on the role of CX in luxury (Holmqvist, Ruiz & Penaloza 2019). Luxury is conceptualized as complex, heterogeneous, context-specific, and individual in nature (Rosenbaum, Ramirez, Campbell & Klaus, 2019). Despite this rather broad, holistic conceptualization, researchers agree on some of luxury's common features. One, researchers suggest that the rules of traditional consumer behavior drivers do not apply in the luxury setting

(Hennigs et al., 2012). Another agreement is the overwhelming presence of hedonic motivations (Hagvedt & Patrick, 2009). These factors heavily influence how luxury brands and the luxury customer experience need to be managed (Klaus, 2018).

Traditionally, luxury research refers to price, hedonics, superior product quality, and exclusivity as its foundational pieces (Aliyev, Urkmez & Wagner, 2019). Luxury researchers and brand managers alike understand that the customer experience construct is becoming more and more important (Klaus and Manthiou, 2020). The development of the much-needed research is not quiet meeting the demand yet. Most studies are either conceptual in nature, exploring only CX outcomes, or revolve around the experiential aspects rather than providing a more comprehensive view of the luxury customer experience.

Three of the nine global luxury segments, private aviation, yachting, and fine art rely exclusively on ultra-high net-worth individuals (UHNWI) (Bain, 2019). UHNWI, of which they are currently 513,244, are persons with a minimum net-worth of \$30 million (Knight Frank, 2020). Despite the UHNWI crucial importance for the luxury sector worldwide, research explores how the UHNWI experience their interactions with luxury brands is almost completely overlooked. Our study aims to fill this important gap by empirically exploring UHNWI's luxury customer experience (ULCX). By doing so our research delivers two valuable contributions to luxury, customer experience, and luxury brand management research.

First, this study is one of the first empirical studies to conceptualize the ULCX, advancing our understanding of not only luxury experience, but also the UHNWI segment. Second, we advance our luxury experience understanding by examining what drives behavior in three different über-luxury settings.

We organize the paper as follows. After our introduction we extend on the study's theoretical foundation. This extension leads into the methodology section, followed by presenting our findings. We then discuss our findings and their implications for theory and practice, before elaborating on future research directions.

## **Theoretical Foundation**

Customer Experience (CX), plays a dominant role in serving customers across all segments. Gartner (2018) found that by 2020, 81% of all companies expect to be competing mostly or completely on CX (Pemberton, 2018). CX management (CXM) has become the top strategic priority for organizations (Klaus, 2018). CX's holistic nature challenges CXM, because managers often omit the crucial customer viewpoint (Klaus, 2020a). This is true for the luxury experience market, which continues to outpace the luxury goods market, now representing over 60% of the total global luxury market (Boston Consulting Group, 2017).

While material goods are still highly valued among consumers, one-of-a-kind experiences represent the apex of human desire, especially among luxury consumers. Indeed, luxury consumers use services and experiences to discern themselves (Yeoman & McMahon-Beattie, 2017). This follows the popular notion that consumers move away from possessing towards experiencing luxury offerings. Furthermore, consumers seek to enhance their lives through the experiential consumption of luxury (Yeoman, 2011).

Traditionally, though, luxury researchers highlight the importance of the physical and psychological ownership of luxury offerings (Jussila et al., 2015). The underlying reasoning lies in the benefits luxury goods possession signals regarding the owners' esteem, influence, and social status (Nia & Zaichkowsky, 2000). Experiencing luxury is therefore less likely to satisfy the

symbolic outward-bound necessity gained by possessing luxury goods and services (Hoffmann & Coste-Manière, 2012). This indicates that the motivations for seeking luxury from possessing goods versus seeking luxury experiences are different (Fadnavis, 2014).

Following these propositions, UHNWI are traditionally seen as a segment that is motivated by possessing luxury offerings first, rather than experiencing them (Roberts, 2018) . We empirically examine this proposition in our study by conceptualizing the UHNWI customer experience, highlighting what drives their luxury experience perceptions and corresponding decision-making processes. In the following section we introduce the methods to conceptualize the ULCX, advancing our understanding of not only luxury experience, but also the UHNWI segment.

## **Methodology**

We apply a three-step method to explore the UHNWI customer experience meaning and domain, following similar studies' well-established guidelines (e.g., Klaus & Maklan, 2012). The conceptual ULCX model seeks to improve existing customer experience models proposed in conceptual studies (e.g., Verhoef et al., 2009) and in studies centering on suppliers rather than customers (e.g., Atwal & Bryson, 2017).

First, to clarify the meaning of UHNWI customer experience, we examined the perception and corresponding attributes of customers' experience through in-depth interviews, applying the soft laddering technique (Botschen, Thielen & Peters, 1999). Second, we coded and purified the data through a systematic comparison approach and hierarchical coding. This method guaranteed that we scrutinized all the data comprehensively and investigated all the

construct's dimensions (Strauss & Corbin, 1990). Third, we applied the emerging consensus technique (ECT), the judges dissected and validated the evolving dimensions (Klaus, 2013).

The laddering technique is the recommended approach to evaluate mental structures within a means-end paradigm (Reynolds & Olson, 2001). During the laddering procedure, investigators ask probing questions to reveal underlying relationships between the attributes (means), consequences, and personal goals (ends). Our respondents shared their experiences chronologically, starting with the initial interest for the service/product in question, their information search and evaluation, followed by their selection, the transaction, and their outcome assessment.

The links between these elements and consequences are means-end chains (Reynolds & Gutman, 1988). Several studies demonstrated that this method enhances a wide range of marketing applications, including customers' services, products, and experiences assessments (Klaus, 2020a). We achieved data saturation (Glaser, Strauss & Strutzel, 1968) after conducting individual in-depth interviews with 13 interviewees. The interviews lasted between 28 and 64 minutes. Our sample exceeds the evidence-based recommendation of 12 interviews (Nguyen & Klaus, 2013).

We interviewed via Zoom, Skype for Business, and Microsoft Teams, contingent on the interviewees' preferences. Two marketing researchers independently coded the interview transcripts. We started with open coding within the interviews, followed by axial coding to compare the interviews (Ryan & Bernard, 2003). We used a systematic line-by-line comparison



approach and hierarchical coding to ensure a thorough examination of all the data (Klaus & Maklan, 2012). Applying this coding approach allowed us to generate emerging categories of more discrete concepts (Strauss & Corbin, 1990).

We embarked on the exploratory research to explore the UHNWI viewpoint of their customer experiences. Supported by the recommendations of other CX studies, we investigate UHNWI perceptions during the three CX stages, before, during, and after their purchase (e.g., Klaus et al., 2013). We recruited the 13 interviewees through the service providers’ client base. The interviewees’ financial status qualifies them as “a judgment sample of persons who can offer ideas and insights into the phenomenon (Churchill, 1979, p. 97).” The respondents shared their experiences with three services: using a sartorial service for their garments, chartering a superyacht, and purchasing art for their private collections. Cultural differences might not apply to our sample because the interviewees’ residences, and nationalities vary. Table 1 provides descriptive profiles of the samples.

*Table 1 Sample Profile*

<b>Interviewee#</b>	<b>Tailoring Services</b>	<b>Yacht Charter</b>	<b>Fine Art Collector</b>	<b>Nationality</b>	<b>Residence</b>
1	X	X	---	American	USA
2	X	---	X	Greek	EU
3	X	X	---	Italian	CH
4	---	X	---	Arab	UAE
5	X	X	---	Belgian	B
6	X	X	---	Italian	EU

7	---	X	---	British	EU
8	---	X	X	British	EU
9	X	X	---	American	USA
10	X	X	---	Russian	Caribbean
11	X	X	---	Swiss	CH
12	X	---	---	German	EU
13	---	---	X	Greek	EU

Note: X equals a positive response (yes).

We labelled and defined each ULCX attribute based on the results of the individual coding. Next, the researchers reviewed the variations in their classifications to achieve agreement. For attributes appearing in multiple transcripts we inspected the codes and decided on the attribute names.

This analysis generated a pool of 23 attributes. Then we applied the emerging consensus technique (ECT) to maximize content and face validity (Klaus, 2013). ECT is a robust method for exploring the luxury and experience concept (e.g., Havir, 2017; Izogo and Jayawardhena 2018). The ECT “allows the researcher to develop a validated, clear, and concise labeling of attributes, dimensions, and their individual allocation in the conceptual framework of the phenomenon of interest, employing multiple experts and a combination of behavioral (emerging consensus) and mathematical methods, as recommended in the literature” (Klaus, 2013, p. 446).

An expert panel of three judges reviewed the held item pool to maximize content and face validity (Dagger et al., 2007). The expert panel comprised two luxury marketing academics and a luxury CX manager. We applied ECT following the suggested five steps (Klaus, 2013): attribute labeling and describing; attribute label and description selection; advanced attribute label and description selection; attribute validity testing; and model readability and applicability testing. This process led to 18 attributes in four dimensions being retained and is explained in more detail as follows.

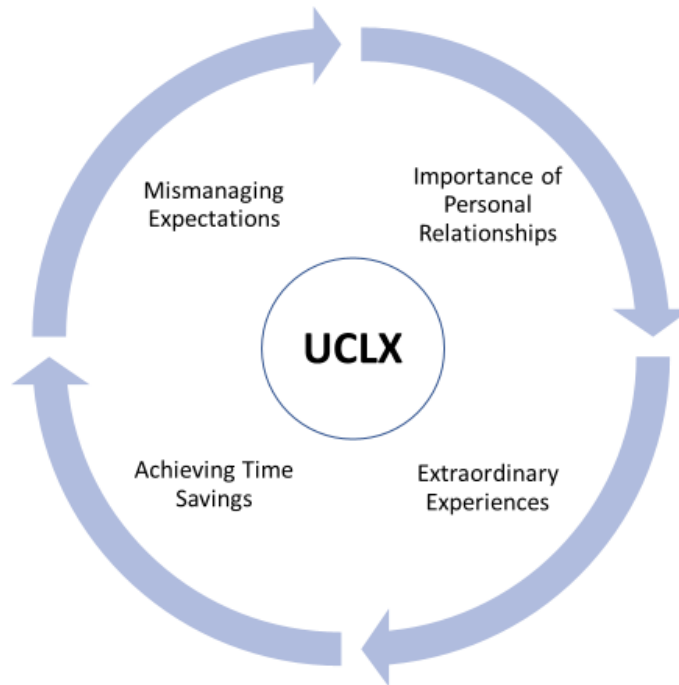
First, each judge received each attribute's quotes. Each judge received the quotes in sequential order and were invited to label and describe each attribute, using the original interview quotes. Then, each judge was shown the labels and descriptions of all judges and the researchers. We then asked each of the judges which of the proposed labels and description fit the data best. Next, each judge received all resulting labels and descriptions and we asked them to choose the most applicable one. We then selected the chosen labels and descriptions. Labels and descriptions were only included if two out of three judges selected it.

Next, we applied the Q-sort technique (Funder et al., 2000). We printed each attribute on an index card and asked the judges to create dimensions and subdimensions according to their understanding of the ULCX. Judges were free to create any number of dimensions and labelling. The agreement between the judges, creating three main dimensions, was high, indicating high reliability.

Next, two academics familiar with the research were given the dimensions and descriptions and we asked them to rate them as either “very applicable,” “somewhat applicable,” or “not applicable.” We only kept attributes with a very applicable rating, retaining all attributes and dimensions in the process.

In a final step, two luxury brand managers reexamined and confirmed the model’s readability and applicability. Brief descriptions of dimensions and the attributes corresponding to the dimension are provided in Appendix A. Our ensuing framework follows the well-established guidance of exploring the CX in different contexts (e.g., Klaus, 2020a), allowing us to discover the ULCX (e.g., Parasuraman et al., 2005). Figure 1 visualizes the resulting ULCX conceptual model.

*Figure 1 UCLX Conceptual Framework*



## **Findings**

Our analysis suggests four ULCX dimensions: (mis)managing expectations, importance of personal relationships, achieving (convenience-driven) time savings, and extraordinary (personal) experiences. We will now present each of the four ULCX dimensions.

### **(Mis)managing expectations**

Respondents were precise in what they describe as ‘mismanaging my (their) expectations (Respondent 4).’ This feeling of ‘expecting that they have all the resources in the world to deliver what you are looking for (Respondent 12),’ is, regrettably often reevaluated after being faced with ‘the reality that they are far from it (Respondent 12).’

Most of these unreasonable expectations of what providers are capable of are raised by their communications, in which ‘they promise the moon and the stars, but don’t live up to it (Respondent 7).’ This, in turn, drives dissatisfaction, but is seen as an unusual occurrence, even for UHNWI. As Respondent 10 states ‘it happens more often than you think. So, once you find the one that does it right, you will stay with them.’ UHNWI often feel that the sheer number of different contact persons, and their various level of services and skills, involved in delivering the experience let them down. ‘Too many chefs in the kitchen’, as Respondent 13 explains. These inconsistencies and variances lead to a perception of being ‘let down,’ especially if, for example, the focus of the experience is being relaxed and enjoying quality time with friends and family on a yacht.

Respondents also voice their frustration of how challenges and their requests are being handled with. For example, Respondent 1 mentions ‘I asked for a particular textile, but I haven’t

heard back from my contact if this is still available. All I want is somebody responding to me, even if the answer is we don't know.' The same is true for the moment challenges occur.

Respondent 11 mentioned that 'he understands that there are challenges if suits are tailored in Napoli, but I still need to know when my suit will be delivered. All I want is somebody to tell me, so I can deal with it.'

UHNWI often benchmark personal interactions with their service as benchmark for their post-purchase experiences and are disappointed if the post-purchase care does not live up to the expectations raised during the face-to-face encounter. Respondent 5 mentions that 'I had such great interactions with (name of provider), but when he didn't reply to my messages of more private nature after the garments were delivered, I was a little disappointed.' This statement leads us into the next ULCX dimension, the importance of personal relationships.

### **The importance of personal relationships**

Respondents referring to the fact that having a trusted relationship with their service provides is important to them for multiple reasons. First, the offerings we investigated are rather private in nature, such as sartorial services and collecting and acquiring art. This means that the pleasures deriving from these offerings are often private in nature, too, and should be kept private, too. As respondent 13 explains 'I buy art for my own pleasure. They are not publicly displayed. I want (to deal with) someone that respects my privacy and knows what I am looking for.' The respondents value their providers' tacit knowledge. They describe it in terms of '(Name personal contact) knows exactly what I like, and what I am looking for (Respondent 1).' This intimate knowledge of the client's needs does not come over night, though, and many highlight this fact by statements such as 'he now knows me so well, I can trust him to pick the right style for me (Respondent 6).'

Respondents often describe it as a personal relationship, going beyond the pure client-provider interactions. This is evident by statements such as ‘he is more than my tailor. We talk about our hobbies and our families. I consider him now a friend (Respondent 3).’ This long-term personal of the relationship with the provider often permits clients to be less strict in terms of services being not delivered. Respondent 6 mentions ‘because he is also my friend, I am more willing to be not as demanding as a regular client might be.’ Time, time-savings and convenience play a crucial role in the ULCX, as we elaborate further in the next section, discussing the ‘achieving time savings’ section.

### **Achieving (convenience-driven) time savings**

UHNWI understandably demand a lot from their service providers. Our findings highlight that UHNWI clearly perceive the difference between their demands in terms of convenience, such as being taken care of, tailor-made solutions to match their needs, cost savings, advice, and services on-demand, and the benefits they aim to gain from their demands being met. The experiences clients are looking are clearly voiced in terms of tailormade on-demand services.

UHNWI explain the convenience and time savings of, for example, having delivered the services where and when they need them, according to their schedule, is a main driver of their provider selection. Respondent 11 mentions ‘It is just so simple. (Name of service provider) comes to my office, visits me at home, or even meets me wherever I am around the globe to deliver my suits and, if necessary, make last minute changes. The freedom of having the service when and where I need it, is a key benefit for me.’ This highlights the need of UHNWI to keep their opportunity costs as low as possible. Opportunity costs refer to the time and other resources required to access and take advantage of the services. Respondent 9 mentions that his tailor

‘comes and visits him in the US according to my schedule,’ even though he is in Italy, ‘many times a year, even if he doesn’t sell me something.’

UHNWI expect that they have everything at your fingertips. Given that most of our respondents manage one or more companies their time is valuable, especially if they allocate leisure time. For example, chartering a superyacht, where the combination of all previously mentioned UCLX dimensions (yachting), where time with the beloved ones is so important. As Respondent 4 states, ‘this is my time with my family, and I cannot waste valuable time with trying to manage our vacation. I manage mu businesses 24/7, and I simply cannot be bothered.’ This important focus on saving time to gain more of UHNWI describe as most valuable time, time with their beloved ones, leads into the next ULCX dimension, the extraordinary experiences with their family and close friends. Because, as Respondent 12 highlights ‘I am so busy, so every moment I can save to spend quality time with my family is priceless.’

### **Extraordinary (personal) experiences**

Throughout all services we found the common thread of experiencing the service is often equal of even higher valued than the possession of the good connected to the service. For example, respondents using the sartorial services often mention that the interactions with the service provider were at least as important as the final product. Respondent 9 describes the ‘experience of selecting the textiles for my suits, getting measured, talking about the different style and options, creating my wardrobe were almost more important than receiving the suits.’ He added ‘do not get me wrong, it is nice to have them, but the process of creating them was the more enjoyable experience.’ This is also true for the interactions with the art galleries for the collectors. Respondent 8 mentions that ‘it is the hunt (for the piece of art) that is more thrilling and enjoyable than the catch.’



This concept is even more prevalent when respondents talked about chartering a superyacht. Despite having the financial means, they rather charter a yacht than owning it. There is a consensus that owning a superyacht is ‘simply too much of a headache. I already manage too many people; I don’t need to manage any additional ones (Respondent 4).’ Respondent 7 elaborate on this by stating that he charters a yacht because ‘we want to reach extraordinary places and experiences without headaches. To experience these places, I do not need to own something I won’t use for the rest of the year, with all the troubles that comes with owning one. I just need to use it.’

This notion extends to UHNWI seeking more breadth than depth of experiences, as Respondent 10 explains. ‘I want to be independent from possessions that limit me in what I want to enjoy. I have family, and our needs and interests change all the time. So, I need to have flexibility.’ This goes together with the notion that UHNWI are looking for experiences that save them time and opportunity costs, so they can use their ‘most precious time. My time with my family and close friends to have experiences we will never forget (Respondent 11).’ And these unique, extraordinary experiences, are the clear perceived aim of all other activities. Respondent 8 perfectly summarizes the ULCX ‘at the end of the day, I choose the (providers and offerings) ones that save me valuable time, so I can have more quality time with my family. You cannot put a price tag on this one.’

## **Discussion**

Our study improves our understanding of the luxury experience by discovering the ULCX in three different experience settings. We define ultra-high net-worth individuals’ perceptions and experiences (ULCX), proposing a conceptual foundation for what has been labelled the über-

luxury segment. We expand and extend not only customer experience knowledge but deliver crucially (previously missing) evidence of what kind of experiences UHNWI value, and what, ultimately, drives their purchasing and word-of-mouth behavior. The drivers are: managing the UHNWI expectations correctly, the importance of their personal relationships with the luxury company's representatives, the need to save time, which then can be converted into quality time and experiences with the ones most important to the UHNWI, their close friends and family. In layman's terms, we discover what matters most to UHNWIs. These findings are of critical importance, given the exclusive, but powerful nature of the segment for one-third of all luxury industry business segments. Therefore, our study adds much desired variation and support to the conceptualization of the luxury CX and luxury in general (Rosenbaum & Russell-Bennett, 2019).

Contrary to common belief, our study delivers little support to the notion of the suggested importance of owning luxury goods and services. On the contrary, our findings highlight that experiencing rather than owning luxury is the key driver of UHNWI decision-making processes. Our results question the importance of psychological ownership to explain luxury customers behavior. Instead, we propose the experience as the main driver of how UHNWI perceive luxury.

We also find convincing proof endorsing Klaus (2015; 2020a) and Holmqvist, Ruiz, and Penaloza's (2020) claim that experiencing a luxury good or service is at least as relevant, if not more, than purchasing it. Our research explores and finds evidence of extraordinary moments and experiences aboard a yacht. Holmqvist et al. (2020) urge researchers to conceptualize how remarkable moments become luxury experiences, and we discovered plentiful evidence of this. We encourage researchers to explore the contexts and the circumstances under which a luxury good or service could stimulate luxury experiences even further.

The evidence shared in our study contradicts the notion that experiencing luxury is less likely to satisfy the symbolic outward-bound necessity gained by possessing luxury goods and services. Our findings indicate that there are alternative ways to experience luxury, besides acquiring and owning luxury goods, which lead to at least equivalent perceived benefits. Independently of which one delivers the perceived benefits to the UHNWI, the motivations and benefits perceived differ between an experience-seeking versus a more possession-oriented individual. Our findings indicate that the experience construct deserves more attention in the luxury context and needs to be considered as at least an alternative decision-making and purchase behavior driver. We encourage researchers to determine when and under which circumstances the experience construct, as put forward in our study, is equal or superior to traditional luxury constructs, such as the brand, in explaining luxury clients' behavior.

By dissecting the ULCX into four dimensions we deliver more insights on what constitutes the UHNWI experience perceptions and drives their behavior. While time and time savings play a crucial role in the ULCX, it all starts with how the UHNWI expectations management. Our findings indicate that UHNWI expectations are set to a level that leads in most cases to dissatisfaction. Our respondents were clear in voicing that disappointing experiences could be avoided by better managing their expectations, other factors played an important rule, too. One example is UHNWI search for experiences demonstrating a long-term relationship approach from the provider towards them. The findings indicate that UHNWI not only looking for a trusted long-term relationship with the provider but expect the provider to understand the experiences they are looking for. The respondents clearly indicate that post-purchase care and understanding the importance of time, and corresponding desire to time-savings are clearly mirrored in how their experience is being managed. Every experience that will not consider their

experience, such as multiple contact, inconsistent touchpoints, will be perceived as detrimental to the experience, and ultimately lead to clients looking for alternative offerings. This highlights the overall challenging holistic nature of both, the customer experience, and customer experience management (Lemon and Verhoef, 2016).

The four ULCX dimensions and their dynamic nature cannot be seen in isolation, and need to be addressed, and ideally managed in a way that reflects a focus on the UHNWI ULCX. Our study underlines the vital role of delivering the time savings that UHNWI are looking for. UHNWI aim to save as much time as possible to convert these precious time savings into quality time and the opportunity to enjoy unique experiences with their nucleus. Given that most of our respondents manage one or multiple businesses around the globe, the focus on saving time and experience the time with their beloved ones, free of other distractions, should come as no surprise. We go as far as to say that delivering quality time and experiences are the future of UHNWI luxury management.

All these findings not only have widespread theoretical implications, but also significant managerial ones.

## **Managerial Implications**

Our LUCX study delivers multiple vital insights to luxury and luxury brand managers around the globe targeting the UHNWI segment. The most important finding is that how UHNWI experience luxury, not the possession of luxury goods, drive their decision-making and purchasing behavior. Luxury managers worldwide need to change their strategies accordingly (Klaus, 2020b), starting by gaining insights on what constitutes the luxury experience and how to measure it correctly (see, e.g., Klaus, 2015).

Managers need to adapt a more holistic view on how to successfully manage their client's experiences. One of the key findings is clearly the notion of expectation (mis)management. This finding clearly highlights that the widespread notion of exceeding expectations in the luxury industry, sometimes referred to as delight, is leading to dissatisfaction, customer churn and negative word-of-mouth. Combining this with the relatively small segment size in terms of numbers of persons, expectation management needs to be rethought and based upon what drives the UHNWI behavior. To be more precise, luxury brands management need to focus on avoiding dissatisfaction rather than trying to delight. This is a management practice that is successfully applied in other industry, such as financial services (Posignon, Klaus & Maull, 2015).

Keeping the UCLX's emphasis on time savings in mind managers need to rethink which, when, and how they will deliver their services and offerings. We stress the need for offering options reflecting the ever-changing UHNWI demands and circumstances. For example, as the findings indicate it is important to offer clients multiple options on how services and experiences can be delivered. According to our study even one client will choose from multiple options on how a service can be delivered based upon her/his changing personal circumstances and needs.

Given the UHNWI clear emphasis on the pre-possession/consumption experience and the aim to save quality time with their loved ones. We encourage managers targeting the UHNWI segment to highlight the experiential part and the desired outcomes in their communication and acquisitions strategy. Rather than focusing on their offerings and specifications, this new strategy, aligning the managerial strategy to the ULCX the UHNWI is desiring, will ensure a better prospect-client ratio, and ultimately an increase in firm performance.

Table 2 summarizes our study's key theoretical and managerial implications.

Table 2 Key Theoretical and Managerial Implications

<b>Key Theoretical and Managerial Implications</b>
1. The ULCX construct includes 4 dimensions: (mis)managing expectations; importance of personal relationships; achieving time savings; extraordinary experiences.
2. The ULCX drives the UHNWI decision-making and purchasing behavior.
3. Experiencing luxury is more important than acquiring and possessing luxury goods and services, even for UHNWI.
4. Motivations to experience luxury are different from motivations to own luxury goods and experiences.
5. To succeed in the UHNWI segment, managers need to shift towards a ULCX approach.
6. To successfully manage the ULCX, luxury managers need to manage expectations more realistically.
7. Delivering time savings for the UHNWI will be the strategic differentiator for luxury management.

## **Limitations and Future Research Directions**

Our study submits that experiencing luxury rather than owning luxury goods and services is what drives the UHNWI behavior. We encourage researchers to further investigate this notion. Our study covers three UHNWI settings. It will be interesting to see if our findings are applicable in other settings relevant to the UHNWI. We believe it will be interesting to follow-up our investigation using a larger sample size to explore possible differences between our study's and other relevant settings, such as private aviation, high-end real estate, luxury sports cars, and superyachts. Moreover, we encourage future research focusing on further investigating the dynamic nature of the ULCX by, for example, investigating the differences between first time, versus repeat, versus regular clients/buyers/users. Similar studies could also focus on one of the settings we explored and test our ULCX framework. We urge scholars to investigate the important managerial viewpoint of how the ULCX is practiced. The addition of this data will allow an even

more comprehensive view of the ULCX. We encourage researchers to focus and further validate ULCX's notion of managing expectations by, for example, investigating in controlled settings if communicating the 'right' expectations will drive client behavior in the luxury industry.

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Appendix A – ULCX Dimensions and Attributes

<b>Dimension</b>	<b>Dimension description</b>	<b>Dimension Attributes</b>
(Mis)managing expectations	Perceptions of the provider raising expectations unreasonably high in comparison to what is being delivered	<ul style="list-style-type: none"> <li>• Raising expectations through communications</li> <li>• Overpromising and underdelivering</li> <li>• Too many chefs in the kitchen</li> <li>• Lack of clear communication if challenges arises</li> <li>• Importance of post-purchase care</li> </ul>
Importance of personal relationships	Highlighting the importance of personal relationships with the providers' representatives	<ul style="list-style-type: none"> <li>• (Need for and respect of) Privacy</li> <li>• Long-term view of relationship</li> <li>• Tacit knowledge</li> <li>• Availability</li> <li>• Trust</li> </ul>
Achieving time savings	Crucial importance of time savings for clients	<ul style="list-style-type: none"> <li>• Convenience addicts</li> <li>• Opportunity costs</li> <li>• On demand</li> <li>• Gaining quality time</li> </ul>
Extraordinary experiences	Focus on the experience rather than the possession of a luxury offering	<ul style="list-style-type: none"> <li>• Experience vs possession</li> <li>• Less headaches</li> <li>• Seeking more breath than depth</li> <li>• Unique experiences with family nucleus</li> </ul>