

**The New York Times**

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October 24, 2009

## Hey, Big Spender, You Want Value?

By LISA PHAM

PARIS — Maximilien Jazani, a French lawyer, went to the Cannes Film Festival in May to network after learning that one of his clients had been nominated for an award.

But instead of booking cars, drivers and restaurants himself, Mr. Jazani called John Paul, a concierge company in Paris, to make the arrangements. “I don’t have time to call restaurants to make a booking,” he said, adding that John Paul’s annual membership fee of €1,800, or \$2,700, was insignificant to him, compared with the amount of time saved.

Mr. Jazani’s requests were among the more conventional for John Paul. Two years earlier, for example, it helped a French businessman celebrate his 50th birthday with a €60,000 party, which included 30 live penguins.

The economic downturn has not stopped the world’s wealthiest from spending, but it may have made them focus more on value. And as the market gets more crowded with luxury brands, products and services, the rich are increasingly turning to concierge companies for information, recommendations and what they hope will be better deals, because of partnerships with luxury suppliers the world over.

“It’s not necessarily that people are planning to spend less,” said Marc Cohen, director of the luxury analysis firm Ledbury Research. “They want to make sure it’s a worthwhile purchase.”

He said that although there were no precise figures for spending on luxury concierge services, since most of the providers are privately owned, the growth had been rapid.

Concierge companies began to flourish in the United States in the 1990s and started making their way to Europe in 2000. They have also started to establish themselves in Asia and the Middle East over the past five years. Similar to the concierges in luxury hotels, these companies knew the top restaurants and hotels in town; the best places to shop; and where to rent luxury cars, jets and yachts.

They have also attracted the business of credit card providers, who use them to handle some requests from the holders of exclusive cards, which often include concierge services.

“The whole need for concierge services has evolved,” said Don Winter, vice president at Harrison Group, a luxury research and consulting company, “especially during this economic climate, where people are really analyzing where they’re placing their dollars. They need certain assurances that they are spending wisely.”

The company that transformed the idea of concierge services into “lifestyle management” is Quintessentially, founded in London in 2000. It has offices in 44 cities around the world, up from 10 offices in 2005 and two in 2002.

Quintessentially, which employs about 800 people, plans to open six additional offices by the end of the year, in places like Portugal, Ghana, India and Indonesia. Its clients include business executives, politicians and professional athletes, as well as celebrities like Elle Macpherson, Mick Jagger, Madonna, Gwyneth Paltrow and the band Coldplay.

The company declined to say how many clients it has, but it sets a maximum of 5,000 members for a single office, a limit it said it had reached in some cities. Annual membership fees are £750 to £24,000, or \$1,250 to \$40,000.

Guy Lawrence, the company's chief executive, said its revenue had increased fourfold in the past five years. He credits the exclusive rates it offers to members for much of its success. "We have 7,000 different suppliers that we've negotiated the best deals possible with for our members around the world," Mr. Lawrence said. "We save them time and money."

The standard rate for a two-bedroom villa at a resort in the Maldives, for example, is \$2,760 a night. But Quintessentially says it can book it for its clients for \$1,533 a night. Its members can also get discounts on spa treatments, personal trainers, gourmet chocolate and beauty products in cities around the world.

David Amsellem, the founder and managing director of John Paul, said his company had a network of 18,000 suppliers on call for its 300 individual clients and a few dozen corporate clients, representing an additional 25,000 people, up from 25 clients in 2007.

He said he expected revenue to reach €3 million for its financial year through March, up from €2 million a year earlier, and from €30,000 in the year that ended in March 2007. He also plans to open three offices in Western Europe, as well as a joint venture in China, in the next six months.

John Paul members spend €100,000 to €300,000 a year through the company. "They use the concierge service for everything," Mr. Amsellem said. "It's addictive."

Mr. Cohen, of Ledbury Research, said the growth of the private concierge industry was a response to the rise of newly wealthy consumers, who often have less knowledge of luxury goods and services and limited access to them.

"Twenty years ago, wealthy people typically inherited their wealth and grew up being surrounded by luxury brands," Mr. Cohen said. They had well-connected family and friends to help them navigate through high society. But newly wealthy individuals today are less likely to have inherited these experiences and networks. Concierge services provide entry into the luxury world, as well as guidance and advice.

Mr. Winter, of Harrison Group, agreed. "They use concierge services for the finer details or for services they normally wouldn't have access to," he said. "What hasn't lessened over time is the need for insider information, a skill set that consumers don't necessarily have."

Mr. Amsellem said that about 35 percent of the requests from John Paul's members were for recommendations. "Clients would call up and say, 'You know me; where should I take my wife for our anniversary?'" he said.

And although the economic slump has weighed on spending, even among the wealthy, many concierge companies have been thriving. At Quintessentially, profit is up 30 percent from a year earlier, Mr. Lawrence said, with significant increases in travel and personal shopping services. But he acknowledged that clients were taking the time to scrutinize their choices, saying that they want to know the prices of four or five options before making a decision.

“It’s been a very challenging year, but over all, we’re doing well,” he said.

Steve Edo, founder and chief executive of Pure Conciergerie, part of the Montreal-based Pure Entertainment Group, also said that clients were negotiating more since the beginning of the recession. During the summer, the company rented a luxury villa in Saint-Tropez, France, which normally costs €320,000 a month, to the owner of a Russian telecommunications company for €250,000 a month for three months.

Pure Conciergerie has no membership fee but adds consulting and other charges for its services. Like Quintessentially, the company declined to provide figures for revenue or earnings. But Mr. Edo said that profit so far this year was 30 percent less than a year earlier because clients were not willing to pay the same prices as before. But he said that his business was about building long-term relationships with clients.

“My idea of luxury is not about the price but on the experience that you get,” Mr. Edo said. “Customers are still willing to spend \$20,000 for a one-week vacation, but they want to get the most out of their money.”

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