

Flash is out for wealthy on Valentine's Day

Thu Feb 5, 2009 2:59pm GMT

By Walker Simon

NEW YORK (Reuters) - Flashiness is out and subdued celebration is in among wealthy Americans on Valentine's Day.

As the economic crisis spreads and conspicuous consumption loses its luster, hedge fund millionaires and oil barons are shunning eye-catching items like yellow, red and blue diamonds in favor of lower-key gifts, luxury industry watchers say.

In Hollywood, it is easier to book reservations at marquee restaurants than last year for the romantic day on February 14, a restaurant publicist said, noting entertainment big shots now tend to favor eateries that have cut their entree prices.

Among U.S. households earning at least \$150,000 per year, Valentine's Day spending will fall by nearly one quarter, data showed from a survey for the National Retail Federation.

Anecdotally, those with investment portfolios worth more than \$10 million are shunning flamboyant gifts that could be seen as out of step with the somber economic mood.

"You have a level of social opprobrium," said Richard Baker, chief of luxury marketing researcher Premium Knowledge, adding the super-wealthy were anxious about "being labeled as ostentatious" and were "pulling back substantially."

In recent years, he said, Valentine's Day spending among the \$10-million-plus crowd rose by 8-10 percent a year.

Common were gifts costing tens of thousands of dollars, Baker said, such as yellow diamonds and luxury time pieces from companies like Cartier, whose corporate parent Richemont posted a 12 percent drop in sales in the fourth quarter of 2008.

In the hedge fund epicenter of Greenwich, Connecticut, buyers are looking at traditional white diamonds that are easier to match with clothes, said John Green, chief of jewelry store chain Lux Bond & Green.

"It's back to basics," said Green, also is president of the trade group Jewelers of America. "There is a simple style, a more conservative style that is less conspicuous."

'TACKY AND IN POOR TASTE'

In the historical downtown of Charleston, South Carolina, the mood looks less exuberant, said a prominent local florist.

"It's a combination of the economy and the mind-set of the American

public. It seems that, over the last few months, spending that much money has become tacky and in poor taste," said Manny Gonzales, owner of Tiger Lily Florist.

"Who is going to still pay \$110 for roses?" he asked about Valentine's Day. "We are offering lower-priced, high-quality arrangements including tulips, hyacinths et cetera, which I think will be more popular this year than ever."

In Hollywood, flamboyant spending in expensive restaurants began slowing with the screen writer's strike in late 2007, a trend that accelerated with the fall in profits at entertainment companies, said a public relations specialist for eateries such as Patina Restaurant and Citrus at Social.

Valentine's Day reservations at high-end restaurants are down about 25 percent from last year, she said.

Home-style comfort food such as burgers, grilled cheese sandwiches and macaroni and cheese are more in vogue than refined Italian food and haute French cuisine. A big trend is fancy restaurants going bistro, cutting entree prices by one-quarter to one-half.

In New York, several high-end restaurants such as Daniel and Le Bernadin say Valentine's Day reservations were snapped up well in advance. Daniel, a French restaurant, said bookings were almost all gone in mid-January for a \$245 prix-fixe dinner with \$85 wine pairing -- all before taxes and tips.

Chuck Hunt, vice president of the New York State Restaurant Association, said habits are not likely to change for patrons of very high-end spots with checks in the hundreds of dollars per person.

"Even if they lost half their fortune ..." he said, "they probably are not going to change their dining regimen."

(Editing by John O'Callaghan)

© Thomson Reuters 2008. All rights reserved. Users may download and print extracts of content from this website for their own personal and non-commercial use only. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is expressly prohibited without the prior written consent of Thomson Reuters. Thomson Reuters and its logo are registered trademarks or trademarks of the Thomson Reuters group of companies around the world.

Thomson Reuters journalists are subject to an Editorial Handbook which requires fair presentation and disclosure of relevant interests.