

THOUGHTS OF A HOSPITALITY EXPERT

Nicolas Frankl knows a thing or two about Formula One and Formula One hospitality. He attended his first race aged just six months and has been a regular ever since, as a photographer, long-term writer, a sponsorship agent, a sponsorship manager and now as perhaps the sport's leading independent hospitality expert. His hospitality offering, My Yacht F1, focuses on providing high net worth guests to the Monaco Grand Prix with an unparalleled experience that befits their financial status. Dealing almost exclusively with non-Formula One sponsors who are nonetheless keen to showcase themselves at Formula One's most glamorous race, Frankl has grown his business into one of the most respected and renowned hospitality providers at the race. He is, in his own way, Mr Monaco.

Frankl's formative years in the Formula One hospitality industry came when he was appointed to work on the hospitality for Asprey's US\$50 million sponsorship of Ferrari in 1997 and 1998. "I would say that, to this day, Asprey did the best hospitality experience for guests that I've ever seen," the loquacious Frankl recalls now. "First of all, the level of the Asprey guests was way above what you normally get at a Grand Prix – lords, ladies, big CEOs and the women would show up with these incredible diamond-encrusted fingers. They flew people in – we did about ten Grands Prix – from all over the world and they would take over, for instance, an entire apartment in Monaco, brought in everything from London and it was exquisite. I remember Stefano Domenicali of Ferrari saying to me, 'I have never seen a set-up like this.' It wasn't gauche or nouveau, it was just beautifully done. The invitations were triple paper gold and it went around London society that if you didn't get the Asprey invitation for a Grand Prix you were nobody."

For the British Grand Prix, for example, the company took over Althorp House, the property owned by

the family of Princess Diana. "The year before Princess Diana's death," Frankl says, "we had the only guests allowed to stay there through the year – the most amazing setting."

He adds of Asprey: "It was a big activation. The activation was about US\$1 million or US\$1.5 million over the year, which made sense because they sold the product. They produced the most beautiful silver Ferrari models, fabulous watches and the clients loved it. It was an interesting insight into dealing with very high net worth individuals who are used to doing whatever they like, whenever the like. Many of them have private planes and they would show up. We had an amazing time. The activation made sense but the fee to activate did not make sense – the money they were spending with Ferrari, you just can't make that much back. But they tried to create a global brand."

Frankl dovetailed work for Asprey with a job at another Formula One sponsor, Hype Energy, whilst at the same time becoming, as he puts it, "quite well entrenched" in Monaco. His links in the principality were strengthened considerably when, during a foray into the world of bobsleigh, in which Frankl, as part of the Hungarian team competing in three Olympic Games, befriended fellow bobsledder Prince Albert of Monaco. There followed a period when Frankl was in a position to help various individuals, brands and clients with various elements of Monaco life, particularly at the time of the Grand Prix – "all ad hoc." It got to a point where he believed there was a way to monetise such assistance, in an independent way. "We wanted something unique," he says now. "We were already advising a lot of different brands on sponsorship through my sports marketing company in Los Angeles, including BAFTA, Paramount Studios, the LAPD Foundation. We were brokering deals and representing them. We also worked with Bombardier and they said they'd love to do something

in Monaco with clients. They didn't really want to do a Paddock Club thing because what I discovered is that, although Paddy McNally did an amazing thing with the Paddock Club – it's amazing – the problem we had with Asprey was that we were sponsoring Ferrari and, for example, Shell were also sponsoring Ferrari. The Shell guests and the Asprey guests were not the same type of people but we were all in the same Paddock Club. There was no commonality at all. It was not a place where the Asprey guests felt particularly comfortable, hanging out with the guy who won the best petrol pump sales assistant from Marseille.

"We realised we could create what is effectively the most unique and comprehensive luxury yacht hospitality both for high net worth individuals and also for luxury brands to be at the Monaco Grand Prix who want to host their clients in a convivial environment, which they know will be suitable for the clients. We've done that in a way that the price point is at a place where unless you're wealthy you're just not going to be with us – it's that simple. Most of our clients, with a first class or private air fare, a hotel, the Amber Lounge, are not going to get much change for two people out of US\$50,000 and that would be the minimum – and it's more like US\$75,000 or US\$100,000 for a week in Monaco. So these are very high end people. I'm selling Monaco. We work directly with SBM – Société des Bains de Mer – and we promote Monaco as a destination and the buzz of a Grand Prix globally on a 24/7 basis."

Even the economic downturn has not stunted the growth of My Yacht Monaco – "we've been growing 50 per cent per year" – and Frankl believes that is because of his understanding of what luxury brands want, of dealing with them over many years of information gained at close quarters. "They still need high net worth clients, they still need to reward their clients and VIPs and thank them,



My Yacht F1 founder Nicolas Frankl, photographed by Graham Fudger, in London on Thursday 5th April 2011.

HSH Prince Albert of Monaco (far right) is a visitor to My Yacht F1 every year. As part of the experience, Frankl offers clients hot laps in a luxury sports car.



because these brands are not making money off selling US\$500 handbags or US\$350 trinkets, they're making money off maybe 50 clients who are spending US\$100,000 or more each year – some of them spending millions. The My Yacht F1 Monaco experience includes the hotel, the Monte Carlo Bay, the big offshore tender in which we take them around, the launch party, which has become a destination event in itself – one of the parties in the social diary of the Monaco glitterati, attended by the Prince – then the all-day hospitality on Saturday and Sunday.

"We're giving high net worth people game in Monaco," he continues. "If you're a guy from Beverly Hills and have a US\$20 million mansion, five cars, a plane and every restaurant in New York and LA knows who you are, the chances are you've maybe never been to the Grand Prix in Monaco before. And there's whole new set of rules: people don't know who you are; the language. You want to feel part of the society; the buzz. You can't do the Monaco Grand Prix on a McDonald's budget. There's a reason it's expensive. If you know that everyone aboard a boat is spending US\$50,000 to US\$100,000 for the week, those are guys you want to be with. That's how it tends to work. This year we'll have a brand new 40-metre

yacht called Snowbird, which is made by Hakvoort in Holland – it's probably the premium 40-metre boat in the world today, with every conceivable toy and beautifully decked out. For a brand like Asprey, who are coming, they can showcase their brand in a very authentic way. It's not forced because when the brand's there it's a captive audience, it's not a half an hour cocktail party in your store. People want to communicate in an authentic way and you do that by reaching them where they're enjoying life, so you do something at Pebble Beach in August, you do something in St Barts in December/January, you do something in Gstaad in February, you're in St Tropez in the last weekend in July, you're at the Monaco Grand Prix, you're at the Oscars. These people all go to the same places and they all know each other, so if you're reaching them outside a normal store environment I think that creates relationships which are much stronger. The model we have is: communicate before the event; explain what the brands are and what we're doing; have the activation on board; and communicate afterwards as well."

Given his experience and expertise, Frankl is perhaps the ideal person to assess where Monaco sits in the pantheon of Formula One races around the world. He cites the night race on



Singapore's streets and the Abu Dhabi Grand Prix at the visually stunning Yas Marina circuit, purpose-built to host a race, as the two standouts of the season alongside Monaco. "Singapore is a phenomenal place, great atmosphere, it's in the city – terrific. Abu Dhabi has a demand. We have My Yacht F1 Abu Dhabi as well. We're building it slowly. The first year was small, last year was a little bigger, this year we hope to be bigger again. It's not the Monaco Grand Prix – it's a hotel racetrack with a little harbour built in the middle of the desert, but it's visually spectacular. We have a wonderful time there but what it lacks with the harbour is that when you're in Monaco, you have the feel of a city, a flow of a city, and there's a buzz. They restrict that in Abu Dhabi. You have to have a pass for your boat and of course you never have enough passes, so there's no real buzz going on really, which is, I think, what they wanted to create. For guests with passes, though, it's wonderful because they can walk around the inside of the harbour and watch from different vantage points, which you can't do in Monaco. Abu Dhabi allows the brands a second distinctive area to activate: you've got high net worth Monaco crowd and the Middle East region, a region of big growth."

The My Yacht experience offers the opportunity to get up close and personal with Formula One stars such as Lewis Hamilton. This year in Monaco, Frankl is hiring the 40m Snowbird (below right)

"In general terms I don't think Monaco can be compared to any other race because it's really a unique experience. It's a unique city and country. And there's 70-plus years of history – all those images of Bugattis, Graham Hill, Jackie Stewart, Ayrton Senna on the same track. Even a non motor-racing guy can relate to that. It's the jewel in the crown. Michel Boeri, the promoter, and the ACM are so incredibly professional. I think they produce the best event in the world."

Ahead of this year's Monaco Grand Prix, Frankl reported a 100 per cent rise in My Yacht F1 Monaco's bookings – it will take 40 prestigious rooms in the principality for the week compared with 20 last year. Access, however, remains a perennial problem. "It's very difficult," he says, referring to the exclusivity of the paddock, Formula One's inner sanctum. "You do have people that need to be there – who add value, who bring money, who communicate Formula One – who have to jump hurdles to get a pass. I think that's a bit Mickey Mouse given where the sport is and that it needs sponsors – US\$100 million guys. In Monaco last year I was told by one of our private wealth clients that he'd estimated we had between US\$75 billion and US\$100 billion of guests on board, 350 or 400 people. That's real money and you want them. That's spending money in Formula One and to have a great experience. The better experience they have the better it is for me, for Monaco and for Formula One. These guys spend money – you need to reward them, not restrict or even penalise them because they didn't buy a Paddock Club ticket with a team."

Generally, Frankl is a fan of the Paddock Club, Formula One's much heralded official hospitality service at every race. Bar one or two races, where historical clauses in contracts continue to be activated, the Paddock Club is the only hospitality on site at a Grand Prix. "The Paddock Club compares pretty



strongly with going to Chelsea and being in Roman Abramovich's box or having an exclusive box at Wimbledon," Frankl says. "It's very well organised, you've got your passes, the food is excellent. They do an amazing job. I think the security is a bit OTT, but fine, that works for them. On a global basis it stacks up. You're going to have a great experience. I do think it's quite onerous for the teams because they have to buy a lot of [spaces in the] Paddock Club and they want to get rid of them. I think it would be difficult to improve the food, the champagne, the villages – it's a very nice environment. The access is the access and outside of the unique opportunities of Monaco, that is the closest anybody from a non-team can

get to the Formula One experience."

When asked how he would improve Formula One's overall hospitality package, Frankl pauses only briefly. "Maybe there is an opportunity to sell a different category, which would be an uber-premium category, which would allow you access to the paddock at different times – a bit like what ACM does with their own passes in Monaco, which allow you to walk up and down the pits when the Formula One action is not happening. It would be some sort of combination between a pit and paddock pass. That would be my one thing."

In the meantime, Frankl prepares for another Monaco Grand Prix and the job of wining and dining some of the event's richest visitors.