

LUXURY, LOYALTY
& EXPERIENCE
AUTUMN 2018



Luxury*

[mass noun] / 'lʌkʃ(ə)ri /

A state of great comfort or elegance, especially when involving great expense.

“he lived a life of luxury”

[count noun] An inessential, desirable item which is expensive or difficult to obtain.

“luxuries like chocolate, scent, and fizzy wine”

[in singular] A pleasure obtained only rarely.

“they actually had the luxury of a whole day together”

Luxury is a market category that needs a particular awareness and consideration: for its consumers luxury is a state of mind rather than just an exclusive brand or a high price tag.

In this light, luxury brands need to base their relationships with consumers on the quality of the products and their ability to turn these products into an experience for consumers. Our report will show how and why quality and experience become the basis for consumers' loyalty in luxury.

*<https://en.oxforddictionaries.com/definition/luxury>



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THIS REPORT FOCUSES ON THE FAST-GROWING LUXURY GOODS MARKET. GLOBALLY¹, THE MARKET GREW TO NEARLY €1.2 TRILLION IN 2017, UP 5% FROM 2016. AN ESTIMATED COMPOUND GROWTH RATE OF 4% TO 5% IS ALSO PREDICTED OVER THE NEXT THREE YEARS.

Within this emerging economic landscape there is a consequent proliferation of luxury manufacturers selling their items both online and in-store. This makes it increasingly challenging for brands to find the right balance between exclusivity and accessibility of their products.

Understanding consumers is pivotal as they have high expectations of the luxury shopping experience. Their attitudes vary according to age, gender, personal income and purchase drivers.

In particular, purchase drivers include a wide array of features which span from the quality of the products to the influence of social media personalities. This brings forward new challenges for luxury brands which want to stay close to their consumers by proposing online and in-store exclusive experiences.

At Rare, we believe there is a need for new, deep research into the luxury sector to help brands design strategies that encourage repeat purchase and build a relationship with consumers based on trust and loyalty. In light of this, our forward-looking report focuses on the underlying conditions that affect the luxury market in the UK² in key retail categories, including automotive, clothing, accessories and furniture.

Combining interviews with high-fashion designers, primary qualitative and quantitative data conducted by Rare with desk research, this report is divided into three main sections (Purchase Drivers, Loyalty in Luxury, and Experience and Luxury) and will shed light on luxury consumers' purchase drivers, loyalty mechanics and the overall purchase experience.

RESEARCH OBJECTIVES

We aim to answer three main questions:

- How important is the exclusivity and quality of luxury products in shaping purchase behaviour?
- What does 'loyalty' and 'trust' mean to consumers when it comes to luxury brands?
- Is it possible for brands to achieve the right balance between accessibility and exclusivity?

1 <http://www.bain.com/publications/articles/luxury-goods-worldwide-market-study-fall-winter-2017.aspx>
 2 <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/consumer-industrial-products/gx-cip-global-powers-luxury-2017.pdf>



About Rare:

Demystifying Modern Marketing

We are a marketing and insights consultancy that gives businesses the confidence they need to make the right marketing decisions. We bring clarity through research, and work with businesses to build powerful marketing strategies. We use a blend of quantitative and qualitative research techniques to establish what customers want and then provide businesses with the strategic roadmap for customer success.



About the Author

Ben Pask

Ben is the Managing Director of the insights consultancy Rare: Consulting. A strategist with a formal education in Psychology & Marketing, Ben has a unique rounded experience in the marketing industry, working for brands, agencies and market research organisations, across many multichannel disciplines. He has consulted in consumer behaviour for half of the current top 10 global brands.

If you have any questions about this report or anything to do with our research, you can get in touch with Ben at ben@rare.consulting.

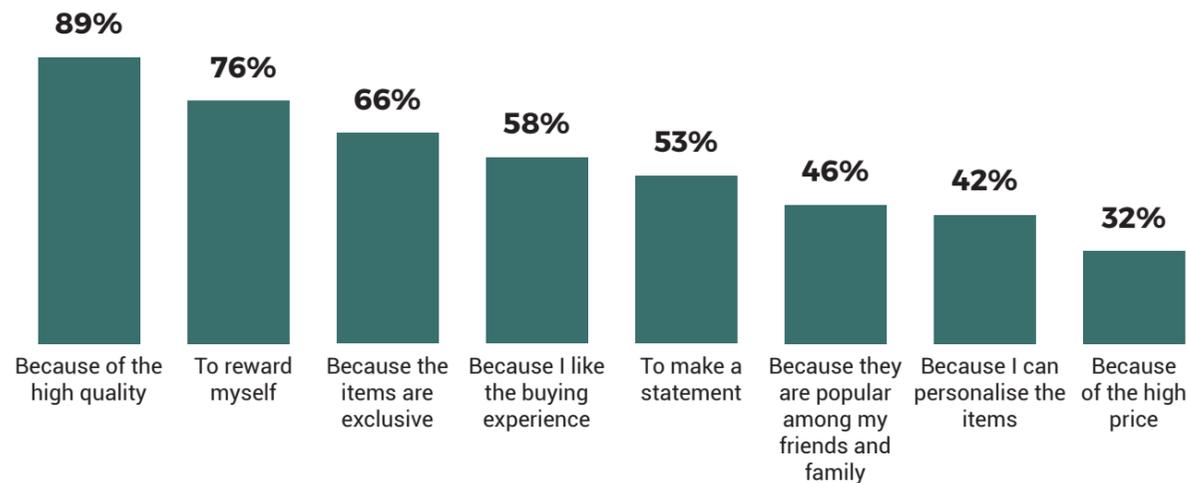


Purchase drivers

Traditionally, consumers make purchase decisions based on convenience, status and taste. However, since purchase drivers evolve to mirror changes in society, consumers now consider factors such as brands' ethical concerns - for example the environment and fairtrade - and the opinions of celebrities and social media influencers when making their choices.

The impact of these factors differs depending on consumers' age, across luxury and other sectors. But our study has discovered that the primary reason people purchase luxury brands is 'quality'.

I BUY LUXURY PRODUCTS...³



Quality is the foundation of luxury brands. Their products must be superior. Consumers are paying good money for them and rightly expect the cachet that comes with being able to show off an exclusive object of outstanding quality (of material and design, as well as accuracy in the manufacturing process).

When we also asked respondents to rank 11 luxury product features (in order of importance when choosing one luxury brand over another) the findings were consistent: they chose

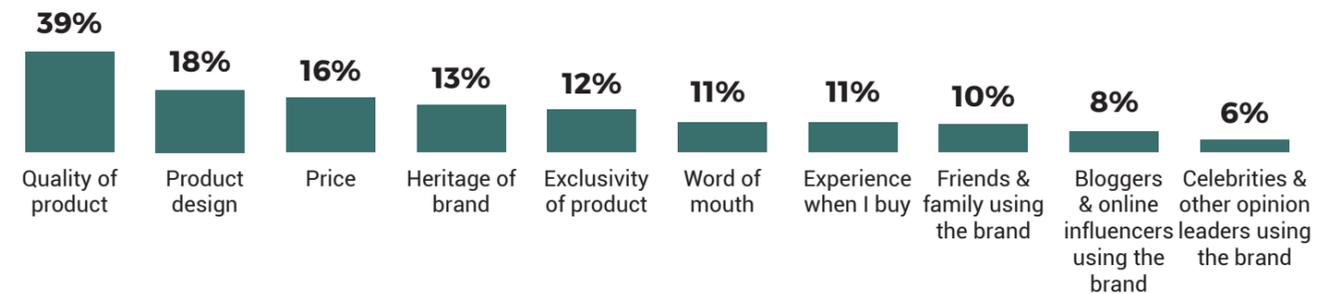
³ Source: Q8 – Please indicate the extent to which you agree or disagree with the following statements. Chose 'Strongly agree' or 'Somewhat agree'. Source: UK, 16+, n=290.



'Quality' as the most important characteristic. The second-most popular option was 'Product design', testifying to a close relationship between quality and style.

At the other end of the spectrum, the most rejected features were 'Bloggers and online influencers using this brand' and 'Celebrities and other opinion leaders using this brand'.

LUXURY PRODUCTS' MOST IMPORTANT FEATURES ARE...⁴

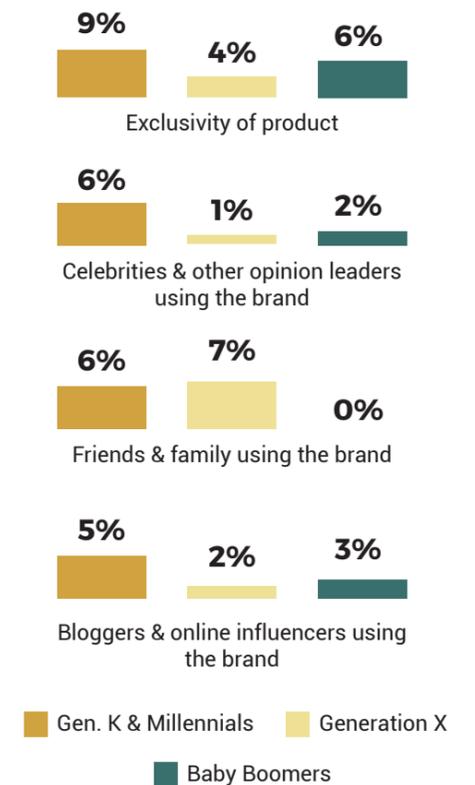


The influence of celebrities, bloggers, family and friends were the least chosen options. However, the figures were higher for Generation K and Millennials compared to older consumers.

Product exclusivity is also more valued among younger consumers. As Demna Gvasalia, creative director at Balenciaga, explains:

"The emphasis has gone from quality and craftsmanship into uniqueness of products. The younger generation are looking for something that stands out and make them special rather than necessarily an amazing finish that you would find with some traditional brands."⁵

This has major implications for luxury retailing, whether in-store or driven by online influences such as Instagram and celebrity endorsements. **Younger consumers like to make personal fashion statements. While they might not be the most affluent generation, they are vital luxury buyers both now and in the future.** Understanding what makes them tick and drives their purchasing behaviour is key.



⁴ Source: Q12 – When choosing one luxury brand over another, what is most important to you? Please rank the following in order of importance, where 1 is the most important, 2 is the second most, etc. Source: UK, 16+, n=290.

⁵ <https://www.ft.com/content/b8da67b2-f09b-11e7-b220-857e26d1aca4>



Experience & Luxury

Experience is fundamental to luxury retail. Our forthcoming report 'The purchase experience' (2018) researches the latest trends in experiential marketing, examining consumers' needs and preferences in the age of brand experience.

The research shows that people in varying age groups respond to different types of interactions. For instance, Millennials are interested in uniqueness: they want to experience new things and attend events they can tell others about. The data shows that store openings, outdoor activities and on-street promotions are of particular interest to Millennials.

“OUR STUDY HAS FOUND THAT LUXURY GOODS ARE MOSTLY PURCHASED IN-STORE, AND THIS IS LINKED TO THE POSITIVE EXPERIENCE OF BUYING A LUXURY PRODUCT”

Based on the data, we believe that a pre-existing relationship with a luxury brand is vital to build audience interest in experiences. A sense of being rewarded also drives interest and engagement - it's a value exchange. Consumers give their time to engage in branded experiences so must be able to take something tangible away with them. Across all generations, people are attending fewer experiences and

events than they are showing an interest in. In other words, people want more branded experiences. This is a big opportunity for brands, but they need to carefully consider the key drivers and make sure they are offering customer experiences that are fun, memorable and enable people to socialise with their friends.

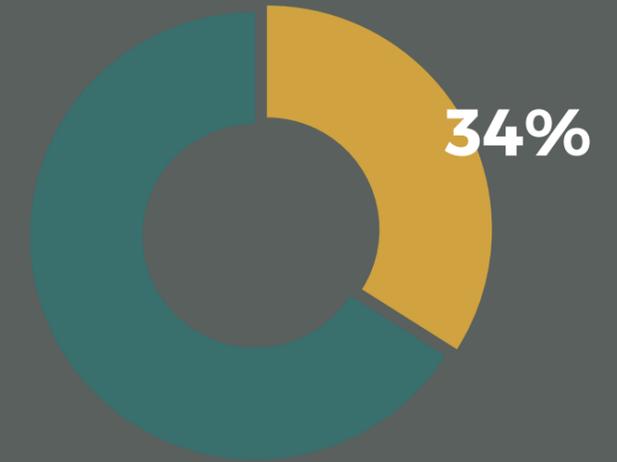
In order to capitalise on the appetite for branded experiences even further, brands must create meaningful connections. The research shows that, when asked to recall a branded experience or event they had been to before, over a third of people (34%) could not remember the brand behind the event. This incidence tends to increase as people get older, but it's a lesson for brands with audiences across all ages. If people remember an experience as having received a free sample or gift, or being fun and entertaining, but can't recall who it was for, then brands need to try harder to leave a lasting impression on consumers. **The experience needs to be reflective of the brand itself to drive their messages home.**

An important study by Alina T. Nevins, 'Snob Value - an Anthropological Investigation on Motives for Luxury Consumption' (2008)⁶ exposed the complex relationship between Tiffany & Co. and its customers.

6 <https://cpb-us-w2.wpmucdn.com/campuspress.yale.edu/dist/9/20/files/2014/11/Luxury-Consumption-16jgy8b.pdf>



“WHEN ASKED TO RECALL A BRANDED EXPERIENCE OR EVENT THEY HAD BEEN TO BEFORE, **OVER A THIRD OF PEOPLE COULD NOT REMEMBER THE BRAND BEHIND THE EVENT.**”



The ethnographical research reveals that luxury and exclusivity are particularly interconnected, and that many customers criticise the widespread availability and diffusion of the brand and its stores. In their view, the brand fails to maintain a cachet of exclusivity by being more available.

Conversely, a more recent quantitative study focused on consumers' behaviour, conducted by Unity Marketing: 'State of Luxury 2018: The Insider View Report'⁷, revealed that 68% of luxury goods brands are now selling goods over the internet, as compared with 62% in 2016. We expect this trend to continue as the report also shows

that more luxury brands will invest greater budgets in advertising in 2018 compared to 2017, and there is an increased commitment to social media advertising which gained the largest share of luxury brands' advertising investment in 2018, along with website enhancements and Google Ad-Words.

Our study has found that luxury goods are mostly purchased in-store, and this is linked to the positive experience of buying a luxury product. Buying from brands' own websites scored highly, and this is because the online purchase experience is seen as faster (73%) and offers a wider choice (75%).

I USUALLY PURCHASE MY LUXURY PRODUCTS...⁸



7 <https://unitymarketingonline.com/shop/buy-luxury-research-reports/state-luxury-2018-insider-view-report/>

8 Source: Q13 - Where do you usually purchase luxury goods from? Base: Q13 Generation K and Millennials (N=133), Generation X (N=101), Baby Boomers (N=56). Source: UK, 18+, n=290.



1 IN 3 YOUNG CONSUMERS BUY LUXURY GOODS IN STORE

“The experience of luxury is still very important, and should not be lightly discounted in favour of online purchase which has the risk of reducing the brand exclusivity”

In ‘The L Word: brand-building for the new luxury generation’⁹, Liana Gregorians writes that 40% of US millennials claim to have made a luxury purchase via an app in the last month. She explains:

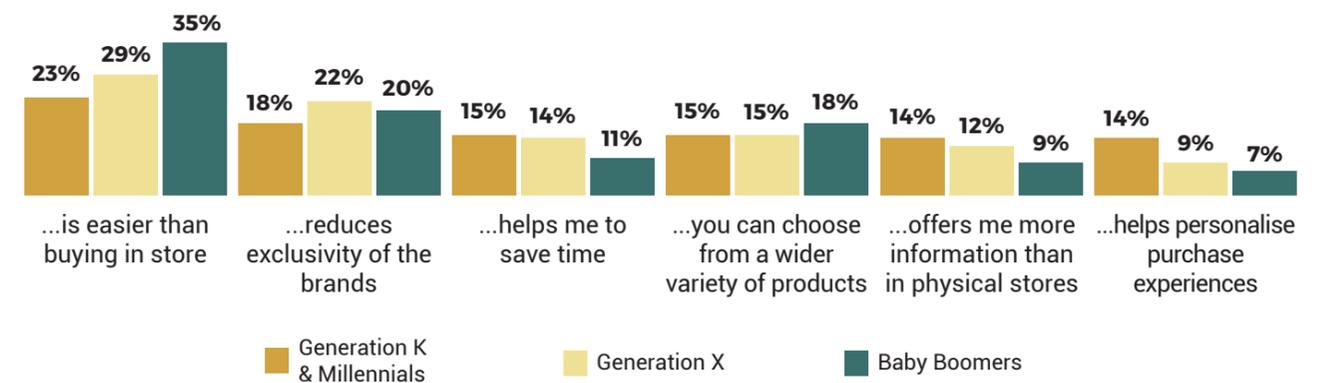
“Digital not only co-exists with luxury but enhances it: Rolex’s personalisation platform allows consumers to design their watch online, but only purchase in-store, delivering something that feels exclusive to the individual.”

Furthermore in ‘Luxury Consumers Value Products, Not Buying Experiences’¹⁰, Ariel Adams writes that people with large amounts of disposable income often have low amounts of disposable time. Being able to shop on their schedule, and on their terms, is very important. The author claims that:

“The new luxury experience is in ownership. People want nice things more than they want a nice service. The luxury industry was shocked when it learned that luxury consumers loved to shop at Costco, a warehouse-style store that is anything but fancy but also sells luxury vacations, furniture, high-end timepieces, and \$100,000 pieces of jewellery. [...] They are learning about products elsewhere such as via advertising, social media and more traditional media. The traditional wholesale model may be retained via their latter approach, but the traditional luxury buying experience will remain a quirky vestige of the past. Luxury brands must make the best and most desirable products, and if they make them easily available the consumer will come.”

However, our study shows that a personalised experience is the least important factor chosen by respondents when thinking about their online purchases.

I THINK BUYING ONLINE...¹¹



The experience of luxury even in the hyper-digital age is still very important, a trait that should not be lightly discounted in favour of online purchase which has the risk of reducing the brand exclusivity. This is a central feature for the younger consumers, who at the same time are the ones most likely to use online stores hence brands need to find the right balance between on-line and in-store to reach the younger audience.

9 <https://www.research-live.com/article/news/the-l-word-brandbuilding-for-the-new-luxury-generation/id/5041263>

10 <https://www.forbes.com/sites/arieladams/2013/05/23/luxury-consumers-value-products-not-buying-experiences/#111e4d494fe5>

11 Source: Q14 – When thinking about purchasing luxury brands online, to what extent do you agree or disagree with each of the following statements? Selected ‘Strongly agree’ or ‘Somewhat agree’. Source: UK, 18+, n=290.



In-store experience: Fiorentini + Baker

Deborah Baker, designer and founder of Fiorentini+Baker (F+B), developed an interest in shoes from a very early age. After graduating, she decided to hone her skills and head for Italy, where the culture and lifestyle formed the basis of her inspiration.

F+B was founded in 2001, launching the very first collection to instant success. As its website reports, a very important strand of the F+B philosophy is the use of quality materials. The small, family-run factories where the shoes are produced are a world away from the glossy magazines and glamorous worldwide boutiques where they inevitably end up¹². We asked Deborah about the importance of quality and how it relates to loyalty and trust in luxury brands.

"There is a consumer who values quality in manufacture and design, but also sees that the high-power designer brands are promoting and selling ever cheaper-to-produce and dubious-quality products at high prices. Also, customer service for repairs is important and helps to build trust in the brand."

As per the data shown above, younger consumers look for branded experiences and product trials, for which stores are the natural setting. On this note Deborah commented:

"Any experience which gives the customer an insight into the brand, product and personal treatment is valued."

Furthermore, data shows that consumers of luxury products buy more in-store than anywhere else. Commenting on this, Deborah said:

"Personally, our experience is that online purchasing is increasing especially in the USA while in-store purchasing is constant, if not slightly less this year"



Indeed, F+B stores located in New York, Los Angeles, Bologna and London have become regular venues for events, which enable people to experience the brand. The flagship boutique - launched in October 2012 - is located in a quirky red-brick building, a former button factory in the vibrant and arty East End location of London's Shoreditch, decorated with retro furniture and soft lighting for a warm atmosphere and an intimate shopping experience. Among other events, the store has recently hosted a photography exhibition.

We asked Deborah about the connection between the brand and the exhibition, how the idea of hosting in-store events came to mind the benefit of this kind of event.

"Janette Beckman is a close friend, and her photographs marry into our brand ... lots of my designs are inspired by the late 70's and 80's music scene."

"We like a party so not very commercial specific! It is a good way to change the perception of a shop into something more, to involve existing customers and hopefully engage new ones. Most people will remember a good event and it is also good for social media. Most of our events are based around a photography exhibition. So, friends contacts customers of us, the photographer, the DJ, PR contacts so journal-ists and stylists."



In light of this, and even though online purchases are increasing, the in-store experience is a great way to build as well as reinforce trust in brands. The next section will analyse in depth the relationship between luxury brands and loyalty highlighting the importance of product quality, as a main negotiation point between consumers and manufacturers.

TO CELEBRATE 40 YEARS OF PUNK
FIORENTINI+BAKER INVITES YOU
TO THE OPENING EVENING OF AN
EXHIBITION OF ICONIC PHOTOGRAPHS
BY JANETTE BECKMAN

FRIDAY 24TH JUNE 7PM UNTIL LATE
EXHIBITION AND SALE
OF SIGNED LIMITED EDITION
PRINTS UNTIL 31ST JULY 2016
49 RIVINGTON STREET EC2A

12 The complete list of the events as well as the information used in the text can be found at: <https://www.fiorentini-baker.com>.



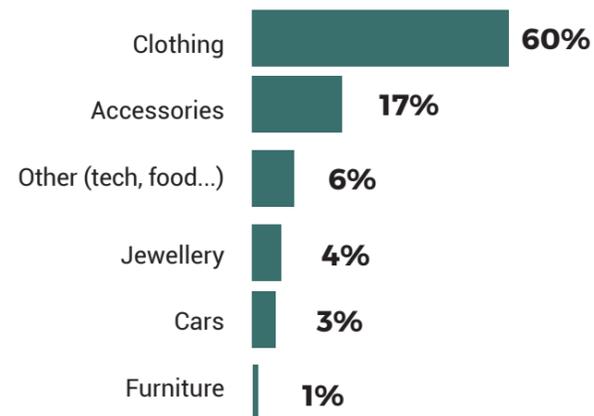
Loyalty in luxury

Rare's previous study on consumer loyalty 'Redefining Loyalty' (2016)¹³ shows that 65% of loyalty scheme members would still shop with a brand if its loyalty programme no longer existed. This reveals an important distinction: for the majority of members a loyalty proposition would not affect their intention to purchase, but for one in three members it's a vital ingredient for their relationship with the brand.



definition of how and why they are, or aren't, loyal to their chosen brands.

Respondents identified as their favourite brands which can be divided into the following six categories¹⁴:



The common purpose of a brand's loyalty mechanic is to collect information about customers and to stimulate behaviours that encourage retention. However, loyalty programmes do not drive true loyalty. They offer transactional benefits that might influence behaviour, but cannot encourage positive attitudes, long-lasting relationships, or ongoing loyalty without brand love, trust and perceived quality.

Building on this, when it comes to luxury brands consumers have a particular

Clothing is likely the highest-scoring category because apparel makes luxury more accessible and easier to show. Clothing items are symbolic capital that can be used to affirm a social position according to the environment and the occasion.

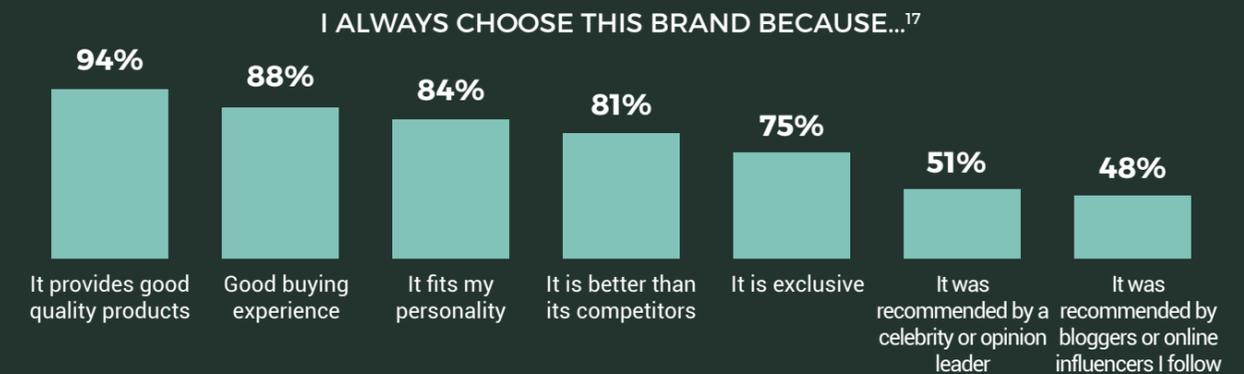
In a further study conducted by Rare Consulting in collaboration with Collider examining people's beliefs, desires and connections¹⁵ created through launches, clothing and accessories can be placed in the 'social proof quadrant'. Social proof denotes the visibility of choices - the car you drive, the clothes you wear, the bag you carry or the phone you own - acting as a reflection or reinforcement of personal identity. The Rare/Collider report states:

"With this in mind, you'd be correct in thinking that high-end watch brands and luxury cars would fall into this category, but there's also a different breed of brands that are finding their way into social proof, too."

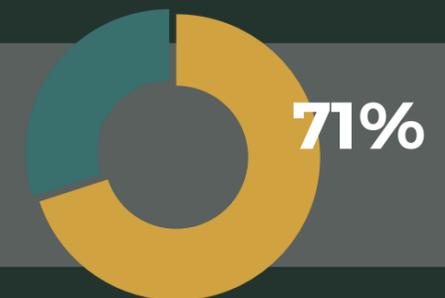
The most mentioned brands are¹⁶:



Once again, the results show that one brand is chosen over another because of quality of products and design and 'celebrities and online influencers using the brand' scores under the average.



DRAWING ON THIS ANSWER, WHEN ASKED IF PEOPLE CONSIDERED THEMSELVES LOYAL TO THEIR CHOSEN BRAND, ABOUT 70% OF RESPONDENTS AGREED.



13 Available at <https://rare.consulting/rare-research/loyalty/>
14 Source: Q15 - Name a luxury brand you would always buy from, if given the choice. Source: UK, 16+, n=290.

15 Source: https://wearecollider.com/wp-content/uploads/2018/04/Collider_Launch_Intelligence-FINAL.pdf
16 Source: Q16 - When thinking about [...], to what extent would you agree or disagree with the following? Selected 'Strongly agree' or 'Somewhat agree'. Source: UK, 16+, n=290.
17 Source: Q17 - Do you consider yourself loyal to [...]? Source: UK, 16+, n=290.



Quality and design are the main drivers to purchase. Luxury brands are also of primary importance when it comes to luxury loyalty.

The main reasons to be loyal are quality of products¹⁸:



Similarly, design is vital – sometimes listed directly alongside quality:



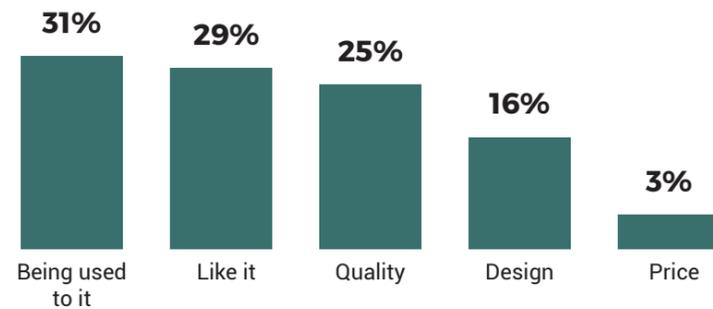
Among those who do not consider themselves loyal to their chosen brand, the main reasons are quality & design¹⁹:



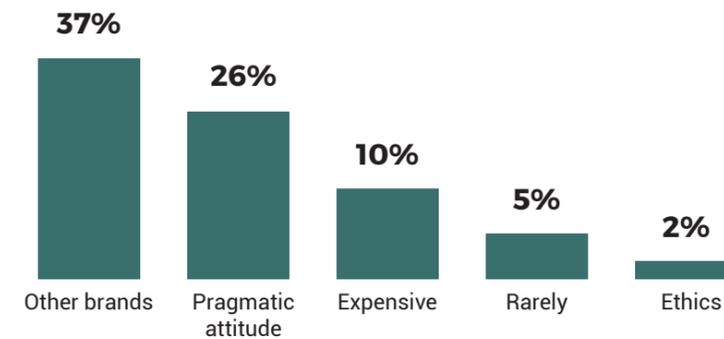
And price:



WORDS MOST USED TO DESCRIBE LOYALTY



WORDS MOST USED TO DESCRIBE LACK OF LOYALTY



¹⁸ Source: Q13 - Please explain your answer to Q12: do you consider yourself loyal to your favourite brand? Source: UK, 16+, n=290.

¹⁹ Source: Q13 - Please explain your answer to Q12: do you consider yourself loyal to your favourite brand? Source: UK, 16+, n=290.

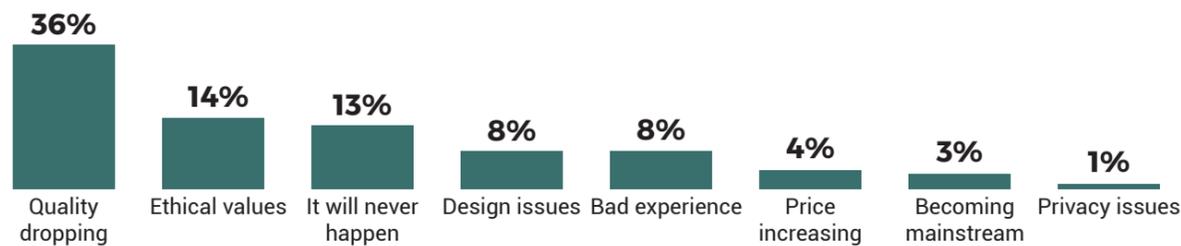


Meanwhile, loyalty is intrinsically linked to trust. Our study 'Shaping loyalty programmes' carried out in 2018²⁰ across five sectors (hotels, restaurants, fashion, fitness & wellbeing, and on-demand music/video) considers how customers view loyalty schemes and evaluates brand performance in terms of loyalty.

This new research shows that across the sectors, what makes consumers lose trust in brands – and therefore become less loyal – is low product quality, followed by price increases and poor customer service. Quality is the most important category for customers when thinking about how they will lose trust in their favourite brands, especially in restaurants and fashion.



The result of this study shows that the reasons for losing trust when it comes to luxury goods are²²:



THE DATA SHOWS THAT QUALITY IS THE REASON TO TRUST, AND BE LOYAL TO A CHOSEN BRAND. A DECREASE IN QUALITY CAN THEREFORE RESULT IN LOSS OF TRUST. SO, THE QUESTION IS, WHY IS QUALITY SO IMPORTANT? AND PERHAPS MORE IMPORTANTLY, WHAT DOES QUALITY IN LUXURY REALLY MEAN?

Most respondents would lose trust in a brand if they perceived a decrease in product quality:



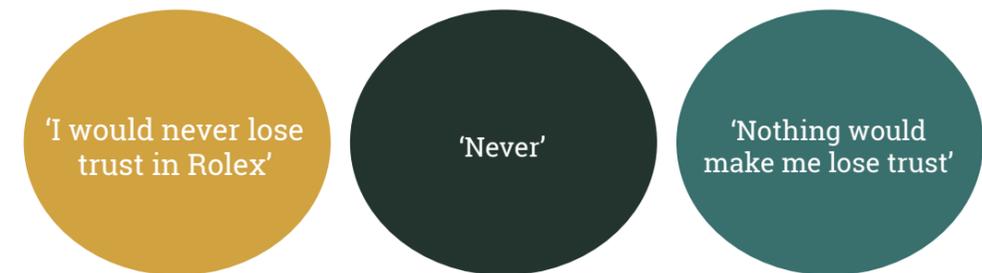
Ethical values are the second-most important feature. This entails: bad working conditions, lack of animal-friendly policies, and lying in advertising:



Design and innovation are very important as they are frequently mixed with quality:



Price increase is linked to both brand exclusivity and accessibility, and it is seen as a reason for losing trust in the brand; 1 in 8 respondents declare that nothing would make them lose trust in a brand:



20 Source: Forthcoming (Winter 2018).

21 Source: SHAPING LOYALTY PROGRAMMES: Q13 – What would make you lose trust in any of the brands mentioned in the previous question? Respondents were shown 3 brands on rotation, depending on whether they always, often, at times book/shop at brands in Hotels (Q11), Restaurants (Q14), Fashion (Q17), Fitness & Wellbeing (Q20), On demand Mu-sic/Video (Q23). n=1010.

22 Source: Q21 – What would make you lose trust in [...] Source: UK, 16+, n=290.



Quality: The expert explains

To answer these pressing questions, we asked **Peppe Lorefice, designer at Vivienne Westwood, what he thinks about the relationship between quality and loyalty in luxury.**



PEPPE LOREFICE

Knitwear & jersey designer for Vivienne Westwood

Peppe holds a BA and MA in Modern Language, Literature and Arts at the University of Perugia, in 2008-09 he attended a Master in Fashion Coordinator at Polimoda a private fashion school in Florence.

This was followed by an Internship at Studio Cataldi Group Srl., a clothing and accessories manufacturer specialised in products research and development. There he met Vivienne Westwood, a long-time collaborator of Cataldi, and in 2010 began working for her covering various roles as intern to become a few years later her personal Design Assistant and later knitwear & jersey designer for the Vivienne Westwood Unisex Line.

WHAT IS QUALITY IN LUXURY?

Quality is material and the manufacturing process. There is a mental attitude towards the quality of what is made in Europe, as it is the highest quality available. If you make a lot of products that are 'made in China' you can't produce quality, but only quantity, people know this. In the fashion world, if something is 'made in Italy' people know that it is high quality and if it is 'made in France' people know that it is couture which is something else, a superior level, sewn by hand; the apex of exclusivity.

Customers who buy these products know that there is a difference in terms of quality and exclusivity between 'made in Italy' and 'made in France'. Gucci is all made in Italy and Chanel is made in France and Italy, but brands sometimes produce accessories or items of minor importance elsewhere.

IS QUALITY RELATED TO EXCLUSIVITY?

Before the 1990s there were only a few haute couture brands, then many more came, and they started to differentiate the lines.

There was a first line, the haute couture shown at the Paris and Milan Fashion Weeks, the second line (like D&G by Dolce and Gabbana, or JustCavalli by Cavalli) which they used to be shown in the Ready to Wear fashion weeks. Then there's the diffusion line, which is never presented at fashion weeks. A good example is Armani which still has three lines "Armani Prive" shown at Paris haute couture shows in January and July; "Giorgio Armani" shown at Milan ready to wear show in February and September and the diffusion line "Emporio Armani".

The first lines are made with pure natural material, entirely handmade and they last a long time; the second lines are made by mixed materials (for instance, 30% pure wool and 70% polyester) and are only partly handmade, and in some cases assembly of the parts can take place in the South-East Asia or China.

This division allows for many people to buy the brand; now, to regain that exclusivity, brands have 'killed' the second lines and kept making profit with the accessories, at the same time maintaining the exclusivity of the first line. When it comes to high-fashion brands, the real accessibility is with the accessories. Here you can have quality and quantity at the same time, like shoes by Gucci. Many can buy belts or wallets by Gucci but only a few can afford the total look, clothing like suits and dresses.

These brands keep selling because of the accessories: take for instance the Chanel make-up line that you find in duty free, that makes a lot of revenue.

WHAT DO YOU THINK ABOUT THE EXPERIENCE OF LUXURY?

Brands can put collections on the market in limited numbers which provide a degree of exclusivity; the place in which they are sold is another factor – which may include pop-up stores in hyped places, or entire floors in retailers like Harrods for a limited time.

Summary of findings

- 1** The quality of luxury products is a fundamental feature for all the generations taken in exam. Exclusivity is particularly valuable for younger consumers – Generation K and Millennials – who are also more influenceable in their purchase choice by celebrities and social media personalities.
- 2** In general, consumers of luxury products buy more in-store than anywhere else. The store experience is fundamental to luxury, despite the evolution of online advertising and quicker buying experience afforded by the internet. Younger consumers in particular look for branded experiences and product trials, for which stores are the natural setting - especially for smaller brands.
- 3** Quality of products is also the cornerstone of loyalty and trust in luxury brands. A decrease of product quality translates into a decrease of loyalty and trust in even favourite luxury brands. The gaining or loss of trust is affected by emerging aspects such as the brand's ethical value, running parallel to increased audience awareness about the natural environment, sustainability and working conditions. Luxury brands score quite highly in terms of absolute loyalty, as 1 in 8 respondents claims that they will never lose trust in the favourite brands.

Conclusion

When it comes to the luxury market, brands face several challenges. We think that the most difficult ones are that of finding the balance between exclusivity and large audience reach, and that of establishing loyalty through exceptional quality and customer service.

Brands which want to create luxury products that endure time and maintain customers' trust must keep these two factors in mind, and rely on ad hoc research in these two areas.



Our methodology

Sample Definition: 290 high earners aged 16 to 65.

Classified by Generation K, Millennials (Generation Y), Generation X and Baby Boomers, which are defined as follow:

| Generation Definition | | |
|-----------------------|---------------------------|-----------|
| AGE=18-22 | Generation K | 1995-2002 |
| AGE=23-36 | Millennial (Generation Y) | 1981-1994 |
| AGE=37-52 | Generation X | 1965-1980 |
| AGE=53-70 | Baby Boomers | 1946-1964 |

| | Generation Difference | | | | Gender | | Annual income | | | |
|-----|-----------------------|-------|---------|-------|---------|------|---------------|------------------|-------------------|-----------|
| | Total | Gen K | Millen' | Gen X | Baby B' | Male | Female | £10,001-£149,999 | £150,000-£299,999 | £290,000+ |
| All | 290 | 17 | 116 | 102 | 55 | 162 | 128 | 163 | 75 | 52 |
| % | 100% | 6% | 40% | 35% | 19% | 56% | 44% | 56% | 26% | 18% |

Method of data obtainment: The questionnaire was designed and distributed as an online survey. It was split into the following sections and organised sequentially:

- 1 Attitude towards spending – to identify consumers of luxury products based on demographic and purchase planning.
- 2 Attitude towards luxury – to understand the must-have features of luxury items.
- 3 Purchase drivers – to obtain understanding of traditional and emerging purchase drivers in luxury.
- 4 Purchase experience – to obtain understanding of the importance and differences between online and in-store purchase experiences.
- 5 Brand choice – to understand why respondents choose their favourite luxury brands.
- 6 Loyalty driver – to understand what drives loyalty to the brands chosen by the respondents.
- 7 Trust driver – to understand what make customers lose trust in brands chosen by the respondents.
- 8 Active membership – to understand if respondents have subscribed, or are willing to subscribe, to luxury brands' loyalty programmes and memberships schemes.





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