

RESEARCH

Affluent shoppers drive retail consumption: report

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Affluent Consumers

By NANCY BUCKLEY

Targeting and attracting the business of affluent consumers is fundamental to a retailer's economic success, according to a new survey conducted by Unity Marketing.

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Understanding the retail trends and the competition among the affluent consumers is vital to staying competitive. Gaining this knowledge will help brands, both luxury and mass market, correctly target advertising campaigns and online and in-store promotions to accommodate the wishes of affluents.

"The study probes in depth into how affluents shop across a wide range of different types of retailing environments, including general merchandise discounters, department stores and luxury department stores, luxury branded boutiques, fashion boutiques and home furnishings stores," said Pam Danziger, president of [Unity Marketing](#), Stevens, PA.

"While affluents are clearly the primary target customers for the true luxury stores, they are also critically important to retailers that are more mass market, as well," she said.

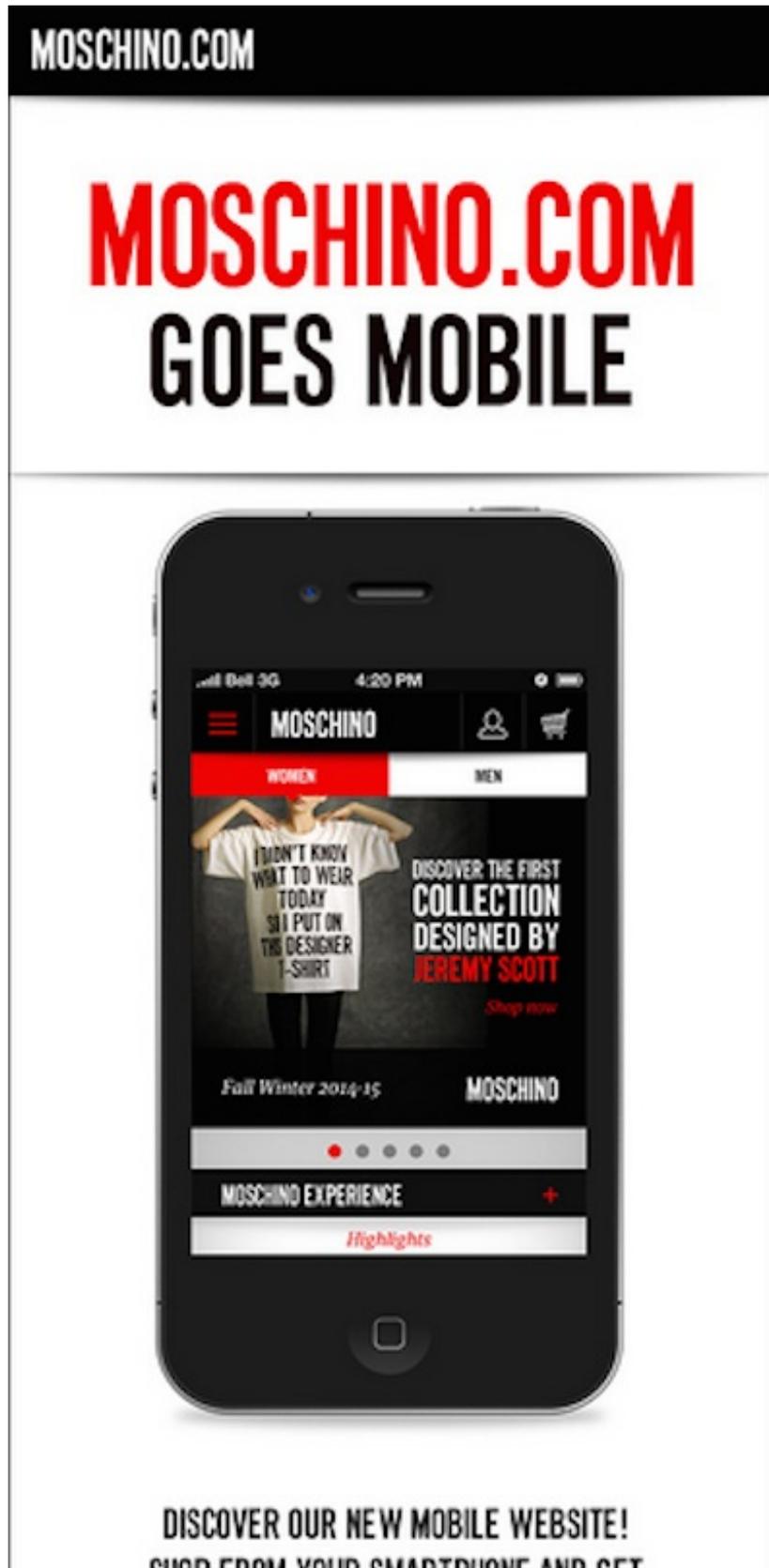
For Unity Marketing's "[Affluent Shopper Trend Report: : How to attract more high-potential affluent customers to your store](#)" report, 1,436 affluent consumers within the top 20 percent

of households by income were surveyed in April 2014 about their shopping habits.

Necessary shopping

Affluent austerity is real and growing. Economic worries have placed concerns over consumer's spending and restrictions are evident even among the more financially secure shoppers.

Consumers are shopping out of necessity rather than enjoyment. Retail traffic is low and as a result some brands are closing stores.



MOSCHINO.COM

MOSCHINO.COM GOES MOBILE

The image shows a smartphone displaying the Moschino mobile website. The phone's status bar at the top shows 'Bell 3G', '4:20 PM', and battery level. The website interface includes a navigation bar with 'MOSCHINO' and icons for user profile and shopping cart. Below this is a menu with 'WOMEN' (highlighted in red) and 'MEN'. The main content area features a promotional banner for a t-shirt with the text 'I DIDN'T KNOW WHAT TO WEAR TODAY SO I PUT ON THE DESIGNER T-SHIRT' and 'DISCOVER THE FIRST COLLECTION DESIGNED BY JEREMY SCOTT'. A 'Shop now' button is visible. Below the banner, it says 'Fall Winter 2014-15' and 'MOSCHINO'. At the bottom, there is a 'MOSCHINO EXPERIENCE' section with a red plus sign and a 'Highlights' link.

DISCOVER OUR NEW MOBILE WEBSITE!
CAN BE VIEWED FROM YOUR SMARTPHONE AND GET



Mobile optimized site

The Internet is another vital structure of the affluent consumer's experience. A quarter of the respondents said that the best shopping is online and half admitted to shopping online whenever possible.

With convenience being a primary driver of ecommerce, it is crucial that brands cater to consumers with mobile-optimized Web sites and use the online experience to attract shoppers to the physical stores. The study found that consumers who shopped in-store more recently spent more money than consumers who made their last purchase online.

The overreliance upon promotions to attract consumers has backfired on retailers because shoppers now expect a deal. A sale or discount allows affluent consumers to be more demanding on what they choose to splurge on.

Affluents do not necessarily need to save the money, but shopping because of a sale is the second highest reason why the surveyed affluent consumers shop, while the first is needing something.



Burberry retail store

To avoid the constant sales, retailers are recommended to provide a greater shock toward the consumer, creating a reason why a consumer might want to splurge on an item.

The mass market retailer is recommended to follow the suggestions about attracting

affluents because the study concluded stores that general discounted merchandise were favorites among affluent consumers. Wealthy shoppers are not just shopping at high-end stores; they are consumers at stores across the wealth spectrum.

Building confidence

The Unity Marketing study focuses on making a store, products, Web site or brand appealing to the affluent consumer.

The top 10 percent of affluent consumers have adopted a sense of invulnerability following the 2008 recession that has affected how they approach the purchase of luxury goods and services, according to a new survey conducted by YouGov.

Presented to attendees of the Luxury Summit in Naples, FL, April 8, the “2014 Survey of Affluence and Wealth” found that although luxury goods and services have seen sales growth, marketers have encountered troubles when targeting a more confident consumer. In the wake of the Great Recession, the affluent have become more secure and confident in their “shopping prowess” to ensure they remain at the top of economy ([see story](#)).

The confidence among affluent shoppers is crucial to retailers, but retailers need to adhere to the consumer to help build that confidence.

“Huge benefits will accrue to retailers by understanding the affluent customer better,” Ms. Danziger said.

“The affluent consumer sector - the top 20 percent of U.S. households with income of about \$100,000 and above - make up only one-fifth of all U.S. households, about 24 million out of the total 120 million, but they account for more than 40 percent of all U.S. consumer spending,” she said.

“In effect, each affluent customer is worth potentially two times more than an average middle-income customer, so retailers stand to benefit mightily by understanding these high-value customers better.”

Final Take

Nancy Buckley, editorial assistant on Luxury Daily, New York

Embedded Video: [//www.youtube.com/embed/yppUWaQYFIU](http://www.youtube.com/embed/yppUWaQYFIU)

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