

RESEARCH

## 68pc of millennials follow luxury brands on social media: report

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*Krug's Krug ID app*

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By NANCY BUCKLEY

Consumers are split on their willingness to download luxury brand applications, but when dispersed into generations, 72 percent of millennials are inclined to download a branded app, according to a report from The Luxury Institute.

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**Luxury Daily**

Digitization of the luxury world is slowly evolving as younger generations grow into being affluent consumers. Luxury clients differ across more than just generations, but understanding the prime and upcoming consumer can prepare marketing teams for the future.

"There is no one size all client experience and we have to understand the consumer not as a segment but as one individual, as a human being, in order to build a long term relationship," said Milton Pedraza, CEO of Luxury Institute, New York.

"There are clear generational differences where the boomers are less digital and millennials are extremely digital," he said. "If you want to look to the people with the most money, you want to cater to the older individual, who are not digital, but as you cater to the digital and the millennials."

The Luxury Institute has conducted research on consumer attitudes and behaviors by surveying wealthy consumers in the United States with a minimum household income of \$150,000 per year.

## Technology changes all

Adapting to changes in technology can be difficult, but when looking at statistics, over half of affluents prefer to buy luxury products in-store. However, this number is about 40 percent when it comes to millennials and generation X.

Millennials also change the numbers when it comes to following brands on social media. Sixty-eight percent say they follow one or more brands on social media, while 64 percent of wealthy consumers follow zero brands.

Generation X also follows brands, with 58 percent reporting to follow at least one.



### *Bergdorf on Instagram*

When it comes to brand apps, luxury consumers are about even among those who download and those who do not. Fifty-three percent do not download apps, but 47 percent do. The majority of these consumers are in the younger generations, but 38 percent of baby boomers claim to download branded luxury apps.

“As boomers are behind in digitalization, they are by no means not digital,” Mr. Pedraza said. “Especially the highly educated global traveler.”

When it comes to fashion bloggers, baby boomers are even more separated from the younger population. Fifteen percent of boomers follow a fashion blogger whereas 62 percent of millennials say the same.

These bloggers are having influence upon the luxury consumer with the average of 4.2 purchases made from blogger suggestions among those followers.

Overall, technology is influencing decisions. Sixty-one percent of all affluent consumers believe that technology allows them to make more purchases, and 65 percent report technology changing the way they shop with luxury brands.

### Blogging influencers

Since fashion bloggers arrived on the scene about a decade ago, they have gained influence and grown to be leaders in the industry, says a report by Fashionbi.

As these bloggers gained an audience, brands began to partner with them for advertising campaigns, events and other marketing efforts. While it may seem that fashion bloggers are losing their luster, they still have large followings that can rival magazines, creating an opportunity for luxury brands to reach a large, fashion-focused audience ([see story](#)).

Department store chains increasingly partner with fashion bloggers to promote new initiatives and publicize their stores.

Fashion bloggers often have a large degree of influence and many followers, making them the ideal spokespeople for high profile marketing campaigns and events. Retailers such as Bergdorf Goodman, Harrods and Bloomingdale's have recently partnered with a variety of bloggers to promote their products ([see story](#)).

Digital is slowly immersing into luxury, and eventually it will alter the consumer's experience entirely.

“[In the future,] there will be digital aspects that help the sales associate be a far more effective relationship builder,” Mr. Pedraza said.

Final Take

*Nancy Buckley, editorial assistant on Luxury Daily, New York*

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