

RESEARCH

## 75pc of affluents expect salespeople to be knowledgeable: report

March 19, 2015



*Christie's is an old hand with watches*

---

By NANCY BUCKLEY

Superior quality, craftsmanship and customer service are among the top qualities expected for luxury brands by affluent consumers across every generation, according to a new report from The Luxury Institute.

[Sign up now](#)

**Luxury Daily**

Generation X and millennials are much more likely than baby boomers to agree with current campaigns and actions among luxury brands, but all three generations agree that the craftsmanship has declined over the years. Luxury brands look to understand these opinions and adjust campaigns accordingly, but appealing to every generation while adhering to industry trends can seem nearly impossible.

“I think that especially in luxury you have to deliver fantastic quality craftsmanship and design,” said Milton Pedraza, CEO of Luxury Institute, New York.

“Yes, you do have to up the anti because other companies deliver reasonably good quality for a low price,” he said. “Quality is something that has achieved high levels even for low price brands, so you have to go to a higher level.

“I think that it is harder and harder to achieve. There are so many brands out there that are

trying to survive. There are so many stores and a lot of good quality [so] you have to really stand out and be different these days and obviously the service matters.”

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. This report focuses on how these attitudes and behaviors vary by age/generation

Quality matters most

Baby boomers overwhelmingly believe that superior quality is the most important defining factor of luxury. Although millennial and generation x individuals list superior quality as their top factors, it is more than 20 percent lower in importance than for baby boomers.

Superior craftsmanship, customer service and design are the other factors valued by all generations, but held to a higher standard by the older consumers.



*Asprey craftsmanship*

In regards to updated trends, about half of consumers think attributes have remained the same. However, in loyalty programs and personalized offers most consumers believe luxury brands are better today than previously. The category with the largest percentage of consumers believing it was better in the past is superior craftsmanship.

The belief that craftsmanship has decreased reflects upon consumer opinion that luxury brand prices are too high relative to their value. Sixty-four percent of consumers agree that prices do not reflect value.

Alongside value, the experience and service received is crucial for luxury brands. Knowledge, professionalism and politeness are the top qualities of the forward facing salespeople. Jewelry and watches are found to have the best salespeople followed by travel and hospitality.

Looking digital

High accolades for jewelry and watch brands might stem from their digitization.

The digital presence of a luxury brand is increasingly important for the consumer's

purchasing decision, but among luxury watch and jewelry brands 90 percent do not offer clear pricing information online, according to a new study from L2.

Changes in the Chinese economy and the emergence of the Apple Watch are forcing watch and jewelry brands to reprioritize jewelry within their brands. These changes, especially those in digital, can reshape brands into a more relatable and enticing brand for digital-savvy consumers to interact with and purchase from ([see story](#)).

“[Other sectors can learn] to educate the people on the product, the clients are so knowledgeable you cannot have clients be more knowledgeable than the salespeople on both the product and the brand,” Mr. Pedraza said.

“You need to educate the sales associates and also need to follow up with clients, cultivate clients,” he said. “Jewelry learned to focus on clients at a much higher level than other categories because jewelry is not a necessity.

“Educating associates to be as good or better than clients. Millennials have said they only respect sales associates who know more than they do. So, follow up in a meaningful way. It is human beings who really create brand.”

#### Final Take

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

Embedded Video: <https://www.youtube.com/embed/PFX67hspoi8>

---

© Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.