

RESEARCH

## Conde Nast exec: Increased use of Web may mean less time in-store

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By RACHEL LAMB



A Condé Nast study in collaboration with Morpheus Media found

that luxury consumers are increasingly relying on the Web for product information and inspiration, which could lead to less time in-store.

While most luxury consumers admit they often browse or search for information online before purchasing in-store, 43 percent said they are now spending less time in-store because of the convenience of the Internet. Additionally, these Internet-savvy affluent consumers desire customization when online.

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“Luxury consumers welcome customization in advertising, in that they do not mind being followed by behavioral targeting if that means that it’s a more customized ad,” said Josh

Stinchcomb, vice president of digital sales at Condé Nast Media Group, New York. “To me, that’s an invitation for luxury marketers to customize the ad to the consumer.

“Upscale consumers are highly sophisticated in the way that they search for products and service information online as opposed to non-luxury consumers,” he said. “The way they search is a combination of peer advice and professional content from publishers and brand Web sites.”

**Condé Nast** revealed the key findings of its luxury consumer-focused survey to approximately 70 high-end marketing executives in the retail, apparel, jewelry, watch and beauty categories at an exclusive breakfast meeting Feb. 10. This is the second in a series of breakfasts.

The study findings have huge implications for brands and retailers targeting affluent consumers with their online marketing and advertising initiatives. The reason is because luxury consumers’ online spend is about four times higher than non-luxury individuals.

Internet usage is up

One of the main findings of the study is that 70 percent of affluent consumers are using the Internet for personal use three or more times a day.

In contrast, only 46 percent of non-luxury consumers are online three or more times a day for personal reasons.

When it comes to social media, high-end consumers use platforms such as Facebook more than any other Internet destinations. However, social media sites scored very low for trust and quality.

Instead, luxury consumers surveyed by Condé Nast said that they value premium content sites for providing quality information.

Eighty-four percent of affluent consumers said premium content sites were trusted resources, while a mere 11 percent felt this way about social network sites.

“Brands should think about what they want to say to their customers in a social situation, because it may be different than the information that they share in a branded content scene, like on their Web sites,” Mr. Stinchcomb said.

Location, location, location

Placement is obviously key to the success of an advertisement, per Condé Nast.

Two-thirds of luxury consumers surveyed said that the Web site where an advertisement is placed dictates the credibility of the ad.

Additionally, 79 percent of those surveyed said they are more likely to click on an ad on a premium site.

Customization plays a role as well, especially when it comes to high-end consumers, Condé Nast finds.

In fact, the desire for customization may even outweigh any objections or privacy concerns having to do with behavioral targeting. More than half of the high-end consumers surveyed said that they really appreciate ads that are targeted to them based on their past behavior.

“When we share info with our advertisers, we try to provide perspective on what our research may mean especially in being open to customization in the ads, and the fact that it will be well-received,” Mr. Stinchcomb said. “This is a sector that’s understandably very guarded about brand image, but there are ways to customize that image and still stay true to the brand.”

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