

MULTICHANNEL

Baby boomers and millennials united in desire for experiential offerings

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Image from Holt Renfrew's #AllTogetherAtHolts campaign

By FORREST CARDAMENIS

NEW YORK – With baby boomers aging out of luxury consumption and millennials only now entering the market, brands need to find creative ways to engage both generations, according to a panel at the Luxury Retail Summit: Holiday Focus 2015.

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Luxury Daily

The concept of “luxury” is alive and well, particularly among boomers who continue to associate it with value, quality and customer service, but with millennials looking for more experiential offerings and showcases of values, events and indications of culture are also becoming increasingly important. Still, despite apparently separate values and interests, it is important to remember that millennials are often the children of baby boomers, meaning that these generations are closer than they initially appear and that there are ways, such as family-oriented events, to appeal to both markets simultaneously rather than treating them as entirely separate entities.

“[The label ‘luxury’] is absolutely not [dead], it is one of the most fundamental attributes of brand strategy” said Kosha Gada, principal in retail practice at [A.T. Kearney](#), New York. “But the question becomes, ‘How is it defined?’ Is it driven by pricing, is it driven by quality, is it driven by some esoteric, nebulous thing you cannot put your finger on?”

“Aspiration – which, with brands trying to appeal to aspirational consumers more, in a way, is encroaching on luxury – never goes out of style,” she said. “I think to the extent that you use the word ‘luxury’ you use it and the way you define your brand but also to appeal to that core aspirational segment that might be just one echelon away.”

Luxury Retail Summit: Holiday Focus 2015 held Sept. 16 was organized by Luxury Daily.

No generation gap

Although there is a generation gap and increasing anxiety regarding millennials disavowing the luxury label and even products in favor of more customizable, personal and experiential goods and services, aspiration is still part of their natural impulse.

“I think it is less a part of their lexicon,” said Peter Hubbell, founder/CEO of [BoomAgers](#), New York. “[But] from an aging consumer standpoint, luxury is eternal because it is based on validation of self-image. As long as people are roaming this earth they are always going to be acquiring things that validate their self worth.



L to R: Courtney MacNeil, Shamin Abas, Kosha Gada and Peter Hubbell

“As [boomers] approach the next phase of their life – not the end of their lives, the next phase of their lives – they’re taking this approach that as quantity of life diminishes, quality life is going to be even stronger,” Mr. Hubbell said.

It is here that boomers and millennials find a surprising overlap. As boomers approach that next phase, what they associate with quality of life is not the work required in towing a boat, but rather the experience of a trip to Paris.

Brands are increasingly offering once-in-a-lifetime, priceless events to their most loyal consumers. But more significantly, as boomers grow, they want to spend time with people they care about, so brands will extend invitations to families and friends in the hope that clients will talk up one another.



Image from Tiffany Tumblr launch party, 2012

In one instance relayed by Shamin Abas, president of [Shamin Abas Public Relations](#), NetJets invited consumers and their families to a special event, even allowing the children to invite their own friends.

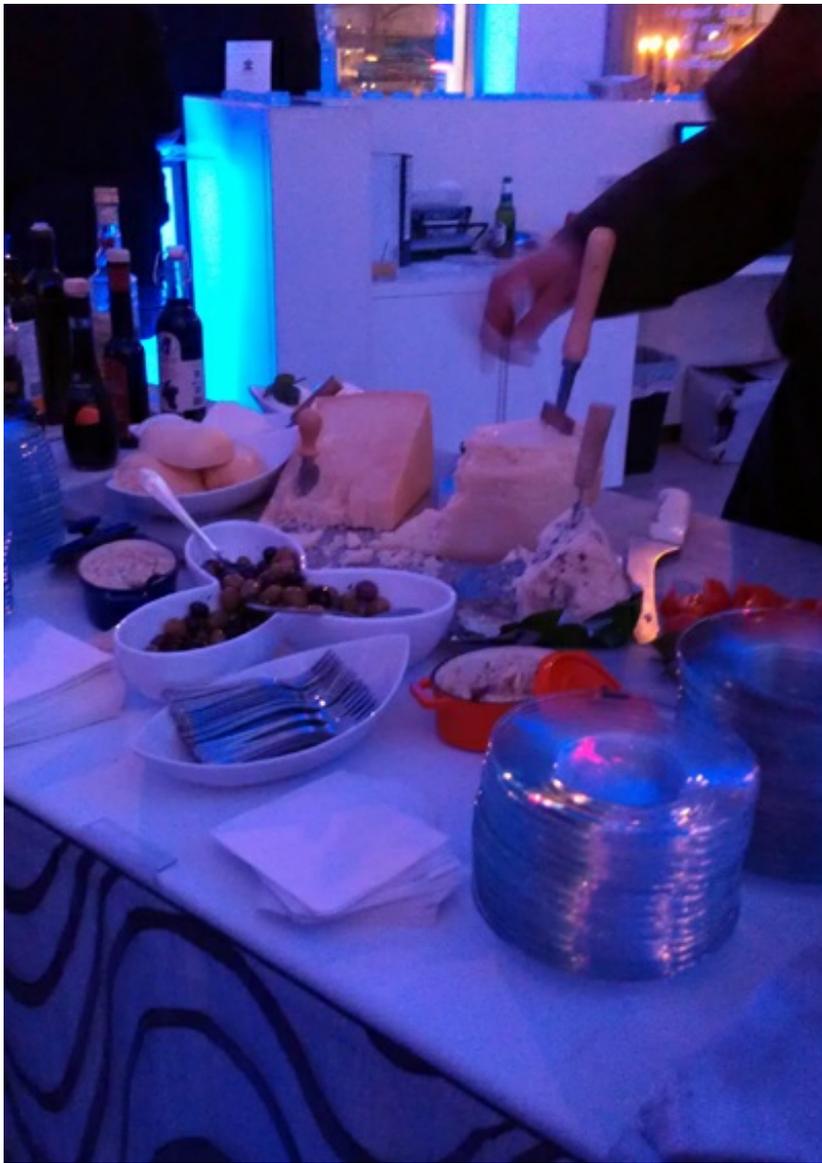
The event featured Justin Bieber and Selena Gomez as surprise performers, giving parents an experience with family and friends, providing future luxury consumers with a great time, and even potentially gaining new clientele more immediately as the friends of the children told their parents about the NetJets event. In this way, experiential offerings combine the needs and wants of two disparate generations.

Events also expand the definition of “luxury” in a way that will continue to keep them relevant.

“There’s a real invasion of brand presence at cultural happenings,” said Courtney MacNeil, director of brand alliances, marketing, and public relations at [Spafax](#), Toronto. “That speaks to the fact that luxury brands are not just expensive goods.

“Having good taste and knowing culture is also becoming synonymous with luxury,” she said. “It’s a chance to relate to [millennials] in a more meaningful way, so I think we will keep seeing more of that.”

“It’s a way to create a meaningful moment with a client,” agreed Ms. Abas.



Maserati hosted an event for loyal consumers in 2013

It is crucial for brands to identify market opportunities and connect to young consumers as a generational shift and transfer of wealth takes place.

With retail sales flatlining, brands must appeal to a new demographic to sustain growth and forge relationships with the next generation of ultra-affluent customers, according to a senior executive from Unity Marketing at the Luxury Retail Summit: Holiday Focus 2015.

Specifically, high-earners not rich yet (HENRYs), especially HENRYs aged 44 and younger may save luxury from its current drought. Appealing to HENRYs and aspirational millennials, however, means brands will have to retell the story of luxury and market in new ways ([see story](#)).

Booming millennial market

Another key trend in luxury marketing is the increasing importance of ecommerce, which raises questions of pricing, accessibility and branding. Brands must allow consumers to experience the brand in consistent ways across different platforms, ranging from in-store to Web and mobile phones and social media.

A.T. Kearney's Ms. Gada cited a study noting that for 40 percent of consumers, the

defining attribute of luxury is customer service, so one way to ensure ecommerce platforms are consistent with the brand is to replicate that service online through services like free shipping and/or easy in-store pickups, no-hassle returns, great selection and navigable Web sites. For events, this means ensuring that each event remains unique but also contributes to the brand's values.

Ecommerce has been touted as a way for brands to reach consumers of all ages for some time now.

Luxury brands are becoming increasingly active in digital media, and consumers are finally catching up with them, engaging with content and sharing it with their own networks, according to a December 2014 report by PM Digital.

The largest percentage of visitors to luxury brand sites are 55 or older, but the second largest group is 18-24, calling for a need to interact and engage with not only the small fraction of established luxury consumers they are used to, but also digital-savvy millennials. The key for luxury brands will be finding the balance between accessibility and exclusivity while bridging the age gap ([see story](#)).

However, addressing the need for ecommerce and the increasingly experiential preferences of consumers, two things that initially seem dichotomous, does not happen independently.

“The challenge is, how do you scale these experiences?” BoomAgers' Mr. Hubbell said. “One of the things...is having an enduring brand identity in terms of what you stand for and making sure every single moment and touch point and experience is consistent with what you intend for the brand to be all the time.”

Final Take

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