

RESEARCH

Growing UHNW women population demands targeted strategy: report

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Image courtesy of Ferragamo

By FORREST CARDAMENIS

Although the ultra-high-net-worth demographic is primarily men, women are an increasingly important subset of the group, according to a new report by WealthInsight.

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The compound annual growth rate for the female UHNW population from 2010 to 2014 was 5.3 percent, compared to 4.4 percent for men. For the hospitality industry as well as other businesses capitalizing on wealthy tourists, understanding the changing demographics and the regional specificities of the UHNW population is an important step in creating an effective marketing plan.

"As female UHNWIs are also increasingly playing dominant roles in businesses, they tend to combine business trips with holidays making it a growing market," said Roselyn Lekdee, economist at [WealthInsight](#).

"Females now have greater control over family budget in the UK," she added. "Lloyds TSB Family Savings Reports in 2012 shows that women now control the budget for the majority of households where couples are under the age of 45 and this is predicted to apply to all age groups by 2020. While this is a general trend for females, I would expect this to apply to female UHNWIs."

"Outlook in Luxury Tourism: Trends in UHNWI Demographics and Leisure Interests" examines interest and growth rate nuances in the countries with the highest UHNW populations in the European, Asia-Pacific and North American markets.

On the rise

WealthInsight's study focuses on Germany, the United Kingdom, Switzerland, France and Sweden in Europe, Japan, China, Singapore, Hong Kong and India in Asia and Canada and the United States in North America.

The female UHNW population is growing slowest in Europe, at 2.9 percent CAGR 2010-2014, only 0.6 percent faster than the male population. However, in North America, growth is 5 percent for women and only 4.1 percent for men, while the disparity is even more pronounced in Asia at 9.1 percent and 7 percent, respectively.



Image courtesy Michael Kors

The high growth in Asia is due in part to the more recent or continuing economic booms in the countries examined. More than half of female billionaires in the region are self-made entrepreneurs, while less than a quarter of European and U.S. female billionaires can make the claim.

The research also found that these women are also seeking the option to combine a business trip with vacation. Additionally, spas, yoga, meditation and other health and wellness initiatives disproportionately attract women, meaning that hotels should continue to push these activities as the female UHNW population continues to grow.

Similarly, UHNW individuals are exceedingly likely to be married and have children. In North America, 90 percent are married with between one and four children, and the proportion is higher in Europe and the Asia-Pacific region.

With families being a primary part of ultra-affluent life, brands seeking to capitalize on tourism, from hospitality brands to retailers, need to provide family-friendly initiatives. A hotel or store that stands out in what it offers for families or for kids is more likely to catch the eye of these travelers.



Image courtesy Peninsula Hotels

Lastly, although social work and philanthropy is a hobby for both men and women, it is slightly more pronounced among women and for North Americans and those from the Asia-Pacific region. Many high-end hotels already have opportunities to get guests involved in a variety of worthy causes, but the demand is likely growing faster than many realize.

"While philanthropic holidays are new, opportunities for growth is enormous as social work is a common interest of UHNWs," Ms. Lekdee said. "As they are looking to spend holidays more creatively, it is worthwhile for luxury tour operators to offer such services especially when UHNWs are looking to travel to the emerging markets."

New tactics

While committing to good causes while vacationing is popular with the ultra-wealthy, the trend is just as among other income levels.

Traveling is an increasingly popular way for people to give back, and hotel brands must stay on top of the trend to maintain their status as the best in the business.

A recent study by Tours.com found that an astonishing 55 percent of America-based travelers partook in volunteer work during a vacation within the past two years, with almost three quarters calling their charitable donations or

philanthropic endeavors "important," "very important" or "extremely important." As "voluntourism" becomes increasingly common, brands must show that they care equally and assist travelers in partaking in volunteer work or gifting to maintain status and image ([see story](#)).

Brands should also be aware of where new wealth is coming from.

The global UHNW community is growing fastest in Asia, Africa and the Middle East, according to a December 2015 report by Wealth-X and UBS.

In 2014 there were 211,275 UHNW individuals with a combined net worth of almost \$30 trillion, an increase from 2013 of 6 percent and \$2 trillion, respectively. This population number will continue to grow, with another 40,000 individuals set to add another \$10 trillion by 2020, although economic patterns could alter buying behavior despite the increase in wealth ([see story](#)).

"Luxury hotels must be aware of both UHNWI base number and growth when conducting marketing activities, as new wealth is likely to be created in emerging markets," Ms. Lekdee said. "UHNW travellers often seek to differentiate themselves from the crowd; they want individual attention, privacy and something unique.

"Market opportunities in luxury tourism therefore mainly evolve around UHNWI characteristics and preferences, which will change from person to person and region to region as cultural backgrounds, interests, climate, wealth and personal tastes vary," she said. "For example, WealthInsight finds that while luxury hotels are popular with US UHNWIs especially the Ritz-Carlton, Four Seasons and Peninsula catered luxury villas are a prime choice for UHNWIs in Europe, especially during the summer."

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