

COLUMNS

Story is key to wooing today's affluent consumer

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The luxury market is one that shifts constantly. In the current post-recession world, it seems we are moving away from a label-conscious culture where established brands have dominance to a more value-focused approach where people seek what is authentic and unique.

The reasons behind this trend are multi-faceted, but they present real opportunities for independent brands to tell their story.

Story, it turns out, is essential to courting today's affluent consumer.

Tell tale

In our recent white paper, "The New Rules of Luxury Living" research which the luxury real estate network partners with YouGov to author showed that more high-net-worth people now prefer independent companies. Consumers believe that these companies provide better service and deeper local connections.

Part of the reason for this shift is that the nature of the luxury consumer is changing.

More often, the newly affluent are self-made individuals who see luxury as a thing that they have earned rather than as a birthright.

Luxury is also increasingly experiential, so the creation of a compelling brand story gives the consumer something to share with their audience of friends and family and makes them feel more confident in their purchases whether they are goods or experiences.

The feeling of standing out and being different compels them to explore beyond traditional brand paradigms. For example, 62 percent like to stay at new or independent hotels.

Social media and personal storytelling plays a role here because staying somewhere off the beaten path not only provides an experience, but it also delivers an opportunity to share what they have experienced and to align themselves with something new and exciting that may be unfamiliar to others in their social sphere.

Being in the know continues to be of importance, so staying at a hip new hotel or beautiful AirBnB establishes the consumer as a trailblazer among their peers.

Small talks

In real estate, we are noticing these factors create a real opportunity for local brands, which have established roots in the community and in many cases have been market leaders for years.

The independent real estate companies that make up Luxury Portfolio International represented more than 50,000 luxury properties last year in 55-plus countries.

Affluent consumers are drawn to these brands because they represent something different. They are local experts who offer local knowledge and have the flexibility to tell their story in the way that best suits them and the clients they serve.

These brands also have powerful word of mouth reach in their regions, and this combined with the global reach of a network such as the Leading Real Estate Companies of the World helps.

The strength of independent real estate brokerages is further evidenced by the growth in year over-year total sales of LeadingRE members, who doubled their lead over the largest franchises or big-name brands from \$47 billion to \$86 billion more sales last year.

CHANGING ATTITUDES toward luxury are paving the way for upstart independents to gain greater market share.

A new luxury brand with a powerful story and a commitment to providing an excellent consumer experience can win over influential clientele.

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