

TRAVEL AND HOSPITALITY

Affluent millennials interested in purchasing luxury goods drops 15pc: report

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By BRIELLE JAEKEL



Travel experiences are proving to be dramatically more important to affluent millennials, with most interested in hotel accommodations and flight tickets rather than luxury goods.

A recent report from Agility showed that across the globe the majority of prosperous millennials are likely to travel abroad in the next year. Percentages in China, India, Singapore, Malaysia, Hong Kong, South Korea and Taiwan are all above 71 percent for those interested in abroad travel over the next 12 months.

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"Millionaires in Asia are young and many of them in our study are in the millennials age group," said Amrita Banta, managing director at [Agility Research & Strategy](#). "Travel is the new luxury in Asia amongst this profile of consumers and we see that the appetite for travel has increased this year from the last year but the appetite to buy luxury goods has definitely decreased in our sample."

The study interviewed 922 affluent millennials from China, India, Singapore, Hong Kong, Malaysia, South Korea and Taiwan.

Affluent consumers

Agility's Asian Millennial and Millionaire Research Results shows there will likely be a decline in luxury retail in

Singapore in the upcoming new year, as there has been a 15 percent drop in millennial interest in spending more with luxury goods.



Singapore shoppers

Luxury hospitality brands might have an opportunity to expand into luxury lodges and winter apparel and accessories in Asia. Findings are showing an increase interest in skiing.

Other hobbies such as wine tasting and fine dining are making an impression on affluent Chinese consumers. More than 51 percent were interested in wine tasting and 48 percent in fine dining.



Chinese shoppers

However, while passion for spending more on luxury goods is dropping, interest in shopping in general is still strong. More than 69 percent of Chinese consumers are interested in shopping as a hobby.

Behaviors in luxury

Another study noted that millionaires from the X generation held onto traditional luxury events while millionaire millennials are straying away from happenings such as fashion shows and auto races, according to a new report from Shullman Research Center.

While there are vast differences in culture, behavior and values between lower income consumers versus millionaires, this also holds true for differing generations. For instance, family is the top priority in millionaire Gen-Xers' lives with 89 percent believing so, but only 67 percent of millionaire millennials say the same ([see more](#)).

Also, quality tops attributes such as craftsmanship and service as the number one defining attribute affluent consumers use to discern a good's luxury status, according to other research by the Luxury Institute.

Behind quality comes customer service, which more than half of consumers mentioned as a characteristic they associate with luxury. Despite global trends, residents of individual nations have varied priorities when it comes to luxury goods, with differing sentiments towards the value of products ([see more](#)).

"Asian millionaires are now discovering new interests like fine dining and wine tasting - this year we see activities like Skiing in the slopes of Japan becoming popular with the Singaporean millionaires for instance," Ms. Banta said.

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1. **Rachel** says:

December 8, 2016 at 12:17 pm

I would love to know where affluent U.S. millennials fall in this behavior pattern. Are they spending less on goods as well?

Wondering how much their perspective on travel spending differs from these Asian markets.

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