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RETAIL

YouGov is 2017 Luxury Researcher of the Year

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YouGov's research in retail and international markets set it apart from competitors. Image credit: Neiman Marcus

By STAFF REPORTS

YouGov is *Luxury Daily's* 2017 Researcher of the Year, selected for its sturdy analysis of the luxury business from a multitude of angles and perspectives, from the political to the cultural.

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YouGov was named over runners-up L2 and Fashionbi. Together, these three market researchers painted a complex portrait of a luxury business undergoing cultural, economic, technological and demographic changes.

The Luxury Researcher of the Year award was decided based on the relevance, ingenuity and scope of research reports. All candidates selected by the *Luxury Daily* editorial team, with input from readers, had to have appeared in *Luxury Daily* coverage this year. Judging was based on merit.

Global luxury

This year was marked by political turmoil in Europe, the United States and elsewhere. The issues raised by events such as the election of Donald Trump are central to the health and habits of the luxury business globally.

YouGov documented these changes and the effects they have had, most notably in a study of how Mr. Trump's election has affected luxury spending in the U.S.

The wealthiest consumers in the United States, those most likely to patronize luxury brands, are just as evenly split in opinion on the divisive new president as the rest of the country.

This data comes from YouGov's "Affluent Perspective Global Study 2017," which looked at the perspective of affluent consumers around the world and how those views affect their shopping habits. What the research found was that the affluent class in the U.S. is split almost down the middle on President Trump, and each side is firmly entrenched in their feelings (see story).

YouGov also dove into the data surrounding luxury spending in countries outside the U.S. and Europe.

Sixty-six percent of affluent consumers based in the Middle East are confident in the state of their country's economy, compared to the global confidence average of 33 percent, according to another report from YouGov.

Affluent consumers are able to control their personal finances by spending wisely and investing, but are reliant on the performance of their nation's economy for stability. In the "Affluent Perspective 2017: The Mood of the Global Affluent" report, YouGov studied the attitudes, lifestyles, values and shopping behavior of the world's wealthiest households, all of which are influenced by overall confidence levels (see story).

In addition to its excellent analysis of the global luxury market, YouGov also put out solid research on luxury consumer psychology and shopping habits.

As luxury continues to struggle to compete with new-wave retail that provides product of equal quality, but at lesser price points, marketers should focus on deep core values to strike a cord with affluent consumers.

Research from YouGov showed that 82 percent of affluent consumers prefer brands that are relatable. Quality is still the main driver in purchasing decisions for affluent consumers, but quality no longer has to mean a high price tag (see story).

Taken together, YouGov's body of research over the course of 2017 provided an insightful window into the inner workings of the global luxury business.

First runner's-up: L2

L2's 2017 research gave brands some of the best strategy advice to be found. From how best to leverage loyalty programs to successfully communicate with customers, L2 offered research that gave luxury brands clear paths to success.

For example, high satisfaction rates from guests who interact with hotel brands' mobile applications while on their trips reveal the potential of hospitality apps, according to L2.

Guests who interact with hospitality apps during their hotel stays report higher satisfaction rates, but L2's findings show that 38 percent of guests do not use these apps during their stay. This demonstrates that hospitality brands have further to go in terms of integration and visibility with their mobile apps (see story).

According to a different report from L2, brands must tap unconventional methods and various platforms to better promote their loyalty programs.

Integration is a vital component of a rewards program, as consumers want to be able to access their account at any time on any platform without hindering their experience. Communicating and promoting these loyalty programs is also a major portion to the program's success (see story).

L2 also studied multichannel retail, and found that it does more than just improve the customer experience, spurring consumers to spend more if they engage with a brand or retailer on both a digital and physical level.

The average omnichannel shopper visits a physical store more often and spends more while there than a non-omnichannel shopper. This data point shows that connecting with customers on multiple levels is one of the most important things the modern retailer can do to improve sales (see story).

L2 founder Scott Galloway also published an excellent book this year titled "The Four," praising and excoriating in turns Amazon, Google, Facebook and Apple for the outsize influence they wield on consumers' lives.

Second runner's-up: Fashionbi

Fashionbi's research in 2017 was marked by an interest in some of the emerging trends onto which that young, tech-savvy consumers are latching.

Through its analysis, Fashionbi painted a picture of what the future of luxury consumption looks like from the perspective of the younger consumers who will shape it.

For example, according to its research, sports footwear is on track to become a major component of the luxury shoe market.

This subsegment of the footwear industry has seen a 7 percent compound annual growth rate, which is leading the entire footwear industry. This will likely continue to trend upward with demand and sales rising (see story).

Social media is catalyzing growth in the $237 billion beauty sector by fueling consumers' interest in their appearance and their desire for self-expression, per another report from Fashionbi.

Makeup, which saw a record growth of 8.4 percent in 2016, has been the main source of the cosmetic industry's rise

over the last five years. Fashionbi's "The Art of Selling Beauty" notes that aside from makeup, digital is driving the sector's acceleration, as more beauty products are purchased online (see story).

As digital culture and rising costs of production have disrupted the ways fashion houses sell products, more brands have begun to consolidate by marketing directly to consumers, rather than relying on traditional advertising and commerce.

See-now, buy-now and other strategies that move brands away from the traditional structure of fashion commerce are growing in popularity, according to a new report from Fashionbi titled "Direct to Consumer (D2C) Business Model." Brands are adopting advertising and commercial models that rely on a direct relationship between the consumer and the brand (see story).

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