

FINANCIAL SERVICES

As US millionaires grow more diverse, brands must leverage digital tools to keep up

March 9, 2018



There are 16 million millionaires in the country, and each one is a valuable asset for brands. Image credit: WealthEngine

By DANNY PARISI

NEW YORK – With each passing year, the millionaire population in the United States grows more diverse both in demographics and interests.

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At the Luxury Marketing Council's Inner Circle Luncheon on Feb. 28, two executives from wealth intelligence firm WealthEngine gave a presentation focusing on the ways in which today's millionaires are more diverse than ever. In response to this, luxury brands need to be able to leverage data to know exactly what their customers desire and when.

"Brands are trying to find younger millionaires as they have the space to get even richer in the coming years," said Moira Boyle, director of luxury and commercial sales at **WealthEngine**. "You don't have one type of buyer anymore, you're going to have five or seven different types of buyers.

"The California millionaire is different from the New York millionaire," she said.

Knowing the customer

Today's millionaires cannot be easily fit into a single group or market segment.

While their overall net worth may be comparable, their interests, habits, feelings and spending goals can vary widely based on age, race or ethnicity or what region of the country they live in.

This last point was emphasized by WealthEngine, with speakers noting that \$1 million can have more or less weight depending on where the person lives, with a significant difference between places such as New York and Wyoming.

"Here in New York, we are seeing a shift towards more women millionaires, more people of color, more LGBTQ millionaires," said JB Rauch, vice president of channels at WealthEngine. "As we've seen more consolidation of wealth in this country, affluence is no longer just older white men, it's much broader."



WealthEngine's JB Rauch. Image credit: WealthEngine

For luxury brands, understanding these different segments and how best to target them is key to a healthy future. Not only will targeting millionaires help in that brands will capture their sales, but these ultra wealthy consumers also act as guides for the rest of consumers, who look up to them for inspiration and a source of ideas about what to buy and where to spend.

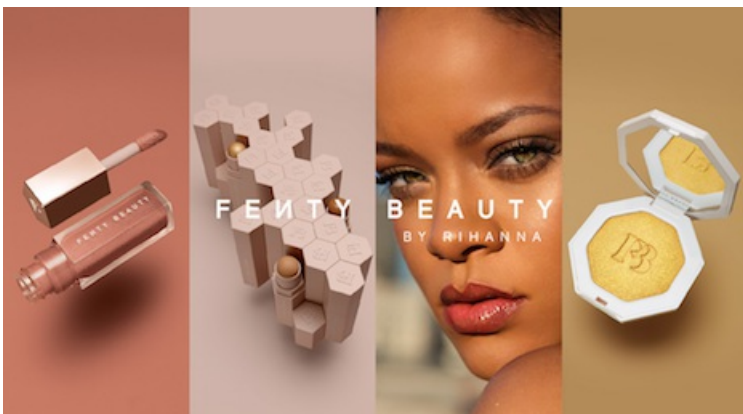
"Each of the 16 million millionaires are valuable for luxury brands," Mr. Rauch said. "Millionaires are not just important for their purchasing power but for their influence as well."

Diversity grows

Luxury has for many years been the domain of a homogenous group of individuals, mainly Caucasian men from Western countries. However, creating and maintaining diversity is important, not only because it is morally commendable, but also because it is good for business.

Over the last decade, there has been a concerted effort in the luxury business to be more inclusive in terms of sex and gender, race, nationality or body type. But the luxury business, as with the world itself, still has a long way to go to fully remove many of the institutional and ingrained barriers that have prevented women and minorities from excelling for so long ([see story](#)).

For example, Fenty Beauty's entry into the cosmetics arena has shed light on beauty power players' lack of merchandise diversity for complexion products.



Rihanna worked with LVMH-owned Kendo on Fenty Beauty. Image credit: Fenty Beauty

Created by frequent luxury collaborator Rihanna, Fenty Beauty launched following months of anticipation and two years of research and development on Sept. 8. The line of color cosmetics, including a staggering 40 shades of foundation, was developed in partnership with LVMH-owned Kendo, the company behind Bite Beauty and Marc Jacobs Beauty ([see story](#)).

The main thrust of WealthEngine's presentation was that with the increasingly diverse backgrounds of today's luxury consumers, brands need to be able to leverage whatever tools they can, particularly in the digital world, to serve those customers best.

"Being able to leverage technology and AI is playing a big role," said Chris Olshan, CEO of the [Luxury Marketing Council](#) and moderator of the event. "Something we keep hearing more and more is that there are tech companies looking to leverage affluent data to get into the home through WiFi.

"Soon you'll be able to connect to the IP and get access to tablets phones and TVs and serve advertising based on that data."

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