

MARKETING

Social influencers hold sway for HENRY buying decisions

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A multi-million dollar listing in California. Image credit: Aumann Bender & Associates

By BRIELLE JAEKEL

While many may associate luxury items with a particular price point, a new group of up-and-coming affluents cite quality and reputation over price in terms of declaring what is luxury.

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In a survey by Engel & Vlkers, the real estate firm focused on the group of consumers who are not yet rich but are high earners, nicknamed HENRYs. Eighty percent of this group associates quality with luxury, followed by excellent reputation at 64 percent, with price point coming in last with 47 percent.

"While it's no secret that the definition of luxury will continue to evolve with every generation, this report helps bridge the gap between how a very influential demographic perceives luxury and how they are influenced by marketers," said Anthony Hitt, president and CEO of [Engel & Vlkers Americas](#), New York.

"To take it a step further, we wanted to arm our industry with valuable data to help best serve this clientele," he said. "As the gatekeepers of future wealth, HENRYs are looking to partner with real estate influencers to guide them through the home buying experience."

HENRY is an acronym for high earners not rich yet. Engel & Vlkers questioned more than 1,000 millennials in this group in regards to their luxury shopping habits and preferences from Sept. 7 to Sept. 17 this year.

Social shopping influence

For this group, social influencers are extremely important in capturing their attention and loyalty. Sixty-seven percent of this group follows influencers on various social media platforms, while 58 percent do so specifically for product recommendations and inspiration.



Affluent millennials are most interested in connection. Image credit: Jimmy Choo

Influencers who are niche experts in their field are the number one category in terms of number of followers from the HENRY group. These types of influencers even top celebrity accounts in popularity among HENRYs.

This notion can even be attributed to real estate agents, as HENRY consumers value local neighborhood expertise and reputation, in addition to friend and family referrals. Building an online presence that exhibits in-depth knowledge of the local area can help boost real estate agents' business and reputation.



Millennials are highly interested in influencers.

Shoppers in this group have stated that social media influencers have impacted their purchase decisions, with 84 percent claiming so. Another 80 percent have said that they would consider hiring an influencer for their expertise, such as a real estate agent or fitness instructor.

Ninety-eight percent of the HENRY group look to reviews and social media in regards to hiring a service provider.

Real estate and influencers

Many luxury real estate brands have understood the power influencers can have in regards to creating a sense of authority and driving awareness.

Luxury real estate broker Sotheby's International Realty turned to creative marketing solutions to sustain long-term relationships with its customers.

As a Sotheby's Realty executive explained at Luxury Interactive on Oct. 15, years can pass between real estate purchases, unlike other luxury sectors such as apparel and travel, making personal connections all the more important. Despite the housing industry as a whole being resistant to change, Sotheby's has begun leveraging digital strategies to better assist its more than 22,000 sales associates ([see story](#)).

As a testament to the power of influencers in today's luxury business, real estate brand Aumann Bender & Associated and Sotheby's International Realty hosted the first Instagram Influencer Summer soire this past June.

The event brought together some of the biggest Instagram influencers in the business for a swanky event in San Diego. The Summer Soire was yet another indication of how important influencers have become to modern luxury brands ([see story](#)).

"Perhaps the most surprising finding was that legacy doesn't necessarily equal luxury for this next generation of wealth," Mr. Hitt said. "When HENRYs were asked to identify brands they consider to be luxury, even the top luxury

brand identified by HENRYs Gucci was only named by less than a quarter of respondents.

"This indicates an opportunity for new brand entrants in the luxury market as HENRYs accumulate wealth over the next 10 to 15 years," he said. "HENRYs will determine luxury based on superior quality and excellent reputation/word of mouth above all else, further highlighting the need for agents to establish themselves as trusted advisors and influencers within their market.

"In further support of this, another surprising finding was that HENRYs are more likely to follow 'topic expert' influencers for example, fitness instructors, interior designers, real estate agents, etc. on social media than even celebrities."

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