

MARKETING

Generational understanding crucial for luxury marketers' success

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Gucci is one luxury brand that successfully markets to different generations. Image courtesy of Gucci

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Although the purchasing power of younger consumers continues to grow, luxury brands cannot ignore Generation X and must balance marketing strategies that cater to three very different generations.

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Members of Generation Y, better known as millennials, and Generation Z have different lifestyles and priorities than their older counterparts, posing a challenge to many luxury brands. According to Fashionbi's new "[Brands' campaigns for X, Y, and Z Generations](#)" report, today's digital-centric consumers have had a widespread impact on the luxury industry.

"We see that many historical brands are changing the creative directors to shift the brand's positioning or refresh the image," said Yana Bushmeleva, chief operating officer at [Fashionbi](#), Milan.

Generational breakdown

Fashionbi defines the three prominent generations as Generation X, born between 1965 and 1980; Generation Y, born between 1981 and 1995 and Generation Z, born between 1996 and 2010.

People born after 2010 are primarily children of millennials and considered Generation Alpha. The majority of Gen Z is still under 18, making their parents, Generation X, still primarily responsible for their spending.



Gen Xers and millennials are now parents to Gen Zers and members of the Alpha Generation. Image credit: Gucci

Knowledge of the technological advancements each generation grew up with is essential to understanding how each group of consumers responds to marketing strategies.

For instance, consumers growing up in the 1980s were nicknamed the MTV generation because they were the first to be exposed to cable television at a young age while Gen Z are true digital natives. Millennials, however, were in their youth and adolescence as that digital transition took place.

Gen X consumers embrace the Internet and ecommerce more than Baby Boomers have more than 60 percent use smartphones. However, they gravitate to online text in addition to visuals and value information, quality and reliability.

Millennials, whose annual income is expected to reach \$3.4 trillion this year, crave connection and instant gratification. Tech-savvy and socially conscientious, these consumers often discover other brands from social media and through their peers.



Chanel fall/winter 2017 campaign featured Gen Z's Lily-Rose Depp and millennial Cara Delevingne. Image credit: Chanel

Members of Generation Z are expected to make up 40 percent of all consumers by 2020. More digitally connected than millennials, these younger consumers check social media hundreds of times of a day and respond best to succinct brand messages.

Research has shown that younger consumers expect brands to be more value-conscious, though not necessarily in the way marketers have come to anticipate. A report from Morning Consult finds that honesty, quality and customer service are among the most important brand traits for millennials to drive loyalty ([see story](#)).

Generational balance

Italian fashion house Gucci is among the luxury brands that successfully navigate different generational consumer behaviors. Since joining Gucci in 2015, creative director Alessandro Michele himself a member of Generation X has added his personal touch throughout the brand.

As an example, Gucci's #TFWGucci campaign is an effort that caters most to millennials ([see story](#)). Fashionbi cites Gucci's partnership with singer and actor Harry Styles as an example that the label also understands Gen Zers ([see story](#)).

Ms. Bushmeleva also cited Chanel and Louis Vuitton as other labels that balance between generations.

French fashion label Chanel has beefed up its digital strategy with a new flagship that will act as the foundation for its technological advancements. As part of the brand's partnership with online luxury retailer Farfetch, Chanel will be using its new flagship to test its latest innovations ([see story](#)).

Luxury brands must still adapt both their physical and digital hubs to meet the expectations of tech-savvy shoppers from all generations ([see story](#)), which makes Chanel's investment notable.

French fashion house Louis Vuitton is one of luxury's most valuable brands ([see story](#)) and has made efforts to embrace mobile to reach different consumer demographics.

Louis Vuitton's enhanced mobile application offers access to the entire catalog of Louis Vuitton products with a personalized browsing experience. Among the additions to the updated app is visual search, which enables consumers to snap a handbag or garment that catches their eye in a magazine or on a passerby to find it in the brand's catalog ([see story](#)).

The label has often tied its travel-themed efforts to print products. A new illustrated book, "Traveller's Tales: Bags Unpacked," is an item that could appeal to any loyal fan, but especially older shoppers who are more interested consuming more in-depth information ([see story](#)).

However, Ms. Bushmeleva contends not every brand needs to invest multigenerational marketing.

"Some luxury brands have quite a more narrow customer range," Fashionbi's Ms. Bushmeleva said. "Within time, company management will often set up a goal to grow the brand from the niche."

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