

MARKETING

Majority of affluent consumers unswayed by advertising

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Affluents continue to look to print. Image credit: Saks Fifth Avenue

By SARAH JONES

As marketers look to cut through the clutter to reach luxury consumers, the key is messaging that is personalized and creative, according to research from Luxury Portfolio.

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Sixty-two percent of affluent individuals say they no longer rely on advertising to find new products and ideas, as they have more options at their disposal to research and discover, and 61 percent say they are immune to advertising. For brands targeting the high-net-worth buyer, being able to serve up relevant, relatable content directly to the right individual can make all the difference.

"The affluent audience increasingly expects customization in every aspect of their lives," said Stephanie Anton, president of **Luxury Portfolio International**, Chicago. "They expect to be shown only the things that are relevant to them."

"It's very important that marketers understand that the luxury audience has a variety of segments, each with different requirements," she said. "Differences are both geographic and generational, which is specifically why in our most recent whitepaper, *The Media and the Message*, we sought to better understand the media consumption habits of the high-net-worth to help guide luxury marketers, for example, to reach a millennial audience with video marketing via Snapchat and social versus utilizing print or online banner and search ads to reach an older audience."

Luxury Portfolio's report looks at the global audience of affluent individuals who are likely to be in the market for a home priced at \$1 million or more in the next three years. The survey conducted by YouGov includes respondents with an average household income of \$473,000 and average assets of \$8.75 million.

Promotional persuasion

Millennials are the least jaded of all the generations surveyed, with only 47 percent considering themselves immune to advertising, compared to 72 percent of boomers.

Consumers say that they want ads that are creative, funny and relevant to their needs. Sixty-nine percent also desire marketing that they can relate to.

Millennials are more apt to want ads that reference pop culture, while Gen Xers and boomers are more likely than millennials to favor informative campaigns.



Luxury consumers deem magazine ads effective. Image credit: Cartier

Affluent consumers deem magazine advertisements as the most effective form of media. However, this trend is driven by responses from Gen Xers and boomers.

Overall, 39 percent of affluents deem television ads effective, placing it in the second position.

While there has been a growing tendency towards cord cutting, 58 percent of those surveyed still have a cable subscription. However, Netflix came out on top for television, with six in 10 of those surveyed having an account.

While boomers surpass the average for cable with 67 percent having access, about seven in 10 millennials and Gen Xers have access to Netflix.

Millennials named social media posts as the top advertising form, with 33 percent finding them effective. They also rated traditional television commercials and online placements highly.

When it comes to social media, real estate buyers are more engaged with brands and sponsored content than sellers. Millennials are also the most apt generation to consume branded content on social media.



Affluent consumers use social media to follow friends and others. Image credit: Boucheron

However, all consumers on the whole are more focused on following friends and shaping their own online personas, rather than engaging with brands.

"Creativity is crucial," Ms. Anton said. "Consumers want to be informed about a brand in ways that feel unique and authentic, and ideally, entertaining.

"A label isn't enough to prompt a purchase," she said. "Affluent consumers want to feel good about their choices and this can include both understanding the history of a brand as well as feeling confident that the brand is making a commitment toward sustainability, social good and diversity.

"At the same time don't forget the power of humor. Effective luxury brands are more playful and fun than they ever have been in the past."

In control

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.

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.

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 ([see story](#)).

Consumers today have more options and tools at their disposal to make decisions, leading to more empowered, knowledgeable choices.

During a webinar presented by Euromonitor on Jan. 31, analysts laid out the 10 consumer trends for 2019, which were linked by common themes of mindfulness, digitization and discernment. The researcher notes that amid political upheaval, consumers are looking to take back control and make an impact ([see story](#)).

"With media consumption through the roof, great video is more important than ever," Ms. Anton said. "These consumers want to be inspired and entertained.

"Successful advertisements today focus less on the product itself and more about the experience of the product," she said. "Across all generations, consumers want to be excited by the choices they make.

"Successful brands are thinking of ads less as a way to move product and more of a way to connect emotionally with their audience and ultimately to prompt deeper exploration of the brand, which ultimately leads to more a meaningful relationship and more sales down the road."