

MARKETING

HENRY women have outsized impact on consumer spending

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HENRY women are one of the most important consumer segments in the U.S. Image credit: Mercedes-Benz

By SARAH RAMIREZ

NEW YORK Not only are affluent American women some of the biggest spenders, they are also some of the most informed, posing a unique challenge to luxury marketers.

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Although high earners not rich yet, or HENRYs, only account for a quarter of the U.S. population, they present brands with a major opportunity as they account for 40 percent of consumer spending. Speaking at Women in Luxury 2019 on May 9, the president of Unity Marketing explained that luxury brands need to evolve to continue attracting affluent women.

"The HENRY woman is a very confident consumer and knows how to satisfy her needs," said Pamela N. Danziger, president at [Unity Marketing](#), Stevens, PA. "She does her research on her brands, so brands need to research her."

Women in Luxury 2019 was produced by Luxury Daily, with venue sponsor UBS

HENRY women

Three-quarters of women are the primary shoppers in their households, making it crucial for marketers to connect with the women who manage many purchasing decisions.

Based on U.S. Census guidelines, Unity Marketing defines affluent households as those with annual incomes of at least \$100,000. These households at the top 25 percent are the nation's fastest growing.



Pamela N. Danziger speaking at Women in Luxury 2019. Photo by Alice Young for Luxury Daily

"Demographics still matter, and they matter especially to us in the luxury market," Ms. Danziger said.

Ultra-affluent households have annual incomes above \$250,000 but spend about \$600 billion, accounting for only 10 percent of consumer spending.

However, HENRY households, which have annual income between \$100,000 and \$250,000, make up 85 percent of the affluent households. The approximately 32 million HENRY households have a collective spending power of \$2.4 trillion, for an average annual spend of \$75,000.

With large but not unlimited shopping budgets, it is important for these consumers to make the right purchasing decisions for themselves. HENRY women also spend a significant time researching products and ensuring brand positions align with their personal values.

Ratings and reviews are integral for shoppers, particularly when there is a visual component, according to Bazaarvoice's Shopper Experience Index. Nearly two-thirds of shoppers, 64 percent, consider user feedback during their shopping journeys ([see story](#)).

These consumers also tend to be channel agnostic, and often start their shopping journeys by researching options online. In many instances, after experiencing the product firsthand in a physical store, consumers will complete the purchase online through mobile shopping.



Affluent women prefer omnichannel retail experiences. Image credit: Pinterest

This omnichannel reality requires marketers to reach consumers on all media they engage with, from social media to in-store.

To be successful, brands must also be clear about the value their products or services offer consumers. Brands that successfully encourage consumers to engage with others about offerings also find success in drawing in HENRY women.

Evolving luxury

While HENRY women are desirable consumers for luxury brands, this demographic does not necessarily feel the same way about luxury goods.

"The L-word now has negative connotations," Ms. Danziger said.

Traditional luxury has long been associated with exclusivity and superior quality products, but contemporary affluents are more attracted to brands with goods that are practical and functional. They also value brands that embrace authenticity and inclusivity.

Recently, many consumers are also seeing appeal in unbranded luxury goods. Brandless luxury pieces are produced with a high level of quality and craftsmanship, but are not associated with a particular brand's heritage and can be sold at a more accessible price ([see story](#)).

Many HENRY women will not spend on large luxury goods, such as apparel, instead indulging in entry-level items such as cosmetics as part of the so-called lipstick effect.

For instance, Gucci has been refocusing on beauty as a more accessible way to reach new customers. The new Gucci Makeup lipsticks are priced at under \$40, making the cosmetics a reasonable indulgence for a wider audience of Gucci's younger followers ([see story](#)).

Looking to the future, the children of HENRY households will likely become ultra-affluent adults, another reason for luxury brands to engage with these consumers.

While children might not have the autonomy to spend, they are still gathering ideas on luxury from a young age. Across sectors, including automotive, hospitality and apparel, there is untapped potential to appeal to affluents and their children, who represent future generations of luxury consumers ([see story](#)).

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