

MARKETING

Affluent consumers unsatisfied with luxury marketing: YouGov

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Only about half of luxury consumers are satisfied with brands' marketing. Image credit: Michael Kors

By SARAH JONES

Luxury brands are struggling to market to the affluent population, as only about a third of wealthy consumers say they are pleased with how they are targeted.

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According to newly released data from YouGov's Affluent Perspective 2019 Global Study, half of affluent consumers feel that luxury brands seem uninterested in marketing to them. One of the ways that brands can boost their sentiment among consumers is by showing consumers' attention.

"There are a multitude of different reasons why people can feel critical towards luxury brand marketing," said Cara David, managing partner at **YouGov**. "We know that 50 percent of the global affluent agree that luxury brands don't seem interested in targeting them, so it could be a feeling of indifference they're not for me, they're for someone else."

For its research, YouGov surveyed more than 8,000 affluent consumers from around the world.

Marketing reception

Globally, 36 percent of affluent consumers say they are satisfied with luxury marketing.

Even consumers who actively purchase luxury goods give brands a low grade, with only 45 percent of this group saying they are pleased with the way brands market to them.

Individuals who predominantly buy luxury show the most positive sentiment towards marketing, with 81 percent being happy with brand outreach.

Based on consumers' thoughts, YouGov says that luxury brands are currently earning a C grade in how they speak to the affluent.

A bright spot in the research is that younger consumers show a greater level of satisfaction with luxury advertising. Fifty-one percent of millennials say they recognize that brands are working to reach them, while also agreeing that luxury labels are doing a good job at appealing to consumers their age.



Luxury brands are reaching out to millennials. Image credit: Fred

With millennials set to account for half of all luxury sales in about five years' time, according to projections from BCG, luxury brands' outreach is strategic ([see story](#)).

Preparing for the future, luxury brands have been actively targeting younger clientele. This includes working with millennial spokesmodels and influencers and connecting to this generation through events aimed at their interests.

There is also a push towards values-based communication, as brands promote social or environmental responsibility.

Millennials' sustainability motivations are good news for luxury brands, allowing marketers to stress the idea of buying fewer, higher quality goods.

According to the "Fountain of Youth: Identifying and Attracting Newly Luxury Facing Customers" panel during Luxury Interactive, one of the attributes that differentiates the millennial age group from prior generations is their desire to buy merchandise that reflects their values, including wellness and environmental friendliness. With consumers tiring of constant consumption, luxury brands can leverage this to stress the importance of investing in their brands ([see story](#)).

Luxury leanings

While affluents retain a positive sentiment about luxury, their relationship with luxury spending has shifted.

Wealthy consumers' confidence about their finances has fallen slightly over the last few years, leading affluent individuals to work harder and save more.

According to data from YouGov's Affluent Perspective , while consumers are more confident in their personal finances than those of their nations, only 44 percent are extremely or very confident about their personal economics, down from 48 percent in 2016. This dwindling optimism is having an impact on behavior, including how they spend on luxury.

YouGov found that 77 percent of affluent individuals say they are making fewer, more meaningful luxury purchases ([see story](#)).

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.

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.

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 ([see story](#)).

"Millennials are on the minds of many luxury brands so there is an extensive amount of marketing geared towards this group," Ms. David said. "The attention that luxury brands are paying to them has not gone unnoticed."

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