

RESEARCH

Aspirational male consumers increase luxury goods spend by 156pc: American Express Business Insights

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By RACHEL LAMB

A boost in luxury spending has come from an unexpected source, with findings showing that average consumers have dramatically increased their purchases in luxury fashion, while affluent consumers have decreased, according to a study from American Express Business Insights.

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The study showed that both domestic and international spend has been increased by average shoppers trying to play catch-up with their affluent counterparts. The study suggests that this could be because of the luxury industry trend of trying to target younger consumers.

“As consumers grow more confident coming out of the recession, many are returning to their luxury fashion shopping behaviors from years past,” said Ed Jay, senior vice president at American Express Business Insights, New York.

“Some never stopped spending, in fact, and while a number of consumers have stayed loyal to luxury brands throughout the shaky economy, online and discount and flash-sale spending has provided another platform for buying favorite brands, all contributing to

increases in luxury retail spend across the board,” he said.

In the numbers

Average, or non-enthusiast shoppers, have been spending more on luxury fashion in the United States, Britain, France, Japan, Hong Kong and Australia, per the report.

In fact, non-enthusiast men in the U.S. spent 156 percent more on premium luxury fashion than the same time last year, while non-enthusiast women spent 125 percent more.

Overall, the non-enthusiast group increased luxury fashion spend by 26 percent in Japan, 27 percent in Britain, 13 percent in France, 3 percent in Hong Kong and 1 percent in Australia.



Hugo Boss is in China

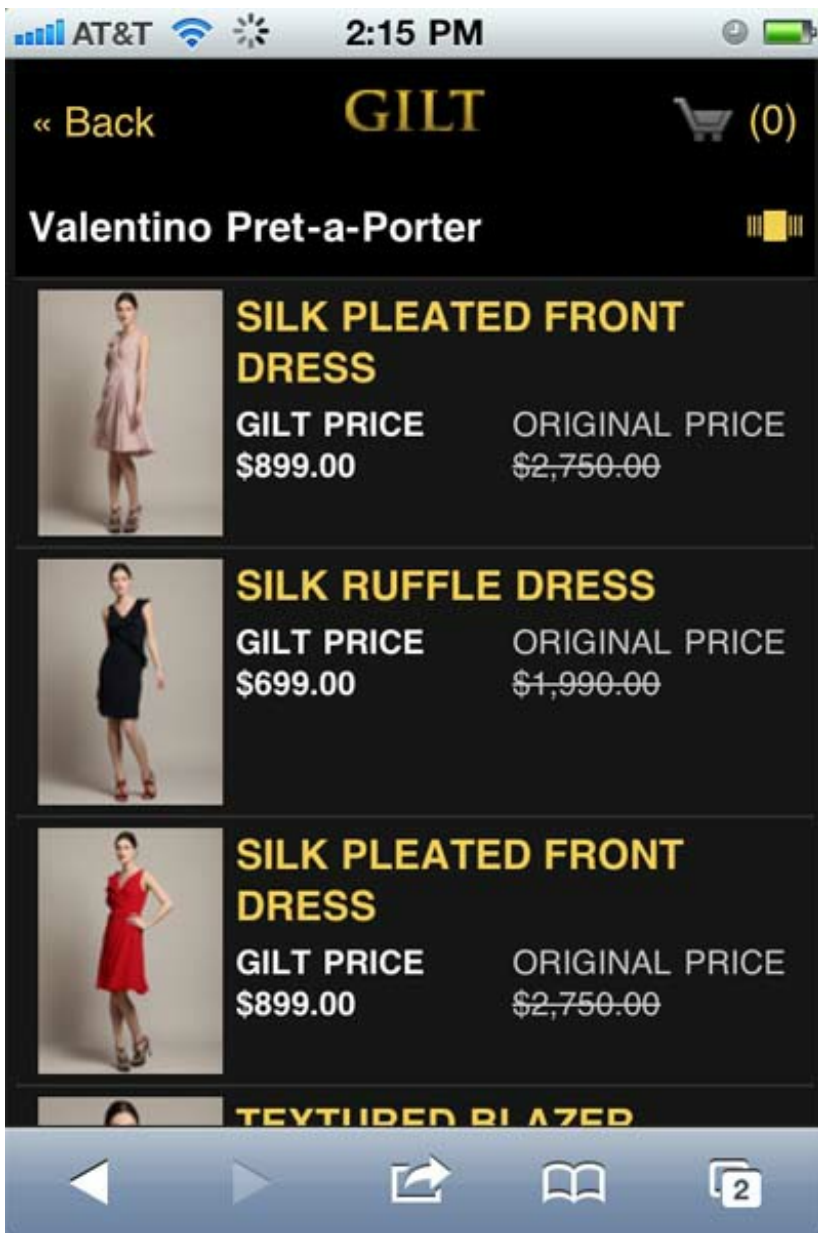
Meanwhile, male fashion enthusiasts, or affluent consumers, spent 11 percent less on premium luxury overall, while affluent female consumers did not change their spending habits.

However, affluent consumers decreased spend on luxury fashion in Japan by 22 percent, Britain by 14 percent, Australia by 14 percent, France by 10 percent, and Hong Kong by 1 percent.

Booming spending

Although American Express could not disclose specific brand spend, Mr. Jay said that iconic brand leaders in premium and discount and flash-sale luxury retail all saw impressive increases in the first half of 2011 over last year.

To add to the surprising facts, senior shoppers increased spend by 124 percent on discount and flash-sale Web sites during the first half of 2011 over the same period as last year.



Baby boomers are spending time on flash-sale sites such as Gilt

This demonstrates that online luxury discount spending is not reserved just for early-adopting youth, per American Express.

Furthermore, baby boomers increased luxury fashion spend by 25 percent, Generation Y members increased by 100 percent and Generation X members increased luxury fashion spend by 142 percent.

“We see this as a significant trend – in the U.S. and other countries such as the U.K., France, Australia, Hong Kong and Japan – both in the pullback of traditional luxury fashion spenders and the emergency of an interest in luxury from the general population,” Mr. Jay said.

Final Take

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