

MARKETING

Sustainable brands attract more consumers than luxury labels

December 9, 2019



Consumers want brands to have ethics. Image credit: Chloe

By SARAH JONES

Affluent consumers are more apt than the average consumers to influence others' purchases, making them a key target audience for brands, but these individuals are more demanding when it comes to companies' track records on sustainability and social issues.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246** ▶

A new whitepaper from YouGov finds that as consumers' income levels rise, they are more apt to have others ask them for advice before making a purchase or booking travel. Due to the affluents' position as influencers, brands that successfully build relationships with them can gain positive word of mouth, but this also means that the affluent can influence others against a particular brand if they have a bad experience.

"Transparency is beginning to rival quality in terms of what affluent consumers look for in a brand," said Chandler Mount, vice president of development - Affluent Perspective team at [YouGov](#).

"Sustainability is growing in the ranks of brand preferences as well, and it takes the form of brands living relatable values," he said. "This means that consumers expect brands to do the right thing, and taking care of the environment is one factor of that."

YouGov's research looks at consumers with household incomes of at least \$200,000.

Attracting the affluent

While 42 percent of all U.S. consumers agree that others look to them for advice, this portion of the population rises to 55 percent for those with incomes of at least \$200,000 and 59 percent for those whose household incomes exceed \$350,000.

The influence of the affluent can be partly attributed to their ability to be early adopters. For instance, they have the means to purchase new technology closer to its release, turning them into guides for others.



Lagos Apple Watch strap. Image credit: Lagos

Affluent consumers also show more of a predisposition towards actively making recommendations. Compared to 61 percent of the population that makes suggestions, about seven in 10 affluents offer their advice.

"After 10-plus years of watching the affluent we have found this group leads the general population in the U.S. by about four years," Mr. Mount said. "That is to say, when the affluent grab hold of a trend it takes about four years for it to trickle into the mass market.

"The reason for this is when something is new and unproven it takes time to establish a working business model and centers of demand," he said. "Once it comes to scale for the affluent it is easier to replicate and streamline for a broader audience. I believe this is happening at a faster pace today than before, thanks to social media and e-tailers where instant gratification is morphing to instant expectation."

As brands seek affluents' business and influence, the top factors consumers are looking for are tied to a company's ethics.

While traditionally decisions on purchases were tied to price or quality, today consumers are also guided by their values.

Honesty and trustworthiness were both named by 90 percent of the affluent audience, emerging as the top two characteristics that shoppers want to see. Coming in at a close third is consistency in words and actions, and rounding out the top five are authenticity and genuineness.

On average, 53 percent of consumers want brands to be transparent about their stance on social issues. This climbs to 55 percent when looking at the affluent.

Compared to the average consumer, the affluent also show a greater openness for brands to address topics such as the environment, human rights, animal cruelty and education.



Consumers are open to brands discussing issues including education. Image credit: Neiman Marcus

Among all adults, sustainable brands are the most attractive, with 86 percent showing an attraction to them. Comparatively, exclusive luxury only appealed to 52 percent of the population and mass luxury brands only attracted

53 percent.

"Broadly speaking, brands that are looking to grow their consumer base should focus on the logical extension of their current values," Mr. Mount said. "Reinforce values your current customers identify with and create opportunities for new customers through innovation in product lineup, distribution networks and new markets."

Along with being an attractor, sustainability and ethics can cause consumers to turn away from a brand. While 39 percent of consumers say they have permanently boycotted a brand over a perceived ethical violation, this rises to 54 percent when just looking at the affluent.

Consumers care more about diversity missteps than companies think they do, with a new study finding that one in five consumers would be unwilling to forgive and forget after a controversy.

Two surveys conducted by First Insight found that while 92 percent of executives believe that customers will continue to buy from them following an offensive product, only 27 percent of customers actually said they would still shop with a brand post offense. In the wake of widespread boycotting of luxury labels over perceived offensive designs, companies should consider instituting inclusive practices to avoid future snubs by consumers ([see story](#)).

Travel trend leaders

Affluent consumers are more likely to identify as a traveler than a homebody, with two-thirds saying they feel they are a traveler. This profile grows as individuals' income levels rise.

Only one in 10 affluent consumers say they have not traveled in the last 12 months, compared to three in 10 among all consumers.

While just 34 percent of all consumers took two or more trips in the last year for either leisure or business, 63 percent of affluents made at least two journeys.

Despite having more means, affluent travelers are equally likely as all consumers to base their plans on value for their money, mentioned by 29 percent of both groups.

Where affluents diverge from the average consumer is in seeking out natural beauty and culture more than most.

Eighty-four percent of affluents agree that to get to know a country, you have to experience its culture.



The affluent seek out culture through their travels. Image courtesy of Gucci

"Culture and history are part of the sustainability conversation," Mr. Mount said. "Destinations should seek to partner with companies that invest in the local workforce and maintain the natural wonder of the land whether environmentally or culturally. Long lasting partnerships here are critical for sustainable travel.

"In marketing to luxury travelers I suggest being clear about sustainability efforts. Be bold, in fact," he said. "What is being done to systematically address issues around the environment, labor and corporate responsibility."

Storytelling is essential for hospitality brands to share their brand values with guests, particularly as interest in sustainability and authentic travel grows.

During a panel at *Cond Nast Traveler's* Points of View Summit on Oct. 7, industry experts discussed how travelers are increasingly concerned about the impact they have on different environments. With rates of travel continuing to rise exponentially, overtourism is becoming another problem for destinations with delicate ecosystems or

landmarks ([see story](#)).

"We're watching the ultra-high-net-worth space as a leading indicator on [the sustainability] trend," Mr. Mount said. "This group is making changes at home more in-home energy efficiency and using alternative fuel vehicles. History has shown that the adoption of new and improved technology like these always starts at the top, and then works its way down.

"This is not to say that the rest of the affluent are not seeking increased levels of sustainability at home or abroad," he said. "The reality is that most people seek sustainability in some way or another and some more strongly than others. Each consumer is different, and brands must understand that what is important to one consumer may not be important to another."

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.