

MARKETING

## Meet Generation Alpha: The shrewdest luxury consumers ever?

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*Even though some in the next generation of luxury consumers haven't been born yet, luxury brands would be wise to study Generation Alpha now. Image courtesy of jnby by JNBY*

By [Glyn Atwal](#)

Is the luxury industry ready for the next generation of luxury consumers? [Gen Z's buying power](#) is blossoming now. Today, this cohort makes up about 15 percent of all luxury goods sold in China and that number is on the rise. But what consumers will come after them?

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Enter Generation Alpha. This generation refers to children born between 2010 and 2025. Yes, they are still young some of them are not even born yet but since these are the children of [millennials](#), Gen Alphas are growing up having entered the market with a more advanced stage of consumer development compared to prior generations.

Quite naturally, they have inherited the hedonic values of their parents. Accompanying their parents to shopping malls has been the norm for them. And as younger children may go to the mall to play at the indoor playground, they also gain exposure to brands, including luxury brands.

But what differentiates this generation is that technology has been embedded into almost every aspect of their lives. Whatever they do, it is digital, and that has never been different. One study found that Chinese children spent an average of four hours and 36 minutes per day on mobile devices during the COVID-19 pandemic. This level of hyper-connectivity gives them access to lifestyle, fashion and luxury inspiration.

A Louis Vuitton bag may be out of their reach, but consumerism is integral to a child's identity. Children use a range of tactics to influence purchase decisions.

According to the 2020 Children Economy Insights Report, parents spend between [30 and 50 percent](#) of their household income on feeding, clothing, and entertaining their children. Gen Alpha is also a greater part of the purchase-decision process today, directly or indirectly influences family spending on things like holidays or even automobiles.

Undoubtedly, Gen Alpha represents the future generation of luxury consumers. It will only be a matter of years before they can financially enter the luxury universe, and luxury brands must anticipate this opportunity to build

lifelong relationships. Although they are uncharted territory, luxury brands must learn how to develop a strong rapport with this emerging customer base.

### Awareness

Some luxury brands already enjoy familiarity, but many brands will need to generate awareness.

Luxury brands can create access by partnering with Gen Alpha-friendly brands. The [KFC x Karl Lagerfeld collaboration](#), which also involved co-branded packaging, does risk diluting a luxury brand's image. But it can touch a new generation of consumers that would otherwise be difficult to reach.



*The KFC x Karl Lagerfeld collection celebrates the 80th anniversary of KFC's Original Fried Chicken with two limited edition bags. Image credit: KFC's Weibo*

### Relationships

Luxury brands can instill brand meaning to create an early advantage.

[BMW's Children's Traffic Safety Education](#) promotes road safety education to children in schools. For many children, this will be their first opportunity to get close to a prestigious automobile brand. It can also be the start of a meaningful brand relationship if the introduction is made correctly.

### Branding message content

Social media behavior differs from generation to generation. As such, luxury brands need to develop relevant digital content and tailor it to a younger demographic. BMW developed a short film called "The History of Horsepower," which showcases BMW's journey through time. It was made specifically for the [video-sharing website Bilibili](#), which is popular with younger users.

Many think that Gen Alpha will be defined by its solid degree of self-confidence and independence, yet changing social values will impact what they think, feel, and do.

For now, luxury brands must proactively get ready to welcome the next generation of buyers, remembering that they will be deeply rooted in today's rapidly evolving contemporary Chinese consumer society.

*[Glyn Atwal](#) is an associate professor at the Burgundy School of Business (France). He is co-author of "Luxury Brands in China and India" (Palgrave Macmillan).*