

RESEARCH

Luxury marketers must grow affinity for Gen Alpha: RetailX

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French fashion house Dior has long-maintained dedicated digital channels for children's wear. A new report suggests that more luxury strategies should include getting a head start with Generation Alpha. Image credit: Baby Dior

By AMIRAH KEATON

A new report from RetailX recommends the high-end market attune to a promising audience those born after 2010.

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For the last few years, the industry's thought leaders have advised luxury retailers keep an eye on particular sets of clients that succeed Generation X. All the while, Generation Alpha continues to come of age witnessing their older caretakers, siblings and influences enjoy unprecedented levels of luxury access as for early introductions and advanced affinities are concerned, the research firm is putting marketers on alert.

Child's play

According to RetailX's [Global Luxury Sector 2023](#) report, which cites statistics placing luxury's longstanding ideal target audience between 25 and 44 years of age, capturing Generation Alpha's favor could be key to the industry's future.

Historically popular among youths, a formula of lower-value luxury goods sold to a wider base has always underlined the approach of lower-aged luxury consumers.

Where Gen Aers appears to differ, says the update, is in the group's innate adaptation of a "quality-over-quantity" mindset, a generational norm that could lead to sustained, big-ticket purchases in the long run.

With some entering their teenage years soon, the multichannel retail and direct-to-consumer digital commerce research firm posits that today's youngsters are already displaying signs of the "less, but better" blueprint put in place by those closest to Generation Alpha in age.

The firm's experts entertain the theory that millennials and Gen Zers have wasted no time in handing their luxury-seeking habits over. These observations spark further inquiries as to how luxury players have been reaching the 12-and-under club mostly through their guardians as of late, if at all.



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A post shared by Baby Dior official (@babydior)

A ranking of the top 50 largest global luxury retail brands included as part of RetailX's release spans apparel, auto, watches, jewelry and cosmetics.

Interestingly, of the 23 names listed that produce ready-to-wear lines, just 13 offer childrenswear assortments, and only a handful of the latter segment have been willing to reserve marketing bandwidth for childrenswear-exclusive communications.

Of that more active subset is French fashion house Louis Vuitton. The company made headlines after launching an inaugural baby collection at the top of the year.

Mini apparel picks and accessories from the line feature the maison's Meli-Melo motif.



Pieces from Louis Vuitton's newly-instated apparel and accessories line for babies feature the maison's Meli-Melo motif. Image credit: Louis Vuitton

British fashion house Burberry is additionally of note. The label's first-ever Sikh children's model starred in a July campaign last year.

Besides a series of pop-ups, and even a standalone Baby Dior boutique location in Paris, the French fashion magnate has long-established an entirely separate social presence dedicated to little ones, posting campaign imagery of well-dressed kids and regularly staging related activations such as, for example, sponsored baby shower content involving expectant influencers, as part of its overarching retail strategy.



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While Louis Vuitton, Burberry and Dior are among the standouts, other labels offer smaller-sized items under larger verticals, categorized as gifts or listed quietly under "lifestyle," lacking accompanying campaigns either way.

For those luxury players that have chosen to forgo childrenswear collections entirely, drop inconsistently or, worse, in poor taste ([see story](#)), could the decision mark a missed opportunity?

(Re-)introducing

RetailX's findings suggest that the future of luxury fashion could stand to benefit from a broader embrace of childrenswear, as these collections transition away from subjugative notions of nonnecessity.

The research excerpt indeed acknowledges the time dilemma that solely serving an aging demographic of older clients presents for luxury brands.

Even so, RetailX makes clear that boomers are very much still strong market participants worldwide.

These individuals tout historically high net worths, especially post-pandemic, and are less vulnerable to economic disruptions, avoiding the effects of global events including the cost-of living crises at the rate far higher than other generations.

Brands are still making attempts to stay up to speed with this customer.

Investigations have honed in on sentiments from older women, for example, who have expressed a mix of being both fearful of and fed up of being bypassed by luxury brands as of late. Feedback from these loyal clients represents a separate challenge and opportunity all its own ([see story](#)).

This aside, RetailX reveals that with the current recovered state of luxury affairs, it has become increasingly difficult for the industry to ignore the potential of young affluents and their parents.

Here, targeted marketing could play an outsized role in embedding ideas of "quality-over-quantity" early on, cultivating long-term allegiance and folding luxury in with the values that comprise a closely-held identity.

Further, similar to incidents of neglect identified by older shoppers, the industry also carries a faulty track record as it pertains to meeting the needs of the marginalized this includes pregnant women.

[@Burberry](#) features a Sikh kid model to endorse clothing for back-to-school designs from the new [#BurberryChildren](#) collection'. This is a giant leap for representation because Sikh kids who do wear a patka (Sikh head covering for young boys) need to feel seen and acknowledged pic.twitter.com/HGHjubwbUq

Harjinder Singh Kukreja (@SinghLions) July 26, 2022

Luxury maternity options are few and far between.

When families do bring bundles of joy into the mix, the buck stops at baby shower gifts, in terms of luxury inventory available for purchase.

Children's offshoots are currently positioned as novelties RetailX's report previews the ways in which Generation Alpha could very well challenge this.

Millennials and Gen Zers have already drastically shifted consumption channels and patterns.

The report notes that TikTok's 1.2 billion active user population is 70 percent Gen Z, who currently hold \$143 billion in total spending power and by 2025, both Generation Z and millennials will contribute 130 percent of the personal luxury goods market's growth.

Bottom line, the fact that luxury goods are being obtained at earlier stages in life than ever before ([see story](#)) should provide a boost to luxury's bandwidth, in terms building brand loyalty amid a changing landscape.

Marketers would be remiss not to pay attention.

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