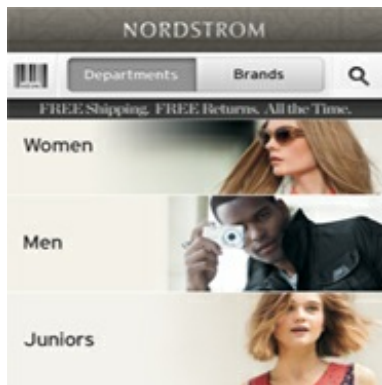


MOBILE

67pc affluent smartphone owners use mcommerce: study

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By RACHEL LAMB

More than two-thirds of affluent consumers who own a smartphone have used their mobile device to shop for products and services, but since they prefer the in-store experience, luxury brands have to start creating humanistic experiences on mobile.



Preference for the in-store experience, the cornerstone of luxury marketing, is the main reason why smartphone owners say they do not buy products through mobile. Mobile applications are the most common form of engagement for affluent consumers, indicating that luxury marketers need to step up the in-app experience.

“Consumers are becoming so much more mobile and we need to figure out how to translate that mobility into a humanistic experience,” said Milton Pedraza, CEO of the [Luxury Institute](#).

“Apps are becoming ubiquitous, so it’s what we do with them that make the experience more extraordinary that will make the difference,” he said. “How the app is being used by the consumer or to contact someone who represents the brand is now where the real opportunity lies.”

The Luxury Institute study was conducted over the first quarter of 2012.

Respondents reported an average net worth of \$2.8 million.

Complicated commerce

Of the 67 percent of affluent consumers who shop via mobile, 63 percent of them have made purchases in the past 12 months, according to the study.

Furthermore, wealthy consumers who made purchases spent an average of \$628.



Amazon mobile site

Event tickets, gift cards, food and technology/personal electronics are the most-common type of mobile purchase, according to the study.

Preference to the in-store experience is the most-used reason for not making a mobile purchase.

However, other issues include “privacy and security issues,” “it seems complicated,” “the brands I purchase from do not offer mobile shopping” and “I don’t know how.”

Of luxury consumers with smartphones, 28 percent of them own an iPhone, 22 percent own an Android, 16 percent own a BlackBerry and 2 percent own another smartphone.

Appetizing

Of the 60 percent of affluent consumers in the United States who have a smartphone, approximately 73 percent of them use apps at least once per day, according to findings from the Luxury Institute.

Affluent consumers are using apps including Facebook, Angry Birds and Words With Friends, making them a prime spot for luxury mobile marketing. However, most high-end brands are not fully grasping the urgency that they not only need to be in mobile, but the leading innovators.

Of affluent consumers who own a smartphone, 80 percent of wealthy U.S. consumers report that they have downloaded an app.

Navigational and entertainment apps are the types of apps most frequently downloaded, including Facebook, Angry Birds and Words With Friends.

That said, these apps provide opportunities for luxury marketing. In fact, some brands have already taken advantage.

For example, department store chain Nordstrom is targeting aspirational consumers through mobile banner advertisements for its Nordstrom Rack locations in the popular gaming application, Words With Friends ([see story](#)).



Nordstrom banner ad

In addition, New York-based department store Bergdorf Goodman used Words With Friends to drive foot traffic to its store with a location-based banner ad promoting an in-house event ([see story](#)).

However, what these results are telling marketers is that it is not just young consumers who enjoy gaming apps. The respondents of the study – older, more affluent consumers – are still citing Angry Birds, Facebook and Words With Friends as their favorite apps.

However, there is a fine line between marketing to adults and aspirational consumers.

“Brands do need to be as engaging as social media, but they cannot be gimmicky – they must be honest and real,” Mr. Pedraza said. “It is surprising that Facebook and games have reached all consumers, not just the young.

“That said, it is hard to extrapolate data over the next few years when technology and behavior are spending so quickly,” he said. “The speed of change among all consumers, not just the young but the old and affluent, is very quick.”

Final Take

Rachel Lamb, associate reporter on Luxury Daily, New York

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