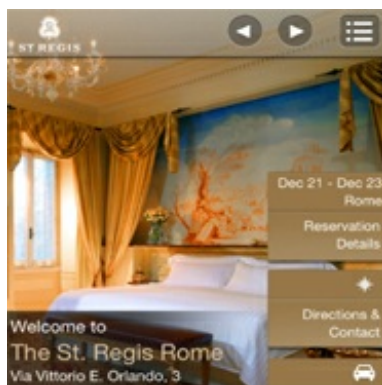


MULTICHANNEL

Luxury Institute CEO: Affluent millennials are target audience of the future

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By ERIN SHEA

NEW YORK - A Luxury Institute executive at Luxury Daily's Luxury FirstLook: Strategy 2013 conference said that affluent millennials will be moving into the prime of their luxury consumption years as baby boomers are moving out.

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During the "Marketing to Generation LuXurY" session, the executive discussed the typical millennial demographic and how marketers will have to adjust their strategy to target this group. All in all, the millennial demographic feels more confident, more entitled and is comfortable with technology.

"The situation is that baby boomers are moving off the stage as the leaders in luxury consumption, as Gen X and Gen Y are moving into their luxury consumption years," said Milton Pedraza, CEO of the [Luxury Institute](#), New York.

Paul James, global brand leader for the [St. Regis](#) and [The Luxury Collection](#), was unable to attend the Luxury FirstLook 2013 conference. Mr. Pedraza spoke on his behalf.

In with the new

The up-and-coming luxury consumer responds to different marketing strategies than the baby boomer and older luxury consumer.

For example, when marketing a hotel chain to a younger demographic, brands should look to incorporate entertainment into the hotel experience.

Overall, the younger generations are not as restricted by boundaries and value travel more than other generations.

Hotels are just not places to stay to them, but places for entertainment and culture.

These generations see no boundaries. In turn, marketers must create massive value to appeal to them - not just in a product or service, but in the engagement as well.



Mr. Pedraza

Millennial mindset

Starwood Hotels & Resorts tapped into the mindset of its millennial consumers by integrating technology with their customer service.

Starwood enabled its preferred guests to upload their member card to the Passbook application for the iPhone's iOS 6 and Android devices for instant access to account information and reservations at all nine of its brands.

Passbook lets iPhone users add their cards to the platform and see account details such as Starpoints balance, year-to-date earned nights, customer service contacts and upcoming stay details.

Users are also able to add an SPG Stay Pass to Passbook that corresponds to an upcoming hotel stay and shows a complete reservation confirmation ([see story](#)).

In addition, Starwood encouraged its reward program members to book via its Web site and mobile app through a fourth-quarter campaign that offered bonus rewards when consumers visit properties.

Starwood Preferred Guest members got double and triple the Starpoints depending on

how many nights they booked as well as bonus points for bookings on SPG.com and the SPG iPhone app and foursquare check-ins ([see story](#)).

However, affluent millennial consumers are a dynamic group, so marketers should be prepared for changes in the future.

“While we are able to measure what Gen X and Gen Y are doing now, they are often unpredictable and there will be surprises in the future,” Mr. Pedraza said.

Final take

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