

RESEARCH

Financially-confident consumers to spend on travel, auto in 2013: report

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By TRICIA CARR

U.S. affluent consumers plan to spend within the high-ticket travel and automotive categories in 2013 since they are now most comfortable making large purchases after the recession, according to new research from the Shullman Research Center.

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The just-completed Shullman Luxury and Affluence Monthly Pulse survey found that 54 percent of respondents with a household income of \$250,000 or more and 51 percent of respondents with a household income of \$500,000-plus will spend on domestic leisure travel this year, followed by automotive, jewelry and fashion. The report also explored personal goals of the affluent U.S. population and found that 48 percent of consumers with a household income of more than \$500,000 plan to make a donation to a charity or nonprofit.

“The categories that have been booming and are still booming are travel and automotive,” said Bob Shullman, founder/CEO of the [Shullman Research Center](#), New York.

“Automotive and international travel tend to be big expenditures.

“Many consumers deferred purchasing and leasing of cars starting in 2007 and 2008,” he said. “Auto has really been booming for the last six to eight months since people, in general, have been pretty confident to spend despite a few bumps in the road.”

Vacations and cars

Shullman Research Center surveyed consumers on their spending plans in 2013 within the domestic travel, auto, fashion and jewelry categories.

Travel came out as the No. 1 category for spending in 2013.

The most-popular U.S. states to which affluent consumers are considering traveling include Florida, California, Arizona, Colorado and Hawaii. New York was also a popular city destination.

Next, 25 percent of respondents with a household income of \$250,000 or more and 26 percent of respondents with a household income of \$500,000-plus plan to buy or lease a new car, SUV or truck this year.

Of these respondents, 14 percent in the \$250,000 household income group and 15 percent in the \$500,000 income cohort are considering brands such as BMW, Acura, Mercedes, Cadillac, Nissan and Ford.

Eleven percent of these respondents are not focused on a specific brand.

The survey asked consumers if they plan to purchase a piece of fine jewelry for \$500 or more this year. Twenty-three percent in the \$250,000 household income group and 22 percent in the \$500,000 income group said they are planning a jewelry purchase of this caliber.

Seventeen percent did not report that they are looking to buy a specific brand, while 6 percent in the \$250,000 household income group and 5 percent in the \$500,000 income group are considering Tiffany & Co., Assael, Cartier, Burberry, DeBeers and Gucci.

Lastly, 16 percent of respondents with a household income of \$250,000 or more and 26 percent of respondents with a household income of \$500,000 or more plan to purchase designer or couture collection clothing, accessories or evening apparel.

Five percent in the \$250,000 household income group and 5 percent in the \$500,000 are considering brands such as Burberry, Chanel, Giorgio Armani and Ralph Lauren, while 11 percent and 19 percent, respectively, did not specify desired brands.

Luxury brands such as Burberry, Chanel and Gucci have remained popular among both household income levels likely for their ability to stay relatable to all age demographics, per Mr. Shullman.

Smaller percentages of consumers plan to purchase specific jewelry and apparel brands, but the labels chosen by some respondents signal that certain luxury marketers are enduring the generational differences among affluent consumers.

“Clearly, the marketers at those organizations are making them relevant,” Mr. Shullman said. “It could heritage since heritage is a big part of luxury, but part of it is that not only do they have heritage, but they are keeping their heritage brand current.”

Health concerns

Shullman Research Center also just polled U.S. affluent adults on their personal plans for 2013.

The majority of the respondents in the \$250,000 household income group, or 46 percent, as well as 36 percent of respondents in the \$500,000 income group will work on their health this year.

But the majority of respondents in the \$500,000 household income group, or 48 percent, as well as 41 percent of respondents in the \$250,000 household income group plan to make a donation to a charity or nonprofit organization.

Also, 40 percent of respondents in each household income group plan to save for retirement.

“Their worries and concerns are health and financials,” Mr. Shullman said.

Final Take

Tricia Carr, editorial assistant on Luxury Daily, New York