

RESEARCH

Affluent women control 68pc of household purchases: Luxury Institute

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By ERIN SHEA

Affluent female consumers are making 68 percent of their household's purchases, while more women are becoming the bread winners of their families, according to a new survey from the Luxury Institute.

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Women are now more involved in purchasing and financial decisions for the family than ever before. Since this trend is likely to continue, luxury marketers should look to target affluent women to drive sales.

“This means that [marketers] need to pay more attention to how they are marketing to women in a respective and relative way,” said Milton Pedraza, CEO of the [Luxury Institute](#), New York.

“A lot of companies are doing a good job of marketing to women, but we will see more companies and more services that will begin to market to women,” he said.

The [Luxury Institute's WealthSurvey: Marketing to Wealthy U.S. Women](#) study surveyed 800 U.S. women who are 21 years or older and have a minimum gross annual income of \$150,000. The survey took place in the last quarter of 2012.

The bread winners

Two-thirds of women surveyed earn at least \$150,000 per year from their own salaries. This group of women has a median annual income of \$181,000 per year.

More than 40 percent of working women in married or coupled households report being responsible for the majority of their total household income.

Seventeen percent of women surveyed said they provide support for additional familiar members other than their spouse or children. A quarter of these women said they spend at least \$100,000 per year on providing support.

In addition, approximately 25 percent of working women are owners or partners in organizations. These women say that the flexibility in schedule and desire to “be my own boss” drove them to this situation.

The number of women in high-leadership roles and entrepreneurial positions will continue to increase.

This could mean an overall shift in corporate atmosphere, which could help marketers reach female consumers.

“We see a growth in women in the highest level in entrepreneurial and leadership positions that will make corporations more collaborative internally and externally,” Mr. Pedraza said.

“Most women understand the needs of other women, women consumers and other consumers.”

Purchasing power

Affluent women are most likely to control the food and clothing - such as apparel, shoes and accessories - purchase decisions for their household.

This group makes approximately 68 percent of the purchases on behalf of their household.

When purchasing, these women have a decided preference for products that are made by established and well-known brands.

Many luxury marketers target this group of affluent women because of their buying power, but some industry sectors are sending a stronger message than others.

The survey found that fragrances and cosmetics, clothing, shampoo and conditioner, shoes, department stores and jewelry and watches are categories that most effectively market to women.

Also, 65 percent of women in married or coupled households are making investment decisions jointly or in consultation with their spouse or partner.

Twelve percent of affluent women surveyed said that someone else makes these decisions for them, so there will likely be more financial services and similar companies that will begin to market to female consumers.

“We’ll see a lot of brands in the financial services and brands that are at the bottom try to understand how to develop and brand products to women,” Mr. Pedraza said.

Final take

Erin Shea, editorial assistant on Luxury Daily, New York

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