

COLUMNS

Is there an affluent mindset, and does it affect the way they buy?

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Rich people are different.

There may be some “millionaires next door,” well-to-do people who seem, on the surface, like “just plain folks”, but when you dig deeper into the affluent market you will find that most of the rich are not much like you and me.

These consumers may, like the rest of us, put their trousers on one leg at a time, but when those legs go into Italian designer pants, slip feet into bespoke English shoes, and step into late-model luxury cars to run errands in the neighborhood –and the neighborhood is Short Hills, NJ, or Beverly Hills, CA, Park Avenue or Miami Beach – the illusion of similarity wears off pretty fast.

It is not just a question of belongings – yes, they do have more money and more things, but what sets them apart are their experiences, the expectations that come from those experiences, and the resources they can command to achieve them.

One percenters

By and large, the affluent – those with \$250,000-plus incomes – are better educated (more than three times likely to have a masters or doctorate and more than eight times likely to

have a professional degree than the population as a whole), have travelled more extensively (51 percent have travelled abroad in the past three years versus only 23 percent of the general population), have seen and done much more (almost twice as likely to have attended the theatre, or a classical music performance, or visited a museum), so have more global, sophisticated views.

These rich people live in a world of quality – their homes – where they are and what is inside them, their cars, where they go in them, what they eat and drink, the things they wear, the schools their kids attend, the people they work, live and play with – are all top notch.

They are twice as likely to drive luxury cars – Old-Money Volvos or new-money Cadillac Escalades, and nine times as likely to live in homes worth a half-million or more. They know the difference between excellent and mediocre, between real and pretend, between have it and wannabe. They have very high standards and are not easily fooled.

They are different

Freed from the day-today issues of financial security, they are more focused on achievement, self-actualization, personal impact and legacies than the rest of us.

These rich consumers have been catered to, supported and advised by people with education, intelligence, taste and charm, and therefore have high expectations for personalized, professional advice.

Indeed, they are also targets for everyone, from sales to professional services to fundraising, and so have barriers in place that make it hard to reach them.

The affluent may have the means to make impulsive purchases that middle-class folks might agonize over, but given their taste and standards, they may actually spend more time deciding. What is at stake in affluent-considered-purchase is not so much “Can I afford this?” as “Is this the best I can find, and is it right for me?”

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