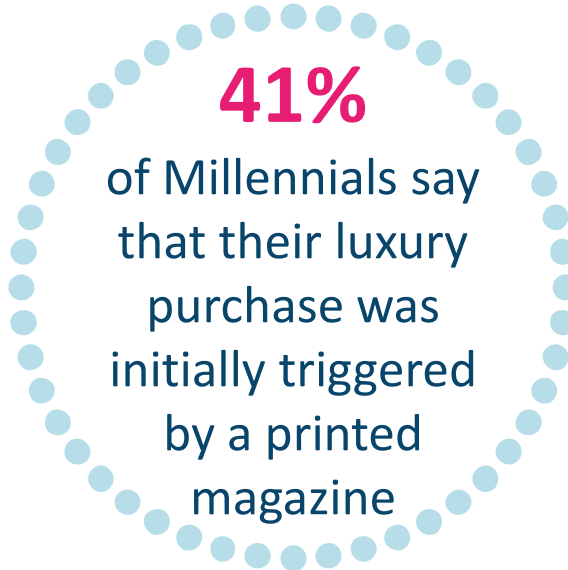


The New Language of Luxury

Exploring the definition of luxury and how this has transformed consumers of luxury brands.



BACKGROUND

Millennials are changing the shape of the luxury market in the UK, according to new insight from Hearst Magazines UK.

The New Language of Luxury study shows how the definition of luxury has shifted and broadened among consumers of luxury brands.

The study also discovered that the definition of luxury shifts dramatically according to age and life stage, with significant differences in how Millennials, (aged 20–early 30’s) and Boomers, (Mid 50’s–65) explore and consume luxury brands.

The insight explores the lives of UK adults aged 25–65 who have bought a luxury item in the last six months and have a disposable income for luxury products.

Participants in the research project were luxury consumers spanning three different generations: Millennials, Generation X and Baby Boomers, and three income stratas: Ultra High Net Worth (£5m+), Premium (£80k–£500k) and Masstige (£35k–£100k).

There was an even spread of male to female participants, all has been UK residents for at least five years and 50% engaged with monthly magazines (via print, online or app).

The research also sought insight from experts including an investment manager, haute couture wedding dress designer, art dealer and a luxury travel agent.

KEY FINDINGS

- Luxury consumers want to “discover” products and are wary of over-exposure.
- 32% of Millennials describe their purchases as ‘exclusive’ compared to 22% of Boomers.
- Younger consumers care more about the ethical and environmental impact of luxury brands – 14% compared to just 3% of Boomers.
- 21% of Millennials see luxury as “fun” compared to 12% of Boomers.
- 21% of Millennials interpret luxury as “personalised” compared to 15% of Boomers.
- 24% of Millennials see luxury as a product of their success compared to 12% of Boomers.
- Magazine brands have a unique role to play in how consumers choose luxury products: 41% of Millennials say their luxury purchase was initially influenced by something featured in a printed magazine.
- Millennials are re-shaping the consumer journey for luxury.
- 47% of Millennials turn to social media when thinking about alternatives, compared to 3% of Boomers, who apart from the initial online search, follow a more traditional path to purchase.
- Prior to final purchase, Millennials turn to technology to seek reassurance from their peers with 34% talking about it via text/chat/messaging, compared to just 4% of Boomers.
- Post purchase, Millennials turn to social media to reinforce their buying decision, with 22% sharing it for validation, compared to 4% of Boomers.

METHODOLOGY

1

In-depth interviews

2

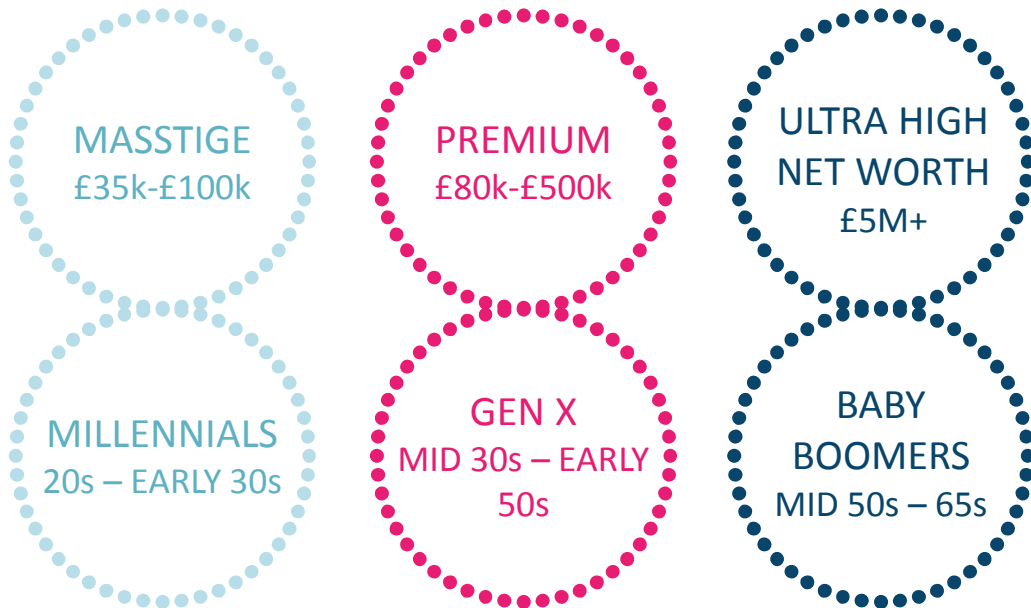
Online quantitative study

3

In-depth quantitative study comprising over 600 luxury buyers

RESULTS

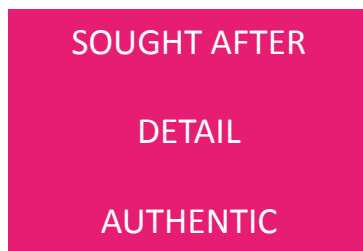
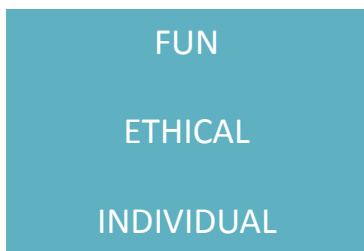
1. Age is more important than wealth



2. Definition of luxury – key generational differences



3. Changes in consumer behaviour – Millennials are evolving the language of luxury



4. The Luxury purchase pathway



5. High number of touchpoints within millennials



MILLENNIALS



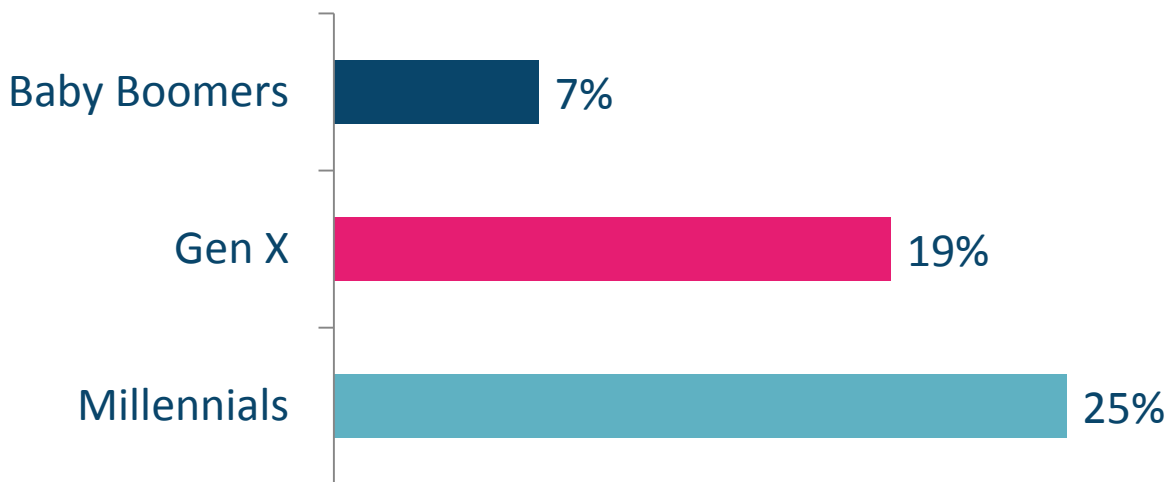
GEN X



BABY
BOOMERS

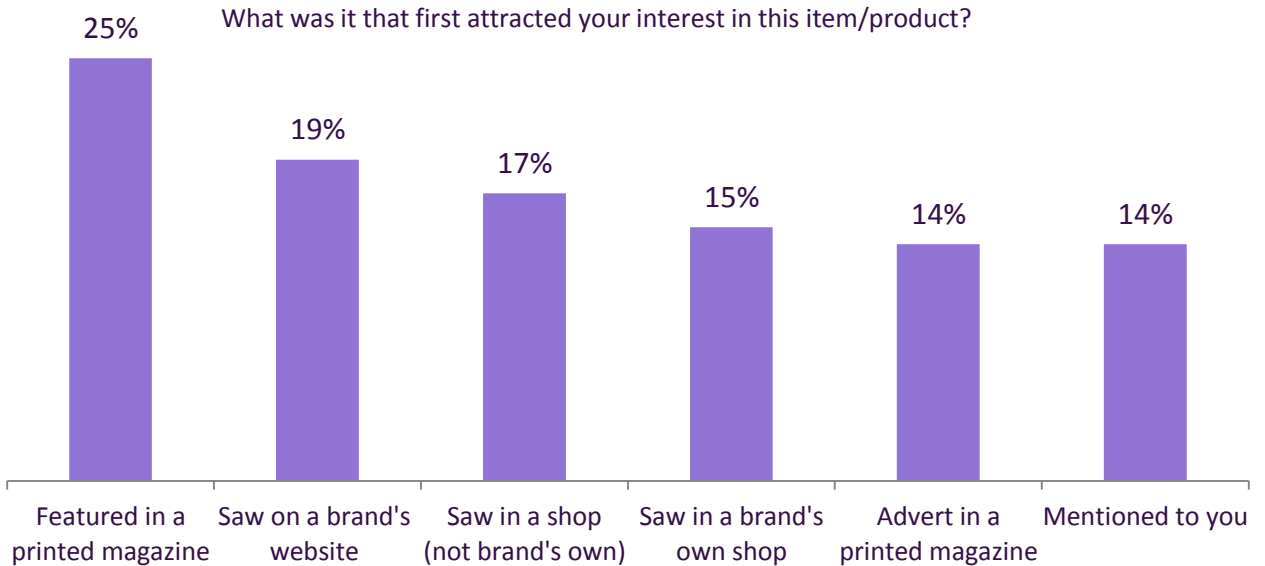
Average number of touchpoints that attracted them to a product

6. E-commerce can work against exclusivity

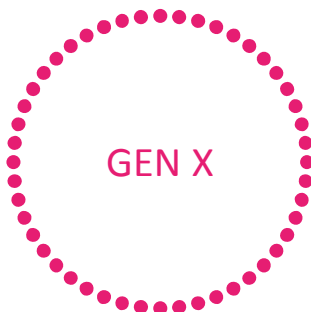


% Strongly agree – if a luxury product can be bought online, it's not exclusive anymore

7. Magazines are a key trigger to purchase



Feature in a printed magazine	41%
Featured on a magazine's website	26%
Saw on their website	22%
Saw in a brand's own shop	22%



Feature in a printed magazine	28%
Featured on a magazine's website	20%
Saw on brand's website	20%
Advert in a printed magazine	18%



Saw on brand's website	16%
Saw in a shop (not brand's own)	15%
Saw in a brand's own shop	11%
Mentioned to you	8%
Featured in a printed magazine	6%

8. Social media informs and reassures

Almost **1 in 2** millennials search social media when considering competitors



22% post about the item after purchase

SUMMARY

- Millennials are reshaping luxury and Gen X are hot on their coat tails.
- The landscape of luxury has become less well defined and much broader in its interpretation, presenting new opportunities for brands.
- In terms of media, magazines are one of many touchpoints for Millennials and are a vital purchase trigger.
- Print ads and magazines' websites also play a critical role in the media mix, particularly for fashion/accessories, art/culture and technology.