What we wanted to know

*How do shoppers use digital to research and buy luxury products? And how can brands reach and engage them?*
What we found

- Luxury buyers are multi-screen consumers. On average, they own 3.1 connected devices.
- When making purchase decisions, they use the internet more than any other medium. 78% do online research before buying luxury items.
- Some buy online, but most will go to a store. 69% say they want to touch and feel a product before purchase.
Who are America’s affluent luxury fashion shoppers?

**Gender**
- 48% Male
- 52% Female

**Occupation**
- 81% Working

**Household income**
- Over $175,000: 31%
- From $150,000 to $175,000: 28%
- From $125,000 to $149,999: 23%
- From $100,000 to $124,999: 18%

**Age**
- Aged 25-29: 10%
- Aged 30-39: 23%
- Aged 40-49: 28%
- Aged 50-59: 33%
- Aged 60-65: 6%

**Source of wealth**
- Family inheritance: 58%
- Situation built all by themselves: 19%
- Don't consider themselves especially wealthy: 23%

Across Adults 25+ who made at least 2 luxury purchases in the last 2 years and have a HHI of $100K+

Can you state your gender/age/occupation/household income in the past year/source of wealth?
Base: Luxury goods buyers (n=410)
Why do people buy luxury products? (% refers to respondents who said the statement corresponds very well with their personal opinion)

- **62%** To own superior quality products
- **39%** To enjoy a customized, made-to-fit service
- **33%** To distinguish yourself from others
What are they buying?
More apparel & accessories than jewelry & watches, shoppers under the age of 40 buy more of both

**Apparel and accessories**

- Average number of luxury purchases in the past two years: 14.6
- This number jumps to 23.9 for respondents under the age of 40

**Jewelry and watches**

- Average number of luxury purchases in the past two years: 5.2
- This number jumps to 9.0 for respondents under the age of 40

And more precisely, which of the following brands did you purchase (even if just once) in the past 2 years? Base: Luxury goods buyers (n=410)
How much do they spend?

Three times as much on jewelry & watches

$902  on apparel and accessories (on average)

$3,835  on jewelry and watches (on average)
The internet is the affluent shopper’s constant companion

How often do you do each of the activities mentioned here below? How often do you use the following devices to connect to internet?

Base: Luxury goods buyers (n=410)

<table>
<thead>
<tr>
<th>Device</th>
<th>Daily usage</th>
<th>Total usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>85%</td>
<td>99%</td>
</tr>
<tr>
<td>Radio</td>
<td>72%</td>
<td>99%</td>
</tr>
<tr>
<td>Newspapers</td>
<td>54%</td>
<td>98%</td>
</tr>
<tr>
<td>Magazines</td>
<td>37%</td>
<td>97%</td>
</tr>
<tr>
<td>Internet</td>
<td>98%</td>
<td>100%</td>
</tr>
</tbody>
</table>

98% of luxury buyers use the internet daily, vs only 37% who read magazines daily

What are their favorite types of media?

How often do you do each of the activities mentioned here below? How often do you use the following devices to connect to internet?
Base: Luxury goods buyers (n=410)
And they use more devices than most people

Which, if any, of the following devices do you currently use?
Base: Luxury goods buyers (n=410)
* 2013 Connected Consumer Study TNS Infratest

<table>
<thead>
<tr>
<th>Device</th>
<th>Luxury Buyers</th>
<th>General Population*</th>
</tr>
</thead>
<tbody>
<tr>
<td>PC/laptop/netbook</td>
<td>96%</td>
<td>74%</td>
</tr>
<tr>
<td>Smartphone</td>
<td>74%</td>
<td>56%</td>
</tr>
<tr>
<td>Tablet computer/pad</td>
<td>62%</td>
<td>30%</td>
</tr>
<tr>
<td>At least one digital device</td>
<td>99%</td>
<td>83%</td>
</tr>
</tbody>
</table>

What devices do they use?
Before buying, they do their homework

Relying heavily on the web

94% of all luxury buyers research either online or offline before making a luxury purchase decision.

They used an average of 4.6 resources before making a purchase decision, and 50% of these were online resources (2.3 of 4.6).

78% of all luxury buyers reported using at least 1 online resource before making a luxury purchase decision.

Below you'll find several ways for people to inform themselves about a luxury product. Which sources of information, if any, did you use to help you out with your decision when you last purchased [BRAND & CATEGORY]? Base: Luxury goods buyers (n=410)
They do research across screens

Of the 78% who use at least 1 online resource...

- 67% use a computer to research their luxury products
- 29% use a smartphone to research their luxury products
- 29% use a tablet to research their luxury products

Which devices are used to research online?

When we look just at luxury buyers under the age of 40, computer usage rises nominally to 70%, but smartphone and tablet usages jumps from 39% — a 34% lift in usage vs the total affluent shopper population.

Below you’ll find several ways for people to inform themselves about a luxury product. Which sources of information, if any, did you use to help you out with your decision when you last purchased [BRAND & CATEGORY]?

Base: Luxury goods buyers (n=410)
Going online, even when they are "offline"

68% of all luxury buyers are using their digital devices while watching TV. This number jumps to 82% for buyers under the age of 40.

57% of all luxury buyers are using their digital devices while reading a magazine. This number jumps to 71% for luxury buyers under the age of 40.

How many luxury buyers use a digital device for research while also using offline media?

And now please think how you also interact with TV/Magazines when you get informed about luxury products in general. Do you watch something on TV / read magazines and look for information ...

Base: Luxury goods buyers (n=410)
Most luxury purchases are made after both online and offline research.

<table>
<thead>
<tr>
<th>Research activity</th>
<th>Online and offline</th>
<th>Online and offline</th>
<th>Online</th>
<th>Online</th>
<th>Offline</th>
<th>Offline</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>58%</td>
<td>13%</td>
<td>3%</td>
<td>3%</td>
<td>1%</td>
<td>15%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purchase Location</th>
<th>Offline</th>
<th>Online</th>
<th>Online</th>
<th>Offline</th>
<th>Online</th>
<th>Offline</th>
</tr>
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<td></td>
<td>Offline</td>
<td>Online</td>
<td>Online</td>
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</tr>
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</table>

Where do they research and purchase luxury goods?

Below you’ll find several ways for people to inform themselves about a luxury product. Which sources of information, if any, did you use to help you out with your decision when you last purchased [BRAND & CATEGORY]? Where did you actually purchase your [BRAND & CATEGORY]? Base: Luxury goods buyers (n=410)
About 4 in 10 affluent shoppers buy directly from the brand

Where do people buy luxury goods?

- **Brand store**: 44% (Offline) / 39% (Online)
- **Luxury multi-brand retail store**: 41% (Offline) / 36% (Online)
- **Non specialized multi-brand retail store**: 15% (Offline) / 22% (Online)
- **Brand website**: 3% (Online)
- **Non spe. multi-brands**: 3% (Online)
- **Luxury multi-brands website**: 3% (Online)
- **Non spe. multi-brands app**: 3% (Online)

You mentioned purchasing your [BRAND & CATEGORY] in a store / online via a desktop/laptop/smartphone/tablet. What type of store/website was it?

Base: Offline buyers (n=336); Online buyers (n= 72)
Almost 1 in 5 luxury purchases happen online

74%  
In store in my own country

8%  
In store abroad/while travelling

18%  
Online

Where do people buy luxury products?

Where did you actually purchase your [BRAND & CATEGORY]?  
Base: Luxury goods buyers (n=410)
Thanks to online's convenience and flexibility

- 69% Is convenient (I don't have to visit stores, no stress)
- 60% Can be done anytime, anywhere
- 44% Allows them to find good deals on luxury products
- 14% Allows them a greater choice of products
- 11% Allows them to find limited editions
- 8% Is less impressive than entering a shop
- 3% Others

Why do luxury shoppers buy online?

Amongst the following sentences, which one(s) motivated you to purchase this [BRAND & CATEGORY] on the internet? Amongst the following sentences, which one(s) personally kept you from purchasing this [BRAND & CATEGORY] on the internet? Base: Online buyers (n=72)
But many still buy in stores

Preferring to experience the product in real life

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I prefer to see/touch the product</td>
<td>69%</td>
</tr>
<tr>
<td>The risk of counterfeit items</td>
<td>28%</td>
</tr>
<tr>
<td>I don't get the luxury customer experience on the internet...</td>
<td>19%</td>
</tr>
<tr>
<td>These items are too costly to buy online</td>
<td>15%</td>
</tr>
<tr>
<td>The lack of contact with sales associates</td>
<td>15%</td>
</tr>
<tr>
<td>I don't trust payment on the internet</td>
<td>8%</td>
</tr>
<tr>
<td>The idea that luxury brands could become accessible</td>
<td>8%</td>
</tr>
<tr>
<td>This type of product cannot be bought online</td>
<td>7%</td>
</tr>
<tr>
<td>I don't have enough experience with online shopping</td>
<td>5%</td>
</tr>
<tr>
<td>I would feel guilty if I received a luxury product</td>
<td>5%</td>
</tr>
<tr>
<td>Others</td>
<td>7%</td>
</tr>
</tbody>
</table>

Why do luxury shoppers buy offline?

Amongst the following sentences, which one(s) motivated you to purchase this [BRAND & CATEGORY] on the internet? Amongst the following sentences, which one(s) personally kept you from purchasing this [BRAND & CATEGORY] on the internet? Offline buyers (n=336)
Immersive online formats can help to bridge this gap

% of luxury buyers selecting at least two positive attributes for each format

- **Full screen**: 45%
- **Video**: 43%
- **Newsletters/emailing**: 34%
- **Sponsored links**: 29%
- **Banners**: 27%

“Catch my eye more. Convince me of the quality. Show more 360-degree views. Show both inside and outside views (of handbags). Make it easier to view the size and scale of the item.”

**Female shopper, 29, USA**

**What they like about online formats**

- Suits premium content
- Maximizes the brand’s visibility
- Is innovative, modern
- Makes me want to buy/know more
- Brings something more to the traditional brand com
- Is close to me
- Gives me relevant information
- Enhances my browsing experience

Here below, are several types of adverts you can see on the internet. Below you will find some statements about these types of online adverts. Please indicate which statement applies for each of them. You can select several statements per type of advert. Base: Luxury goods buyers (n=410)
What this means for marketers

**Be there when luxury shoppers are looking**
Create engaging online brand experiences and use search to direct consumers to them.

**Adopt a multi-screen approach**
Affluent shoppers rely on multiple devices, they should have a good online experience no matter which screen they are using.

**Linking offline and online marketing efforts is a must**
Stores should encourage customers to visit their website and the website should invite customers to visit the store.

**Use engaging online formats**
Video and 3D imaging bring products to life online, helping buyers assess them.

**Rethink your attribution strategy**
Digital marketing can lift brand metrics as well as drive online and offline sales. Evaluate its effectiveness accordingly.
Methodology

1 target, 9 countries, 2 research stages

Who?

25-65 v.o. luxury purchasers
(at least 2 luxury purchases in the past 2 years
in Apparel/Accessories and Jewelry/Watches)
with high household income*

- more than 100,000€ / year
- more than £85,000 / year
- more than $100,000 / year
- more than 100,000€ / year
- more than 70,000€ / year

- more than 450,000 CNY / year
- more than B$130,000 / year
- more than 2,200,000 RUB / year
- more than 100,000¥ / year
- 5% to 8% of the richest households

Where?

9 countries

How?

1. Qualitative stage
In home ethnography interviews
- 28 interviews overall
- 60 minutes per interview
- Interviews conducted from January 7, 2013 to January 18, 2013

2. Quantitative stage
In online interviews
- 400 interviews per country
- 20 minutes per interview
- Survey conducted from March 13, 2013 to April 28, 2013