

Luxury Purchasers: Who Are They and What Are Their Interests? Part 2

Contributed by The Shullman Research Center
 Tuesday, 23 June 2015
 Last Updated Tuesday, 23 June 2015

The Shullman Luxury, Affluence and Wealth Pulse reports on the expectations, behaviors, and plans of adults among all U.S. household-income segments, with a focus on upscale consumers – the primary drivers of the luxury, affluence, and wealth-related markets – based on their reported household incomes or on their wealth as measured by net worth or investable assets.

In a U.S. economy that continues to improve as indicated by a number of factors (e.g., falling unemployment, very low interest rates, rising stock markets, a materially higher level of consumer confidence, and especially the recent dramatic drop in oil and gasoline prices that have deposited billions of dollars of incremental disposable income into consumers' wallets), we envision more consumers (especially the affluent) increasing their shopping and spending on luxury products and services. This expectation comes with one caveat: that during the year no negative economic news or other substantive adverse event occurs that materially impacts affluent consumers' confidence levels.

Following Bob Shullman's article in the April issue of Admap, "Insight into US luxury consumers," readers of that article asked for more insights about the purchasers of the seven luxury "super-categories" highlighted in that article. Who are those purchasers? What are their interests? What makes them different from the average American consumer? Last month's brief provided insights into all purchasers of specific luxury categories. This brief – the second part of "Luxury Purchasers: Who Are They and What Are Their Interests?" – continues to address those questions, this time based on the following three household-income segments that tend to be of interest to luxury marketers, their agencies, and consultants, as well as retailers that sell luxuries:

- Mass-market consumers (household incomes of less than \$75,000: 59 percent of all adults);
- Affluent consumers (household incomes of \$75,000 or more: 41 percent of all adults); and
- Very affluent consumers (household incomes of \$250,000 or more: 3 percent of all adults).

Executive Summary of The Shullman Luxury, Affluence and Wealth Pulse Part 2

Don't ignore the less-than-affluent! Consider how your organization might offer them your more affordable luxuries, as all consumers – including mass market consumers – like to splurge from time to time. Also, some of the younger mass-market consumers of today will undoubtedly do well in their careers and become the affluent and very affluent consumers of the future who will really matter to the luxury marketing world at that time. In this latest Insights brief, that's the advice for marketers of luxury goods and services and their agencies, as well as luxury retailers.

Yes, the dollars spent for luxury purchases by the affluent and very affluent outweigh those from the mass-market (less-than-\$75,000 household income) segment but, at a time when the overall luxury market could be stronger, every potential dollar counts.

In terms of scope, there are 20 million mass-market adults who have bought one or more luxuries (often more affordable luxuries) in the past 12 months, compared with 26 million affluent consumers who bought luxuries. So those marketers and retailers who may exclude that mass market as not being prospects should think hard about how to include them, while not damaging their reputations with the affluent market segments.

About The Shullman Pulse

The Shullman Luxury, Affluence and Wealth Pulse is the most comprehensive and authoritative source of insights about the shopping, buying and spending patterns as well as the future intentions and purchasing plans of the Luxury, Affluent and High Net Worth Marketplaces in the United States.

If you'd like to view the report in full, please visit The Shullman Research Center's website.