

Luxury, In The Words Of Today's Three Major Generations In The United States

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America's luxury, affluence, and wealth marketers define their target markets in many different ways (by income, wealth, generation, buying habits, attitudinally, etc.). We, however, firmly believe that luxury, affluence, and wealth in the United States are best described and defined in the eyes of both the consumers who purchase upscale products and services and the marketers who promote and sell them. Addressing that, this column provides selected new insights regarding American consumers (18+ in age) among the three primary generations of adults (Millennials, Gen-Xers, and Boomers) who are current buyers of the fifteen luxury categories we measure on an ongoing basis (the number of Silent Generation luxury buyers is too small to be included in this report).

Based on our work with luxury brands and the agencies and consulting firms that support them in the United States, we have come to the conclusion that many of the luxury brands and their agencies/consultants define or describe luxury differently than do the American consumers they target as their prospective or current customers. Accordingly, this column reviews the three generations' views of luxury based on what consumers told us when we asked them the following question in our most recent survey: "When you read, see, or hear the word luxury, please describe briefly what you think about."

So what are the top twenty themes that the three generations of American luxury buyers focus on out of the 125 discrete themes we identified in our most recent survey? The following exhibit portrays them five ways. Some of the 20 themes are obviously positive (for example, best and desirable), while some are negative (for example, non-essential and overpriced). Some (for example, costly and expensive) can be interpreted either way depending on one's point of view.

The eight themes tinted in red (costly, desirable, expensive, high-end, name-brand, premium, quality, and special) are included among the top twenty themes that all three generations use to describe luxury. Of the other twelve themes (tinted in green, blue, purple, and brown), some are exclusive to specific generations. The two themes tinted in green (comfort and high price) do not appear (exclusively) in the top ten themes of any of the three individual generations. The four themes tinted in blue (best, classy, money, and rich) appear in the top ten only for Millennials, while the two themes in purple (style and unique) are only in the Gen-Xers' top ten descriptions of luxury. Finally, the four themes in brown (designer, non-essential, overpriced, and unaffordable) appear exclusively in the Boomers' top ten.

Top 20 Luxury Descriptions Segmented by Luxury Buyers by Generation in the United States

That said, we believe marketers of luxury goods and services in the United States and their parent companies, if located outside the U.S, would be wise to understand that all luxury consumers and prospects are decidedly not alike, and messages to attract their attention and drive sales must address those differences.