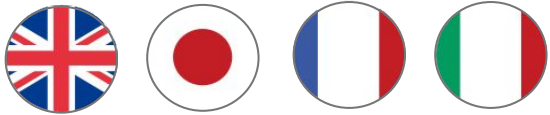
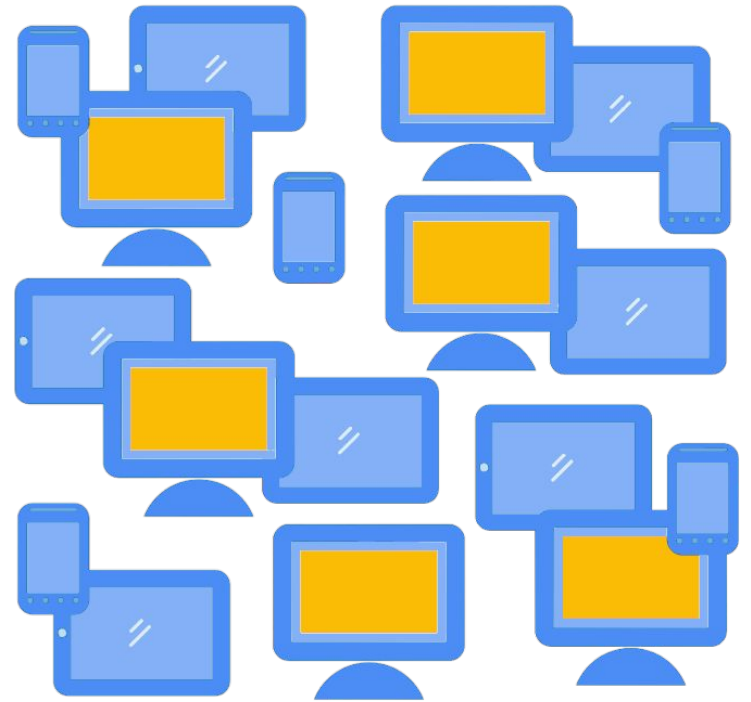


HOW WEALTHY SHOPPERS BUY LUXURY GOODS?



The role of digital in the affluent consumer's path-to-purchase

June 2016



WHAT WE WANTED TO KNOW

HOW DO LUXURY SHOPPERS USE DIGITAL TO RESEARCH
AND BUY LUXURY PRODUCTS?

HOW CAN BRANDS BEST REACH AND ENGAGE THEM?



HOW DID WE DO IT?

1 TARGET, 4 COUNTRIES, STUDY IN 2 PHASES

WHO?

CONSUMERS WHO:

- Are aged from 25 to 65 years
- Are regular luxury goods buyers (at least 2 purchases of luxury goods during the last 2 years, within the clothes/accessories and jewellery/watches)
- Have high households income

-  More than 100 000 EUR/year
-  More than 80 000 EUR/year
-  More than 85 000 GBP/year
-  More than 100 000 JPY/year

→ 5 to 8 % households of the highest income

WHERE?

4 COUNTRIES



WHAT?

1. QUANTITATIVE PHASE All countries

- 400 online interviews per country
- 15 minutes per interview

2. QUALITATIVE STAGE France, UK and Japan

- 3 week online community with 12 members
- 9h of 1:1 interviews

WHEN

- Study fielded between March and April 2016

WHAT DID WE FIND?

WHEN MAKING PURCHASE DECISIONS, LUXURY SHOPPERS USE THE INTERNET MORE THAN ANY OTHER MEDIUM

76%

RESEARCH ONLINE
BEFORE BUYING
LUXURY ITEMS

71%

USE A SEARCH
ENGINE IN THEIR
RESEARCH

MOST STILL BUY IN-STORE, BUT DIGITAL DRIVES THEM TO PURCHASE

87%

BUY LUXURY ITEMS
IN-STORE

33%

USE THEIR SMARTPHONE
IN-STORE

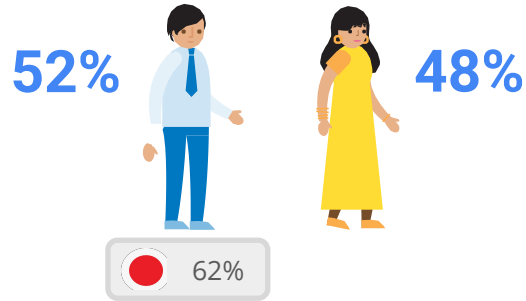
AFTER WATCHING AN ONLINE VIDEO

26%

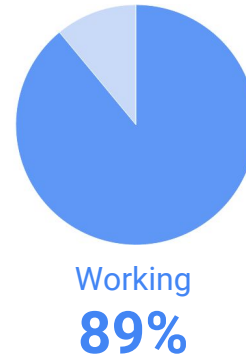
VISIT THE STORE

WHO ARE THEY?

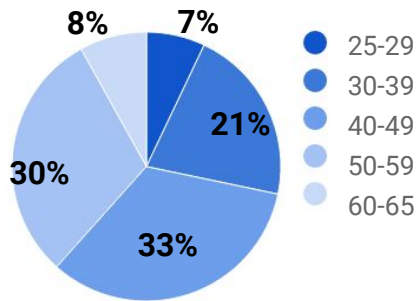
GENDER



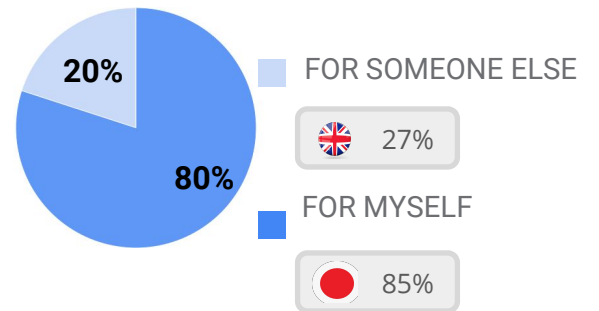
OCCUPATION



AGE



NATURE OF PURCHASE



Across Adults 25+ who made at least 2 luxury purchases in the last 2 years

HOW MUCH DO THEY SPEND?

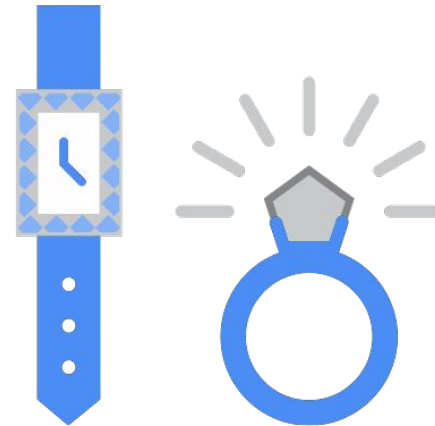
\$913

*ON APPAREL AND ACCESSORIES
(ON AVERAGE)*



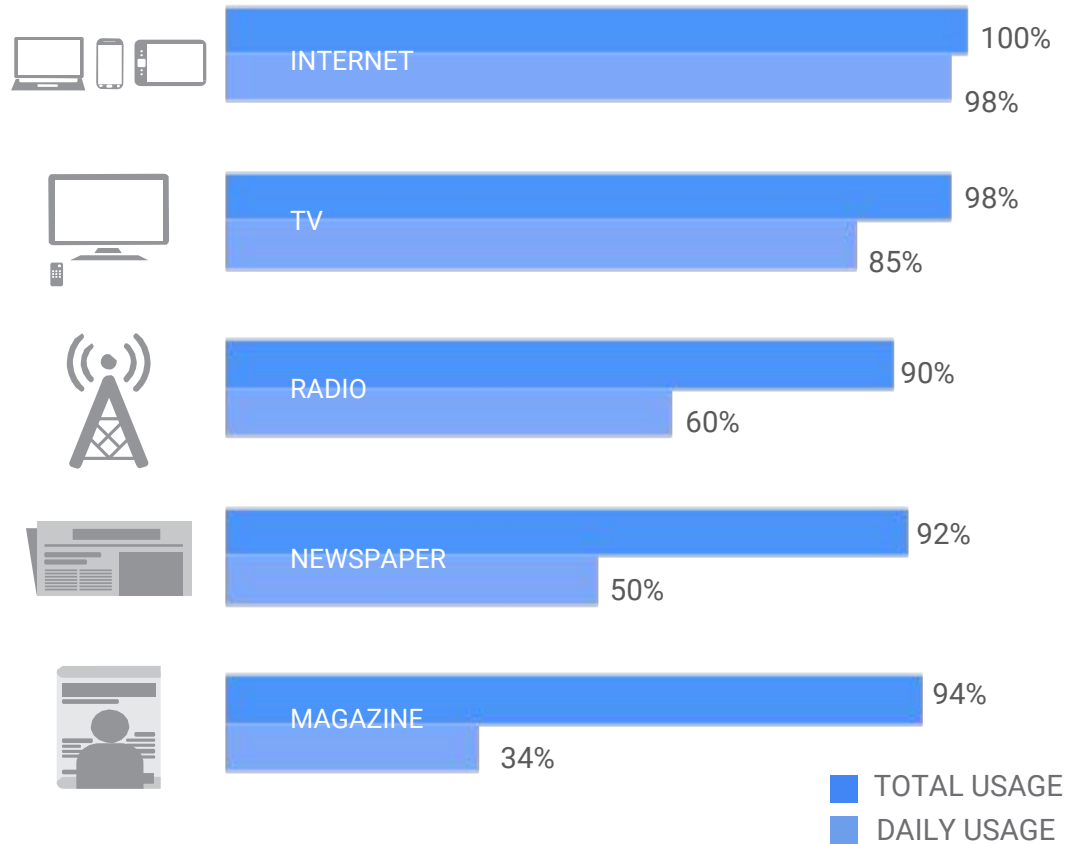
\$3,522

*ON JEWELLERY AND WATCHES
(ON AVERAGE)*



THE INTERNET IS THE LUXURY SHOPPER'S EVERYDAY COMPANION

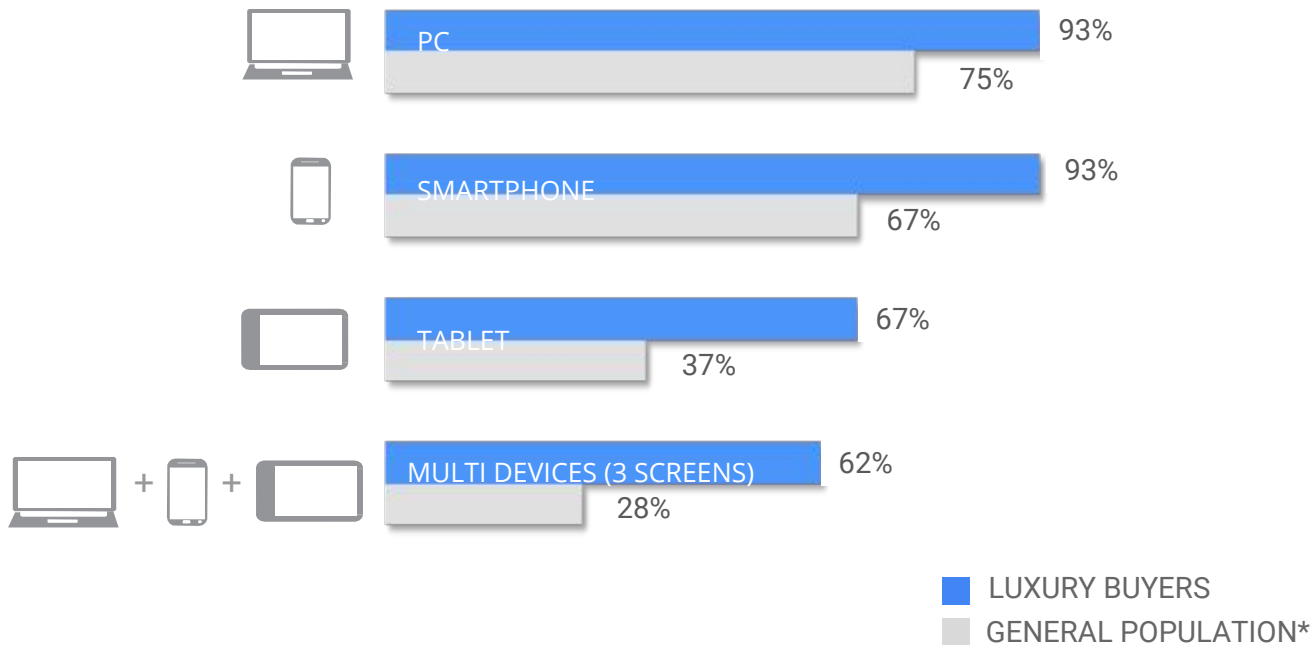
WHAT IS THEIR FAVOURITE MEDIA ?



98% OF LUXURY BUYERS USE INTERNET DAILY, VS. 34% WHO READ MAGAZINES DAILY

LUXURY SHOPPERS LOVE DIGITAL DEVICES

WHAT DEVICES DO THEY USE?



AVERAGE NUMBER OF DEVICES

4.2
LUXURY BUYERS

VS. **3.0**
GENERAL POPULATION*

WHILE THE MAJORITY OF LUXURY GOODS ARE PURCHASED IN-STORE...

WHERE DO PEOPLE BUY LUXURY PRODUCTS?

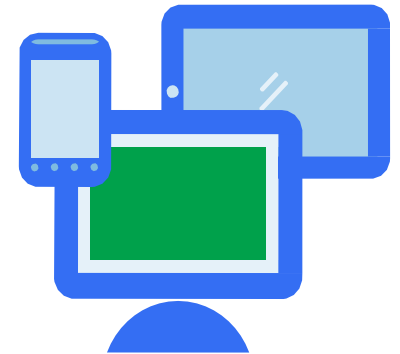
73% IN-STORE IN THEIR COUNTRY OF RESIDENCE



14% IN-STORE ABROAD/WHILE TRAVELLING



13% ONLINE



BEFORE BUYING, LUXURY SHOPPERS RELY HEAVILY ON THE INTERNET

WHAT RESOURCES DO THEY USE TO SEARCH FOR INFORMATION?



88%

RESEARCH ONLINE OR OFFLINE BEFORE BUYING A LUXURY ITEM



76%

RESEARCH ONLINE PRIOR TO THEIR PURCHASE

THEY USE AN AVERAGE OF

4.1

DIFFERENT TYPES OF RESOURCES BEFORE MAKING A PURCHASE DECISION AND

74%

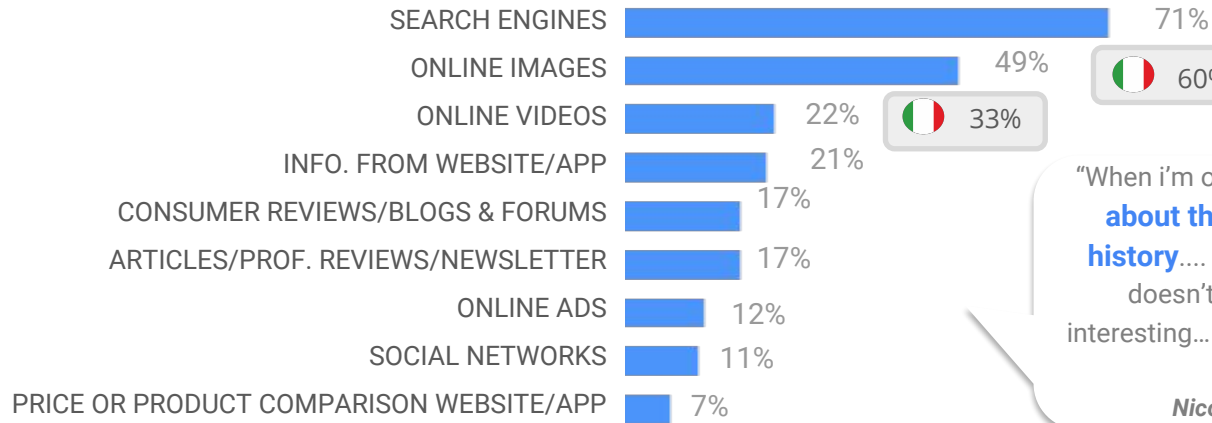
OF THESE WERE ONLINE RESOURCES

ONLINE AND OFFLINE RESOURCES ARE COMPLEMENTARY

WHAT RESOURCES DO THEY USE TO SEARCH FOR INFORMATION?



ONLINE

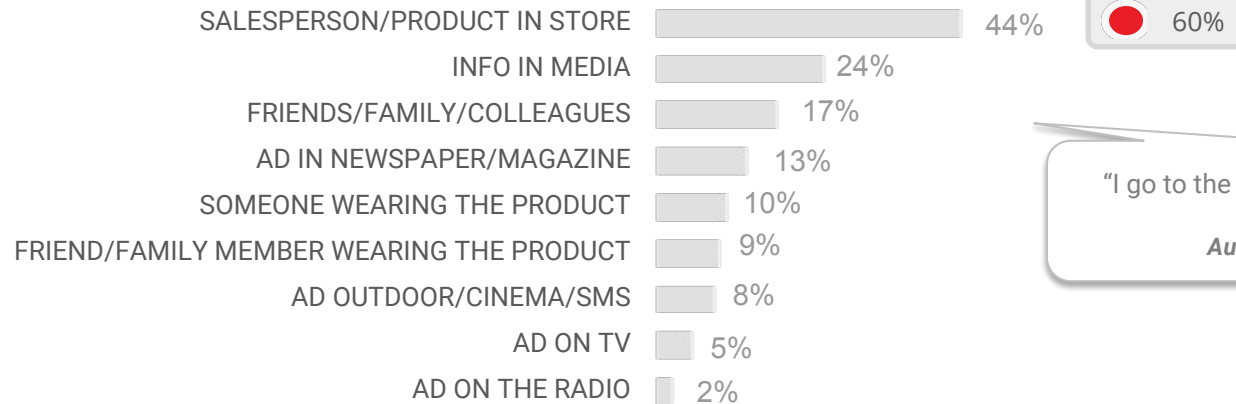


“When i’m online, I look for **information about the brand, it’s origins, it’s history**.... If the website is crappy and doesn’t work, if there is nothing interesting... **I leave it and will never go in-store**”

Nicolas (40-49 yo), France



OFFLINE

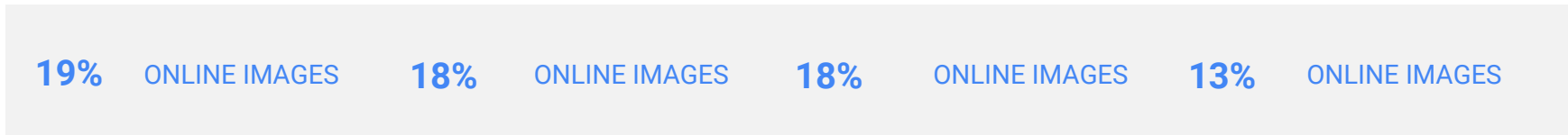
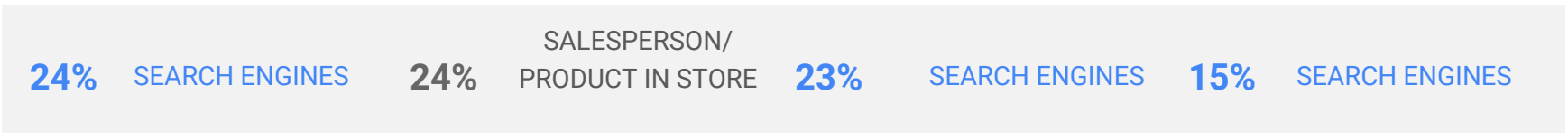
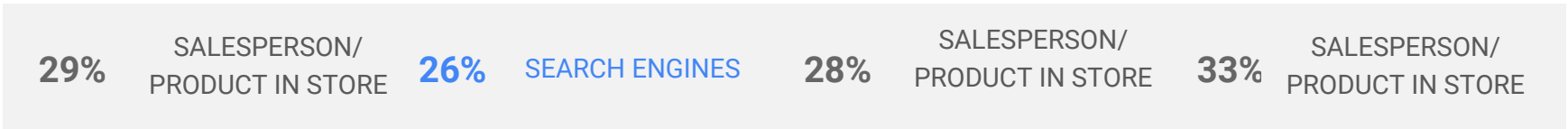
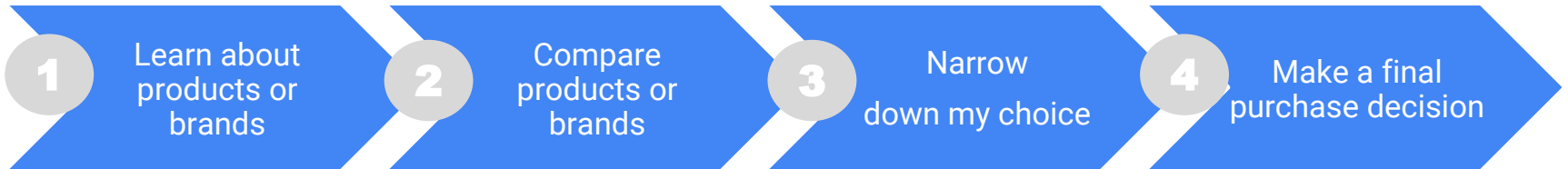


“I go to the store **to reassure** myself of sizes.”

Audrey (30-39 yo), France

AND USED ALL THROUGH THE PURCHASE JOURNEY

WHEN DO THEY USE ONLINE AND OFFLINE RESOURCES?



VIDEOS ARE A LINCHPIN IN THE RESEARCH PROCESS

WHAT RESOURCES DO THEY USE TO SEARCH FOR INFORMATION?

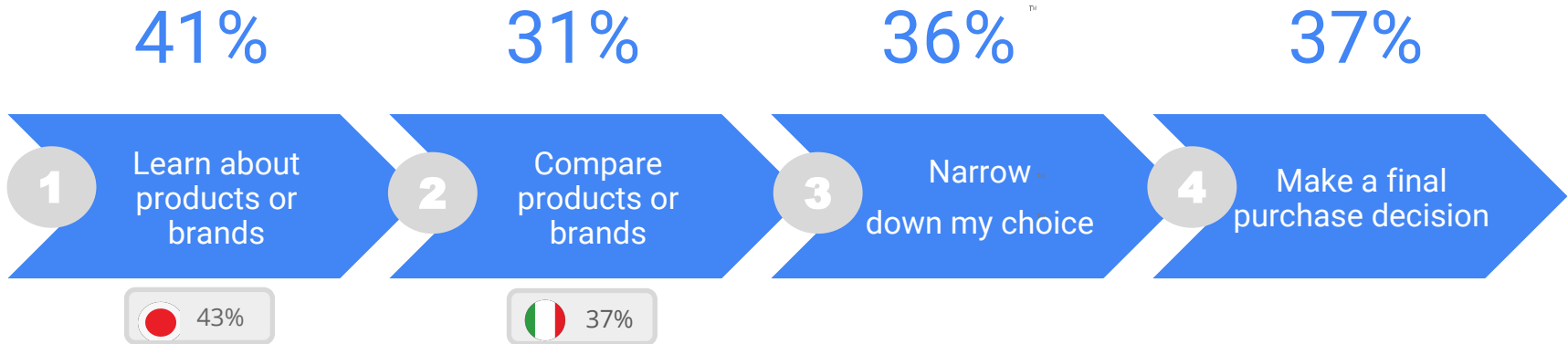


22%

 33%

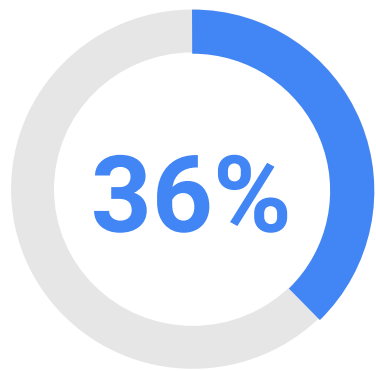
WATCH A VIDEO BEFORE BUYING A LUXURY ITEM

WHY DO THEY USE ONLINE VIDEOS?

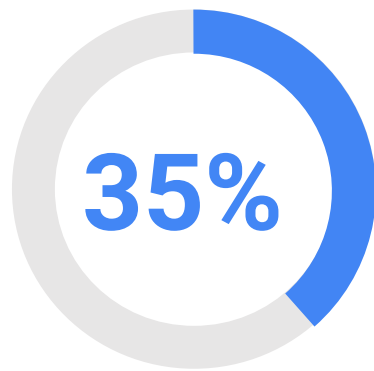


VIDEOS ARE A KEY SOURCE OF INFORMATION FOR LUXURY SHOPPERS

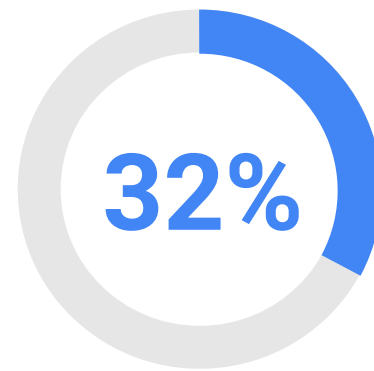
WHAT TYPE OF CONTENT DO THEY WATCH ON ONLINE VIDEOS?



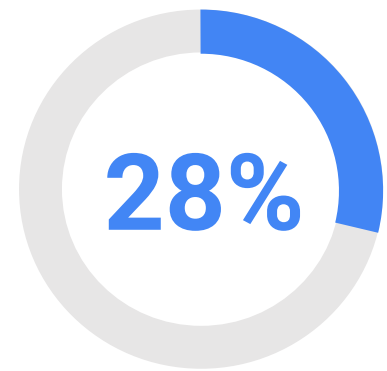
PRODUCT INFORMATION



VIDEO ADS



THE BRAND/ COMPANY INFORMATION



TUTORIALS



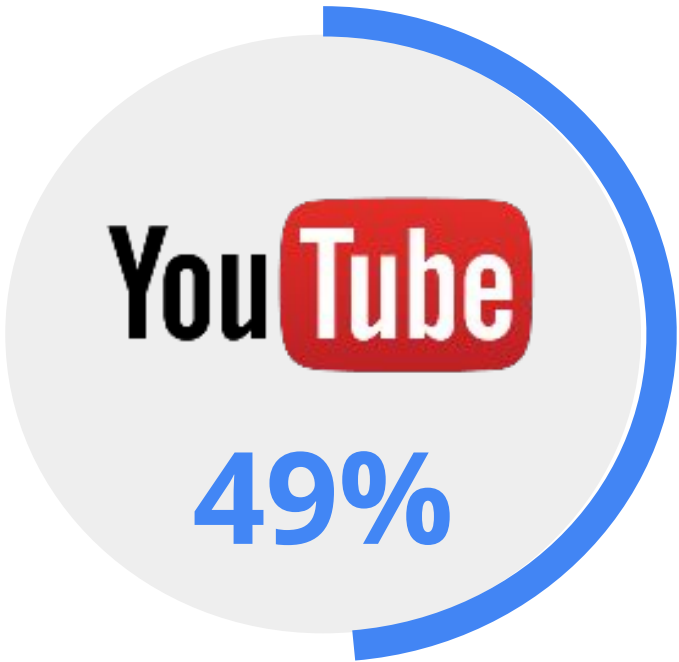
“On TV all you can watch is what they provide. On YouTube I can find **whatever I want, instantly**....



There are things you can understand specifically because it’s in the **3D format** of a video.”

Bata-san (30-39 yo), Japan

YOUTUBE, A CENTRAL SOURCE FOR LUXURY SHOPPERS

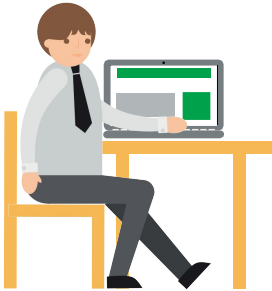
WHERE DO THEY WATCH ONLINE VIDEOS?



BRAND WEBSITE/APP	29%
	23%
FORUMS OR BLOGS WEBSITE/APP	16%
NEWS, LUXURY OR FASHION MAGAZINE SITE/APP	15%
	6%
tumblr.	4%
	4%
ANOTHER WEBSITE/APP	4%

VIDEOS LEAD TO ACTION

WHAT DO THEY DO AFTER WATCHING VIDEOS?



30%

SEARCH FOR MORE INFORMATION



26%

VISIT A STORE



20%

PURCHASE A RELEVANT PRODUCT



“Videos are certainly a key **influencing** factor for whether I **buy** the product.”
Ben (40-49 yo), UK

IMAGES ENHANCE THE SHOPPING EXPERIENCE

WHAT RESOURCES DO THEY USE TO SEARCH FOR INFORMATION?

49%



LOOK AT ONLINE IMAGES BEFORE BUYING A LUXURY ITEM



"I often start to look for images. It's my daughter who showed me how to do it. She told me: "When you look at something, **type "images."**"

Laurence (60-65 yo), France

WHERE DO THEY LOOK FOR ONLINE IMAGES?



47%

BRAND WEBSITE



36%

GOOGLE SEARCH



20%

FACEBOOK



18%

NEWS, LUXURY OR FASHION MAGAZINE SITE/APP



11%

INSTAGRAM

MOBILE IS USED AT EACH STEP OF THE PURCHASE PROCESS

WHICH DEVICES DO THEY USE IN THEIR RESEARCH PROCESS?

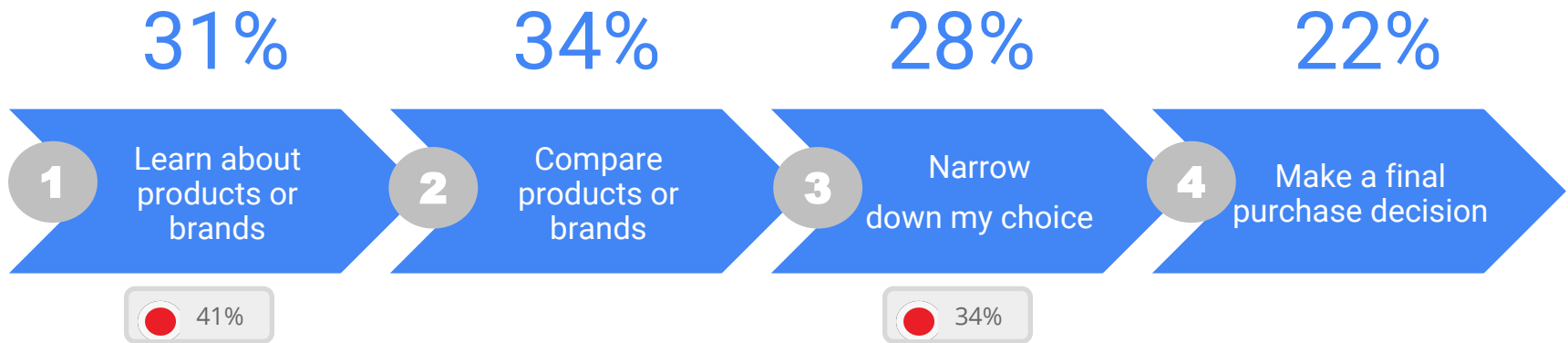


49%

USE THEIR SMARTPHONE BEFORE BUYING A LUXURY ITEM

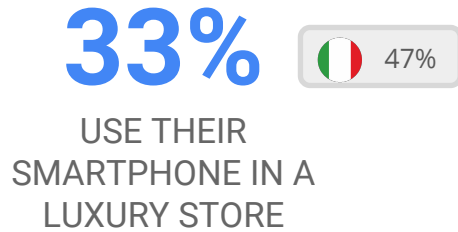
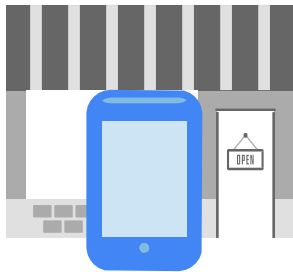


WHY DO THEY USE THEIR SMARTPHONE?



IN-STORE, MOBILE IS THE NEW SHOPPING ASSISTANT

WHERE DO THEY USE THEIR SMARTPHONE?



“When i’m in-store and I found something, I **always have my iPhone with me.** I can go on the website to make sure it is the right item... In-store, I check all the product information, materials, where it has been manufactured...”

Nicolas (40-49yo), France

WHY DO THEY USE THEIR SMARTPHONE IN-STORE?

33%

TO COMPARE PRICE



30%

TO LOOK AT ONLINE IMAGES



25%

TO READ REVIEWS OR FEATURES

24%

TO CHECK PRODUCT AVAILABILITY

SMARTPHONE IS ESSENTIAL WHEN ON THE GO

WHAT TYPE OF INFORMATION ARE THEY LOOKING FOR?



Stores **location**



Product
information



Product
availability



Prices

“Checking **prices**, comparing prices. And if there’s something I want, say a YSL bag ... I’ll go to a café or hotel in Hawaii, a place with a wi-fi and look for **store locations**. Also checking **colors** available. And then I **go to the store and buy** from what they have there.”

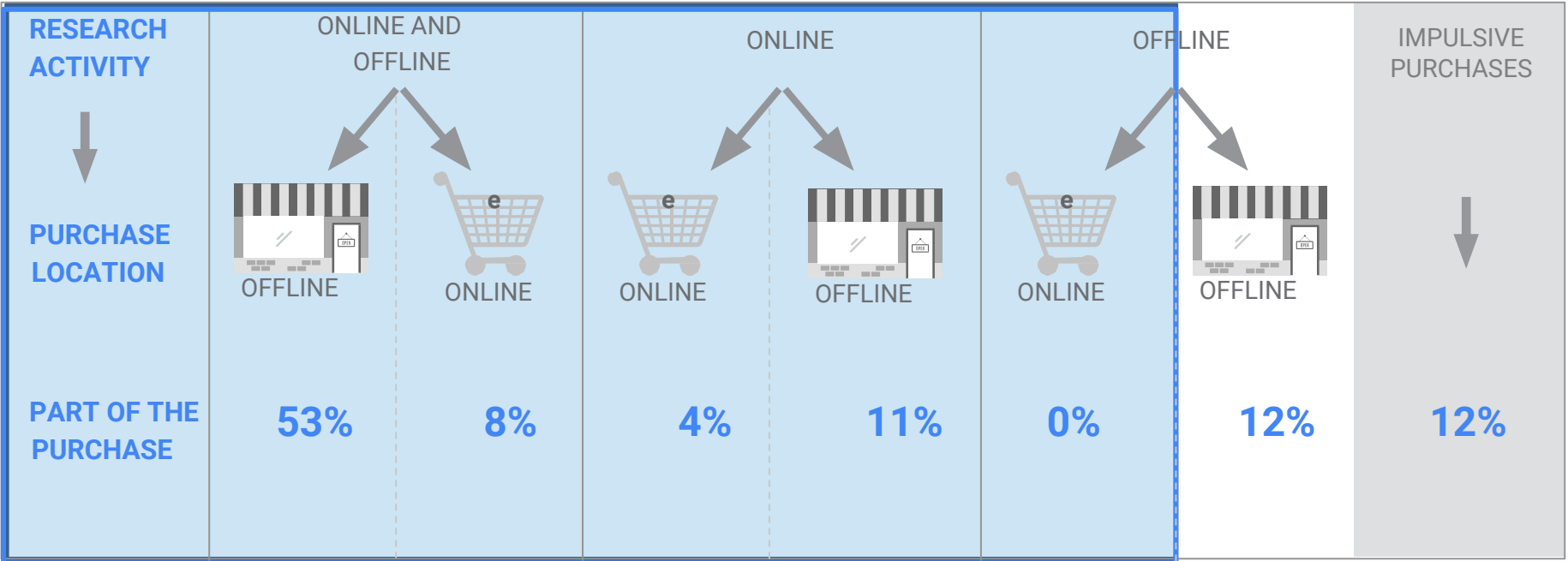
Bata-san (30-39 yo), Japan

“I use very much my **iPhone to go online**. I can take it everywhere. When i’m in a waiting room. As I travel often - plane, trains, taxis...- the smartphone is **convenient**, you can take it anywhere.”

Laurence (60-65 yo), France

ALL IN ALL, ONLINE AND OFFLINE WORK TOGETHER AND LEAD TO PURCHASE

WHERE DO THEY RESEARCH AND PURCHASE?



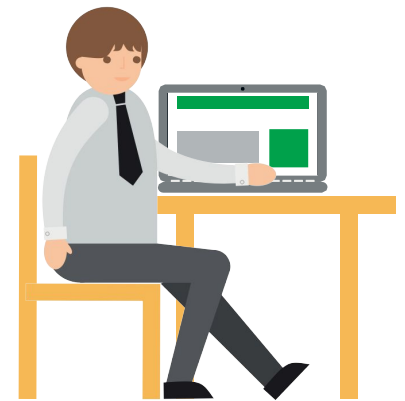
For **76%** of luxury purchases, an **online** research or purchase is made

BUYING ONLINE IS CONVENIENT

WHY DO LUXURY SHOPPERS BUY ONLINE?

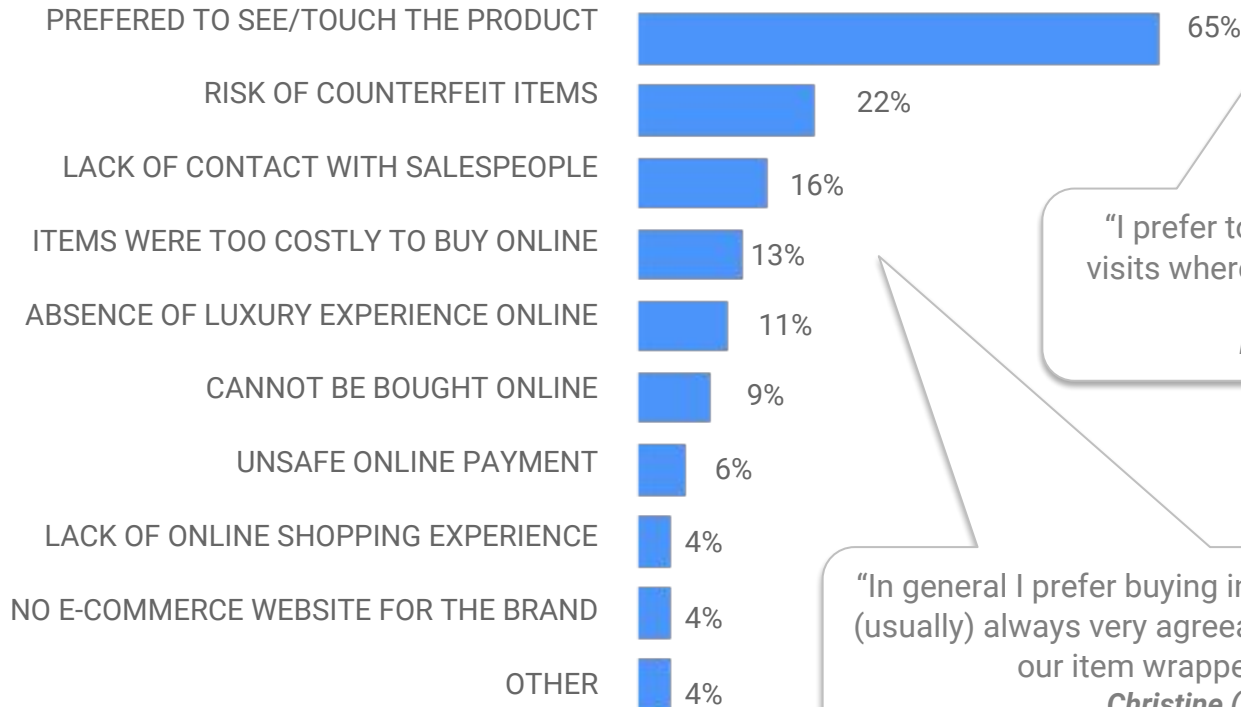


“I was practically sure to buy on the internet because it’s **fast, less expensive** and on my time...”
Laurence (60-65 yo), France



FIRST HAND EXPERIENCE IS THE MAIN DRIVER FOR IN-STORE PURCHASES

WHY DO LUXURY SHOPPERS BUY OFFLINE?



"I prefer to buy in-person because I like to set up visits where I can **see and feel the products** I am interested in."
Roy (50-59 yo), United Kingdom

"In general I prefer buying in-store because the **hospitality** is (usually) always very agreeable and polite. Plus we leave with our item wrapped in a **nice package!**"
Christine (50-59 yo), France

DIGITAL TRANSFORMS POST-PURCHASE INTERACTION WITH LUXURY BRANDS

WHAT DO THEY DO ONLINE AFTER PURCHASE ?

36%

INTERACT ONLINE WITH THE LUXURY BRAND AFTER PURCHASE

 53%

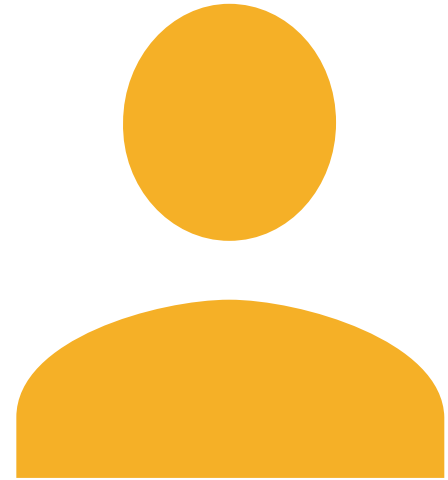
“There are some people who put up their own private videos. They say **“look, I bought a watch” and they’re showing it.** When I watch their video and see how happy they are, sometimes it communicates to me how good the product is”
UltraSeven (40-49 yo), Japan



WHAT ARE THE EXPECTATIONS OF LUXURY SHOPPERS?



REAL TIME



PERSONALISATION

THE LUXURY STORE, IN REAL TIME AND AT HOME



REAL TIME

"I think it would be great if we can **talk to the store clerk** when shopping **online face-to-face**. I would appreciate it if a clerk can answer all of my questions and make me feel reassured about my purchase."

Chocolat (50-59 yo), Japan

"I want to see **fashion shows** up close, like the Paris Collection. Maybe a way for me to put '**Likes**' in as well."

Bata-san (30-39 yo), Japan

A CUSTOM-MADE EXPERIENCE: ANYWHERE, ANYTIME

"I quite like the idea of being able to select from a huge range of brands and items with a click or two, and have the **right sizes and proportion** to my height (I'm only 5ft tall) -
Carim (40-49 yo), United Kingdom

"After selecting 4-5 pieces of clothing on a website to try on, I can order for a **'try me car'** to come to my door in one hour. I can try the pieces inside the vehicle and purchase there."
Takeko (50-59 yo), Japan



WHAT THIS MEANS FOR MARKETERS

BUILD AND DEVELOP ENGAGING ONLINE CONTENT

Create engaging online brand experiences. Visual content like videos and images are key in the luxury shopper journey.

ADOPT A MULTI-SCREEN APPROACH

Wealthy shoppers rely on multiple devices. They should have a good online experience no matter which screen they are using.

LINK OFFLINE AND ONLINE MARKETING EFFORTS IS A MUST

Use digital as an extension of high-en in-store services. Stores should encourage customers to visit their website and the website should invite customers to visit stores.

RETHINK YOUR ATTRIBUTION STRATEGY

Digital marketing can lift brand metrics as well as offline sales. Evaluate it's effectiveness accordingly.

THANK YOU

Contacts:

mayssa@google.com