



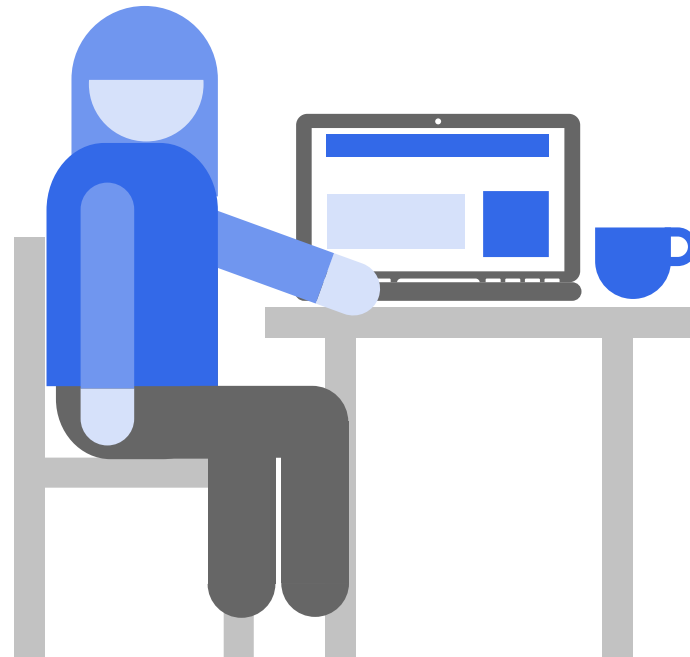
Ipsos MediaCT  
The Media, Content and Technology Research Specialists

# How Affluent Shoppers Buy Luxury Goods

A Global View

# What we wanted to know

*How do shoppers use digital to research and buy luxury products?  
And how can brands best reach them?*



# What we found

Affluent luxury buyers are extremely tech savvy

**100%**

use a smartphone, tablet, laptop or desktop

**2x**

smartphone penetration than for general population

When making purchase decisions, they use the internet more than any other medium

**75%**

conduct research online before purchasing

**68%**

use a search engine in their research

Across markets, some buy online but most will go to a store

**72%**

of shoppers in new markets research online and offline, then go to a store

**65%**

say they want to touch and feel a product before purchase

# Three Luxury markets emerged based on buying habits and media habits

## New Markets



**Fast-growing** luxury markets, where **trendiness** and **newness** are key. Luxury purchasers are **younger** and they are **frequent buyers**

**56%** female buyers

Average age of buyers:

**37**

Average number of luxury items purchased in last two years:

**22.7**



## Mature Markets



**Historically established** and **traditional** luxury markets where buyers **skew older** and **purchase semi-frequently**

**50%** men  
**50%** women

Average age of buyers:

**46**

Average number of luxury items purchased in last two years:

**12.9**



## Japanese Market



**Men skewing older** who purchase **less frequently** and are driven by luxury being a symbol of **sophistication** and a way to boost **self-esteem**

**64%** male buyers

Average age of buyers:

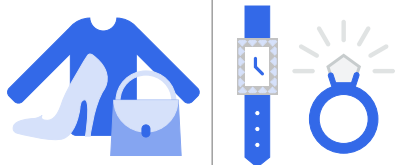
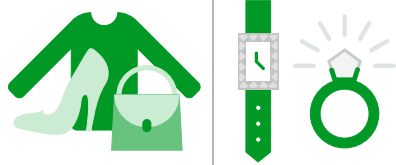
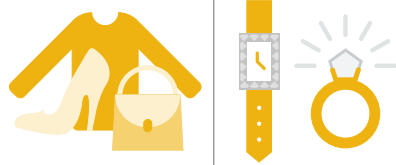
**49**

Average number of luxury items purchased in last two years:

**5.7**



# In New Markets, luxury purchasers are more frequent shoppers, while in Japan they are more selective

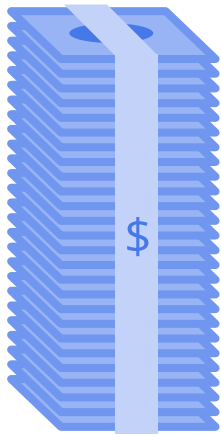
	New Markets		Mature Markets		Japanese Market	
						
At least one purchase in the last two years	<b>100%</b>	<b>93%</b>	<b>99%</b>	<b>85%</b>	<b>98%</b>	<b>69%</b>
Five or more purchases in the past two years	<b>85%</b>	<b>34%</b>	<b>70%</b>	<b>16%</b>	<b>48%</b>	<b>9%</b>
Average number of purchases in the past two years	<b>22.4</b>	<b>7.2</b>	<b>13.2</b>	<b>4.6</b>	<b>5.6</b>	<b>2.8</b>

And more precisely, which of the following brands did you purchase (even if just once) in the past 2 years?  
 Base: Luxury goods buyers (New Markets n=1225; Mature Markets n=2028; Japanese Market n=494)

On average, they spent \$2,500 on their last luxury purchase

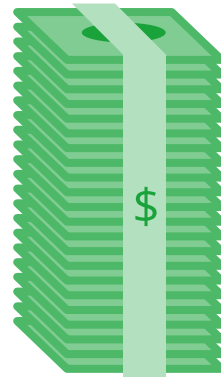
**\$2,600**

New Markets



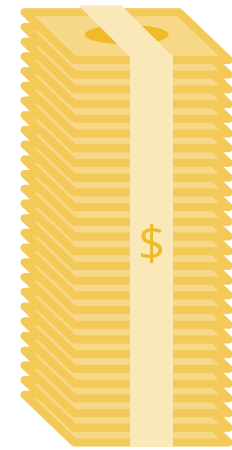
**\$2,288**

Mature Markets



**\$2,720**

Japanese Market

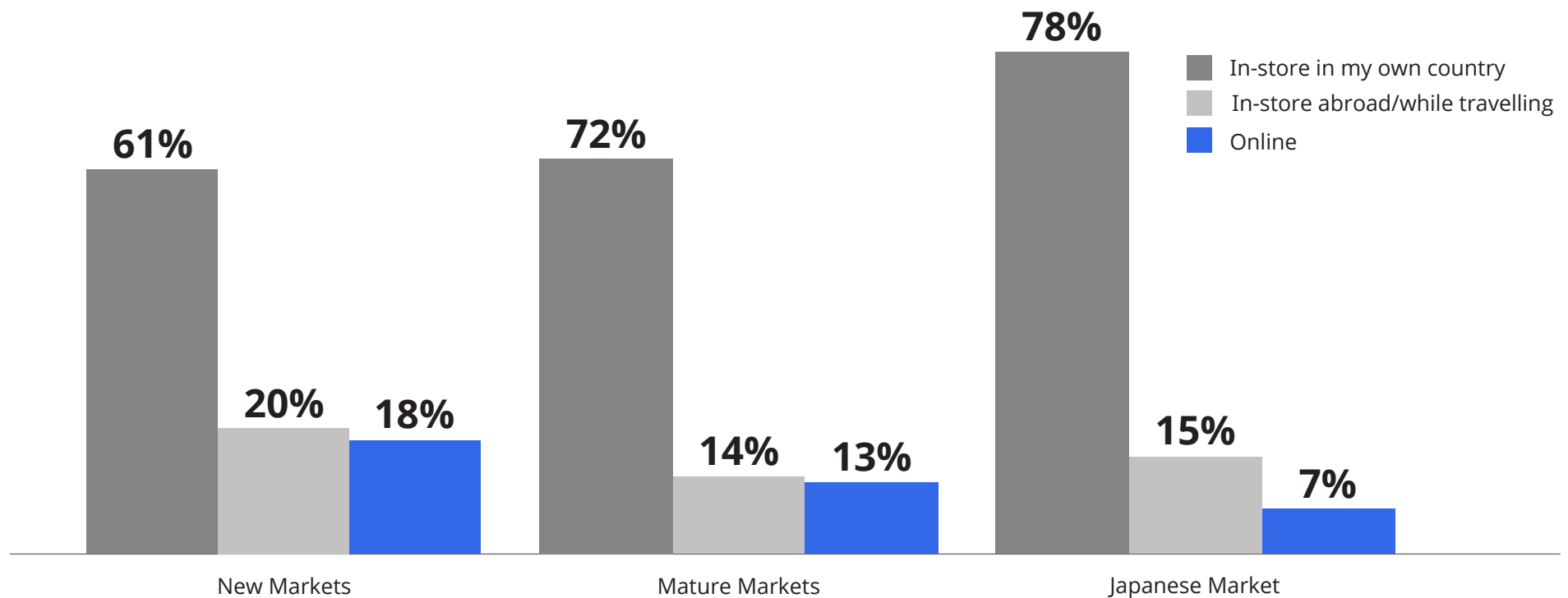


*How much did you spend for this purchase?*

Base: Luxury goods buyers (New Markets n=1225; Mature Markets n=2028; Japanese Market n=494)

# Most luxury purchases happen offline, but eCommerce is still a significant sales channel, especially in New and Mature Markets

Where do luxury shoppers purchase?

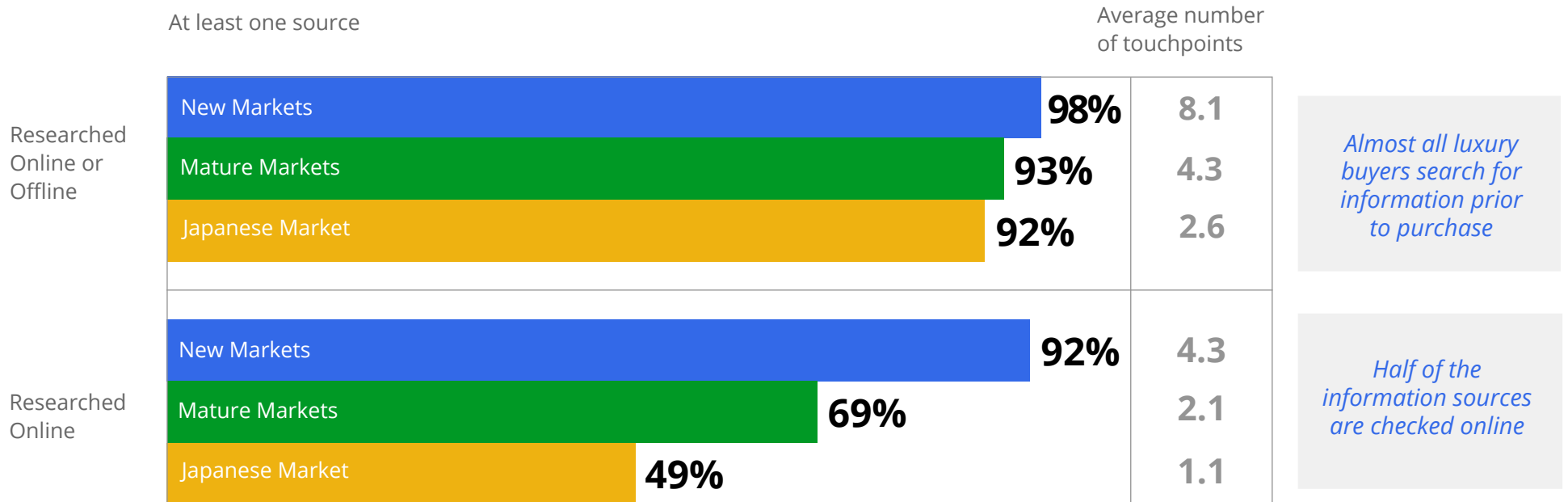


Where did you actually purchase your [BRAND & CATEGORY]?

Base: Luxury goods buyers (New Markets n=1225; Mature Markets n=2028; Japanese Market n=494)

# Almost all luxury buyers do research before purchasing and the internet is an important source for them, particularly in New Markets

Offline vs. Online: where do luxury buyers search?

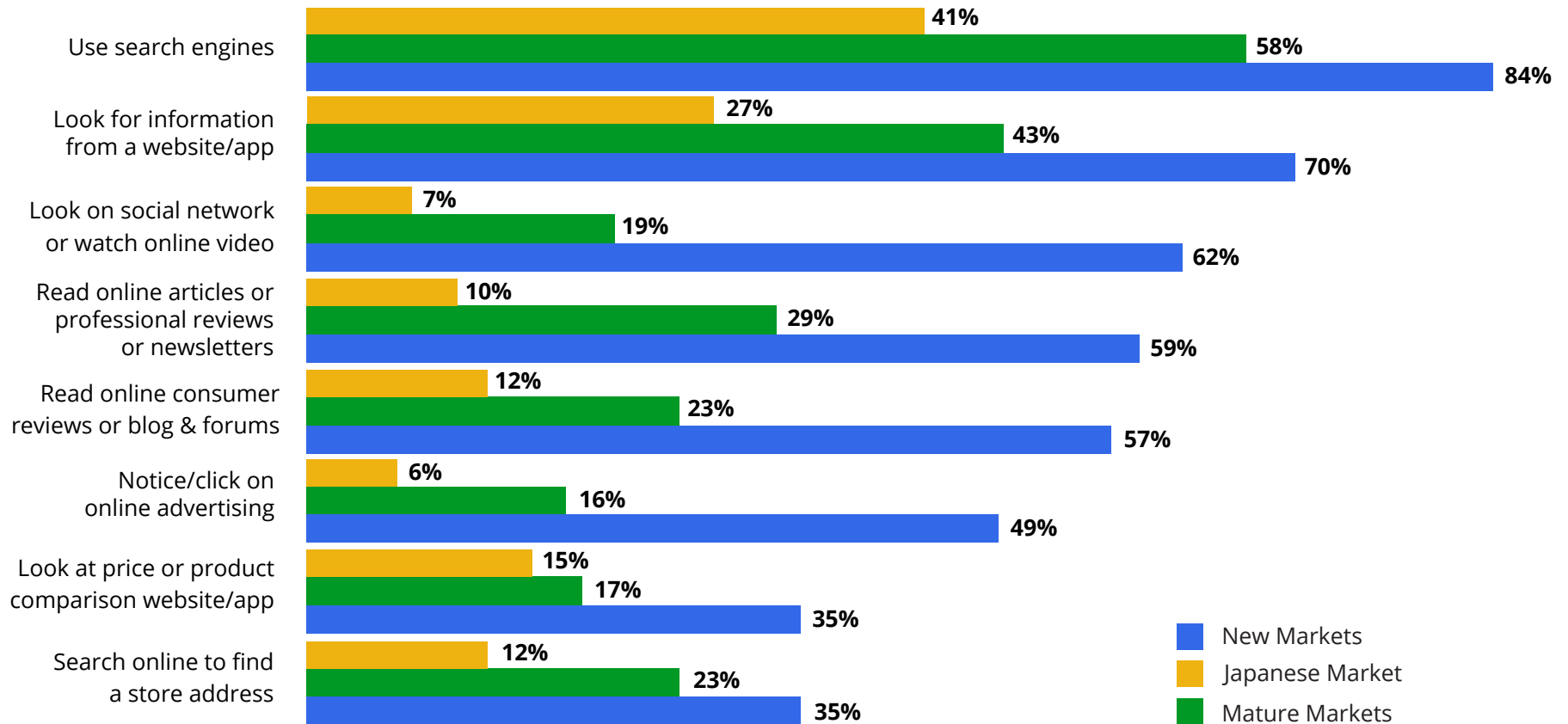


Below you'll find several ways for people to inform themselves about a luxury product. Which sources of information, if any, did you use to help you out with your decision when you last purchased [BRAND & CATEGORY]?  
 Base: Luxury goods buyers (New Markets n=1225; Mature Markets n=2028; Japanese Market n=494)



# Wealthy luxury shoppers multi-task on digital devices

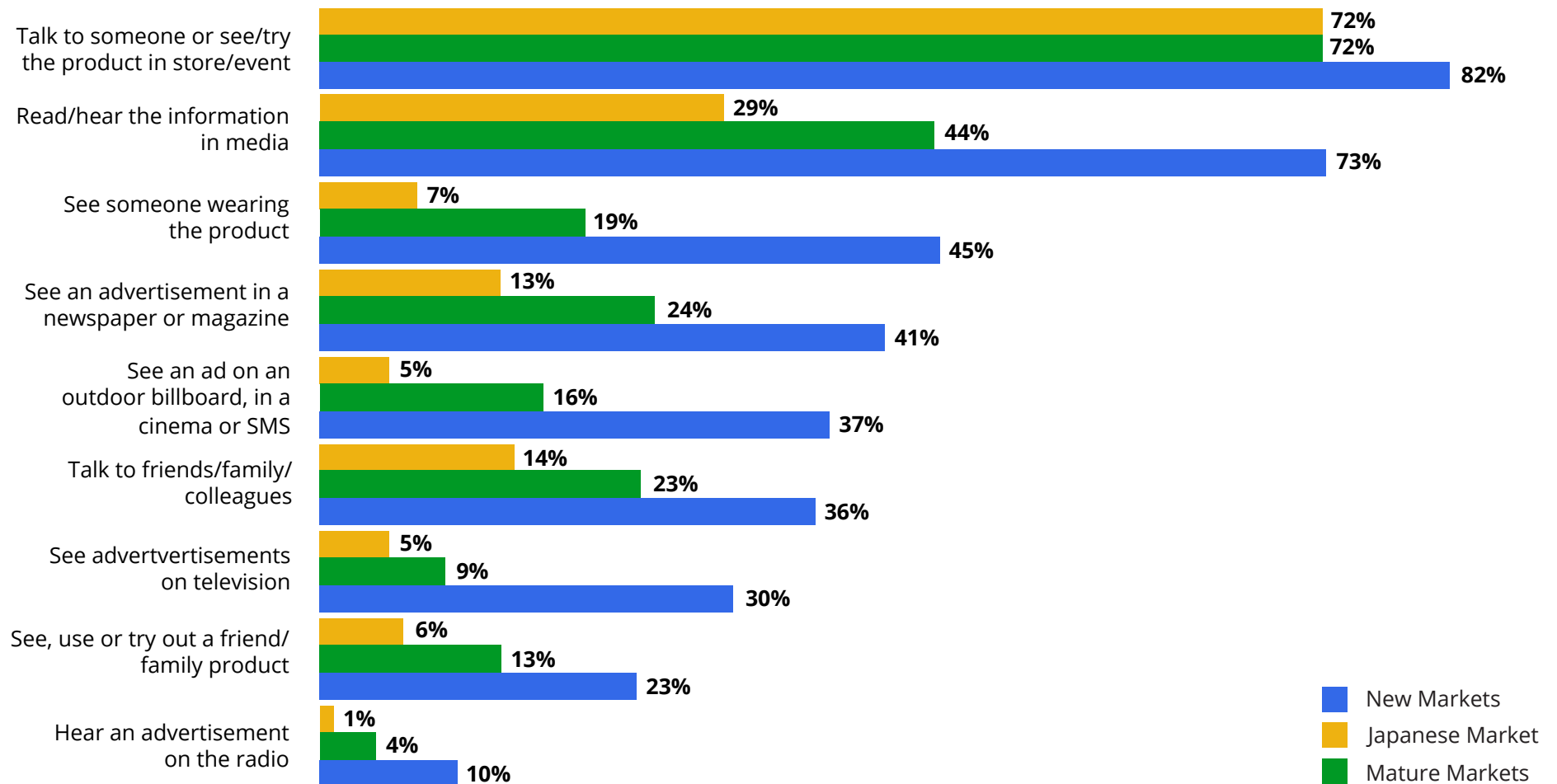
How do luxury purchasers search for information? (Online)



*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 (New Markets n=1225; Mature Markets n=2028; Japanese Market n=494)*

# First-hand experience was the most popular way to research the product offline






How do luxury purchasers search for information? (Offline)



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 (New Markets n=1225; Mature Markets n=2028; Japanese Market n=494)

# The internet is the affluent shopper's constant media companion, globally

What are their daily media habits?

	New Markets	Mature Markets	Japanese Market
	Daily		
 TV	82%	85%	89%
 Magazines	57%	39%	22%
 Radio	59%	74%	23%
 Newspapers	62%	58%	65%
 The internet	98%	98%	99%

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 (New Markets n=1225; Mature Markets n=2028; Japanese Market n=494)

# Affluent luxury buyers are more likely to use connected devices than the general population

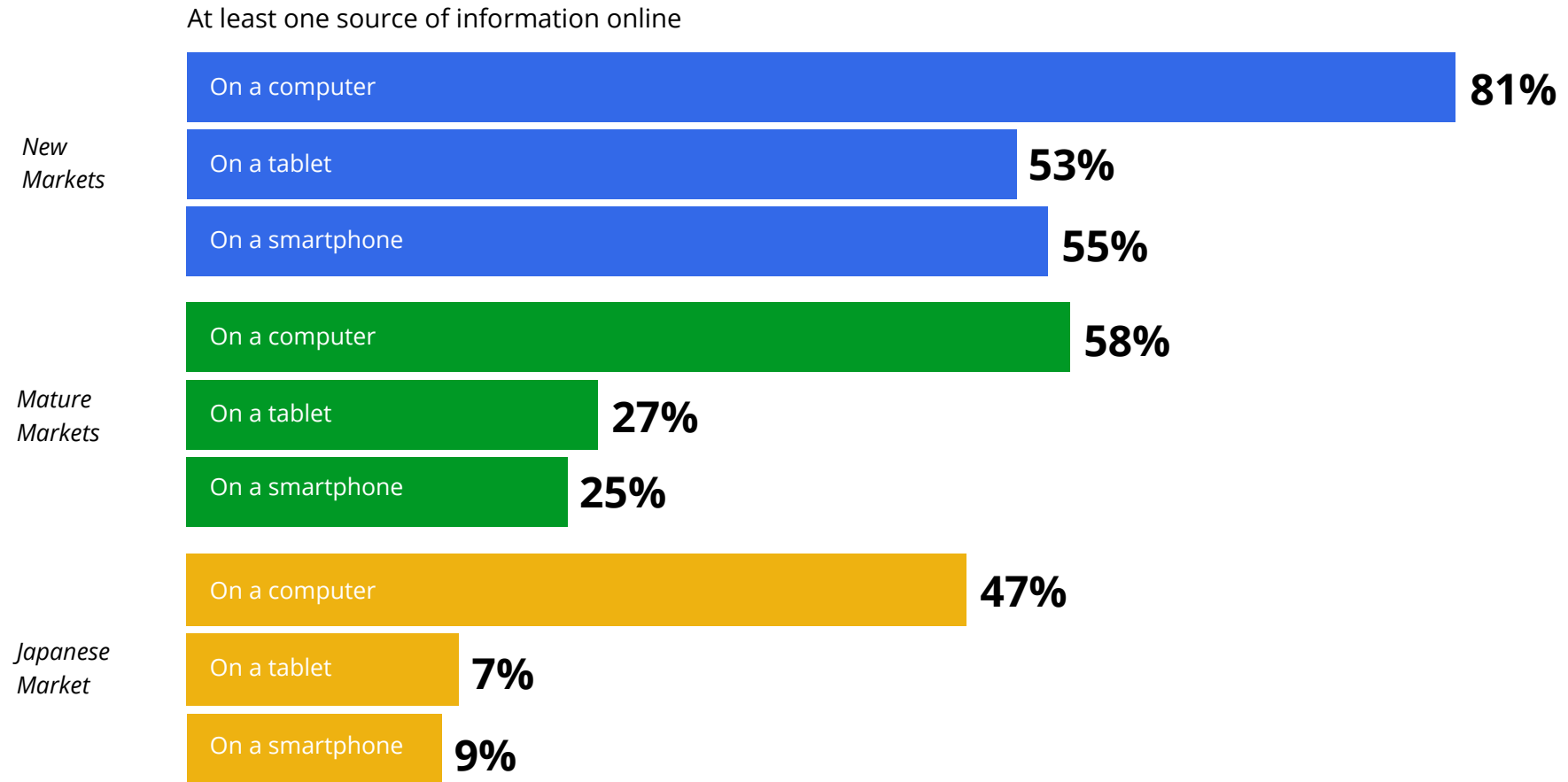
What devices do they use?

	New Markets		Mature Markets		Japanese Market	
	Luxury buyers	Population*	Luxury buyers	Population*	Luxury buyers	Population*
PC/laptop/netbook	<b>95%</b>	<b>60%</b>	<b>97%</b>	<b>76%</b>	<b>99%</b>	<b>86%</b>
Smartphone	<b>82%</b>	<b>36%</b>	<b>78%</b>	<b>48%</b>	<b>59%</b>	<b>25%</b>
Tablet Computer/ipad	<b>73%</b>	<b>9%</b>	<b>62%</b>	<b>21%</b>	<b>28%</b>	<b>11%</b>
At least one digital device	<b>99%</b>	<b>67%</b>	<b>100%</b>	<b>80%</b>	<b>100%</b>	<b>87%</b>
Average number of digital devices	<b>3.6</b>	<b>1.5</b>	<b>3.2</b>	<b>2.5</b>	<b>2.3</b>	<b>1.8</b>

Which, if any, of the following devices do you currently use?  
 Base: Luxury goods buyers (New Markets n=1225; Mature Markets n=2028; Japanese Market n=494)  
 \*2013 Connected Consumer Study TNS Infratest

# Wealthy luxury buyers in New Markets research using tablets and smartphones

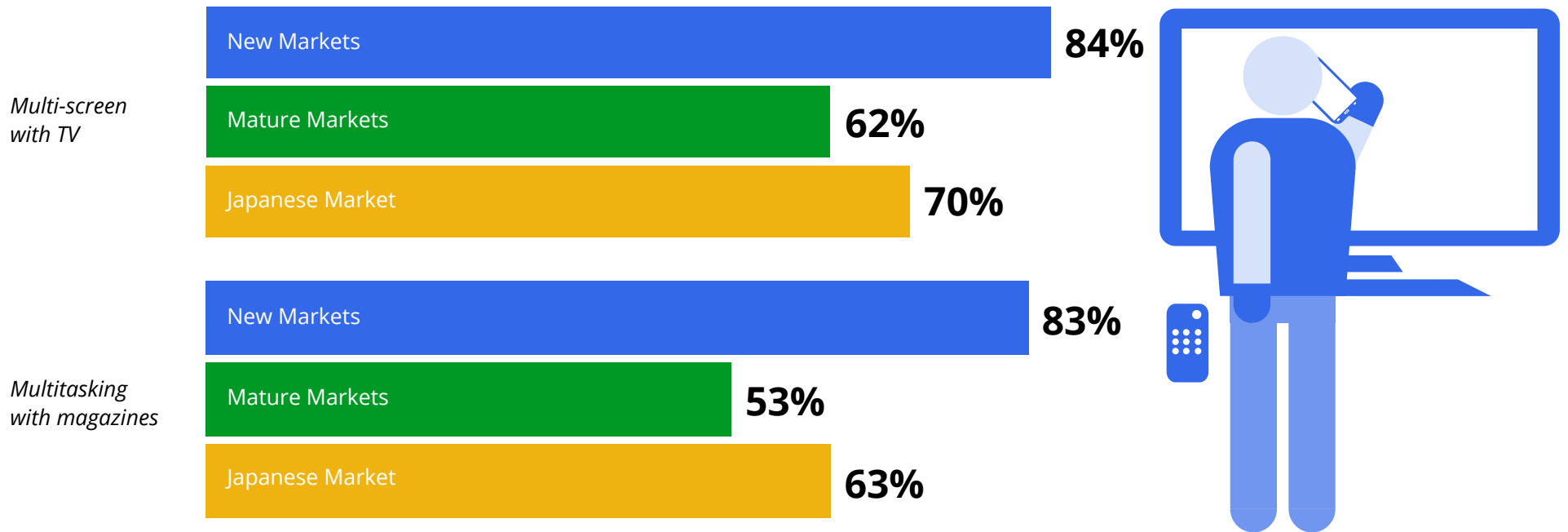
Which devices are used to conduct online research?



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 (New Markets n=1225; Mature Markets n=2028; Japanese Market n=494)

# Wealthy luxury shoppers multi-task while watching TV and reading magazines







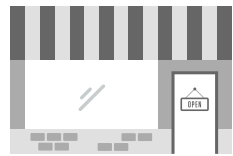
When doing a general luxury product research, do they interact with a digital device while consuming offline media?



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 (New Markets n=1225; Mature Markets n=2028; Japanese Market n=494)

# Online and offline research are complementary and influence the largest share of purchases

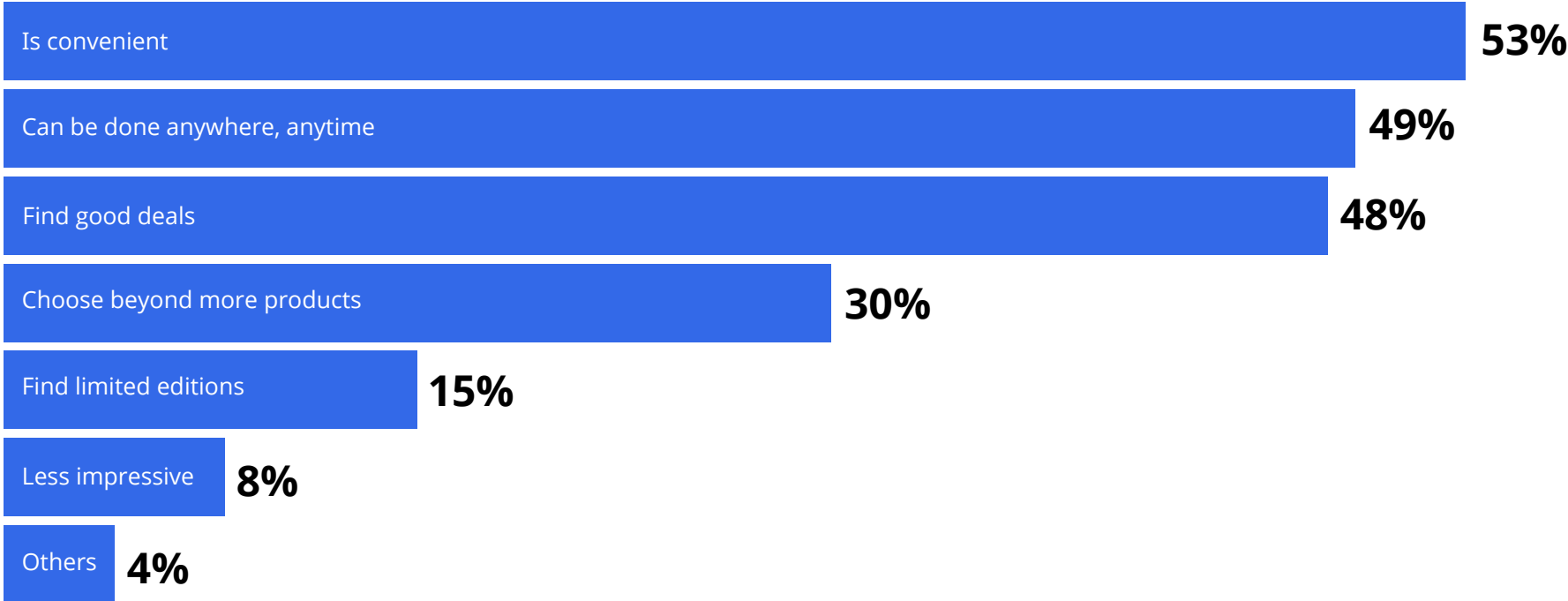
What type of research is done for what type of purchase?

Research activity	Online and offline	Online and offline	Offline
	<p>New Markets   Mature Markets   Japanese Market</p> <p><b>72%</b>   <b>55%</b>   <b>39%</b></p> 	<p>New Markets   Mature Markets   Japanese Market</p> <p><b>17%</b>   <b>9%</b>   <b>4%</b></p> 	<p>New Markets   Mature Markets   Japanese Market</p> <p><b>6%</b>   <b>23%</b>   <b>42%</b></p> 
Purchase location	 <p>Offline</p>	 <p>Online</p>	 <p>Offline</p>

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 (New Markets n=1225; Mature Markets n=2028; Japanese Market n=494)

# Convenience and good deals are the key motivations for purchasing online

Main motivations for purchasing online according to the online purchasers

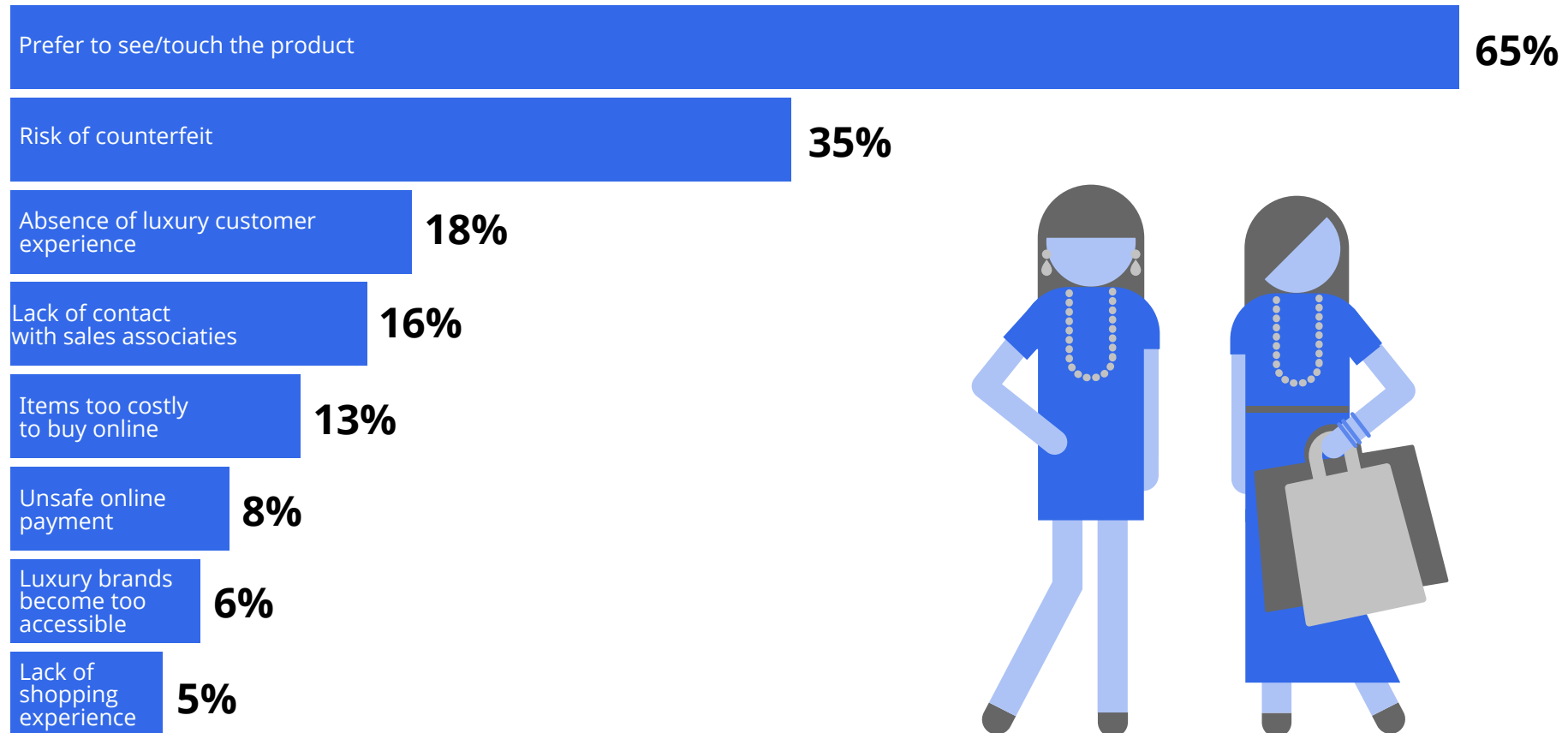


Amongst the following sentences, which one(s) motivated you to purchase this [BRAND & CATEGORY] on the internet?  
Base: Online buyers, average of all markets (n=507)



# Lack of experiencing the product first-hand can prevent purchasing online

Barriers for online purchase as seen in the eyes of offline purchasers

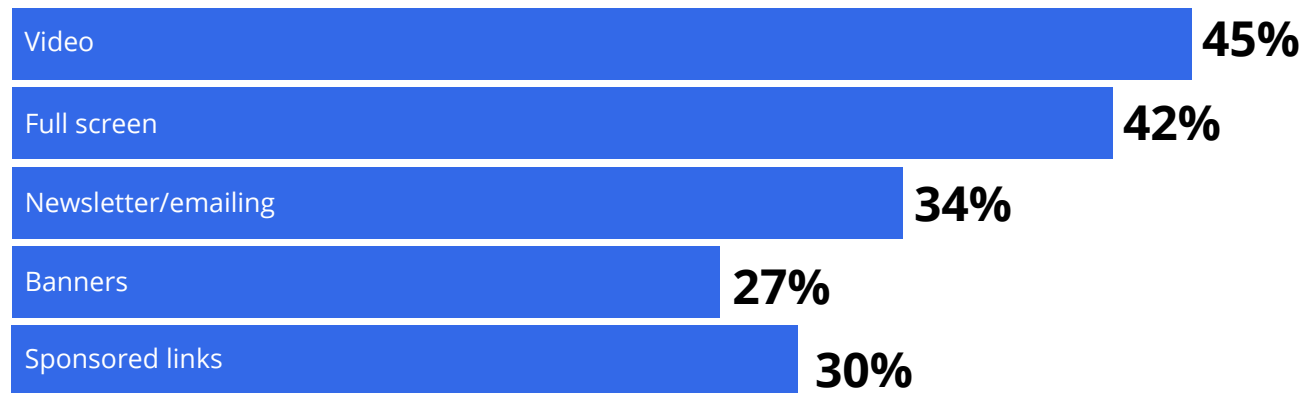


Amongst the following sentences, which one(s) personally kept you from purchasing this [BRAND & CATEGORY] on the internet?  
Base: Offline buyers, average of all markets (n=3240)

# Wealthy luxury shoppers prefer immersive advertising formats for luxury goods

What are the best online ad formats for luxury goods?

% of luxury buyers selecting at least 2 positive attributes for each ad format\*



*"I want to see **videos** that show Japanese models wearing products and provide **coordination ideas** with the products"*

Female, 42, Japan

*"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, 29, USA

## Positive attributes

- 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 (New Markets n=1225; Mature Markets n=2028; Japanese Market n=494)

# 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?

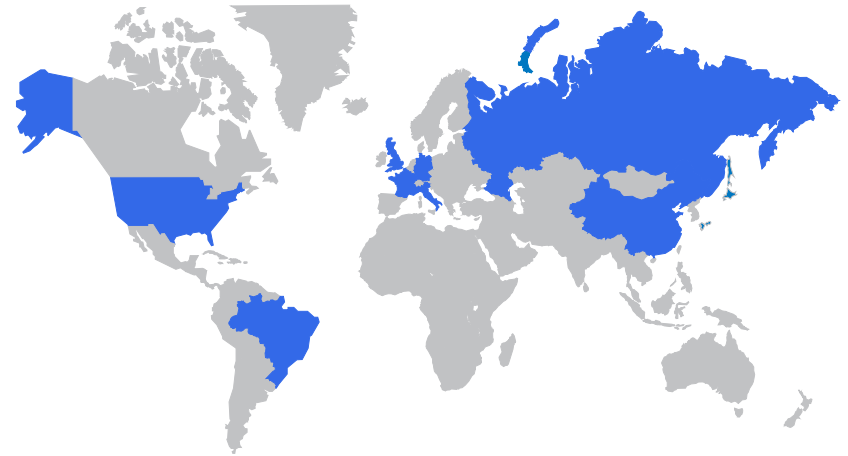
25-65 v.o. luxury purchasers

(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 450,000 CNY / year   |
|  more than £85,000 / year   |  more than B\$130,000 / year    |
|  more than \$100,000 / year |  more than 2,200,000 RUB / year |
|  more than 100,000€ / year  |  more than 100,000¥ / year      |
|  more than 70,000€ / 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