



# Luxury FirstLook: 2018

## The Era of Brand Meaning

**YouGov**<sup>®</sup>



January 17, 2018

A black and white photograph of a woman with long, wavy hair, wearing a light-colored trench coat with a belt and dark gloves. She is looking off to the side with a thoughtful expression, her hand near her head. The background is a blurred subway station with other people and lights.

# Being Wealthy in a Time of Risk

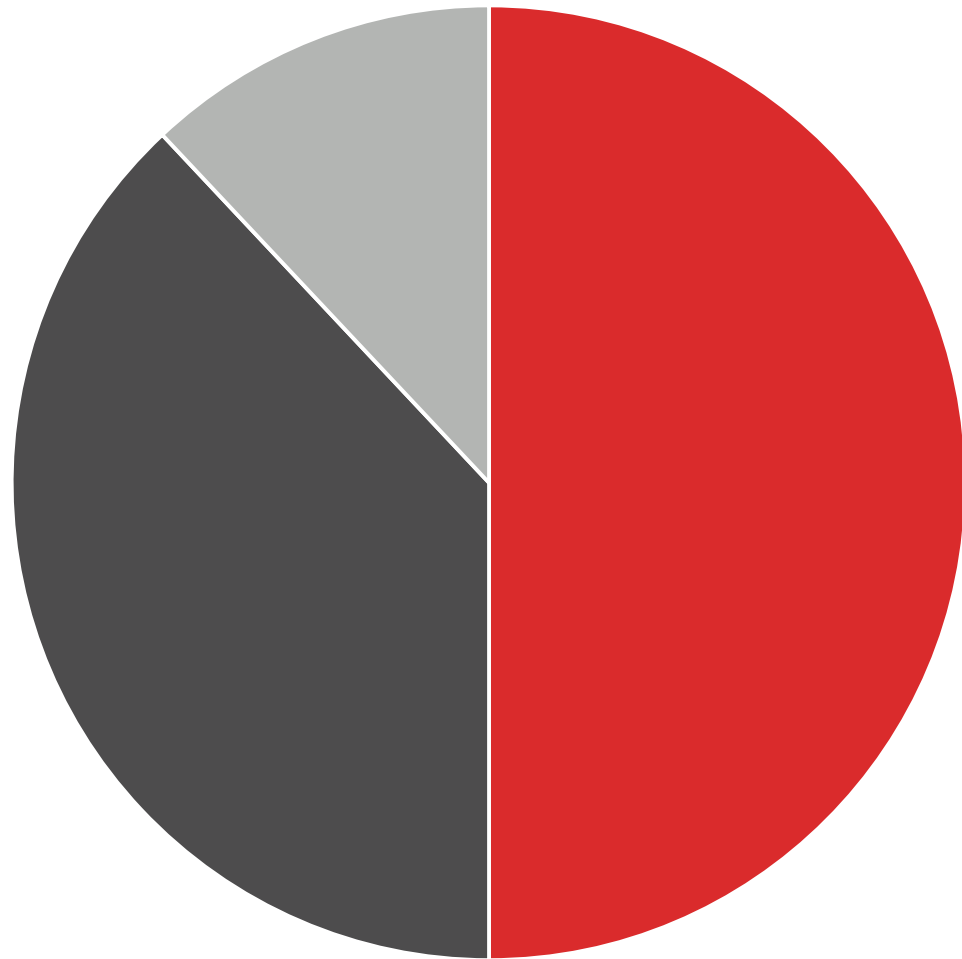
**YouGov**<sup>®</sup>



January 17, 2018

# Wealth Concentration & It's Impact

# Global wealth distribution: so few have so much

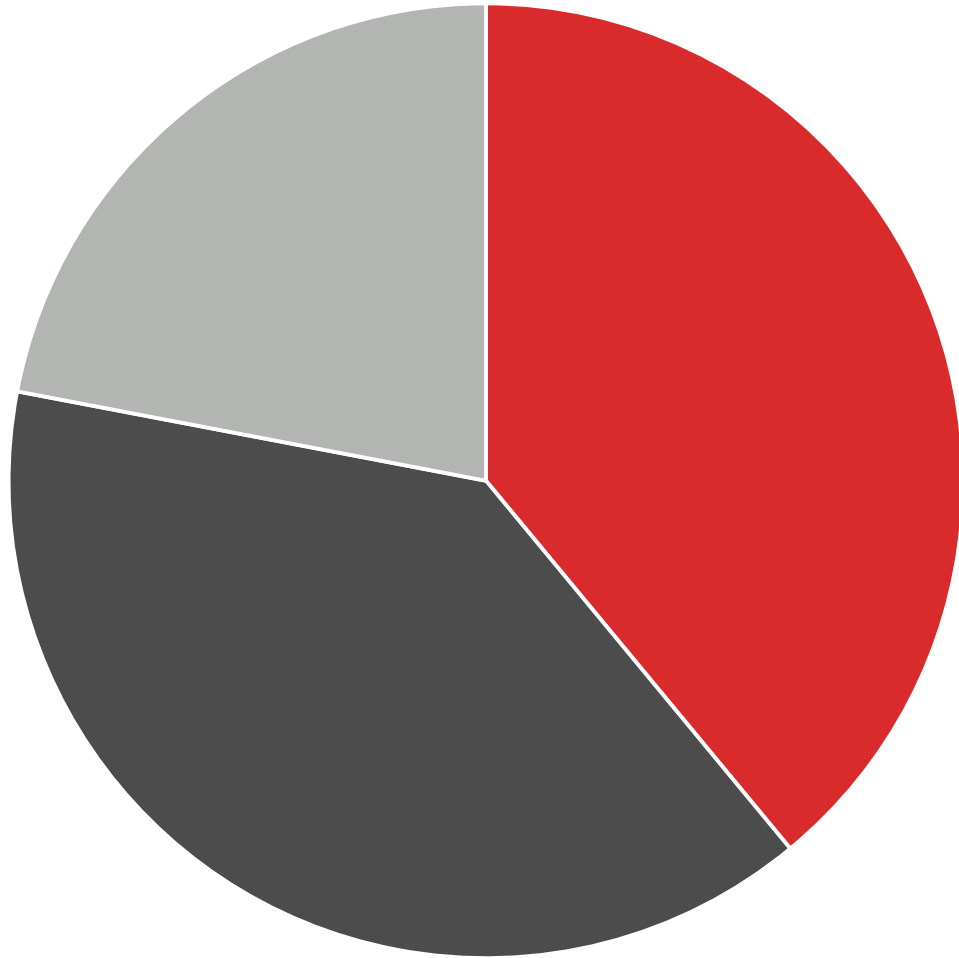


**50%** TOP 1%

**38%** THE NEXT 2-10%

**12%** BOTTOM 90%

# — U.S. wealth distribution: picture isn't much better



**39%** TOP 1%

**39%** THE NEXT 2-10%

**22%** BOTTOM 90%

# Conflicting Forces

Reward

Entitlement

Fulfilled

Risk

Responsibility

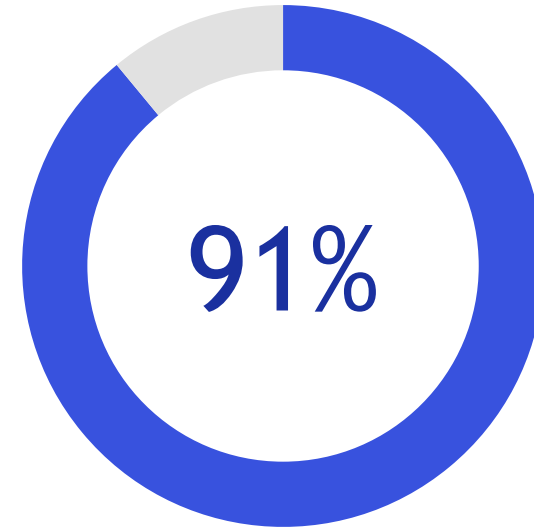
Defendable Choices

An aerial photograph of a tropical island. A paved road curves through a dense, lush green forest. Several buildings with brown roofs are visible, some with swimming pools. A sandy beach and clear turquoise water are on the left side of the image. A semi-transparent white box is overlaid on the left side, containing the text 'Coping Mechanisms'.

# Coping Mechanisms

Embracing  
Simplicity

Simplicity is  
Freedom



Trying to  
simplify my life

Among luxury purchasers

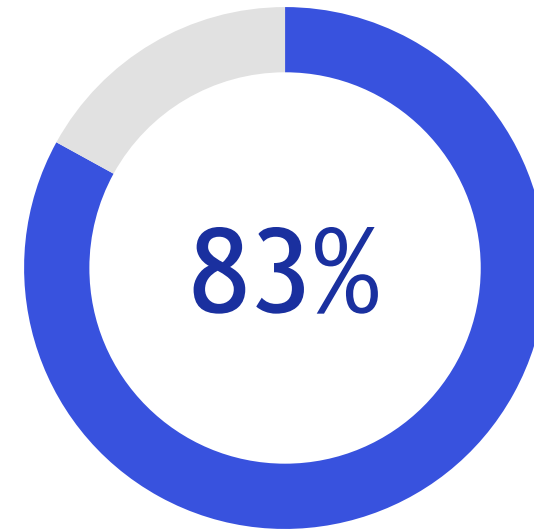
Q: For which of the following reasons, if any, are you trying to simplify your life?

Data is the % who are trying to simplify their life



# Protecting Privacy

Do I trust you  
to know me? >>



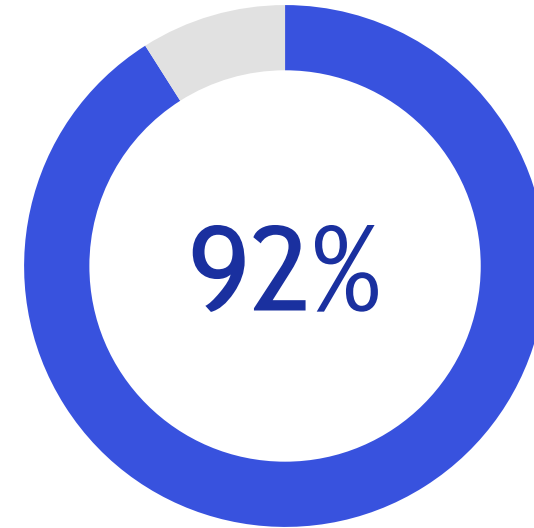
My privacy has never  
been more important

% Agree Strongly/Somewhat

Among luxury purchasers

# Enclaving

Seeking new experiences within the safety of their social network



I prefer to socialize with people who share my values

% Agree Strongly/Somewhat

Among luxury purchasers

# The Rise of the Referral





# Seeking Goodness

4 KEY TRAITS

Integrity

Honesty

Kindness

Intelligence

# Trend: Impact Investing

“...28% agree that their children or other younger family members have made them more likely to add impact investments to their portfolios.”

## PERCENT WHO HAVE REVIEWED INVESTMENT PORTFOLIO FOR IMPACT

■ 2014 ■ 2017



34%

Overall have reviewed portfolio for impact

U.S. Trust Insights on Wealth & Worth survey 2013-2017

YouGov®

# ...And Impact Giving

“

...at 28, Nicholas has included NOLS in his estate plan ... with climate change and continued population growth, I want to... instill awareness for the need for wilderness preservation.

”

NICOLAS CORCORAN

Empowering the Next Generation



# Trend: Goodness-based Purchasing





39% of  
Global Luxury  
Purchasers are

“EVOLVED”  
DECISION MAKERS

*The Evolved*



Hunting for a deeper, personal benefit  
from a brand --

GRAVITATE TO BRANDS THEY PERCEIVE AS

*enhancing their mind,*

*sustainability-oriented*

*fun to own*

Among Luxury Purchasers

**YouGov**<sup>®</sup>

# The Evolved: A Diverse Group



	The Evolved
MILLENNIAL (18-38)	27%
GEN X (39-52)	34%
BOOMERS (53-71)	36%
MATURES (72+)	4%

Luxury brands  
must strive for a  
higher purpose...

Product

Environment

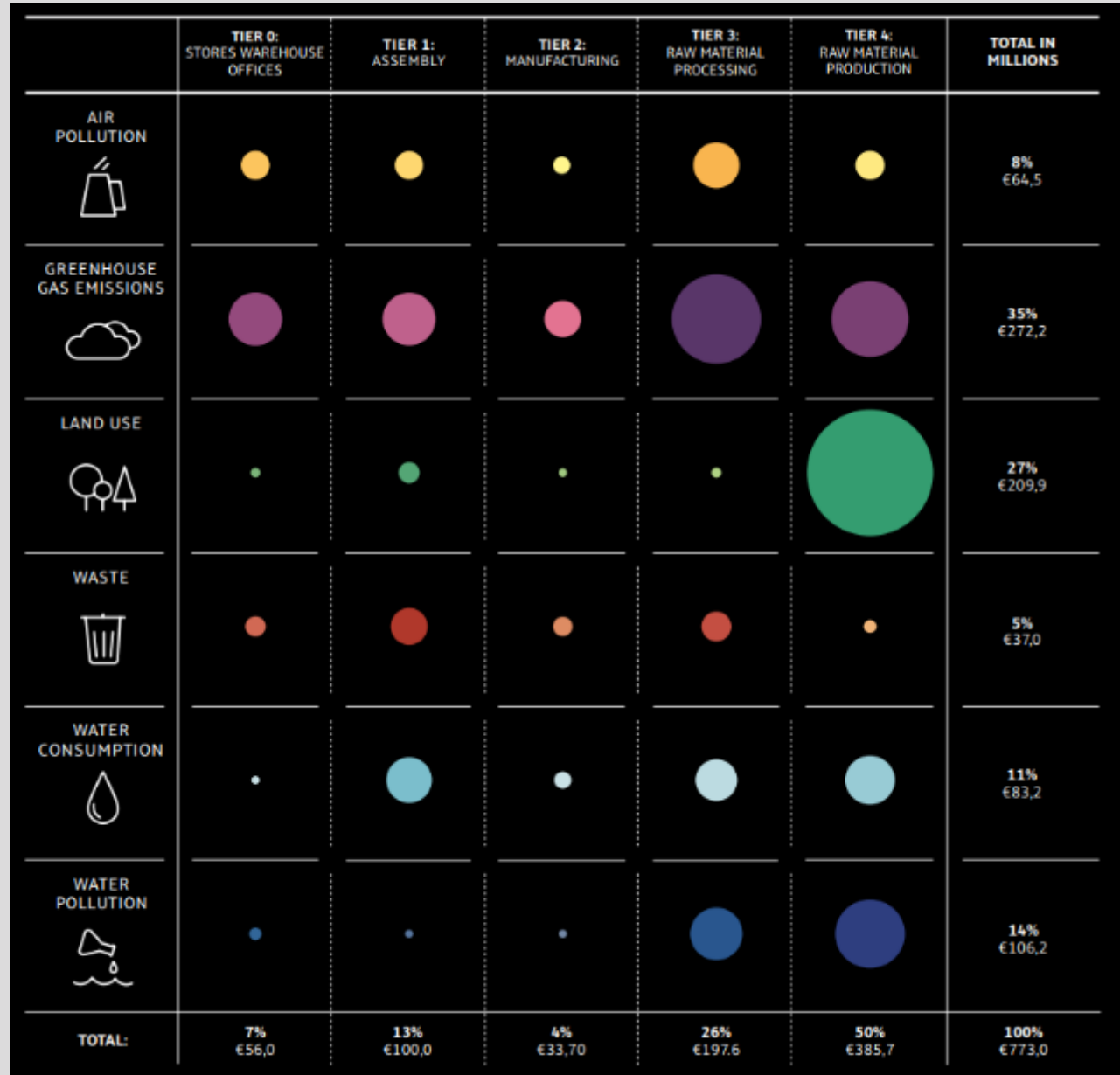
People



“

...we propel our brands to lead with business practices that contribute to a better world economically, environmentally and socially. We believe that the payoffs of becoming a more sustainable business to create positive value for our people and our planet, make the endeavours not only worthwhile but also essential.

”



Source: kering.com





“

This (new) generation demands meaning out of the companies they work for and shop from.”

RICK RIDGEWAY

”

“

In the end, the great brands will be the ones that have vision to face facts in the eye and take action...

ROSE MARCARIO

”

# The President Stole Your Land

In an illegal move, the president just reduced the size of Bears Ears and Grand Staircase-Escalante National Monuments. This is the largest elimination of protected land in American history.

Take Action Now

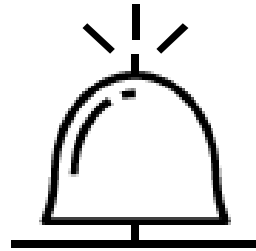
Sources: WWD; Outsideonline.com; Patagonia.com

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A romantic couple is shown in a close embrace, laughing joyfully. The woman is wearing a light-colored dress with a large orange and white patterned scarf. The man is wearing a light-colored blazer over a dark shirt. They are standing in front of the Colosseum in Rome, with the warm, golden light of sunset or sunrise illuminating the scene.

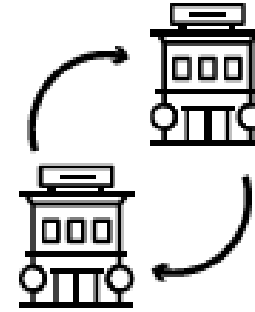
# Luxury Challenged

# The “Mass Up” dynamic



71%

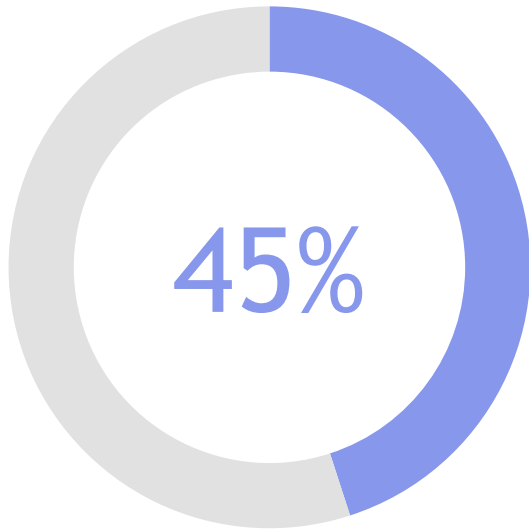
Many non-luxury brands now offer a level of quality comparable to luxury brands



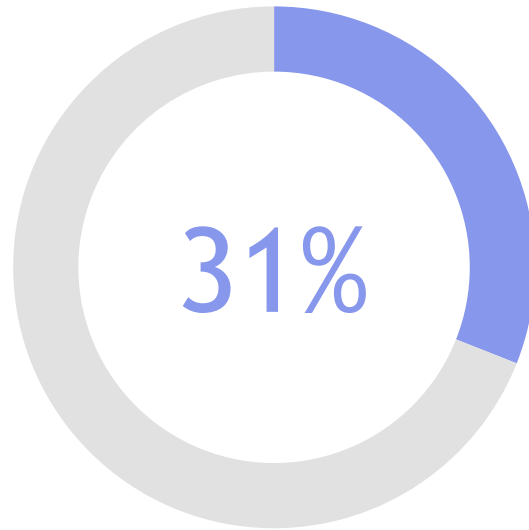
73%

Premium hotels are more similar than different

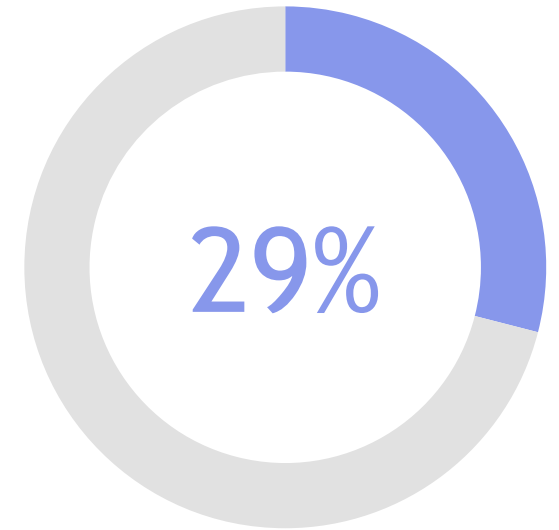
# Luxury is losing its luster



Spending money on luxury is a waste



It's becoming more difficult to find fresh luxury experiences



The longer I purchase luxury the more it loses its luster



# Questions to Ask Yourself...





*Have you simplified your products and experiences as much as they should be?*

*How well are you doing at...*

*...protecting privacy, while creating a sense of intimacy to serve their needs?*

*...enabling enclaves to pursue experiences with a balance of safety and adventure?*



*Where is the goodness in your brand? Is it omnipresent?*

*Does your brand experience convey honesty, integrity, intelligence, kindness...*

*...as customers look for the kind of world they are hoping to live in?*

— Thank You.

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