



## Trend Bites

*A taste of what's going on out there for the consumer to experience.*

### Marketing to the Growing Millennial Luxury Market *[Issue 4; May, 2008]*

There are 100 million "millennials", children born 1979 – 2000, currently age 8 – 29. Adult millennials are responsible for \$629B in consumer spending and comprise 41% of the U.S. population. And, because they have grown up in the age of dotcom billionaires, wealth and success are a given. Like their boomer parents, millennials are said to be "poised to become the next great luxury consumers." Following is a summary of recently published information on this special group. *[Time Style & Design, Spring 2008]*

#### DO MILLENNIALS VALUE BRAND NAMES?

Millennials are much more psychologically engaged in luxury than their parents' generation. Compared to baby boomers, they have a more positive attitude toward high-end services and products and are also more interested in ownership.

- On average, millennials are less aware of most luxury brands, however they are highly aware of brands that target them specifically, such as Diesel, Marc Jacobs, Juicy Couture and True Religion.
- Millennials are less likely than boomers to own most luxury brands, but their interest in owning specific luxury brands is on par with or higher than that of boomers.

#### Brands Owned

- Calvin Klein (60%)
- Ralph Lauren (53%)
- DKNY (46%)
- Coach (39%)
- Gucci (35%)

#### Brands Desirous of Owning

- Rolex (45%)
- Gucci (40%)
- Tiffany & Co. (39%)
- Giorgio Armani (38%)
- Prada (38%)

Despite millennials having lower incomes, In the past six months:

- 65% bought an average of six pairs of luxury brand shoes
- 59% bought an average of two pairs of luxury brand sunglasses
- 52% bought an average of seven luxury brand purses or bags

#### WHERE DO MILLENNIALS SHOP FOR FASHION & ACCESSORIES?

Millennials acquire their fashion and accessories at high-end department stores like their moms (50%) and on the Internet (52%). Outlet stores are also a source for these items (31%) among millennials.



### **WHAT DO MILLENNIALS SPEND ON HAIR & BEAUTY?**

On average, millennials spend about twice as much as boomers on hair and beauty. The maximum ever spent on:

- Hair Care: millennials \$213, boomers \$71
- Skin Care: millennials \$226, boomers \$124
- Fragrance: millennials \$226, boomers \$178

### **WHAT ARE MILLENNIALS' TOP SOURCES OF INFORMATION ON LUXURY?**

Magazines (61%) and catalogs (53%) are the most popular sources of information about luxury; however millennials also rely on word-of-mouth, including friends (50%), family (37%) and online social networks (26%).

### **WHAT CAN YOU DO?**

Target millennials specifically to persuade them to purchase at your sales venues through event marketing and other communication vehicles with shopping tie-ins at Saks Fifth Avenue, Neiman Marcus and Nordstrom. Mother-daughter promotions would also resonate with millennials, since research has also shown that they love to shop with their mothers. (The number of 18-24 year-olds shopping with mom has grown 8% since 2005 according to NPD Group.)