

COLUMNS

The new luxury mindset

May 1, 2018



Kelli Theiler is a strategist at Roundpeg Consulting

By **Kelli Theiler**

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Luxury marketers have long believed that people with more money will buy more expensive things. And while they are more likely to be able to afford more expensive brands and products, demographic factors including age, gender and income are a dwindling force behind which products and brands consumers choose to purchase.

Shared values, ever heard of them? Of course you have. The term has infiltrated marketing agencies and corporate America for years now and for good reason.

Mind the gap

Shared values are the consumer's connection with a brand based on beliefs and feelings that run deeper and are more meaningful than a product's function alone.

While brands across industries and consumer target groups have realized the true advantages of leveraging shared values, many brands in the luxury space have not migrated yet.

What these brands fail to embrace is that everything starts with consumers: they are your compass' arrow, directing and focusing product innovation, marketing, design and beyond.

Although traditional luxury brands have been looking to their high-earning consumers for direction, many are missing the other half of the equation consumers who employ a luxury mindset.

Consumers across income and asset levels are redefining what "luxury" means.

When many of us hear "luxury" we may think rare, expensive, flashy and status building.

While traditional luxury brands align with these traits, a new approach to luxury has taken hold with consumers and is hitting the mainstream.

User-driven luxury consumer

As compared with society-driven luxury consumers who tend to gravitate toward traditional luxury brands for the external validation, flash and exclusivity, those with the user-driven luxury mindset align with more accessible brands that help validate their internal sense of fulfillment, are understated in nature and known for their quality and

longevity.

This shift in mindset over the last few years is evident through both qualitative and quantitative means.

According to the Simmons syndicated research database, there has been a steady decline in agreement with the statement, "Almost every season I buy new clothes in order to keep up with the latest fashions." While the general population is down just half a percentage point over the last three years, agreement from those in households with incomes above \$250,000 has declined almost 4 percentage points.

Beyond apparel, automobile trends are another great place to look when striving to uncover consumer motivations for purchase.

Take, "Before buying a car, I find out about the car's safety rating" while all income groups are up about one percentage point, those in households with incomes above \$250,000 are up about 4 percentage points.

To gain a qualitative perspective, social listening is helpful for understanding how everyday people discuss their feelings and affinities for brands. By gathering thousands of tweets, posts on forums, Instagram and Facebook, we glean deep insights into what is on consumers' minds.

Take [Maryam Siddiqi](#) on Twitter evangelizing her new pair of Allbirds: "Just started wearing @Allbirds loafers and they are heavenly plus pack up super tight and super light." Or fashion blogger [Amanda Faber](#) recommending Madewell clothing: "I live for a basic tee and I might go as far as saying they are my fav item in my closet. I wear mine all the time! The best ones are from @madewell and are under \$20."

Newer entrants to the category such as Zara, Madewell, Shinola and Allbirds are clearly appealing to consumers with the user-driven luxury mindset. They are producing and marketing products based on their high quality, function, comfort, longevity and even shared values, including love for the environment or made in America.

Large logos and flashy fonts are not anywhere to be found on most of the products from these brands, because that is not their buyers' purchase motivation.

REFLECTING ON THE state of luxury today, make no mistake, there is a place for high-end luxury brands to continue down the path of opulence, flash, rarity and extravagance.

Many consumers have been employing a society-driven luxury mindset and will continue to do so.

However, for brands aspiring to appeal to the new luxury mindset, their first step is to understand their customers' initial motivations for purchase and usage.

When luxury is defined by the user instead of society at large, personal fulfillment, happiness, comfort and quality as opposed to increased external status are usually the goals.

Kelli Theiler is a strategist at [Roundpeg Consulting](#), Minneapolis. Reach her at kelli@roundpegconsulting.com

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