

MARKETING

Why HENRYs still should be a key target for luxury brands

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Alyssa Grecco is senior strategist at Media Kitchen

By **Alyssa Grecco**

When it comes to demographic targeting, advertisers typically focus on the obvious choices based on age or household income. Targeting Gen Z, millennials, Gen X, baby boomers or by affluence can be a suitable strategy for awareness building, but in many cases is too broad. This is especially true if you are a luxury brand looking to foster an audience over time.

Historically, generational targeting was the way to go because more granular audience data available to advertisers was limited.

Now, since forward-thinking media agencies have access to more consumer signals, generational targeting has evolved into deeper consumer personas.

As users' digital behavior continues to transform, advertisers can capitalize on these trends to foster consumer relationships over the years. One of the newest and fastest growing segments that can be cultivated in this way is the HENRY.

Who is a HENRY?

As defined by **Business Insider**, the HENRY audience is largely made up of millennials and young Gen-Xers who make between \$100,000 and \$250,000 annually.

Advertisers, specifically in the luxury market, have realized the value of this segment because of their unique financial position. They are young, make a significant amount of money and possess a significant amount of disposable income.

Why HENRYs?

In the midst of a pandemic that has affected the incomes of millions of consumers, targeting young affluents may seem ill advised, but it is critical to set the marketing table for when this crisis is finally over.

Overall, HENRYs are an important target for luxury brands for three reasons.

1. *This segment is hyper-targeted but scalable*

According to the **U.S. Census**, 13.1 percent of all college graduates in the last 20 years more than 25 million people have gone on to receive a master's degree, professional degree or doctorate.

have gone on to receive a master's degree, professional degree or doctorate.

These people are earning higher salaries sooner and have a chance to grow their wealth over time, which makes them great candidates for luxury marketers.

2. *Almost everyone who reaches ultra-affluence began as a HENRY*

For luxury brands, the ultimate target is the ultra-affluent. Knowing this, it is worth spending time grooming the HENRY demo. Their shopping and consumer habits now will likely carry over as their salaries increase, so establishing a rapport with them early is important.

The earlier that brands can make their mark on this growing segment, the more time they have to help them expend their wealth over time.

3. *HENRYs have disposable income but are careful with their money*

Despite their salary, this group is likely still saddled with student loans. As a result, they probably do not make impulse buys, but they will make reward purchases such as high-ticket items or vacations.

When advertising to this group, lay out all the facts so they can make an informed decision and determine if the brand is trustworthy.

Where do you reach HENRYs?

HENRYs can be reached almost anywhere with the use of data at scale.

Research through MRI Simmons shows HENRYs index highest in social media, streaming audio, email and site direct, which is mainly for news. By tapping into these signals, this audience is accessible across the funnel.

With the ever-shrinking cookie pool, it is important to understand where HENRYs can be reached without the use of third-party data.

Several publishers offer HENRYs as a targeting option naturally, based on the demographic makeup of their audience, without having to layer on third-party data.

Forbes, *Entrepreneur* and *The Wall Street Journal* have a high concentration of HENRYs visiting their sites daily, offering editorial and sponsorships that reach this demo. And since HENRYs are business-savvy and like to stay informed, e-newsletters also afford a great opportunity to connect with this audience through custom integrations.

Leveraging the loyalty of the e-newsletter audience, a brand can build trust with the audience by providing their messaging in the tone of the e-newsletter as an endorsement for their product or service.

LUXURY BRANDS should target HENRYs across channels where they are actively engaging to create familiarity with the brand as they move up in affluence and age.

Using cutting edge tools, media agencies have the know-how to help marketers invest in this group for the long term.

By developing a lasting relationship with this audience, marketers will have a solid foundation on which to build on as this global crisis winds down and HENRYs get back on track towards ultra-affluence.

*Alyssa Grecco is senior strategist at **Media Kitchen**, New York. Reach her at alyssa.grecco@mediakitchen.com.*

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