

The Affluent and High Net Worth Premium Brand and Luxury Consumer - US - December 2016

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"Affluent and High Net Worth Individuals (HNWIs) are key consumers of luxury brands. Younger Affluent and HNWI's are critical of growth, as they are in prime wealth-building years, are establishing brand loyalties, and are open to media influences since they are concerned with appearances and want to portray an image of success."

Fiona O'Donnell, Director – Multicultural, Lifestyles, Travel & Leisure

This report looks at the following areas:

- American HNWI's are relatively low spenders when compared to other regions
- A strong US dollar may be prompting Affluent/HNWI's to purchase overseas
- How to strike a balance between accessibility, affordability vs scarcity, exclusivity
- Department stores are struggling to attract shoppers
- Can buying online truly be equitable to the in-store luxury buying "experience"?

Definitions

Affluent and High Net Worth Individuals

For the purposes of this Report, Mintel defines Affluent and High Net Worth Individuals as follows:

- **Affluent:**
Individuals with investable assets totaling \$500K-\$1 million
- **High Net Worth Individuals:**
Individuals with investable assets in excess of \$1 million

Investable assets exclude the value of primary residences and include only liquid assets.

Premium brand and luxury

The concept of luxury goods is inevitably highly subjective. It is usually obvious where a product is luxury and equally obvious where it isn't, but there is a gray area in between that is more subjective.

The term *luxury* usually carries with it the idea that a very high level of craftsmanship is involved and that the products carry a high price so that they are out of the reach of most mass-market buyers. Unfortunately, they can also carry connotations of ostentation and conspicuous consumption as a negative personal trait.

In Mintel's analysis, there are three main categories of luxury goods, to which a miscellaneous group of smaller products is added:

- Fashion and leather goods;
- Fragrances and cosmetics;
- Jewelry and watches; and
- Other (ie writing instruments, eyewear, furniture, home goods, and other miscellaneous items).

Food, beverages, tobacco, electronic goods, automobiles, and services such as travel are generally excluded.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Quality perceptions and combating counterfeits

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Merging online and offline
Providing a temporary fix
Showing who you are – And that you care

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