# LUXURY

# METHODOLOGY

CNN Consumer Connect aims to better understand the perception and purchasing behavior of CNN brand users towards a particular market/category

The sample is comprised of 3,151 respondents from all around the world (3,058 for all English CNN Websites (incl. NA)

This 12th Consumer Connect survey focuses on **Luxury** and was conducted on CNN websites (in English, Spanish and Arabic)

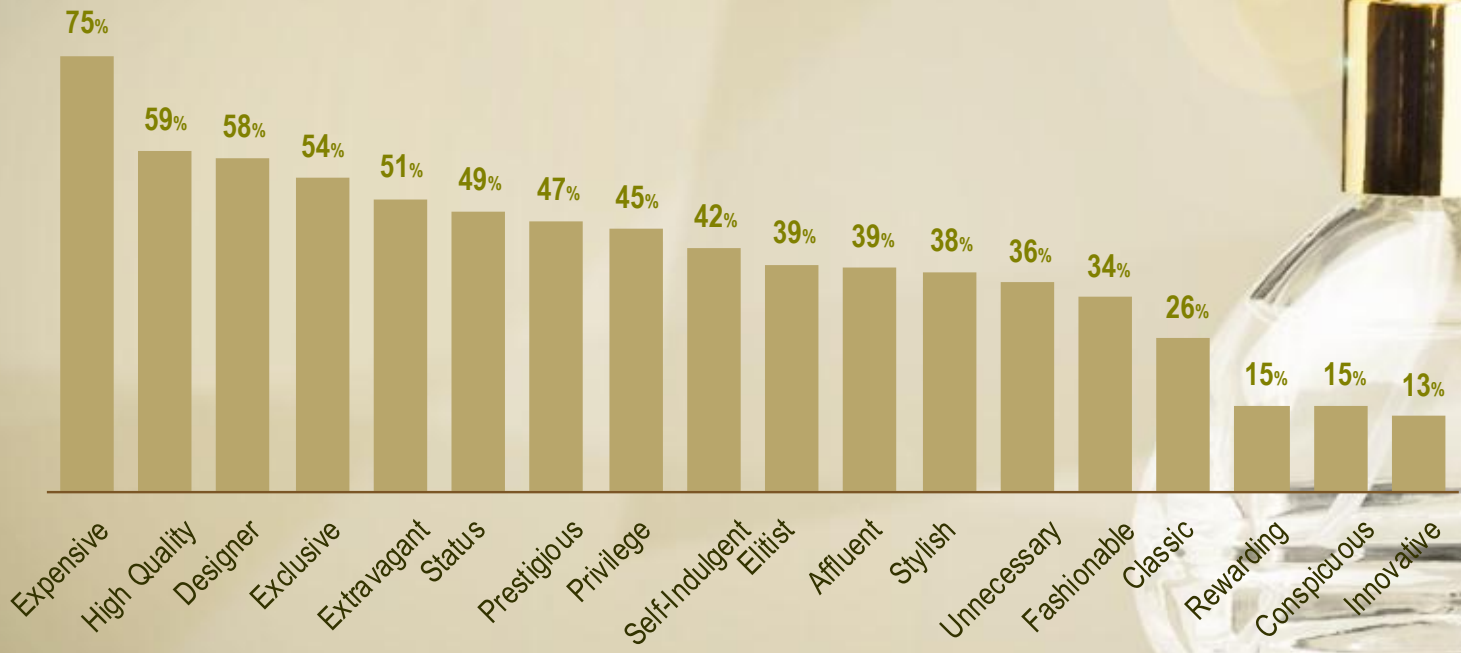
CNN Money.com
CNN بالعربية
CNN México
CNN.com INTERNATIONAL
CNN.com

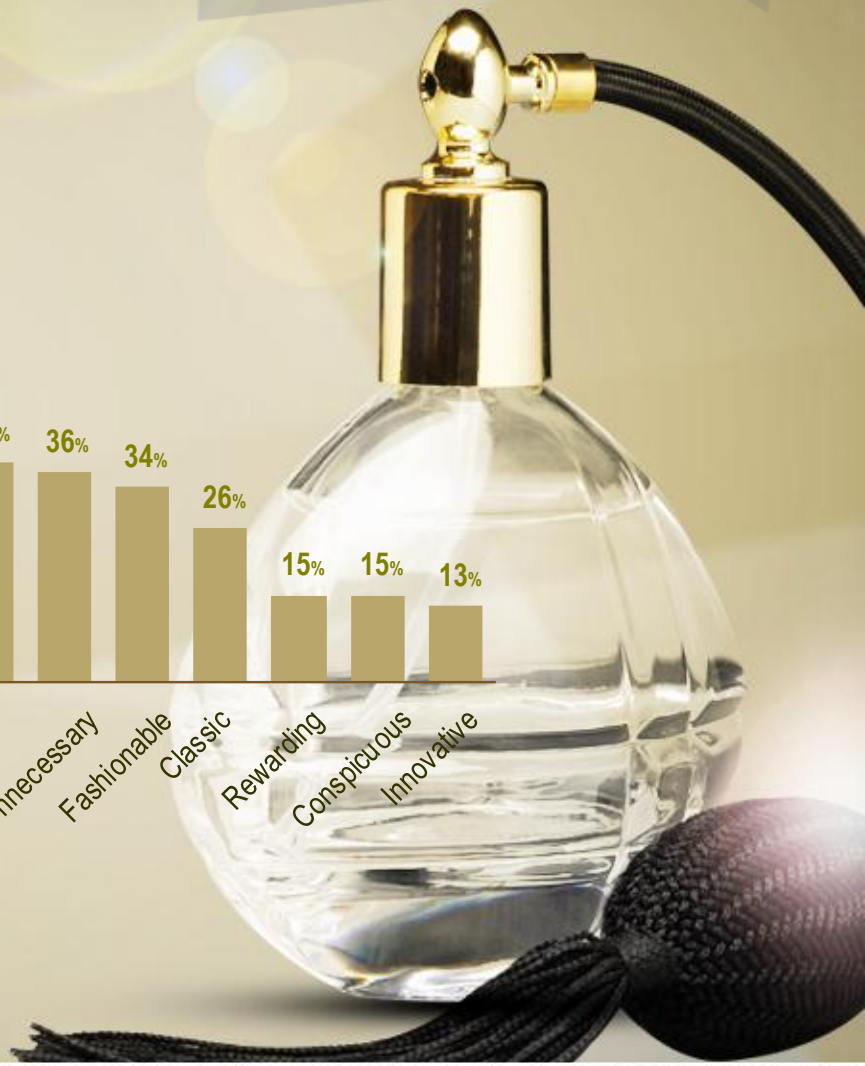
# PERCEPTIONS OF LUXURY
# LUXURY DECISION MAKING

# WHAT LUXURY MEANS

## Luxury can take different forms & shapes and inspire varied imagery

Which of the following words do you associate with luxury goods?



Source: CNN Consumer Connect – "Luxury " 2012
Base: All respondents worldwide from English CNN websites (3,058)

CNN consumer connect LUXURY

# STATEMENTS ON LUXURY

## Advertising is key in building the image of a luxury brand
## Experience, emotion, self-indulgence: luxury is about feeling good

How much do you agree with the following statements?

Source: CNN Consumer Connect – "Luxury " 2012
Base: All respondents worldwide from English CNN websites (3,058)

CNN consumer connect LUXURY

# DECISION MAKING:

## Ranked by purchase decision factors for each luxury category

Which of the following would be factors in your decision making for … (select all that apply)?

Premium quality is a key deciding factor for all luxury categories with the exception of jewelry, for whom investment value plays a bigger role.
Whether it is through its image, visibility or history, the brand plays a crucial role across all categories.

**Ranked by designer clothes from 1-12**

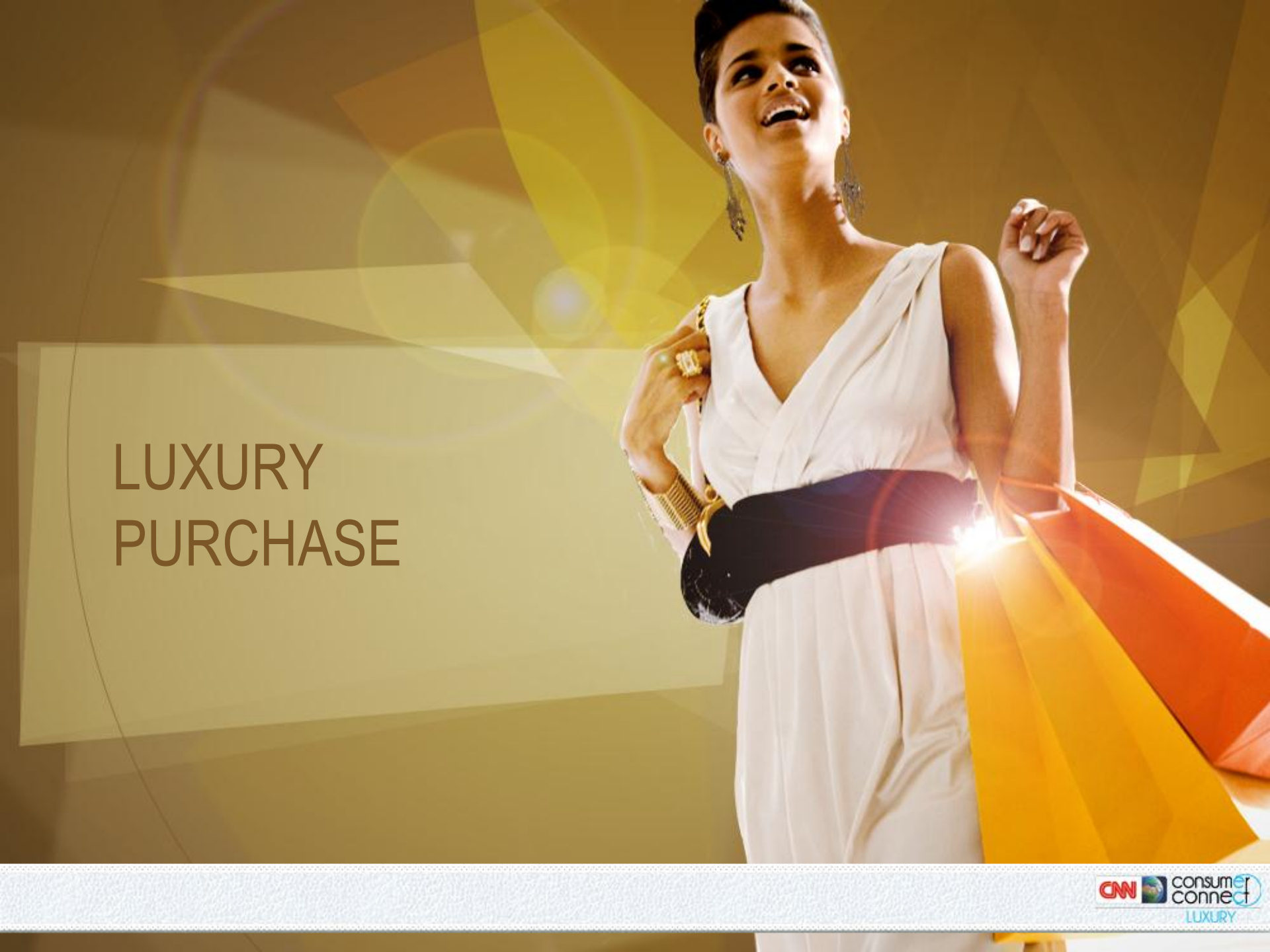
| | Designer Clothes | Luxury watches | Luxury jewelry | Footwear, bags, & accessories | Designer cosmetics & fragrances |
|---|---|---|---|---|---|
| **Premium quality** | 1 | 1 | 3 | 1 | 1 |
| **Superior design** | 2 | 3 | 4 | 3 | 8 |
| **Durability** | 3 | 2 | 6 | 2 | * |
| **Brand image** | 4 | 5 | 7 | 4 | 3 |
| **Uniqueness** | 5 | 7 | 2 | 5 | 6 |
| **Popularity, brand visibility** | 6 | 9 | 11 | 7 | 7 |
| **History of the brand** | 7 | 4 | 5 | 6 | 5 |
| **Advertising** | 8 | 10 | 10 | 8 | 4 |
| **Packaging, presentation** | 9 | 11 | 9 | 9 | 2 |
| **Limited edition** | 10 | 8 | 8 | 10 | 9 |
| **Celebrity endorsement** | 11 | 12 | 12 | 12 | 10 |
| **Investment value** | 12 | 6 | 1 | 11 | * |

* Durability & investment value were not asked for designer cosmetics & fragrances

Source: CNN Consumer Connect – "Luxury " 2012
Base: All respondents worldwide from English CNN websites (3,058)

CNN consumer connect LUXURY

# LUXURY PURCHASE



# LUXURY SPENDING BEHAVIORS

Approximately how much have you spent on these items in the past 12 months?

Respondents spent a significant amount on Luxury Goods in the past 12 months

## Luxury Watches

Avg. Spend
$4,434
Spend $5,000+
28%

## Luxury Jewelry

Avg. Spend
$3,539
Spend $5,000+
19%

## Designer Clothing

Avg. Spend
$1,947
Spend $2,000+
24%

## Designer Footwear, Bags & Accessories

## Designer Cosmetics & Fragrances

Avg. Spend
$688
Spend $1,000+
14%

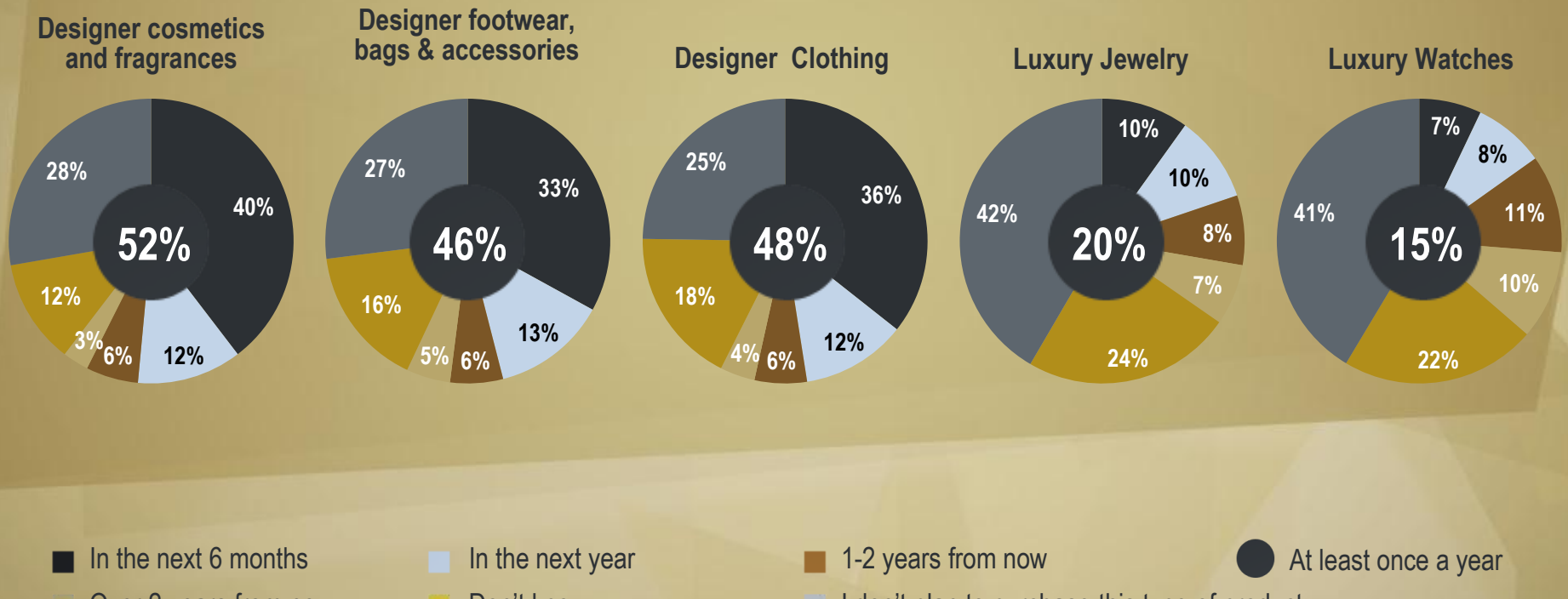
Source: CNN Consumer Connect – "Luxury " 2012
Base: All respondents worldwide from English CNN websites (3,058)

CNN consumer connect LUXURY

# PLAN TO PURCHASE LUXURY GOODS

When do you next plan to make a purchase within each of the following categories?

Half of respondents plan to purchase designer cosmetics and fashion goods every year
A fifth of them plan to purchase jewelry and 15% a luxury watch

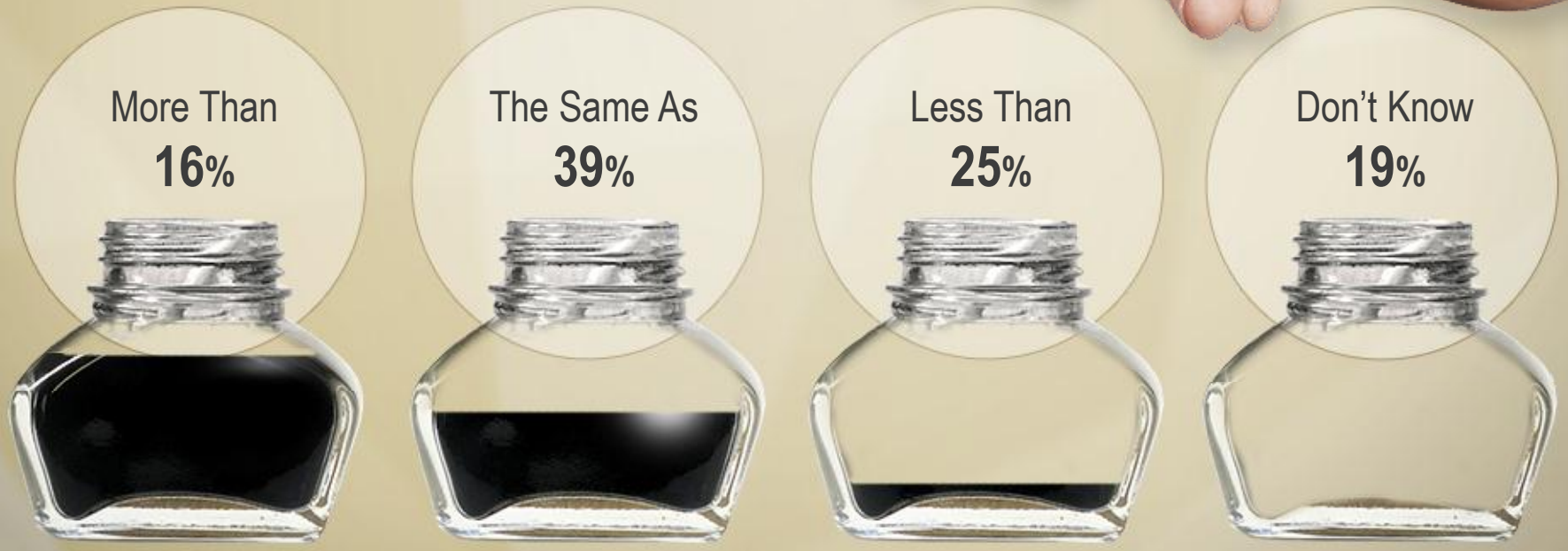



Source: CNN Consumer Connect – "Luxury " 2012
Base: All respondents worldwide from English CNN websites (3,058)

# SPENDING POWER

Respondents will continue to buy luxury goods, only a quarter of them are inclined to spend less compared to a year ago

In the coming 12 months, do you expect to spend more than, the same as, or less on Luxury Goods compared to the previous 12 months?




Source: CNN Consumer Connect – "Luxury " 2012
Base: All respondents worldwide from English CNN websites (3,058)

CNN consumer connect LUXURY

# PERSONAL LUXURY SOCIAL MEDIA

# LUXURY IN HOUSEHOLDS

Nearly a third own a holiday home/second home and fine furniture

Do you or someone in your household currently own any of the following? (Please select all that apply)

**35%**

**Jewelry/Watch** collection

**32%**

**Second** home/ **holiday** home

**28%**

**Fine furniture** (e.g. designer, antique furniture, etc.)

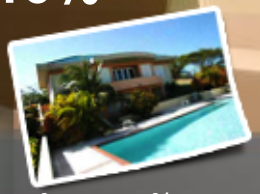
**27%**

**Art collection** (e.g. painting, drawing, sculpture, etc.)

**23%**

**Golf** equipment

**18%**



**Swimming pool/ whirlpool** at home

**18%**

**Wine/champagne** collection

**9%**

**Classic/ Antique car**

**7%**

**Yacht** or **motor** boat

**31%**

**None** of the above

Source: CNN Consumer Connect – "Luxury " 2012

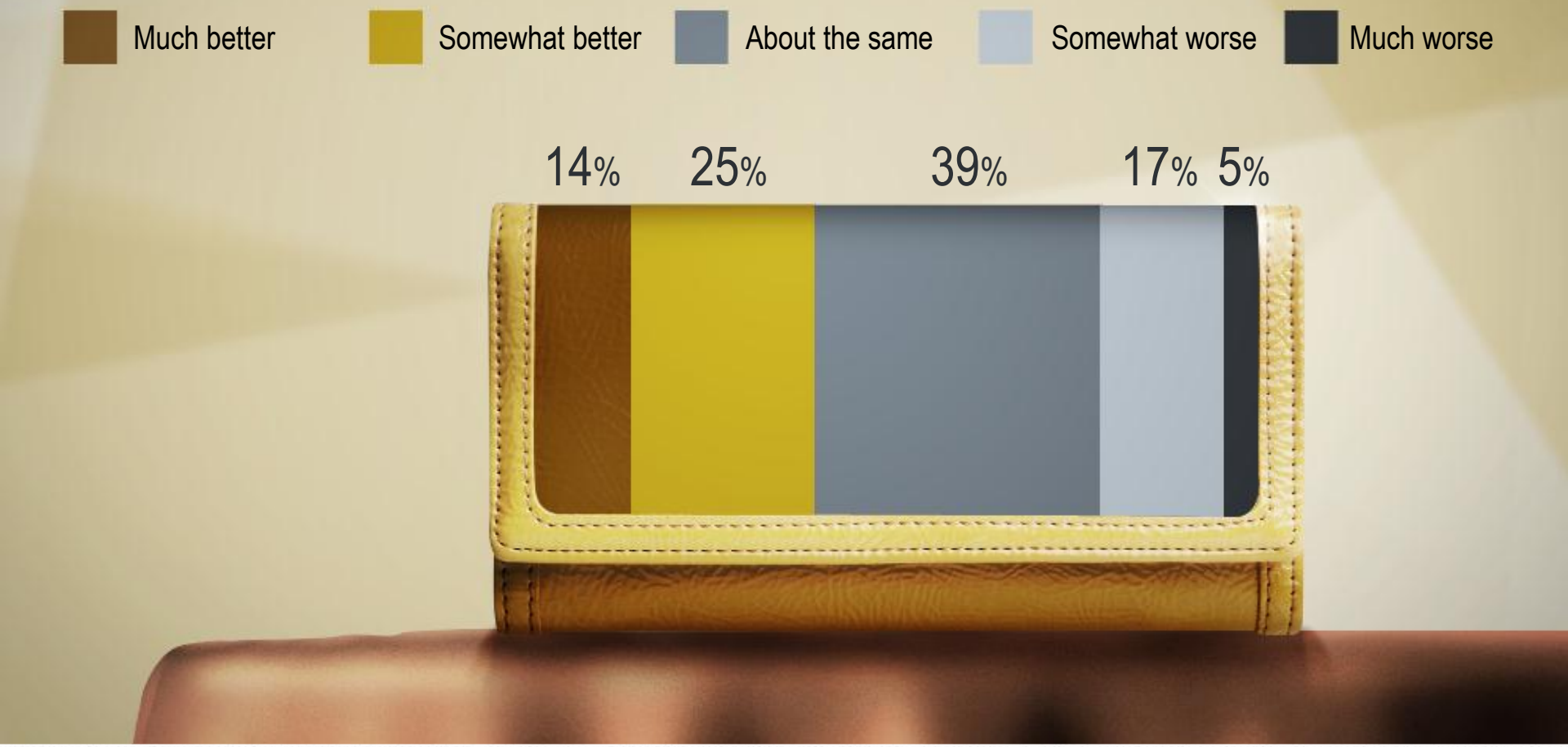
Base: All respondents worldwide from English CNN websites (3,058)

CNN consumer connect LUXURY

# PERSONAL FINANCIAL SITUATION

Overall, how do you feel your personal financial situation compares with this time 12 months ago?

Respondents are positive about the future, only 22% believe their financial situation is worse than same time a year ago




Source: CNN Consumer Connect – "Luxury " 2012
Base: All respondents worldwide from English CNN websites (3,058)

CNN consumer connect LUXURY

# SOCIAL MEDIA CONNECTIVITY

41% of respondents use social media to connect to their favorite luxury brands

Which of the following have you done on social networking or microblogging sites (e.g. Facebook, Twitter, LinkedIn, Youtube)

Search for information about luxury brands/products

**33%** http://

Become a follower of luxury brands/ “like” luxury brands

**17%** http://

Follow news of luxury brands

**17%** http://

Post/share news about luxury brands

**10%** http://

Download/use mobile/tablet apps from luxury goods brands

**8%** http://

Source: CNN Consumer Connect – “Luxury ” 2012
Base: All respondents worldwide from English CNN websites (3,058)

CNN consumer connect LUXURY

# HIGHLIGHTS

- **Expensive, high quality, designer and exclusive** are the key words used to describe luxury
- The most important decision factors for majority of luxury categories are **premium quality, superior design** and **durability.** However, through its **image**, **history** or **visibility**, the **brand** plays an important role across all categories
- Half of respondents plan to purchase designer cosmetics and fashion goods **in the coming year**
- The average amount respondents spent last year on their last luxury watch purchase was **$4,434**, luxury jewelry **$3,539**, luxury clothing **$1,947**, designer bags, footwear and accessories **$1,745**, and cosmetics and fragrance **$688**
- Respondents **continue** to buy luxury goods, only quarter of them are inclined to spend less compared to a year ago
- Nearly a **third** own a holiday home/second home and fine furniture
- **41%** of respondents use social media to connect to their favorite luxury brands

Source: CNN Consumer Connect – "Luxury " 2012
Base: All respondents worldwide from English CNN websites (3,058)

CNN consumer connect LUXURY