

The Global Luxury Survey

An in-depth report on the tastes and tendencies of affluent European consumers

Old masters at the game of luxury, Europeans enjoy a heightened consumer culture that dates from the silver and jewels of the late 17th century to the Hermès bags and Ferraris of today. Now, with the euro soaring, affluent Spaniards, Italians, French, British and Germans find themselves among the world's wealthiest consumers. As it turns out, they are equally discriminating and unique. Less interested in logos and trends—giddy status symbols on other continents—Europeans tend to regard luxury as a means of expressing their individuality and style while placing high value on authenticity and pedigree. This survey looks at Europeans ages 25 to 64 who are in the top 10% of household incomes—a statistical glimpse at their new luxury leanings.

This TIME Style & Design research is based on an online survey of 2,500 affluent adults from the U.K., France, Germany, Italy and Spain (ages 25 to 64, from Social Class A and with household incomes in the top 10% for their respective countries), conducted May 15-27, 2008, by Marketing & Research Resources Inc. Results for each country have a margin of error of ±4.4 percentage points.



Loewe's Barcelona flagship

Spain

The Next Big Spenders

Who They Are Affluent Spaniards are poised to become the Western world's next high-end superconsumers. Compared with their European counterparts, they have the highest interest in owning luxury products in the future, outranking the French, British, Italians and Germans in their desire for spa and beauty treatments, designer jewelry and watches, designer apparel, designer fragrances and beauty products and designer accessories. They tend to be married (66%), work full time (82%) and live in the capital or metropolitan areas (52%). While their median household income is the lowest of those surveyed (€68,278), together with Italians they own and use the most luxury goods and services. They consider buying luxury very important and splurging on luxury goods a reward for hard work.

Luxury Means ...

More than any other European, Spain's affluent consumer associates "exclusive or limited edition" with luxury **fashion** and **accessories**

- Expensive **55%**
- High fashion **55%**
- Exclusive or limited edition **53%**
- Well designed **48%**

Spain has the greatest percentage of 'über lux' consumers, those with extremely high incomes and luxury involvement

Best-Known Luxury Brands

These brands have the highest recognition factor among Spain's affluent consumers. Fashion doesn't figure into the mix just yet

- Rolex
- Mercedes-Benz
- Ferrari
- BMW
- Porsche



Where They Shop for Fashion And Accessories

Affluent Spaniards prefer standard department stores to high-end ones; boutiques rank second

- Department store **51%**
- Boutique **36%**
- Chain retail store **29%**

Brand Interest and Ownership

While Spanish consumers are more likely to own French, American and British **fashion** and **accessories**, they consider Italian brands most desirable

WHAT THEY OWN:	WHAT THEY WANT TO OWN:
Lacoste 63%	Valentino 29%
Calvin Klein 58%	Versace 29%
Burberry 57%	Louis Vuitton 29%
Hugo Boss 48%	Prada 28%
Ralph Lauren 45%	Oscar de la Renta 25%

Fashion and Accessories Purchased in the Past Six Months

Spaniards are more likely than their European counterparts to purchase lingerie, but it's not a priority

- Shoes **49%**
- Sunglasses **46%**
- Shirts/Blouses **41%**

Italy

Show-Off Shoppers

Who They Are Italians in the upper economic echelons are Europe's most extravagant and involved luxury consumers. They own and use more luxury goods and services than do any of their counterparts, spending the most on designer accessories, designer fragrances and beauty products and designer fashion. With the passionate belief that luxury goods help them express their individuality, they are most likely to buy on impulse and consider themselves "in the know" regarding luxury. As full-time workers (82%) with the highest-valued investment portfolios (€50,130) and primary residences (€484,687), they are most likely to have bought a fashion item in the past six months. And they're the most Internet-savvy at scoping the latest in luxury.

Luxury Means ...

Italians are not shy about their love of style. One of the attributes they most commonly use when describing luxury **fashion** and **accessories** is "high fashion"

- Expensive **49%**
- High quality and craftsmanship **48%**
- High fashion **46%**
- Prestigious image **43%**

Wealthy Italians own more brands than any of their counterparts and outspend them on pricey watches and jewelry

Best-Known Luxury Brands

The following brands have the highest recognition among affluent Italians. Luxury automotive manufacturers dominate the list

- Mercedes-Benz
- Ferrari
- BMW
- Rolex
- Cartier



Where They Shop for Fashion And Accessories

Least likely of all Europeans to shop in department stores, the wealthiest Italians flock to boutiques, followed by chain retail stores

- Boutique **47%**
- Chain retail store **43%**
- Outlet store **31%**

Brand Interest and Ownership

When shopping for luxury **fashion** and **accessories**, affluent Italians buy French, Italian and American brands, but they covet MADE IN ITALY labels

WHAT THEY OWN:	WHAT THEY WANT TO OWN:
Lacoste 68%	Valentino 25%
Giorgio Armani 55%	Prada 24%
Calvin Klein 48%	Hermès 23%
Ralph Lauren 45%	Tod's 23%
Chanel 43%	Ferragamo 23%

Fashion and Accessories Purchased in the Past Six Months

Using luxury goods to express their individuality, Italians love shoes and, more than anyone else, wallets

- Shoes **56%**
- Sunglasses **48%**
- Handbags/Briefcases **41%**



Flamboyant Italian luxury from Gucci's fall runway



Inside Galeries Lafayette in Paris

France

Style Elitists

Who They Are The French practically invented the notion of luxury in the 17th century, and in the 18th century, when Marie Antoinette took up residence at Versailles, she added her own twist to the genre. But today's affluent French consumers are more careful with their "cake." They like to spend on nice hotels and good cars. And when they buy apparel and accessories, they invest in high fashion, prestigious image and status. Among those surveyed, wealthy French consumers are the most highly educated (76% are university graduates), and like the Italians, they feel that being stylish is important to their self-confidence. That said, they would rather invest in a few luxury items than in many less expensive products. When given a choice, they also choose French brands.

Luxury Means ...

When it comes to **fashion** and **accessories**, affluent French consumers say they prefer to spend more on a few high-end luxury goods than many items of lesser quality

- Expensive 63%**
- Prestigious image 58%**
- High fashion 57%**
- Status symbol 51%**

The French have the most nationalistic attitude, preferring to buy brands made in their home country

Best-Known Luxury Brands

Only a quintessentially French luxury brand like Dior could top the list of brands that have the highest recognition factor among affluent French consumers

Christian Dior
BMW
Porsche
Rolls-Royce
Jaguar

Dior

Where They Shop for Fashion And Accessories

Boutiques and high-end department stores are still the top shopping destinations for French luxury consumers. But the Internet is catching on quickly too

Boutique 44%
High-end department store 37%
Internet 22%

Brand Interest and Ownership

No surprise that French brands like Chanel, Dior, YSL and Louis Vuitton top the lists of what affluent French consumers own in the **fashion** and **accessories** categories

WHAT THEY OWN:	WHAT THEY WANT TO OWN:
Lacoste 55%	Louis Vuitton 29%
Hugo Boss 49%	Prada 28%
Chanel 47%	Gucci 28%
Dior 47%	Versace 28%
Yves Saint Laurent 43%	Giorgio Armani 24%

Fashion and Accessories Purchased in the Past Six Months

The French are second only to the Italians in terms of how much they will spend on a given fashion or accessory item

Shoes 38%
Sunglasses 33%
Handbags/Briefcases 28%

U.K.

Careful Consumers

Who They Are Affluent British luxury consumers boast the highest median household income (€93,675) among Europeans and, like the Italians, have a high awareness of luxury brands. When it comes to shopping for luxury goods, though, U.K. consumers are the least likely to reach for their wallets. Some of the attributes that can inspire them to spend, they say, are quality and design. In the future, if they shell out big bucks, British consumers say they will be more likely to spend on luxury travel, dining and entertainment and high-end home entertainment. They also like to treat themselves to fine wines and spirits.

Luxury Means ...

The attribute most often associated with luxury **fashion** and **accessories** is "expensive," but "high quality" and "well designed" are also commonly cited

Expensive 64%
High quality and craftsmanship 57%
Well designed 55%
Prestigious image 47%

40% of affluent British consumers will spend less on luxury goods in the next year because of the economy



London's Old Bond Street

Best-Known Luxury Brands

These are the five brands that have the highest recognition factor among affluent British luxury consumers. Automotive brands rate higher than fashion and accessories

BMW
Ferrari
Porsche
Rolls-Royce
Calvin Klein



Where They Shop for Fashion and Accessories

Department stores are still the most popular shopping destinations for luxury goods in the U.K.

High-end department store 29%
Department store 28%
Internet 19%

Brand Interest and Ownership

When purchasing **fashion** and **accessories**, affluent British consumers are more likely to choose American, French or German brands

WHAT THEY OWN:	WHAT THEY WANT TO OWN:
Calvin Klein 42%	Louis Vuitton 21%
Chanel 38%	Prada 18%
Yves Saint Laurent 38%	Giorgio Armani 17%
Hugo Boss 38%	Gucci 17%
Ralph Lauren 32%	Chloé 15%

Fashion and Accessories Purchased in the Past Six Months

Compared with Italian, Spanish and French consumers, the British are less likely to buy luxury goods. When they do, they favor shoes and sunglasses

Shoes 28%
Sunglasses 26%
Handbags/Briefcases 22%

Germany

Cars Are Their Stars

Who They Are Leave the handbags, fine jewelry and watches to the Italians and the French. When it comes to luxury, affluent German consumers are focused on cars. Among the top 10 brands German luxury consumers listed as ones they would like to own, seven were automotive, including Audi, Porsche, Mercedes-Benz and BMW. That might be because affluent German consumers tend to live outside major metropolitan areas (only 22% of them live in cities) or because compared with other affluent Europeans, Germans spend the least on their primary residences (€282,276). Either way, fashion and accessories are not as important to them, nor are beauty products. But like most affluent consumers in Europe, they equate leisure travel and high-end automobiles with luxury.

Luxury Means ...

Affluent German consumers associate luxury **fashion** and **accessories** with status and exclusivity as well as items that are "expensive" and "high quality"

- Expensive 57%**
- High quality and craftsmanship 45%**
- Status symbol 44%**
- Exclusive or limited edition 40%**

Magazines are the No. 1 source of information about luxury goods in all these countries except Spain



Audi is the luxury brand affluent Germans say they would most like to own

Best-Known Luxury Brands

It's no secret that German consumers love cars. So it makes sense that when asked to name the luxury brands with the highest recognition factor, Germans singled out automotive brands in the top four slots

Porsche
Mercedes-Benz
Ferrari
BMW
Lacoste



Where They Shop for Fashion and Accessories

Affluent German shoppers tend to stick to luxury boutiques as opposed to department stores. After the French, Germans are the most likely to splurge for luxury goods on the Internet

Boutique 33%
Internet 21%
Outlet store 21%

Brand Interest and Ownership

When it comes to buying luxury **fashion** and **accessories**, Germans favor their native brand Hugo Boss. But what they aspire to fill their closets with is a different story: the list is entirely Italian

WHAT THEY OWN:	WHAT THEY WANT TO OWN:
Hugo Boss 56%	Versace 19%
Calvin Klein 42%	Giorgio Armani 19%
Lacoste 36%	Prada 17%
Chanel 36%	Gucci 17%
Giorgio Armani 29%	Valentino 16%

Fashion and Accessories Purchased in the Past Six Months

They may be the least interested in luxury, but affluent German consumers still have to buy shoes

Shoes 33%
Shirts/Blouses 28%
Sunglasses 23%