

Executive Summary

What Leaders Want:

Mapping the Luxury Mindset

It's not enough to know which luxuries leaders are purchasing. If luxury brands want to connect with and sell to leaders, they need to go beyond demographic information and analytics data; they have to understand what leaders think and feel.

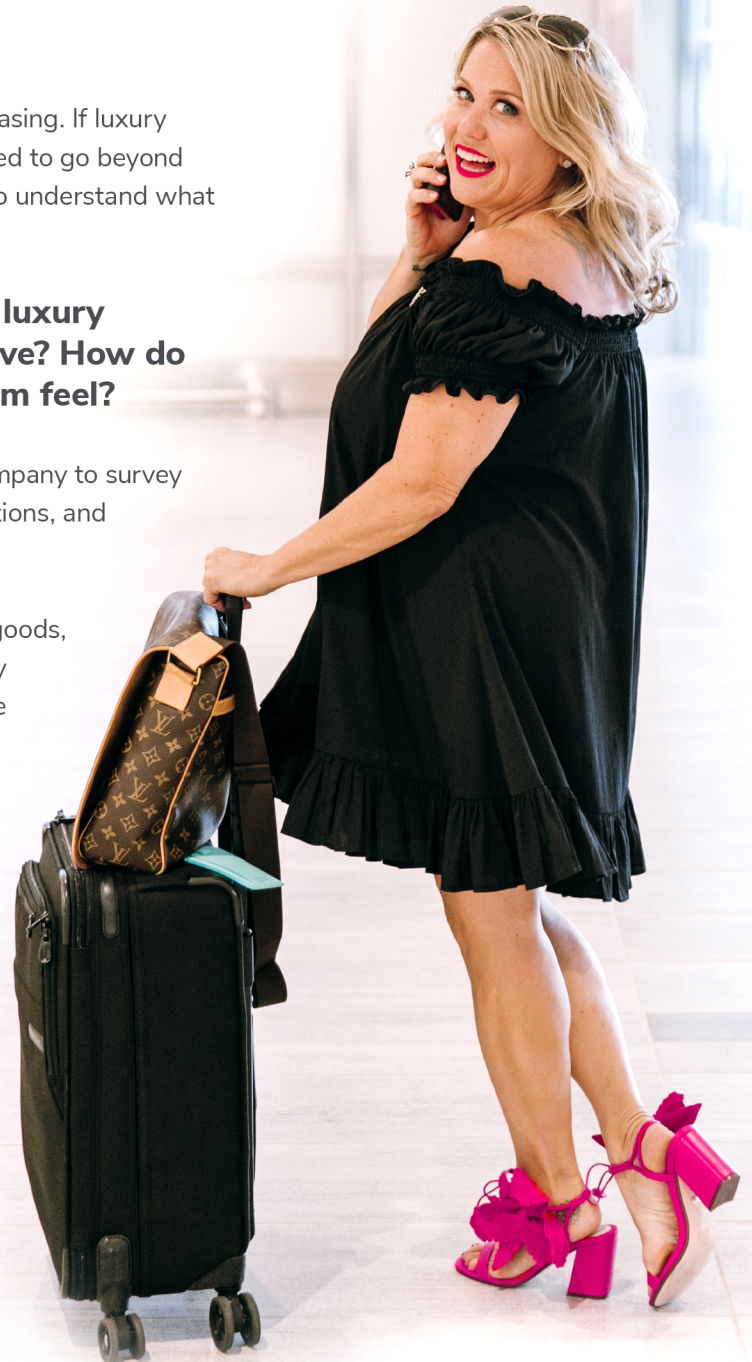
How comfortable do leaders feel making luxury purchases? What are they trying to achieve? How do they want luxury purchasing to make them feel?

In 2022, we partnered with an independent research company to survey over 400 professional leaders about their beliefs, perceptions, and feelings about luxury.

All are professional leaders who have purchased luxury goods, services, and experiences before, and the results not only give us a statistically reliable view into the minds of these leaders—it gives us some fascinating insights.

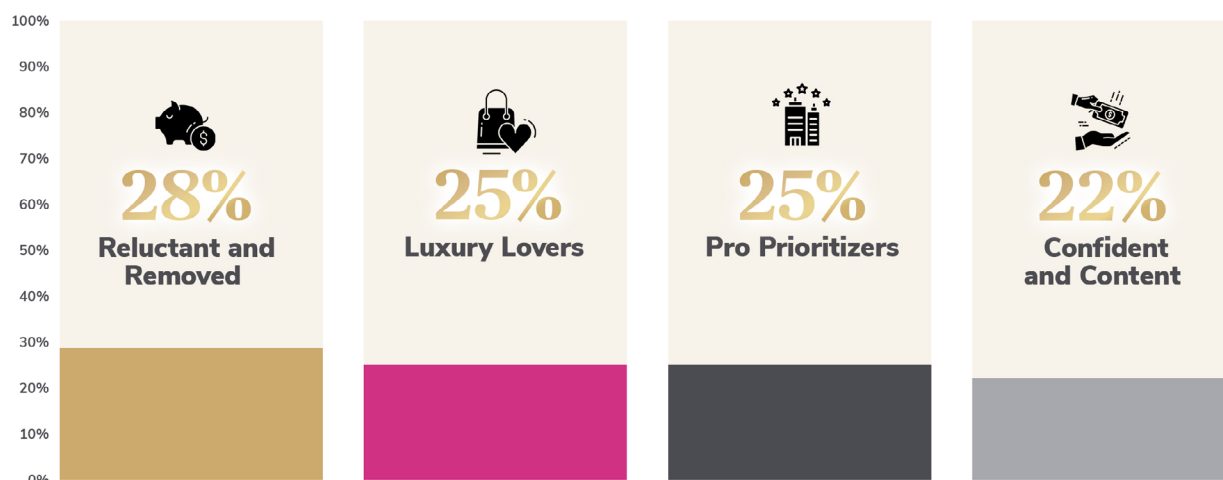
For the first phase of our research we narrowed in on women leaders—women control more than \$10 trillion (about 33%) of total U.S. household financial assets, and, over the next three to five years an unprecedented amount of assets will shift into the hands of U.S. women, representing \$30 trillion by the end of the decade.

Understanding the mindset of this demographic is key for brands as they look towards harnessing its purchasing power in the years to come.



Attitudinal Segments

My research revealed four very different segments of leaders based on their attitudes about buying luxury products, services, and experiences. All of these types of leaders are familiar to me, and I'm delighted to share them with you so that your brand can resonate with and support them! **Here they are!**



Reluctant & Removed 28%

“Luxury is hard.”

A Reluctant & Removed leader avoids luxury purchases because they feel guilty, overwhelmed, or because they believe luxury brands do not understand them.

They feel unsure of themselves when purchasing luxuries and consult others when spending money. They struggle to prioritize luxury in their life and justify spending money on luxury for themselves.

Leaders like them have too many responsibilities to make luxury a priority. There are so many decisions for them to make, it's hard to choose luxury.

Luxury is out of their comfort zone! And they expect to feel a little uncomfortable when purchasing luxuries; it's all part of it for them. When they do purchase luxuries, it's a secret. They worry what others will think of them if they find out they purchased a luxury.



Luxury Lovers 25%

“I’m worth it.”

A Luxury Lover is the leader you see draped in luxury and telling everybody they know all about it! They’re the leader who tells their friends they deserve to spend on some luxury for themselves. These leaders believe leaders deserve luxury.

Not only do they incorporate it into their everyday life, but they believe doing so improves your quality of life.

Unsurprisingly, they say they’re more confident than other leaders when deciding to purchase luxury goods, services, or experiences. If they decide on a luxury they want, nobody can talk them out of it.

The more they make luxury a part of their life, the more confident they feel.



Pro Prioritizers 25%

“Luxury is power.”

A Pro Prioritizer is the leader you see who dresses for success. For them, luxury purchases are part of their professional development.

They believe women are under more pressure than men to succeed in leadership positions. They’re a team player and leader’s leader; they say the best way to make an impact professionally is to help other leaders advance to your level.

Female leaders like them want to prove they can reach the same level of success as their male counterparts. If you ask them, they would tell you women should be more confident when it comes to their professional development.

They’re practical about luxury brands and want to buy from ones they can rely on year after year. It’s important to them for luxury brands to consider their social and environmental footprint.



Confident & Content 22%

“I’ve got this.”

A Confident & Content leader is happy with their work and personal life.

Luxury isn’t a top priority for them, and they don’t believe it needs to be expensive. When they do make purchases, they’re comfortable and confident in their abilities.

They say they do a good job of promoting themselves and their contributions in their organization. Leaders like them believe most leaders can learn professional confidence if they want to.

What Leaders Have In Common

As you can see above, leaders differ a lot with how they feel about luxury purchases. But they have a lot in common too! All these different types of leaders **strongly agree** with the following statements:

- “I use luxury items, or experiences, to reward myself for hard work.”
- “I want more options for luxury goods, services, and experiences.”
- “My financial position affords me a position of privilege.”
- “Luxury can be experienced by leaders at any income level.”
- One of the most important points of agreement from all leaders is that they use “luxury as a reward” and some believe it makes them “more confident and improves their quality of life.”

Paying attention to the language brands use in their marketing assets and sales conversations is key to appealing to these influential decision makers and understanding the mindset of these leaders and what is influencing their decision.

All of these types of leaders are present in all age groups. Most of them are married (69%) and most have a college degree or beyond—71% have a Bachelor’s or a Master’s degree. They have a wide range of household incomes, and many—69%—contribute 51% or more to their household income. Virtually all make major financial contributions to their households.

Brands can consciously focus their messaging directly to these leaders knowing they are making major decisions in their household.

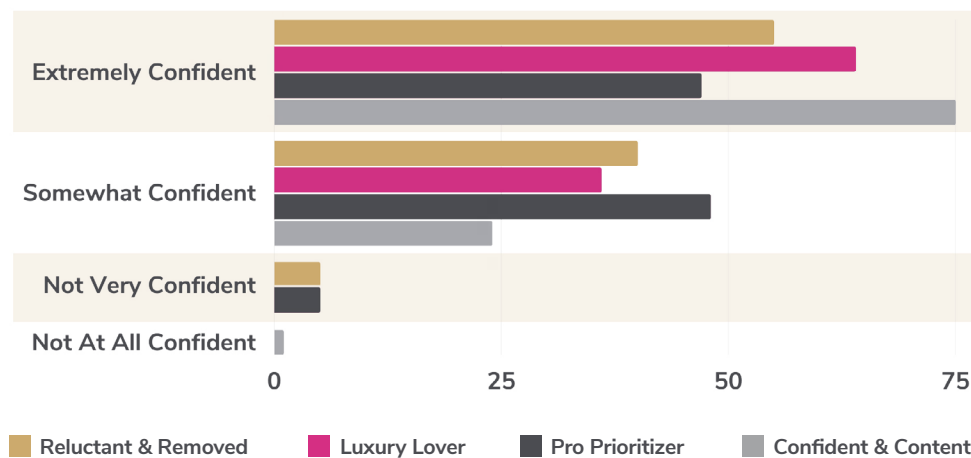
Working Leaders

The leaders we surveyed are all professionals, and I wanted to understand if they have different professional experiences and how they feel about those experiences. Here's what I found out.

Most leaders—75%—are in leadership positions at work. And 42% of leaders who aren't currently leaders are working towards becoming one. There are no differences between the job levels and responsibilities based on segment—they might be a CEO, a Director, or a Manager, and they're purchasing luxury products, services, and experiences!

Most leaders are working in the work environment they like. For example, 31% of leaders are working remotely and prefer remote work. Only 4% say they're working remotely but would prefer to return to the office.

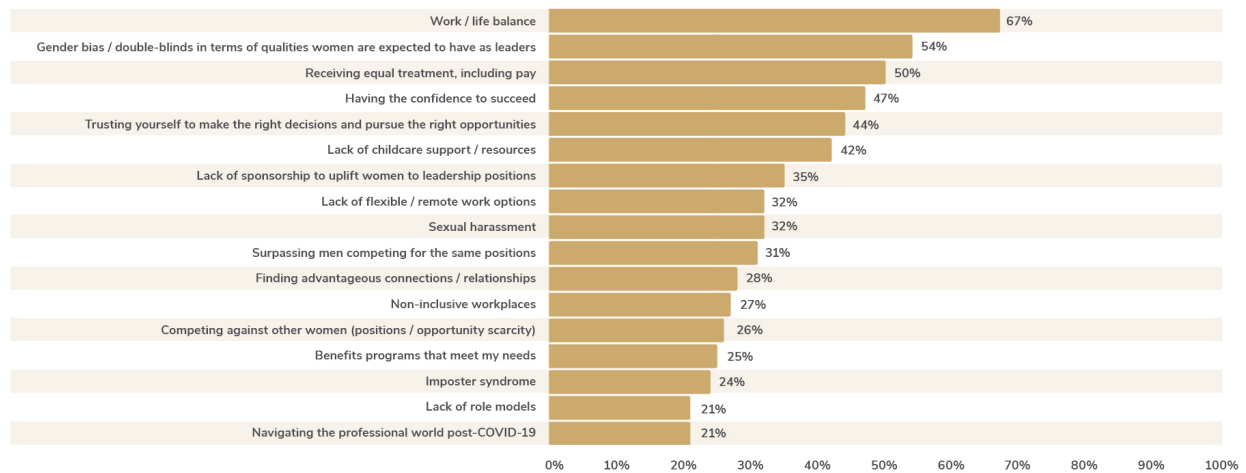
What I want you to take away from this section is that these leaders are confident! 60% say they're extremely confident in their professional development. But confidence depends on what type of leader they are. Pro Prioritizers are less likely to be **extremely confident**, while Confident & Content are more likely.



But their success hasn't been easy. The majority—67%—say finding work/life balance is a significant challenge for their professional development. Half of respondents say gender bias impacts their careers. These are powerful female leaders, and yet they still feel like they're trying to break through the glass ceiling.

Pro Prioritizers, who are the most likely to pair professional development with luxury purchases, are more likely to cite any professional development challenges.

Biggest Challenges Facing Women in Their Careers



Brands wanting to appeal to professional leaders should pay close attention to their messaging, imagery, and clearly state why their product or service will advance this leader's career and/or image within their workplace and industry. It is important to be aware that this leader often mentors other leaders within their organization and/or industry—if they enjoy your offering they are likely to share their experience with others, especially if they are a Luxury Lover or Pro Prioritizer.

The Luxuries Leaders Buy

Luxuries come in three categories: goods, services, and experiences. And leaders are engaging with these luxury types in different ways. It's not a competition, but if it were, luxury experiences would come out on top!

Airline tickets were purchased by 78% of leaders in the last year. And 50% say they've purchased luxury vacations including travel packages, accommodations, or experiences.

Leaders understand luxury travel and experiences create memories that last a lifetime with people who are important to them. They know these vacations are a reward for their hard work and want to share them with others.

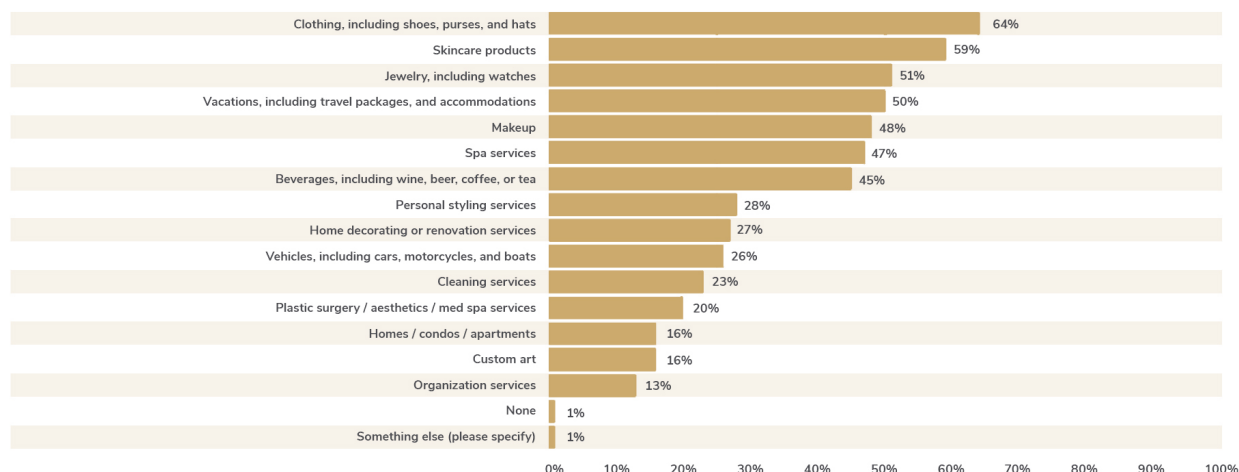
Now let's look at our types of leaders. Reluctant & Removed leaders are least likely to purchase any luxury goods, services, or experiences, which makes sense since they have a hard time indulging in luxuries.

On the other hand, Luxury Lovers embrace all kinds of luxuries. They bought it all.

Pro Prioritizers are more likely to purchase clothing, skincare, vacations, makeup, and luxury vacations—all items related to making an impression. Remember, they're all about their professional presence, and their luxury purchases reflect that.

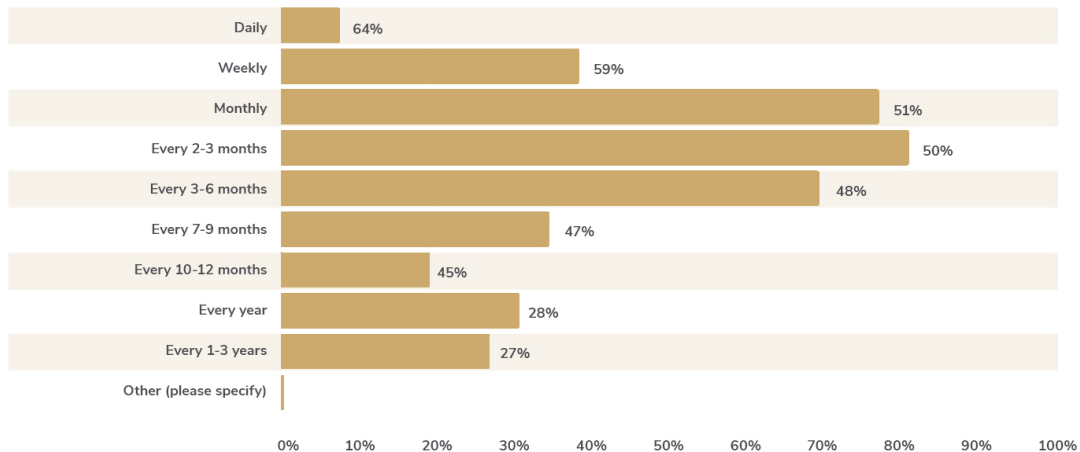
Confident & Content purchase a wide range of luxury items.

Luxury Good Types Purchased



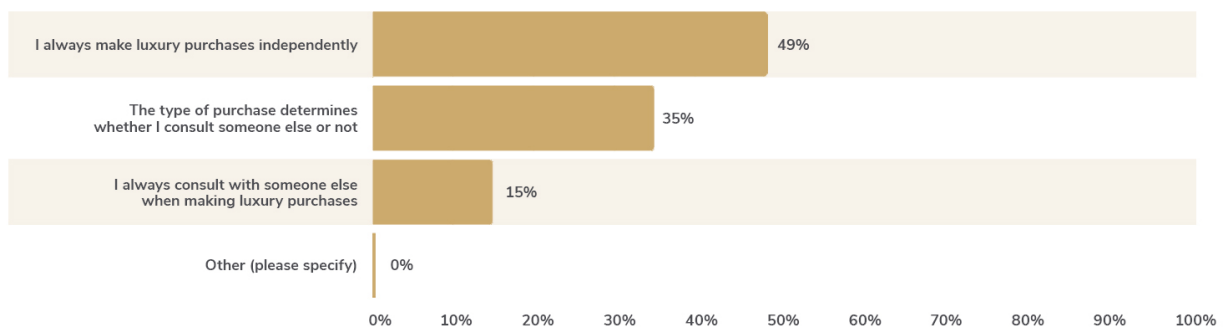
If you want to sell to leaders, you have to know when and how they make luxury purchases. While one in 10 leaders purchase luxuries weekly, 60% of purchase luxuries every one to six months.

Luxury Purchase Frequency



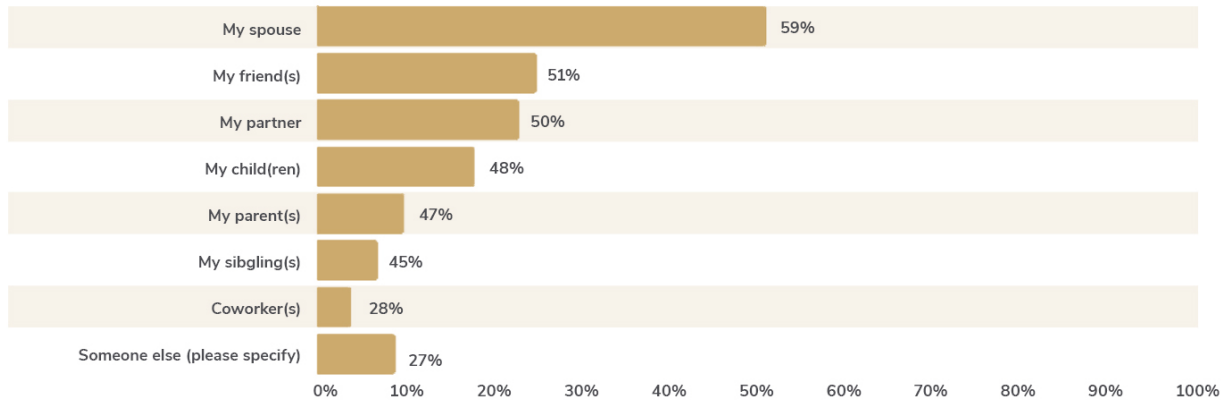
Most of these leaders can pay for luxuries using their own credit or debit cards, checkbooks, or digital wallets—82% have their own bank accounts. And many make luxury purchases without anybody's input. 49% of respondents say they always make luxury purchases independently. For 35%, the type of purchase determines whether they talk to somebody else or not before going forward with it. Not surprisingly, Luxury Lovers are significantly more likely to make purchases independently.

Final Decisions for Luxury Purchases



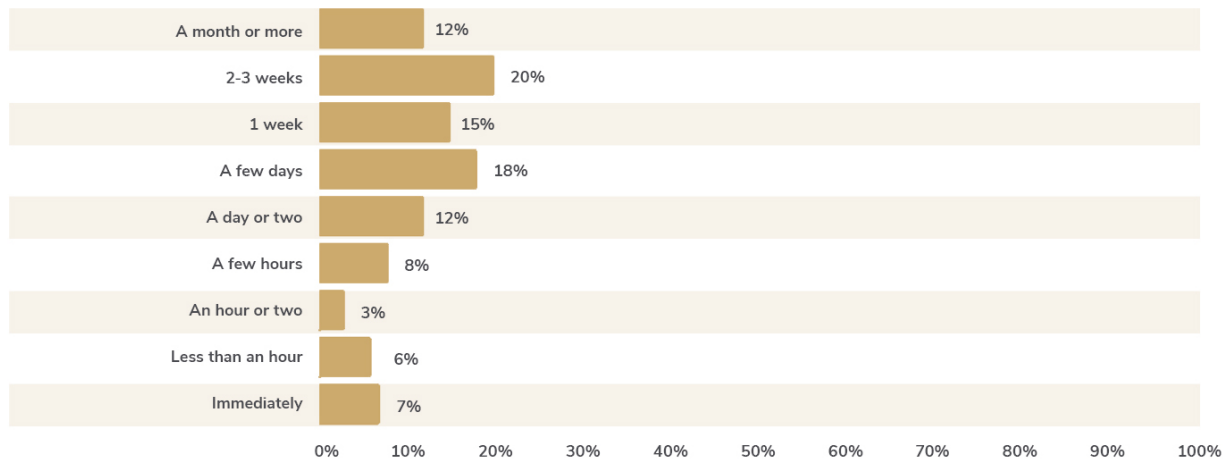
When leaders do ask for input from somebody else, 51% say they turn to their spouse when making luxury purchases.

Luxury Purchase Influencers



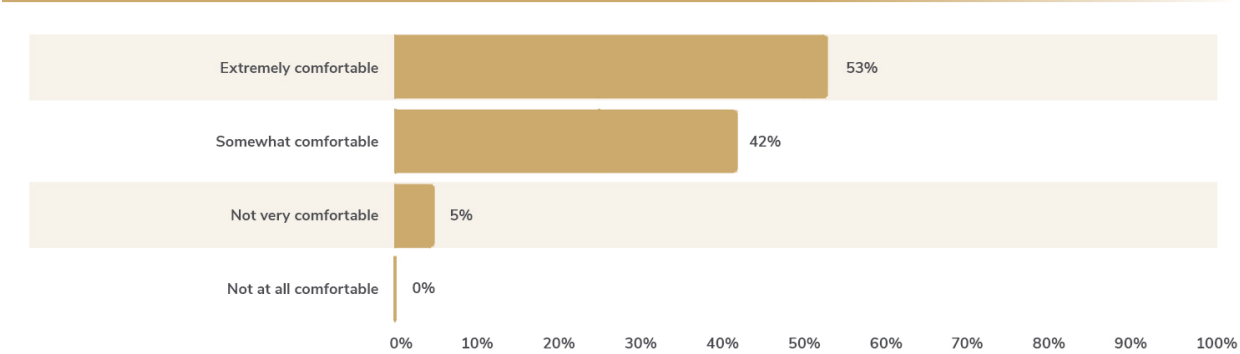
Purchasing luxuries can take time. 45% take anywhere from a few days to a week to decide to purchase a luxury valued less than \$500. Reluctant & Removed leaders are more likely to take a month or more.

Time Frame for Considering a <\$500 Luxury Purchase Before Buying



But despite their differences, 95% of leaders are at least somewhat if not extremely comfortable making luxury purchases. Reluctant & Removed are less likely to be comfortable with luxury purchases compared to the other leaders.

Comfort Making Financial Decision to Purchase Luxuries



Leaders not only understand that luxury is a reward for their hard work, they also want to enjoy the experience of purchasing from luxury brands. Brands can create advocates with these leaders by paying close attention to the quality of the product and the details of the buying experience through personalization, customization, unique experiences, and exclusive opportunities, especially for the Luxury Lover and ProPrioritizer. This might be as easy as offering a glass of champagne while shopping in your store, or a private, dedicated space to share with others while experiencing your service.

Brands can get creative by hosting exclusive invitation only events where leaders can bring a friend or opening their retail space early to shop their products before others.

With 75% of the leaders in this research study holding leadership positions, brands can offer them exclusive opportunities to involve their team or other leaders they mentor or guide.

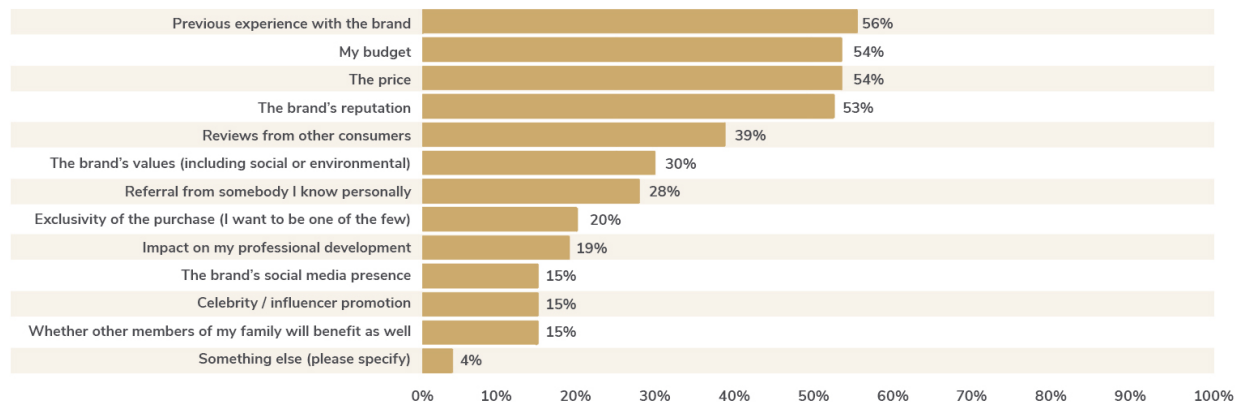
What Inspires Them to Buy

Leaders who buy luxury are more likely to make purchases if they're familiar with a luxury brand. 56% say previous experience with a brand most influences their luxury purchases, followed by budget (54%) and price (54%).

These leaders come from all different income levels, and many of them are thinking about the bottom line. They have different ways of engaging with luxury brands, but they still care whether they're getting their money's worth.

Luxury Lovers are less likely to be influenced by the price or their budget and more likely to be influenced by the exclusivity of the purchase. They want luxuries nobody else has.

Factors Influencing Luxury Purchase Decisions



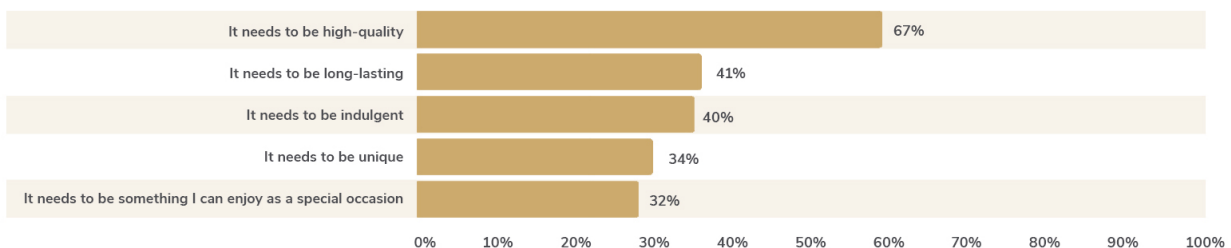
Staying top of mind with professional leaders requires brands to balance a variety of communication modes. Regular touchpoints through digital and physical communication and always remembering professional leaders have busy calendars, full lives, and juggle personal and professional commitments are key to success. To create the best client experience for Luxury Lovers brands need to focus on unique and exclusive opportunities, while ProPrioritizers should be targeted with highlighting how their product or service will help advance image or careers.

What Makes It Luxury

You know that these leaders don't consider something a luxury just because it's expensive. But what do they consider a luxury?

63% say what makes something a luxury is that it's **high-quality**. Pro Prioritizers are even more likely to say this. Luxury Lovers are more likely to prefer long-lasting, unique, and exclusive luxuries.

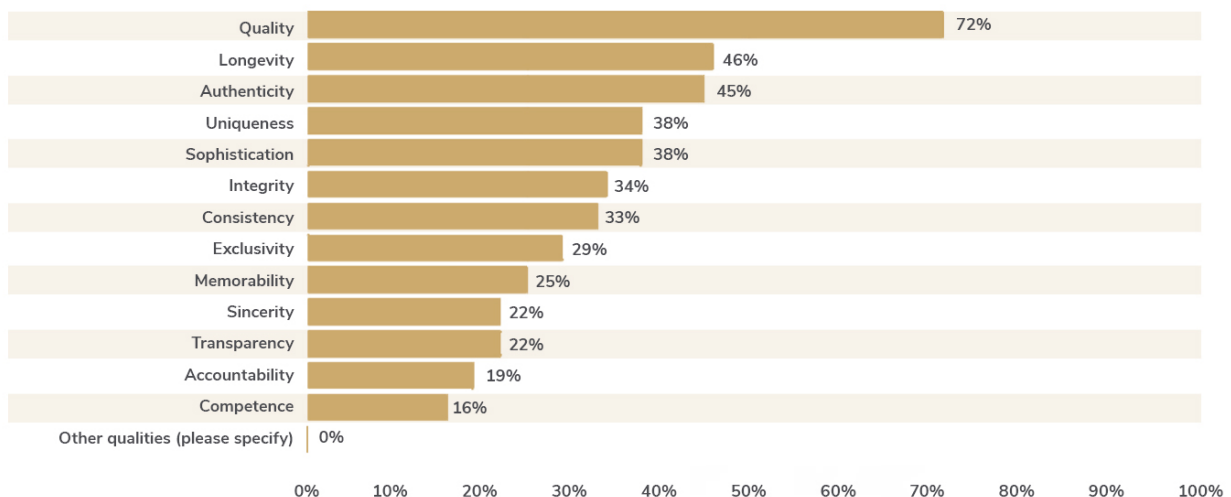
Luxury Qualities



Now let's take that a step further. 72% of leaders say the top quality they value in a luxury brand is quality. So, what makes something a luxury is **quality** and what they value most in luxuries is quality. If you're not thinking about quality as part of your brand identity, you need to be!

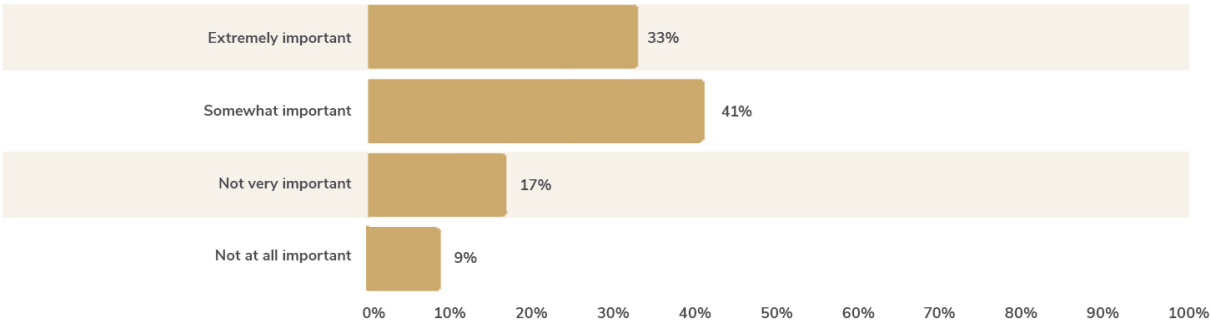
Pro Prioritizers value quality too, but longevity, authenticity, and sophistication are important to them too—and more so than other leaders. So if you're targeting Pro Prioritizers, these qualities should be part of your brand building.

Qualities Most Valued in a Luxury Brand



Let's end on a positive note! 74% of leaders say it's somewhat or extremely important to them that the luxury brands they buy from are perceived positively by others. Luxury Lovers and Reluctant & Removed respondents are more likely to say it's extremely important to them. Leaders want a buying experience that takes reputation into consideration. They're not going to buy from a brand that went viral for negative publicity, even if they like the product.

Importance for Luxury Brands to Be Perceived Positively



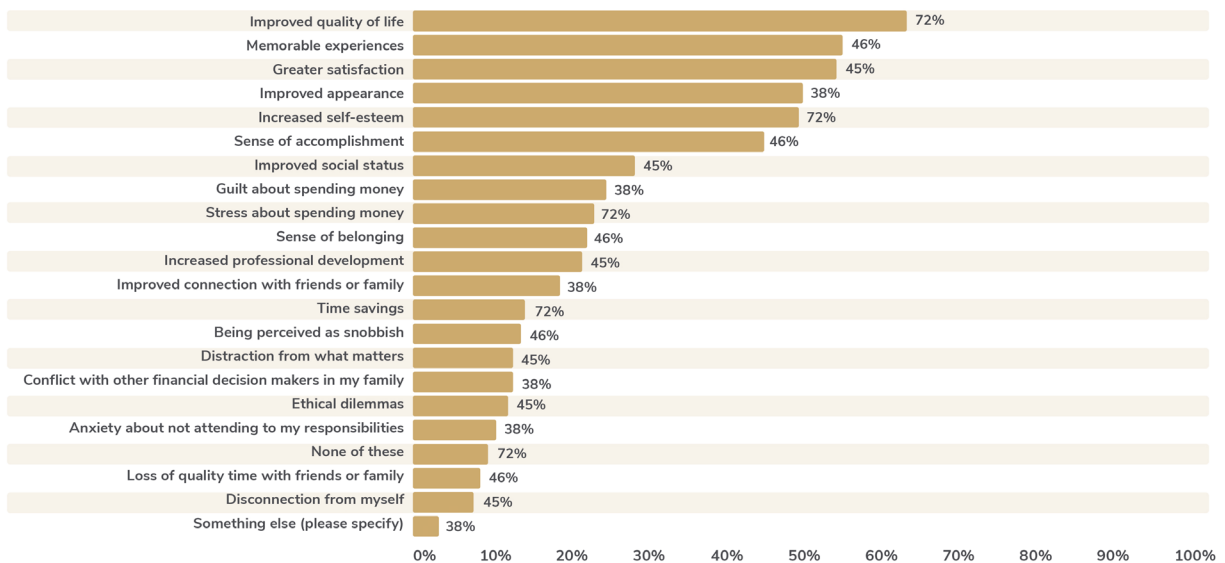
Brands can appeal to professional leaders explaining that their products are high quality, long-lasting, and demonstrate sophistication. Professional leaders value their reputation so they will recommend your luxury brand if they feel you are offering an exclusive, authentic, and memorable experience.

How Luxury Makes Leaders Feel

People buy with their emotions. So you need to know what leaders feel when they purchase luxuries. That way, you can speak to those feelings and create them with your products, services, and experiences.

Leaders share a wide range of feelings and experiences as a result of luxury purchases. The common answers are improved quality of life, memorable experiences, and greater satisfaction.

Experience as a Result of Luxury Purchases



Before you act on these insights, the different types of leaders from my research feel different things when they purchase luxury.

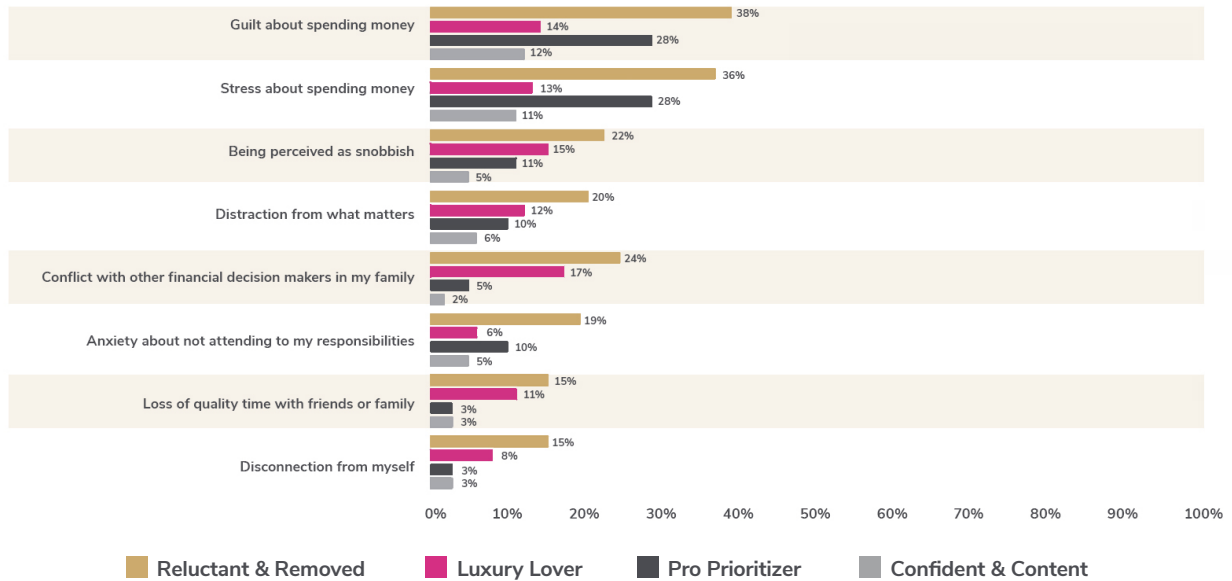
Reluctant & Removed are more likely to cite negative reactions to luxury purchases compared to other segments, such as guilt about spending money.

Luxury Lovers are more likely to say luxury makes them feel a sense of accomplishment and improved social status.

Pro Prioritizers are more likely to say luxury improves their appearance and self-esteem.

Confident & Content respondents experience improved quality of life, memorable experiences, and greater satisfaction, but are less likely to cite any other emotions or experiences.

Experience as a Result of Luxury Purchases



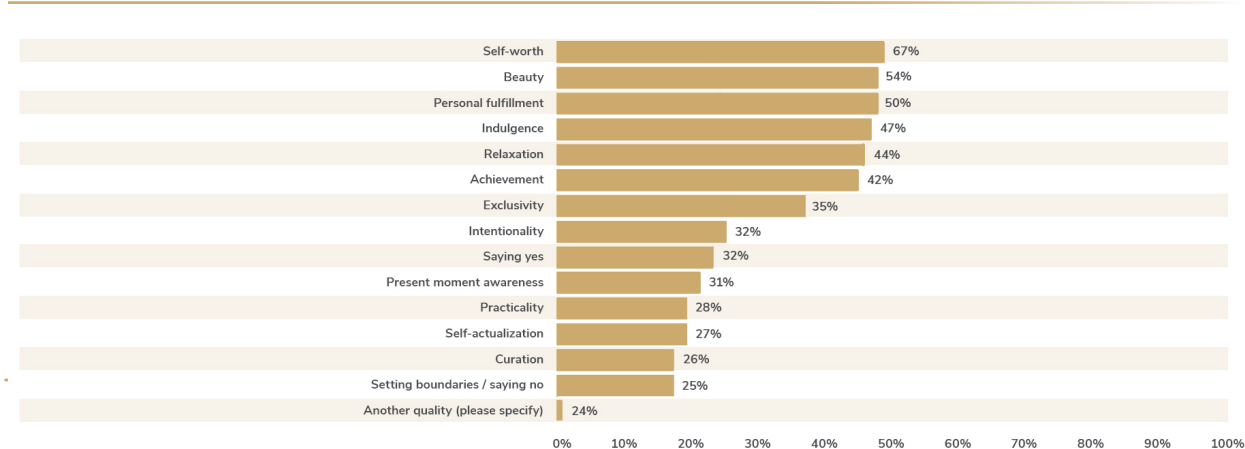
For professional leaders to experience your brand in a memorable way consider the words used to describe it, the imagery shown to convey it, and, if you want to appeal to the Reluctant & Removed, consider how your offering will help make their lives easier so they don't feel a sense of guilt when purchasing from you.

The Luxury Mindset

What is a luxury mindset? And is the definition different for different types of leaders?

Leaders associate a luxury mindset with self-worth, beauty, personal fulfillment, indulgence, relaxation, and achievement. Pro Prioritizers are more likely to associate a luxury mindset with indulgence.

Luxury Mindset Qualities



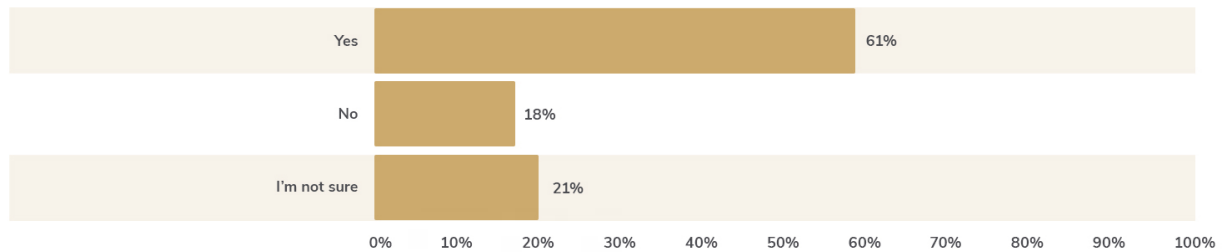
As a luxury brand, understanding the connection between a leader’s identity and self-worth and how your product, service or experience will help them feel more fulfilled, make the world (or them) feel more beautiful, and how it is a demonstration of their achievements personally and professionally is key to your success in attracting and retaining them as loyal clients.

Brands can encourage leaders to indulge occasionally and treat themselves as the reward for hard work. Appealing to the luxury mindset using luxury language to demonstrate the qualities leaders seek and social consciousness of your brand and the contribution you are making in the world will get a leader’s attention.

What Luxuries Leaders Plan to Purchase In 2022

As COVID-19 becomes endemic, travel is back in style, and the outlook for luxury travel looks good in 2022! 61% of leaders say they expect to purchase luxury travel this year.

Expect to Purchase Luxury Travel in 2022



Luxury Lovers, who buy all different kinds of luxuries, are statistically more likely than Pro Prioritizers to say they plan to purchase luxury travel this year.

These leaders prioritize luxury experiences (vacations, private tours, hiring a celebrity for an event), slightly more than luxury goods, luxury services, small luxuries, or large luxuries. And that's true for all types of leaders.

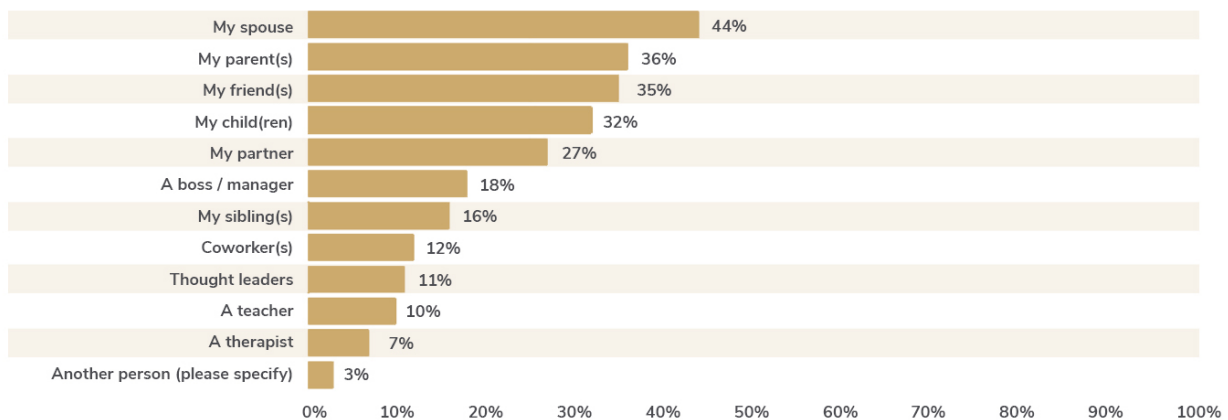
Who and What Influences Them

Since one third of leaders consult somebody else in their life before making certain luxury purchases, it pays to know who influences them the most. It's who they're most likely to listen to.

Most leaders say they're most influenced by people close to them. 44% say their spouse has been most influential on their growth and development. 36% say their parents have influenced them a lot. Bosses and coworkers are at the bottom of the list.

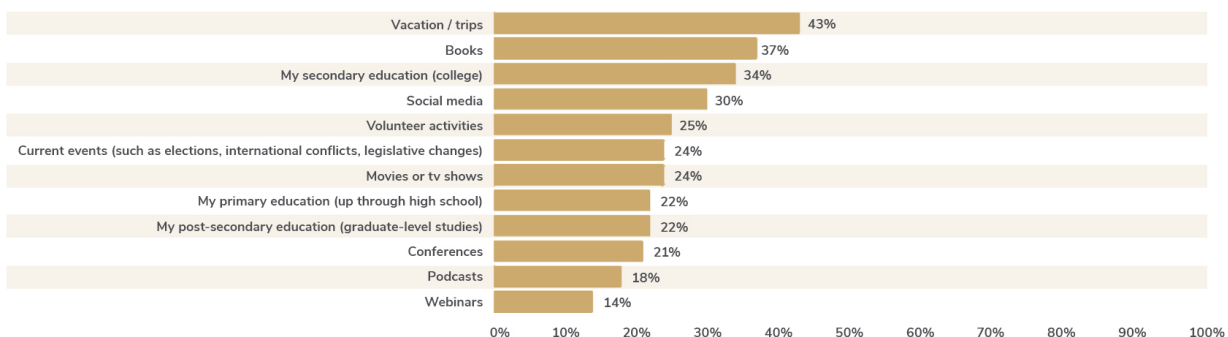
One reason professional contacts are so low on the influence list for professional leaders is because leaders protect their professional reputations and presence in the workplace. They prefer to be seen as decisive, strategic, and impactful in their workplace rather than consult colleagues on luxury purchases.

Who Has Had the Most Positive Influence on Growth



The good news for luxury travel brands is that 43% of leaders say vacations/trips have been influential to their growth and development. Pro Prioritizers are more likely to list vacations/trips as influential to their growth and development. To entice Pro Prioritizers to splurge on that luxury vacation, frame it as an opportunity for them to grow as a person.

What Has Been Most Influential On Growth

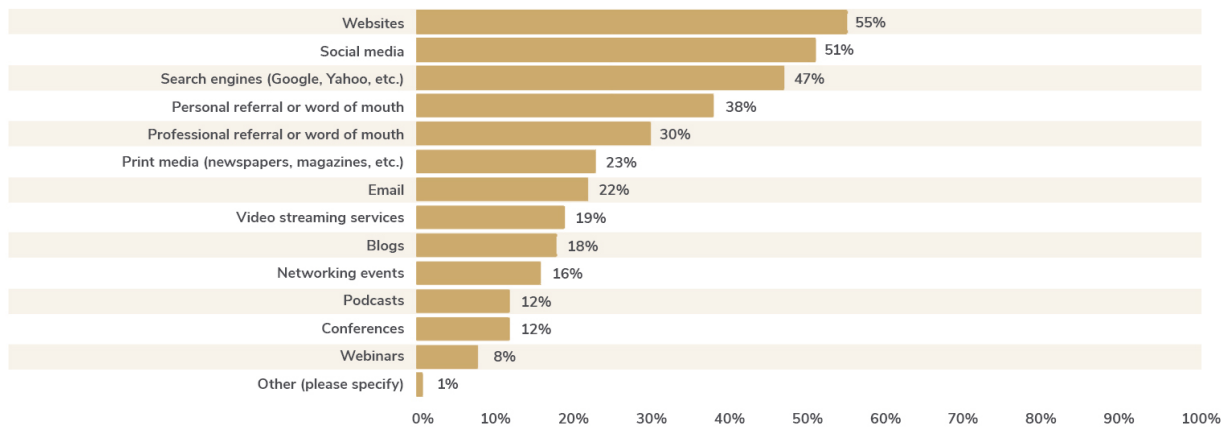


Luxury travel brands need to consistently demonstrate how leaders grow personally and how this translates professionally. Travel expands their thinking, exposes them to new situations, encourages creativity, increases confidence, and provides unique opportunities for growth. Many leaders today work hard to create experiences for people they care about and luxury travel is a way to share the reward for their hard work.

Connecting With Luxury Brands

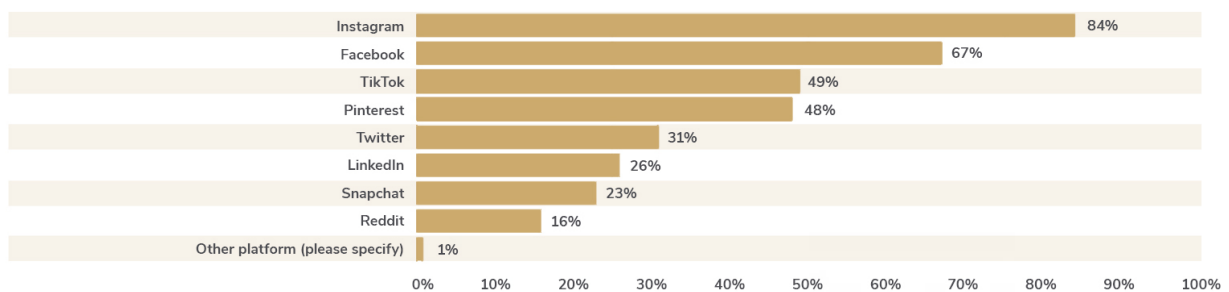
If you want to connect with professional leaders, you have to know where they look to connect with you. These independent leaders look to information sources they can use and find independently to learn about luxury brands. 55% of these leaders consult websites, with social media being the preferred source for 51%. 47% use search engines to source information about luxury brands.

Information Sources for Luxury Brands



Regardless of segment, these leaders use Instagram the most, followed by Facebook, to learn more about luxury brands.

Social Media Platforms for Luxury Brands



About Neen James

A trusted confidant to CEOs for legacy and luxury brands across a variety of industries for over 20 years, Neen has helped design strategic plans for Fortune 500 companies, facilitated retreats, and worked with executives and their teams sharing insights and strategies.



Business leaders have Neen on speed dial to bounce ideas with, engage her in ideation processes, and teach systems-based strategies that have resulted in her “Neenisims” being adopted across organizations.

Neen has boundless energy, is quick-witted, and is a (tiny) force of nature. she has been named one of the Top 30 Leadership Speakers by Global Guru several years in a row because of her work with companies like Viacom, Comcast, and Virtuoso Travel, among others.

Contact Neen Today

If you want to know more about how Neen can help you and your organization appeal to the luxury mindset and attract the luxury clients you desire, contact her at:

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