ASIANCE
KOREA LUXURY CONSUMER RESEARCH 2021

Short Summary Report

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RESEARCH INTRODUCTION

In partnership between Asiance and Global Research, a survey with 1005 Korean luxury goods consumers was conducted in December of 2020. The research aims to understand online purchase behavior and the impact online media has on the purchase of luxury goods. It is assumed that many responses were influenced by the COVID-19 outbreak. However, it was observed that especially among younger generations, online channels play an increasingly important role in luxury consumption.

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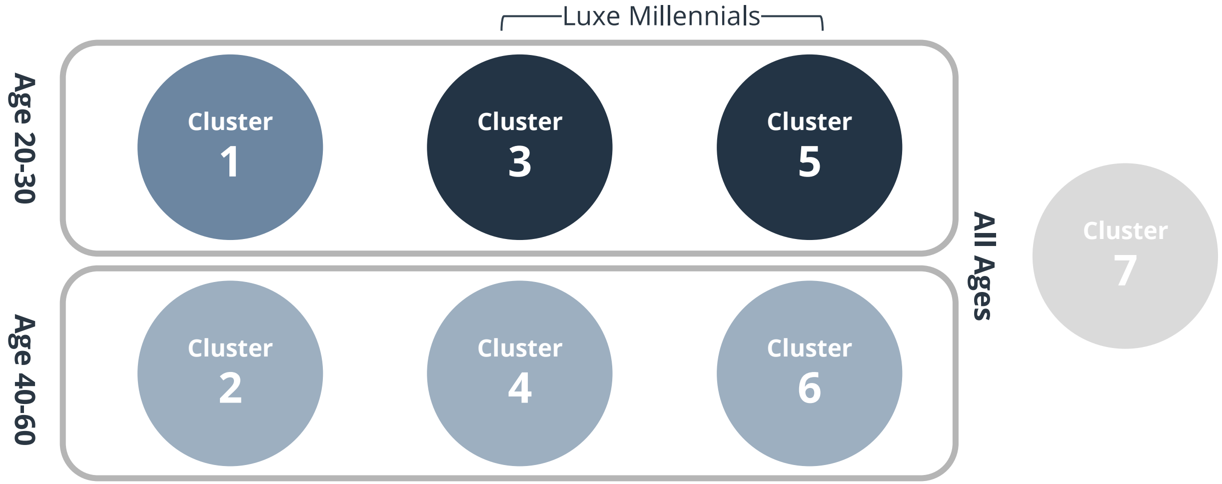
LUXURY CONSUMPTION CLUSTERS GROUPS

7 clusters of different luxury consumers were identified. The clusters differentiate from each other in terms of combinations of psychographic and demographic variables.

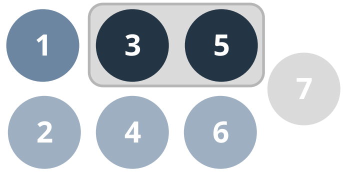
CLUSTERS

The two key psychographic variables are "**Brand Loyalty & Affection**" and "**Luxury Consumption**". Those variables can be measured in levels **low**, **medium**, and **high**. The clusters are further divided into the age groups **20-30** and **40-60**. The research reveals that especially online behavior of luxury consumer clusters vary a lot depending on these age groups. Whereas the **income level** varies among all clusters, especially **clusters 5 to 6** have a higher average household income with an average of 7.8 Mio KRW monthly.

Brand Loy. & Aff.	high	medium	high	low
Luxury Consumption.	low	low	high	low



MZ LUXURY CONSUMERS



Cluster groups 3 and 5 are considered to have a medium to high frequency for luxury consumption with consumers of **cluster 3** being less affectionate by a certain luxury brand and **cluster 5** having higher affection levels for specific luxury brands. Medium to high-frequency purchasers of luxury goods in the age groups 20-30 can be considered as the **Luxe Millennials**.

Cluster 1 has a high potential of becoming relevant customers of luxury brands for the long-term due to the high interest and affection to luxury brands.

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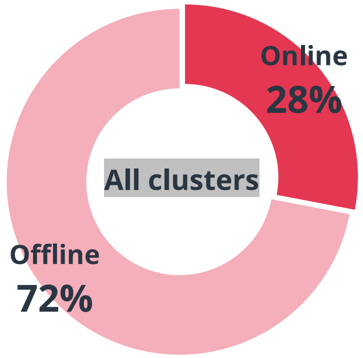
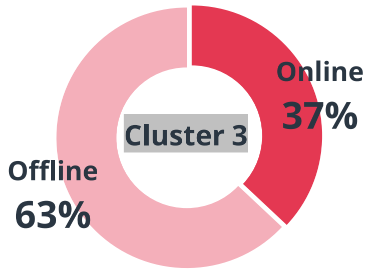
WHAT, WHERE, AND HOW DO KOREANS BUY LUXURY GOODS?

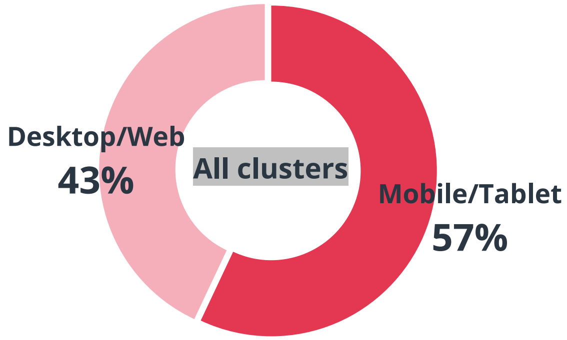
Purchase channels vary among clusters with the tendency that younger age groups are more open to online shopping for luxury goods. Consideration factors for shopping platforms also differed a lot between clusters 1&2 to 3&4 to 5&6, meaning that income levels determine where consumers purchase products and what online purchase entails for them.

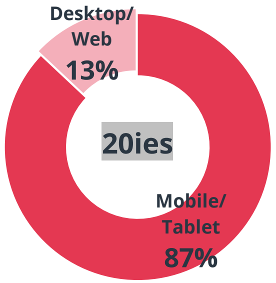
MOST RECENT PURCHASE

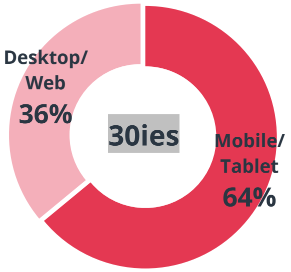




ONLINE PURCHASE DEVICE PREFERENCE

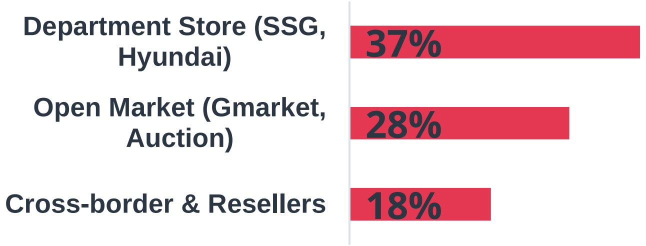






MOST USED ONLINE CHANNELS

All clusters



PURCHASE FROM BRAND'S OFFICIAL WEBSITE

Whereas direct purchase from the brand's official we bsite is lower overall, clusters 3 and 5 purchase more through this channel compared to other groups.

Cluster 3	Cluster 5
14%	21%

Besides data about online purchase behavior, responses regarding offline sales channels, expect ations toward online luxury sales channels, purchase frequency, and more were also collected.

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WHAT LEADS TO THE PURCHASE OF LUXURY GOODS?

Luxury consumers use a hybrid of the online & offline route for information prior to purchasing. Touchpoints in traditional and offline channels vary a lot among clusters. However, when asked about online touchpoints, there were more consistencies across cluster groups.

→ **Offline channels have higher barriers of accessibility and online media facilitate a relationship between luxury brand consumers and luxury brands regardless of age or income.**

→ **There is an opportunity for luxury brands to recruit potential consumers quicker than before as communication is no longer restricted to certain spaces.**

→ **Online media has played a significant role in the increase of luxury consumption among younger generations.**

THE TOP 10 MOST USED SOURCES OF INFORMATION PRIOR TO PURCHASING

****must-have** means that the majority selected those channels as their 1st and 2nd choice*

The top 10 touchpoints must all be considered when creating a customer journey.

68% claimed that they use both online and offline channels before purchasing.

It is assumed that offline channels are important as **59%** indicated that store display and salesperson's explanation, as well as service, affect the purchase definition.

Besides the findings above, more data about luxury consumer's consideration routes ,preferred information sources, types & preferred marketing content types, and more were collected.

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CONTACT US TO GET A QUOTE FOR THE EXTENDED RESEARCH REPORT

Let's lead the ever-changing digital landscape together.

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