

Marketing to the Affluent Class

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Rich and mass affluent customers are driving business for many industries including fashion, jewelry, automobiles, real estate and even banking & investments. The future growth from these segments is expected to come primarily from the emerging markets like India, China, Asia-pacific, Brazil etc in addition to the developed economies of US and Europe. This is owing to strong economic growth in these regions and emergence of neo-money clients who are cash-rich and time-poor. The attitudes and behaviors demonstrated by this segment is quite different for certain instances as compared to the traditional money clients. There are however certain things that run common and can serve as guidelines for marketing to this class of customers.

Before talking about marketing to these customers it's extremely important to understand the segment well. Their age, income levels, occupation etc. helps to filter them from the rest of the lot. It is however their behavior and psychographics that really matters in striking the right chord with them. What do they wear, where do they buy, how do they think, what matters to them, where are they seen or would like to be seen etc. is extremely important to get this understanding right. Let's look at some aspects that can help us understand them better:

- Affluent customers want to be distinguished from the crowd: They only want to be seen at certain places, using only certain brands. Not just that, they want to be a step ahead of the crowd and look up to brands to identify the key trends for them and help them access/buy these products before anyone else. Fashion shows are an attempt by luxury & fashion brands to define what's next and help the customers access it.
- They seek exclusivity: Exclusivity is a big hit with these customers and therefore 'limited editions' or 'only for select audience' are tactics that certain luxury brands use for their brand extensions. They want access to the most exclusive brands and finest quality and have a passionate desire for the best things in life. In fact snob consumers perceive price as an indicator of exclusivity, and avoid using popular brands. A separate store entrance, exclusive areas, different branding, very fine décor and ambience, differently dressed personnel servicing them can be used to provide this sense of exclusivity.
- They want to feel unique and special: Personalization of products and services helps to provide these benefits. Brands need to recognize this hidden desire and offer them products that help them achieve it. In the luxury market, high service levels are a given. Their key to success is to get customer loyalty through providing a personalized/individualized experience.
- They seek convenience: Affluent customers value their time as much as their money, making convenience fundamental to success in this market.
- They are willing to pay a premium: They want the best quality, exclusivity, satisfaction and outstanding customer service. Brands that wish to target affluent

customers will have to upgrade the quality/caliber of every person who represents them in the market or has any level of interaction with the customer.

- High involvement buying behavior: Marketing to affluent customers generally involves selling high-ticket-size items where the degree of engagement with the client also needs to be high, as most times these purchases are a reflection of the person's self-concept and have strong self-expressive benefits. Making buying an experience in itself is the key here, something done well by brands like Neiman Marcus.

How can brands target these customers:

One point of essence is that it's extremely important for the brand to have a clear positioning and the right image in the minds of the customers. Tag Heuer, Rolex, Cartier are all luxury brands but they have different positionings. Consistency in communication efforts plays an important role here and strong brands usually are protagonists for something that is of value to the customers. Celebrity endorsements or as brand ambassadors is also used by some brands like Armani, L'Oreal, Swarovski with good effect.

Though there cannot be a one-size-fits-all kind of an approach to reach out to affluent customers, ones that could be used are:

- Direct Mail: Enormous efforts and thinking needs to go in selecting the correct list. Equally important is the aspect of creating the mailer—the headline, copy, visual etc. and above all, the offer (don't talk price, talk value).
- Endorsed mails: Mailers from brands whose services / products that they already use makes the maximum impact in terms of the communication being read and carrying the right kind of associations. It also takes away the apprehensions of these customers of being on unsolicited mailing lists, which only harms the brand.
- Referrals: Referrals from existing customers willing to share details of people they know who would be interested is the most tried and tested method of getting access to new clients. These customers may not mind their name being used to make contact with the reference (one needs to take permission) and at times act as your best ambassadors. The phenomenon of word-of-mouth can be very effectively used as a marketing tool here and the brand has to proactively manage it.
- Pull marketing: Show them benefits of your offering and tell them how you can create value for them by giving them convenience, personalized attention, exclusivity etc. Let them have a taste of it with no strings attached by inviting them to your events, launch parties etc. The idea is to make them aware of the need and giving selling a more consultative approach.

Happy marketing!

