

Affluent Luxury Buyers' Extensive Problem Solving Behavior

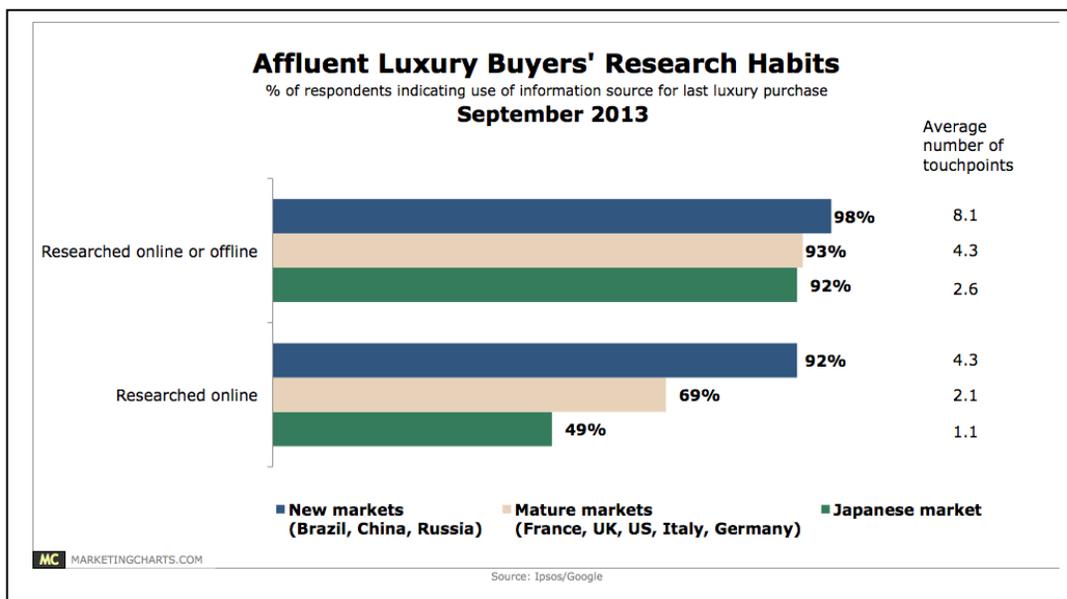
Consumers display extensive problem solving behavior for purchasing luxurious brands.

Research study by 'Google and Ipsos' on affluent luxury buyers' information search behavior (extensive problem solving) among three markets: new (Brazil, China and Russia), matured (France, UK, US and Italy) and Japan, with the following observations.

- 9 out of 10 luxury buyers do information search before making a purchase in all three markets
- On average, luxury buyers spent \$2500 on their last luxury purchase in all three markets
- Online information search is more popular in new luxury markets such as Brazil and China than in matured markets such as France, the US, and Germany
- The average age of customers is 37 in new, 46 in matured, and 49 in Japanese markets
- Half of the information sources used by affluent buyers are online in three markets
- *The popular offline information sources:* Talking to someone, seeing and trying the product in-store or at an event
- *The next-to popular offline source:* Reading or hearing the information about the product in media

Extensive problem solving behavior is displayed when purchasing an expensive product. The buyer develops a belief about the product, and his attitude regarding the purchase decision is based upon this belief. He makes a planned decision after evaluating all available alternatives to the product. To secure such behavior, marketers should clearly explain the distinct features of their product and use promotions for increasing visibility of their brand.

- *Reasons for online purchase:* Convenience (53%), anywhere-anytime i.e. 24/7 (49%), good deals (48%)
- *Barriers of online shopping:* Prefer to see and touch (65%), risk of counterfeit (35%)
- Preferred online ad format for luxury goods: Video and full-screen ads



- *Buyers daily media habits*: The internet is the affluent buyer's constant media companion in all three markets

Media Habits	New Market	Mature Market	Japanese market
TV	82%	85%	89%
Magazines	57%	39%	22%
Radio	59%	74%	23%
Newspapers	62%	58%	65%
The Internet	98%	98%	99%

Topic	Course
Extensive problem solving behavior: Understanding consumer buying behavior: Unit 5.4	Marketing Management

Source: <http://www.marketingcharts.com/wp/television/how-do-affluent-luxury-buyers-research-their-purchases-36684/attachment/ipsosgoogle-affluent-luxury-buyers-research-habits-sept2013/>