

AMERICAN EXPRESS PLATINUM LUXURY SURVEY FINDINGS

SURVEY BACKGROUND AND METHODOLOGY

The American Express Platinum Luxury Survey examines luxury and includes a quantitative survey among 870 *affluent consumers* with household incomes of \$100,000 and above and who purchased or enjoyed either a home, personal or ‘experiential luxury’—e.g., fine dining, luxury travel or entertainment—in the past 12 months. The average household income of consumers surveyed was \$175,000. They were divided into three categories based on annual income: the *Modest Affluents* (\$100,000 to \$149,999), *Moderate Affluents* (\$150,000 to \$199,999) and *Super Affluents* (\$200,000+).

Four hundred ninety-one of those respondents, who said they achieved the greatest personal satisfaction and happiness through ‘experiential luxuries,’ participated in an in-depth survey that explored experience-based luxury buying habits and attitudes. To better understand the needs and desires of consumers who said they value experiences most, a series of focus groups was also conducted with travelers with household incomes of \$100,000 and above and American Express Platinum travel counselors. The survey and the focus groups were conducted by luxury marketing expert Pam Danziger, president of Unity Marketing.

KEY SURVEY FINDINGS

Majority of *Affluent Consumers* Receive Greatest Personal Satisfaction from Experiences

- Fifty-nine percent of *affluent consumers* receive the most personal buying satisfaction from experiences, such as fine dining, travel, entertainment and cultural/arts events, sporting events, personal health and beauty services, and home services.
- In the past 12 months, 88% of all *affluent consumers* purchased experiences, notably fine dining, luxury travel, entertainment and cultural/arts events and sporting events. They spent an average of \$10,060 on experiences over the last 12 months.
- Survey respondents who said they value experiences most spent an average of \$26,401 on experiences in the past 12 months, more than double that of all survey respondents.
- Only 21% of *affluent consumers* get the greatest satisfaction from personal luxuries, such as automobiles, fashion, jewelry and watches, and fashion accessories. *Affluent consumers* indicated that they spent an average of \$14,270 on personal luxuries over 12 months.
- Only 20% of *affluent consumers* get their greatest satisfaction from home luxuries (i.e., things bought for the home including furniture, kitchenwares, linens and bedding). *Affluent consumers* spent an average of \$12,300 on home luxuries over the past 12 months.
- *Super Affluent Consumers* spent on average \$19,300 on experiential luxuries over the last 12 months, as compared with *Modest Affluents* (\$5,820) and *Moderate Affluents* (\$10,500).

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- Survey respondents who said they value experiences most say ‘enhancing quality of life’ is an extremely important motivation for pursuing ‘experiential luxuries.’
- There are three key motivators driving survey respondents who said they value experiences most:
 - 56% are motivated by enjoyment/pleasure
 - 41% are motivated by having time for important things in life
 - 41% are motivated by reducing stress

MOST POPULAR LUXURY EXPERIENCES: FINE DINING AND LUXURY TRAVEL

Fine Dining Highlights

Fine dining is the number one ‘experiential luxury’ participated in by 65% of all *affluent consumers* surveyed and 79% of survey respondents who said they value experiences most in the last 12 months.

- Over half (54%) of survey respondents who said they value experiences most enjoyed fine dining one to three times a month at luxury restaurants, while 22% typically dine out at a fine dining restaurant once a week or more.
- Survey respondents who said they value experiences most spent \$5,990 on average in the past year on fine dining. Those in the *Super Affluent* category spent nearly double (\$11,840) on fine dining.
- Survey respondents who said they value experiences most value good service as well as excellent food:
 - 37% select a restaurant based on the reputation of the chef or restaurant
 - 33% select a restaurant based on special service or getting a good table
 - 31% select a restaurant based on outstanding restaurant reviews

Luxury Travel Highlights

Luxury travel was the second most-widely enjoyed ‘experiential luxury,’ with 46% of *affluent consumers* and 68% of survey respondents who said they value experiences most having taken a personal trip in the last 12 months.

- Survey respondents who said they value experiences most travel often: more than two thirds (68%) took an average of six personal trips a year.
- Survey respondents who said they value experiences most spent an average of \$12,650 on personal travel within the last 12 months. Those considered *Super Affluent* spent \$21,040 on average.

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- Nearly half (45%) of survey respondents who said they value experiences most say they used the services of a travel agent, personal concierge or other personal assistant to take advantage of special VIP programs, gain insider access to special accommodations or obtain other amenities available only on an exclusive basis.
- Of those who took advantage of VIP services, most (70%) reported that these special VIP programs 'greatly enhanced' or 'somewhat enhanced' their travel experience.
- When survey respondents who said they value experiences most travel, the majority want to get to their destination in the most inexpensive way:
 - 65% always or often travel coach when they fly
 - 24% travel business class when they fly
 - 19% travel first class when they fly
 - 3% travel on private jets
- However, when they arrive at their destination they splurge on hotels:
 - 64% always or often stay in luxury hotels
 - 27% stay in moderate hotels
 - 15% stay in villas or private hotels
 - 12% stay at bed & breakfast accommodations
 - 11% stay in time shares
- Survey respondents who said they value experiences most describe cruises as the ultimate in stress-less vacationing and they consider privacy one of the most important luxuries when traveling.
- Respondents who value experiences are most likely to seek a trip that provides relaxation and relief from stress.
 - 47% say relaxation and no stress experiences are very important when they travel
 - 41% seek sightseeing
 - 37% seek fine dining food experiences
 - 29% seek cultural experiences
- Rewards programs are very important to survey respondents who value experiences most:
 - 51% of respondents redeemed rewards for a free airline ticket in the past year
 - 45% of respondents redeemed rewards for airline upgrades in the past year
 - 23% of respondents redeemed rewards for free hotel stays in the past year
- The best travel experiences are not necessarily the most luxurious:
 - 56% of respondents rated 'making memories' as a top priority when traveling
 - 48% of respondents rated 'going to new places and having new experiences' as very important when planning a trip
 - 38% rated getting room upgrades and special services as very important

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- Almost all survey respondents (90%) who said they value experiences most strongly agree or agree with this statement: “I value my time traveling as a way to break out of the day-to-day routine and have totally new experiences.”
- About three-fourths or more of survey respondents who said they value experiences most strongly agree or agree with these statements:
 - “Travel is made special when I'm with my family and/or friends.”(85%)
 - “I try to reward my hard work with vacation travel.” (81%)
 - “Travel is a luxury that makes my life more meaningful.”(80%)
 - “When I travel, I don't want to stay in accommodations that are less luxurious or comfortable than I have at home.” (76%)
 - “Travel is important to me for personal enrichment and becoming a more complete person.” (76%)
 - “I consider travel a necessity for my life.” (73%)
 - “When I travel, I enjoy getting special treatment and service that make me feel pampered.” (73%)

FUTURE OUTLOOK

Survey respondents who said they value experiences most indicated that if their economic circumstances remain the same over the next 12 months:

- 81% will spend the same or more on travel
- 89% will spend the same or more on personal/beauty
- 87% will spend the same or more on fine dining
- 87% will spend the same or more on sporting events
- 87% will spend the same or more on home services

A SNAPSHOT OF RESPONDENTS

Profile of those survey respondents who said they value experiences most:

- 88% grew up in ‘middle-class’ circumstances.
- Are middle-aged, married, professional homeowners with an average income of \$175,000
 - Approximately half of those surveyed had incomes of \$149,999 or less
 - The other half had incomes of \$150,000 or more
- Are an average of 44 years old.
- Are from the following generations:
 - Almost half (48%) of respondents were born from 1946-1964 and aged 40-58 years
 - 35% of respondents were GenXers aged 28-39
 - 8% of respondents were older Swing/WWII generation born before 1945
 - 8% were part of the Millennial generation born after 1977

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