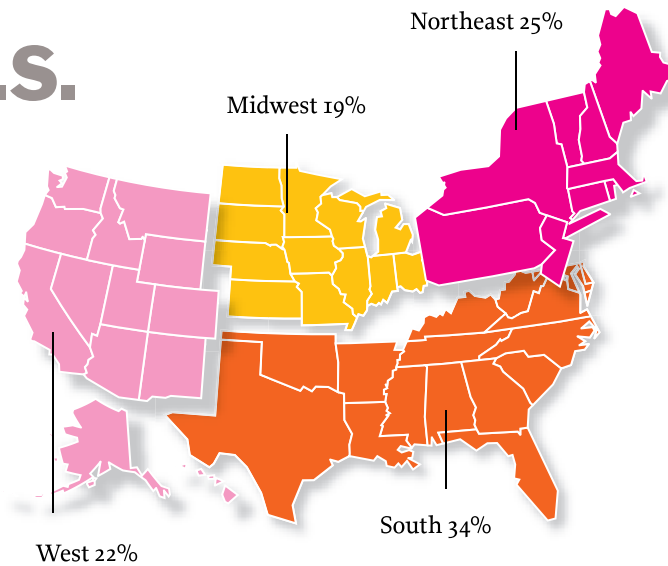


The Luxury Survey. An in-depth report on how U.S. millennials look at luxury

Who They Are Born between 1980 and 2000, the millennial generation is the largest after the boomers (their parents), and, like their parents, millennials are poised to become the next great luxury consumers. Because they've grown up in the age of dotcom billionaires, wealth and success are a given. Although the luxury category might be new to them, they are learning quickly. (Information is just a click away.) This survey looks at older millennials—ages 18 to 27—as well as affluent boomers. Statistical analysis of millennials' and boomers' survey data identified four different segments within each generation, including two with consumers who are very interested in the luxury category: the core luxury millennials and the core luxury boomers. The data below focus on these two segments.



The Mind-Set of Millennials: How They Think About Luxury

Their income is lower than that of most boomers, yet core luxury millennials are much more psychologically engaged in luxury than their parents' generation. They not only have a more positive attitude toward high-end services and products but are also more interested in owning them—including cars, accessories and home-entertainment units. Percentages below represent those millennials who agree with the following statements:



What They Purchased in the Past Six Months Despite their lower income, core luxury millennials have purchased more luxury items in the recent past than their older counterparts. Sunglasses, wallets and small leather goods are much more likely to have been purchased by millennials than boomers

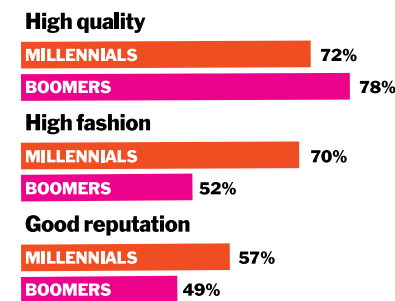


Where They Live

Both millennials and boomers are most likely to be from the South. But within the younger generation, core luxury millennials are disproportionately concentrated in the Northeast (25%, vs. 19% for all millennials)

Attributes

For **apparel** and **accessories**, quality is the top attribute named by both core groups, but millennials also rate fashion and reputation as key



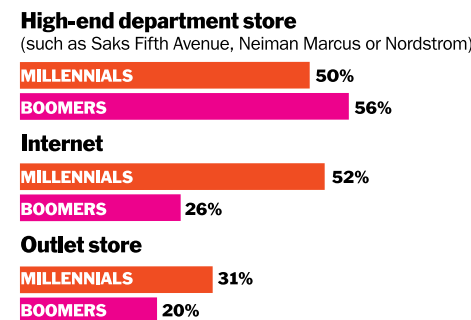
Giorgio Armani is one of the top brands named by core luxury millennials as a 'luxury brand'



On average, the most that millennials have paid for lingerie: \$251
Boomers: \$102

Where They Shop for Fashion And Accessories

Core millennials shop on the Internet more than boomers do; boomers still prefer department stores



What Millennials Want to Own

With the exception of luxury travel, core millennials are more interested than core boomers in owning or using all luxury products and services asked about. For example, 54% of millennials want to own a yacht, whereas only 31% of boomers are interested in that purchase. Millennials are twice as likely to want to own a private jet or luxury sports equipment than boomers, which illustrates the fact that the luxury lifestyle is more important to them



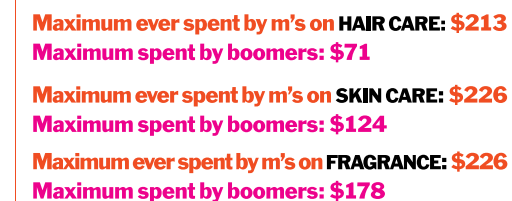
Top Sources of Information for Millennials

Magazines are the most popular source of information about luxury for both core luxury millennials and boomers, but millennials also rely on word-of-mouth sources such as friends, family and online social networks



What They Spend on Beauty

Shampoo may be too retro for most millennials, but they maintain a healthy obsession with hair care, spending more than twice what core luxury boomers do on the category. And when purchasing beauty products, core millennials are more likely to track high-fashion trends and cutting-edge brands



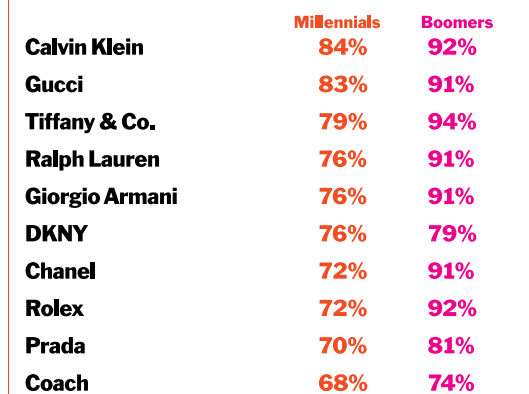
Technology vs. Travel

Core luxury millennials are more likely than their boomer counterparts to associate tech products with luxury. Boomers tend to associate travel, real estate and spa experiences with luxury



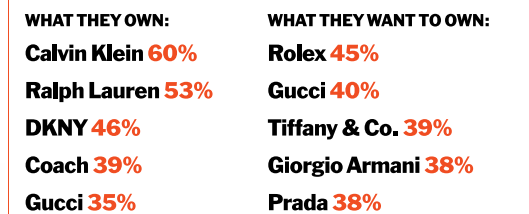
Best-Known Brands

These are the brands that have the highest recognition factor among core luxury millennials and boomers. On average, millennials are less aware of most luxury brands, but they're highly aware of brands that target them specifically. Although brands like Diesel, Marc Jacobs, Juicy Couture and True Religion don't make the Top 10 list below, they score much higher with millennials on awareness



Brand Interest and Ownership

Core luxury millennials are less likely than their boomer counterparts to own most of the brands they were asked about, but their interest in owning specific luxury brands is on a par with or higher than that of boomers



This TIME Style & Design research is based on a national online survey of 1,187 U.S. millennials (ages 18 to 27) and 1,122 affluent U.S. baby boomers (ages 45 to 62, with minimum household-income requirements), conducted from Dec. 7 to Dec. 20, 2007, by Marketing and Research Resources, Inc. Interview quotas were set and data were weighted according to U.S. Census frequencies. A latent class-segmentation analysis was performed that identified a group of core luxury consumers in each generation. Results for each core luxury group have a margin of error of ±7 percentage points.