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# The View from the Top



THE SURVEY OF  
**AFFLUENCE  
& WEALTH**

Presented to:  
Luxury Insights Summit

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# Today's Agenda

## The Survey of Affluence & Wealth

## The Wealth Boom Continues & Our Spending Forecast: The U.S. Top 10%

### The Trends

A Global  
Affluent  
World

Fear  
of Edges

The Time  
has Come

Enlightened  
Choice

### Looking Ahead



# The Survey of Affluence & Wealth



# Who We Represent: Global Affluent Consumers



6,000+ Interviews in  
14 Countries

Countries measured: USA, Canada,  
Mexico, Brazil, UK, Germany,  
France, UAE, India, China, Korea,  
Japan, Singapore, Indonesia

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TOP  
10%

---

The top 10% income  
earners from each  
country



Accurate representation  
through the top of the  
economy: People &  
Consumption

# For Example... In the U.S.

## AMOUNT REPRESENTED

ANNUAL INCOME

TOTAL ASSETS

\$3.8T

\$80.6T

\$1.1T

\$15.8T

UPPER MIDDLE CLASS (n=1,169)

\$1.1T

\$15.3T

CORE AFFLUENT (n=1,105)

\$1.6T

\$49.5T

ONE PERCENTERS (n=685)

Fielded  
Q1 2015

60+ Minutes  
of Content

Confidently Project  
Among Income Tiers

Q1 Recontact:  
957 Interviews  
Fielded April 2015

# The Wealth Boom Continues



# Stunning Global Wealth Prediction

Emerging Markets  
Hold About

20%  
of the  
wealth

8.4%

Annual  
Growth Rate  
from 2000 to 2014

\$263  
TRILLION

Q3  
2014

\$281  
TRILLION

Q3 2015  
Forecast

# U.S.: The Bellwether Economy

Change in Personal Wealth | \$ BILLIONS



## TOP GAINERS



US **\$8,886**

UK **\$2,268**

FRANCE **\$1,335**

GERMANY **\$1,188**

ITALY **\$1,099**

## HONORABLE MENTION

CHINA **\$715**

SPAIN **\$670**

KOREA **\$571**

CANADA **\$482**

JAPAN **\$466**



## TOP LOSERS

CHILE **-\$32**

INDIA **-\$36**

NORWAY **-\$43**

RUSSIA **-\$137**



# Luxury Forecast: U.S. Data

## Forecast on 10 Categories:

**Automobiles**

**Vacations & Weekend Getaways**

**Out of home entertainment/dining out**

**Home Décor/Furnishings/Electronics**

**Accessories**

**Apparel/Fashion**

**Women's Handbags**

**Fine Jewelry**

**Watches**

**6.6%**

Increase in  
Luxury Spending  
in the U.S.

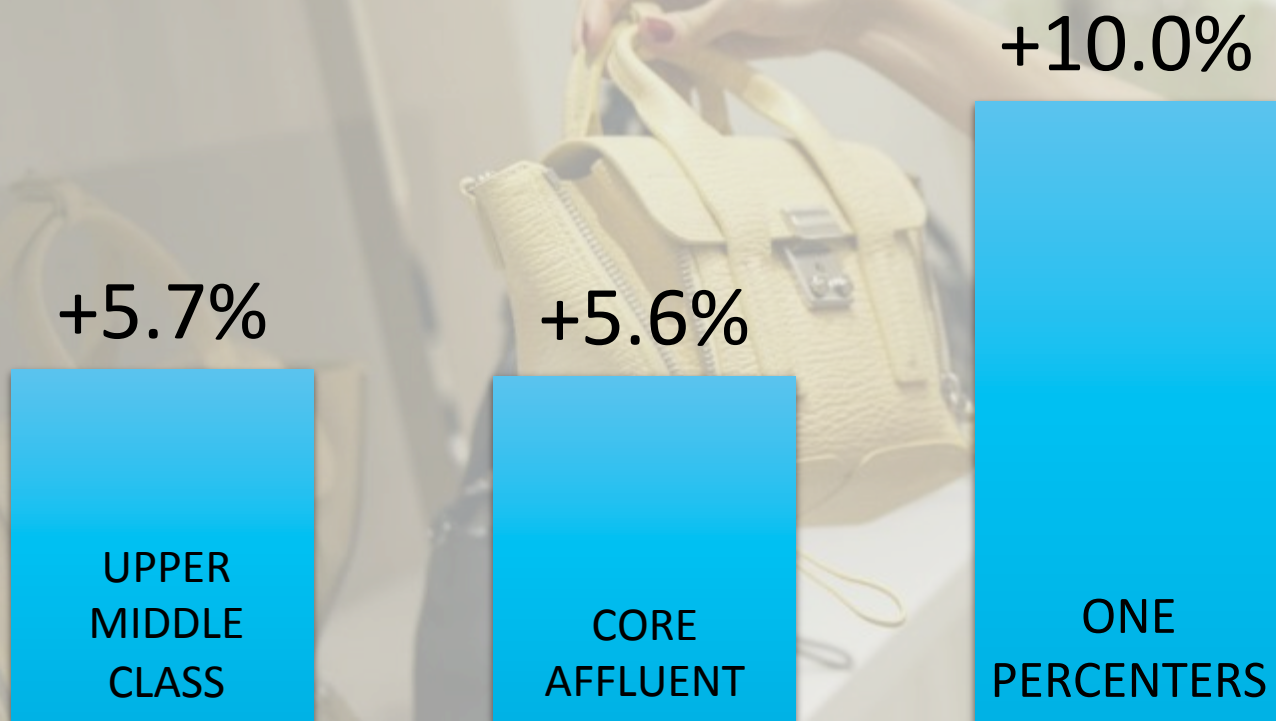
**2.9%**

GDP U.S. Growth  
Estimate



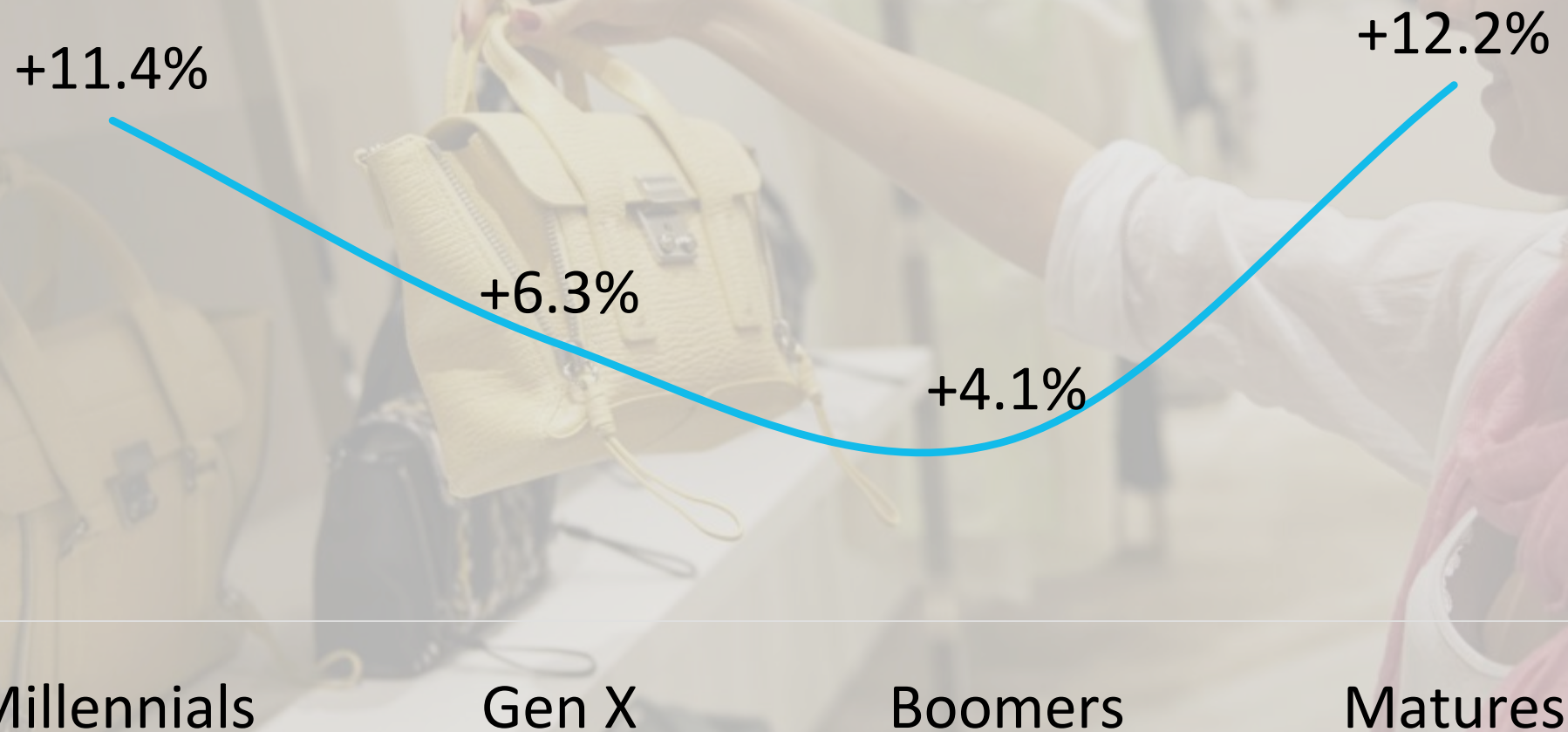
# Projected Increase In Luxury Spend In 2015

## PROJECTED INCREASE IN LUXURY SPEND IN 2015



# The U-Shaped, Demand Economy:

## Projected Increase in Luxury Spend in 2015:





# A Global Affluent World



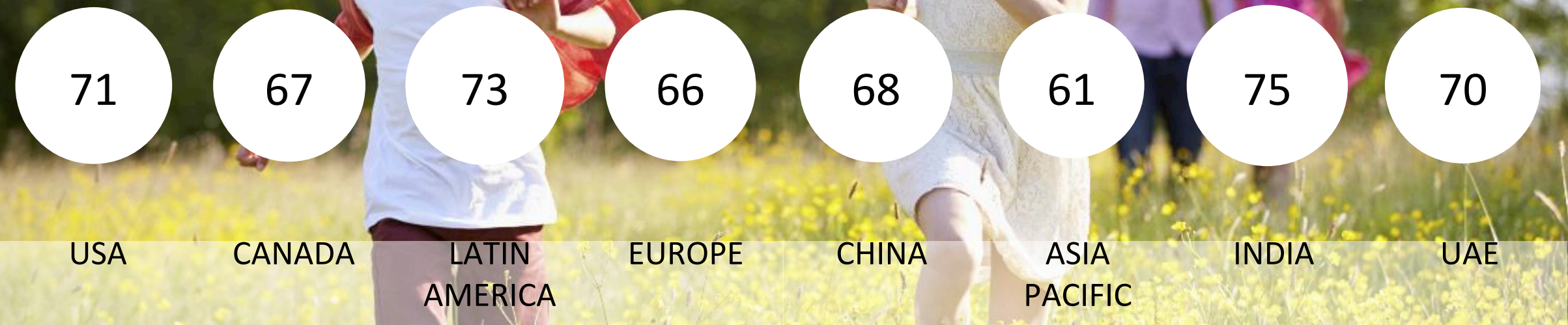


# This World is Thriving

Happiness  
Success in personal life  
Optimistic in my own future  
(Stress)



## THRIVING



Source: Survey of Affluence and Wealth





# Like Likes Like

MORE AND MORE,  
I PREFER TO SPEND MY  
TIME WITH PEOPLE WHO  
HAVE ACHIEVED A  
SIMILAR LEVEL OF  
SUCCESS

58%  
WORLDWIDE  
AVERAGE

% Agree

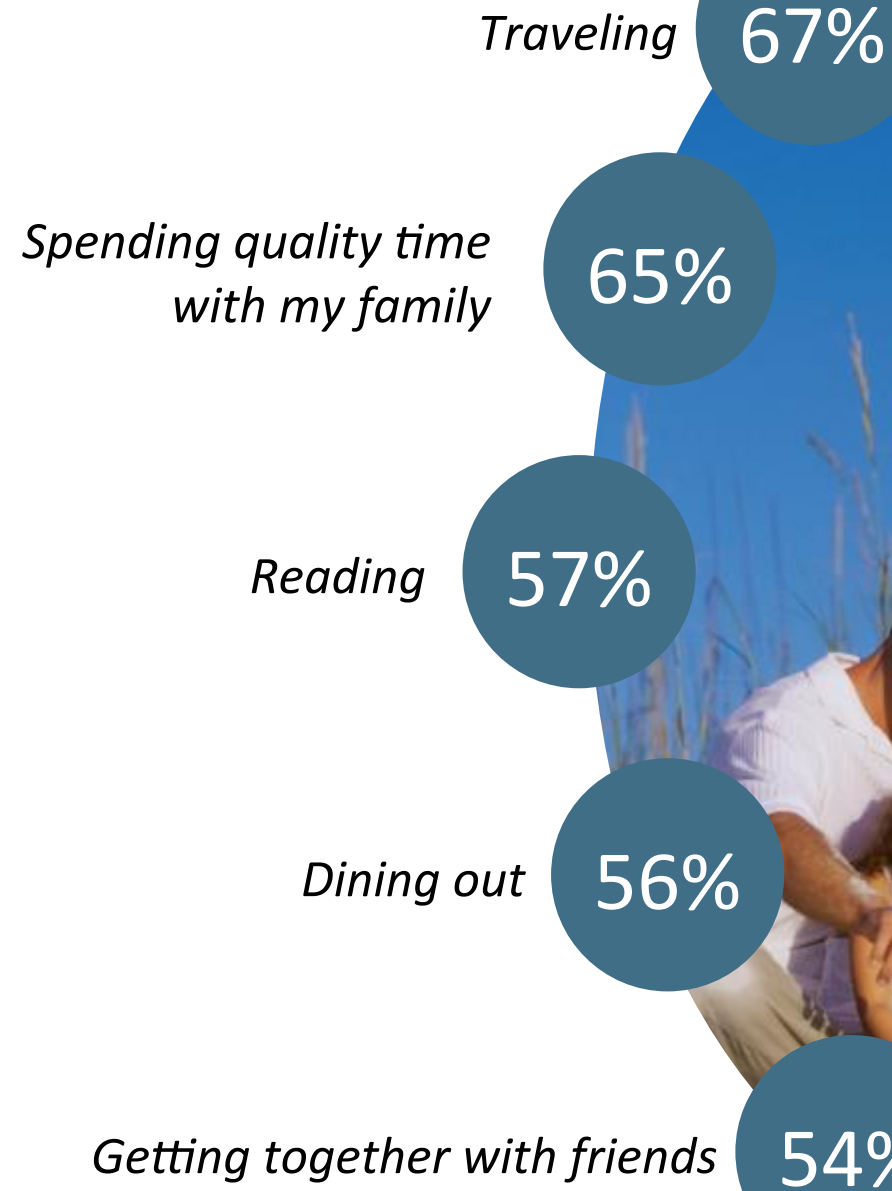
Source: Survey of Affluence and Wealth



# What Matters Most

## WORLDWIDE AVERAGES...

*Percent who are passionate about the following...*



# A Thumbprint On The World Is The Most Important Thing

*% Agree:  
I tend to be the one  
who organizes social gatherings  
and brings everyone together*

55%

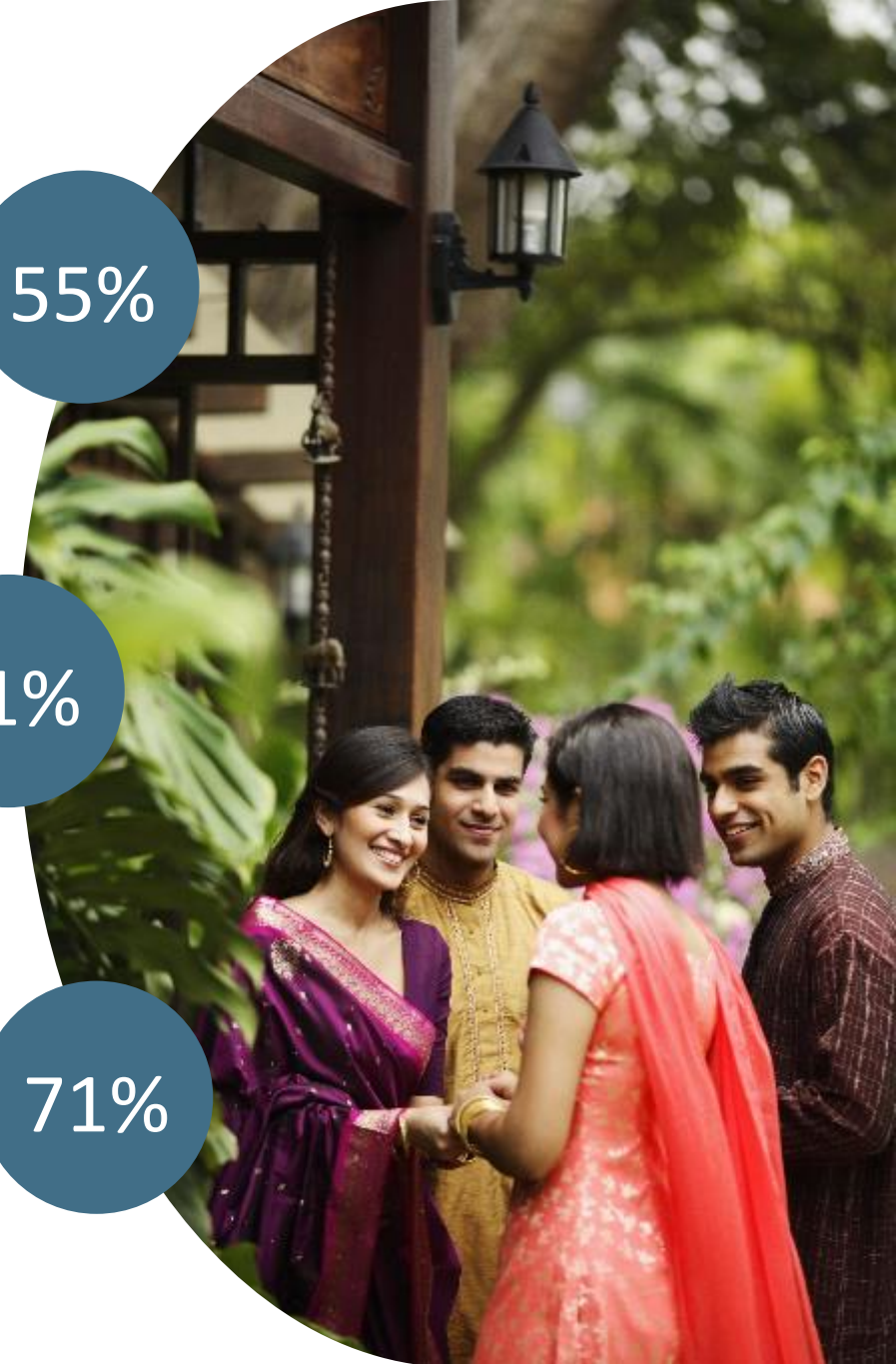
## WORLDWIDE AVERAGES...

*Lead a business  
Among those with a  
job outside the home*

51%

*Lead a business...  
with a global component  
Among business leaders  
(owners, executives)*

71%



What this means:

A Single  
Global Brand  
Message...  
is Possible



# The Fear of Edges



# Qualitative Concerns Dominate the World of Affluence

**Worldwide Affluent and Wealthy: Extremely/Very Concerned About...**

Net of responses in each category



UNQUANTIFIED RISK

81%



SOCIAL JUSTICE

80%



THE ECONOMY

72%



POLITICAL  
CORRUPTION

65%



# Respecting Discretion

PEOPLE WHO HAVE  
MONEY SHOULD KEEP IT  
UNDER THE RADAR

75%  
WORLDWIDE  
AVERAGE

% Agree

77%  
USA

73%  
Canada

88%  
Latin  
America

71%  
EU

66%  
China

79%  
Asia  
Pacific

81%  
India

75%  
UAE

Source: Survey of Affluence and Wealth



A close-up photograph of a man's face, focusing on his mouth and chin. He has a light beard and is wearing a dark suit jacket over a white shirt. His right index finger is pressed against his lips in a universal gesture for silence or discretion. The background is a plain, light color.

WHAT THIS MEANS:

“Discretion is the  
better part of valor”

# The Time Has Come





# Volume of us savings and assets

\$68.0 trillion in financial assets

\$10.2 trillion in cash

86% held by the top 10%



# Capital Boom from the Top Down

*My focus is on...*

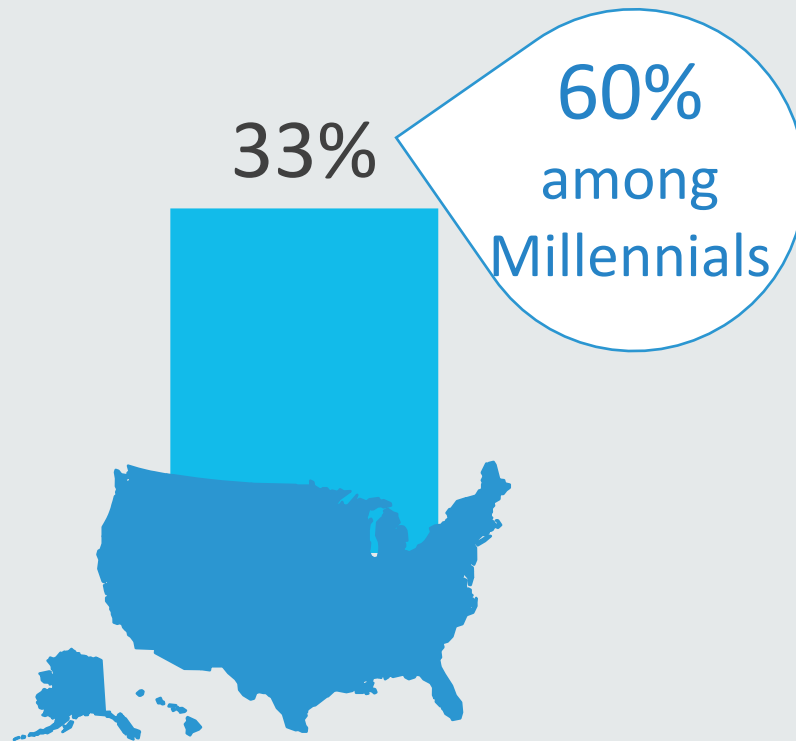
## WEALTH PRESERVATION

## WEALTH GROWTH

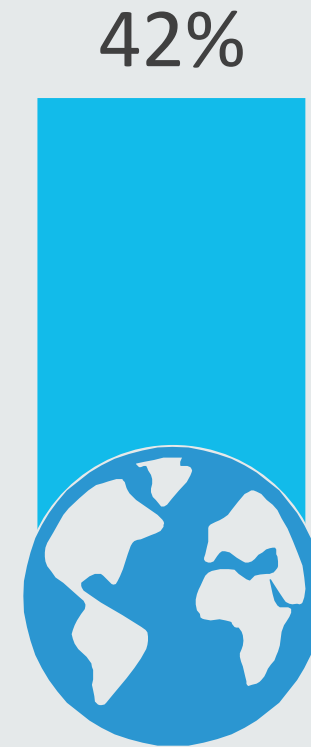


# Enthusiasm Gains Steam

% Agree: I am looking forward to **buying luxury goods and services** more now than I did a year ago



U.S. Average



Global Average

# Debt-Free Living

70%

Of Top 10%  
Have No  
Credit card  
Debt

43%

of the Top  
1% have no  
mortgage



# Purchase Rationalization

*The idea to make a significant purchase most often comes from...*

I need to  
replace  
something

45%

# Occasion-Based Spending Has not Gone Away

29%

Purchased Jewelry/Watches for a special occasion

WHAT YOU NEED TO KNOW:

The strategic opportunity:  
Consumer Purchasing is an  
Investment Strategy

A man in a dark pinstripe suit and light blue shirt is shown in profile, looking at a whiteboard. He is holding a pair of glasses in his right hand. The whiteboard displays a bar chart with several vertical bars of increasing height from left to right. The background of the slide features a large, abstract, stylized flower or starburst shape in shades of red and orange on the left side, and a white background on the right side where the man and whiteboard are located.

6.6%  
LUXURY  
SPENDING  
FORECAST



# From blind consumption to Enlightened Choice



# High Expectations: Product

## WORLDWIDE AVERAGES...

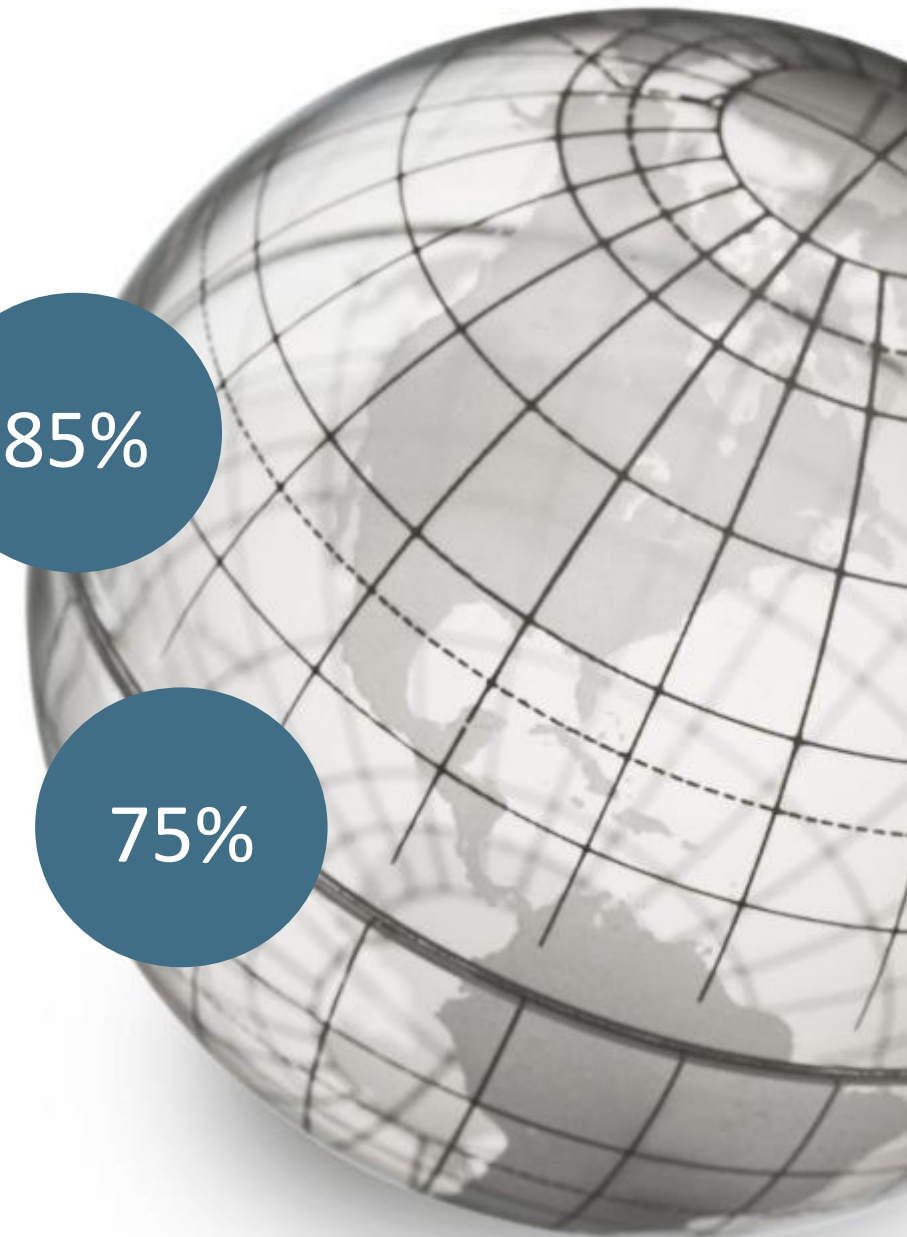
*% Agree...*

*I look for details of true  
craftsmanship when I am  
buying luxuries*

85%

*I am willing to pay the full price on  
the items I purchase, as long as I  
am guaranteed the quality and  
service I deserve*

75%





# High Expectations: Knowledge

*% AGREE... WORLDWIDE AVERAGES*

*I usually know what I want and what I'm willing to pay before interacting with a salesperson*

83%

*I depend on the salesperson to know the specific details of a product that makes it worth more*

61%



# High Expectations: Relationships

% AGREE...

*I have close  
relationships with  
a few salespeople  
that I count on*

Emerging markets includes: China, India, Indonesia, Mexico, Brazil, South Korea

Developed markets includes: USA, Canada, UK, Germany, France, Japan, UAE, Singapore

Source: Survey of Affluence and Wealth





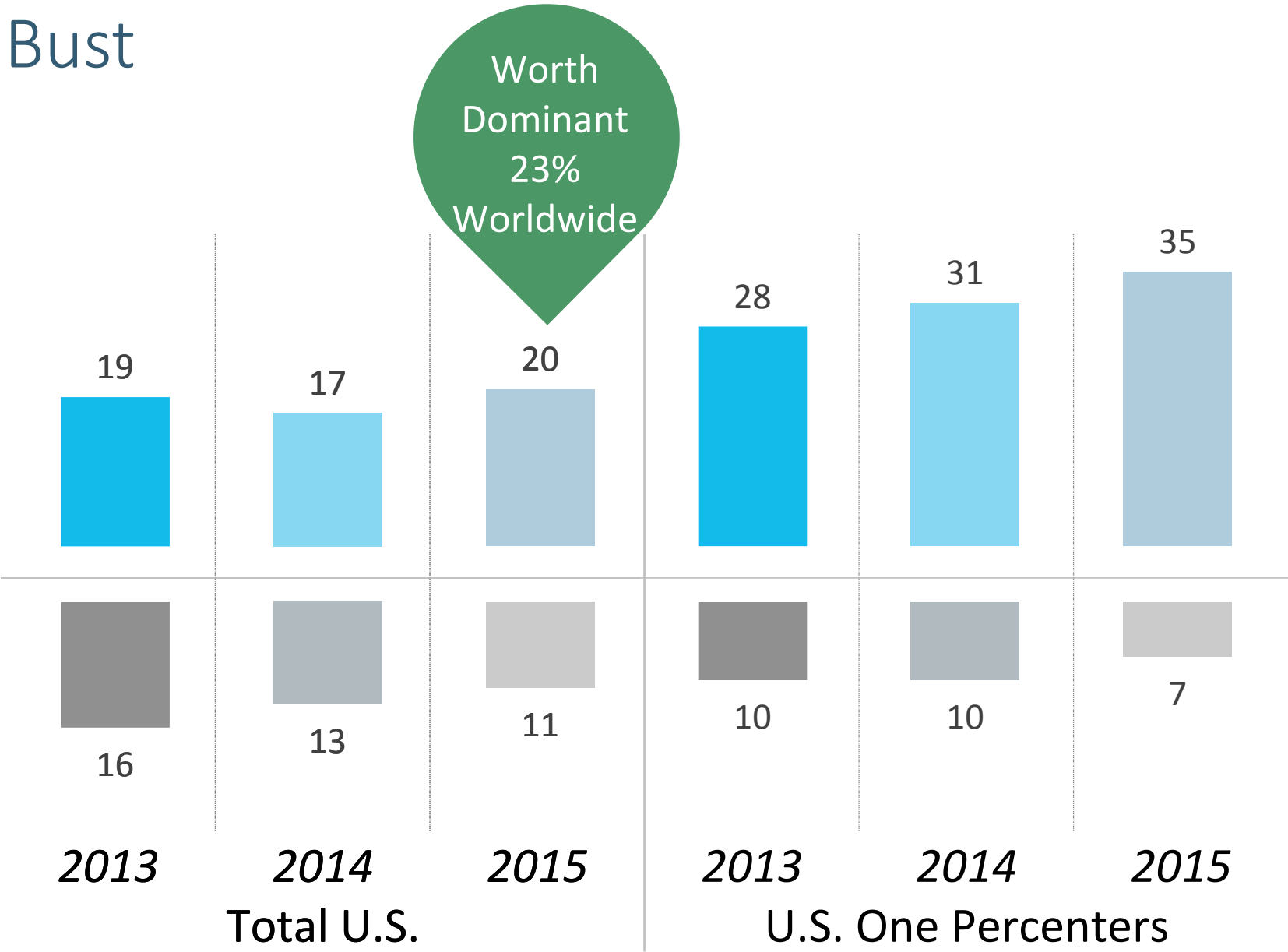
WHAT YOU NEED TO KNOW:  
Understanding trumps  
awareness

# The U.S. Worth Boom and the Deal Bust

% WHO ARE

WORTH  
DOMINANT

DEAL  
DOMINANT



Source: Survey of Affluence and Wealth



# WHAT YOU NEED TO KNOW: Worth vs. Deal: A Key Strategic Issue

Projected U.S. Household  
Spending 2015

+17.9%

\$69,750 per HH  
WORTH DOMINANT

-3.2%

\$18,720 per HH  
DEAL DOMINANT

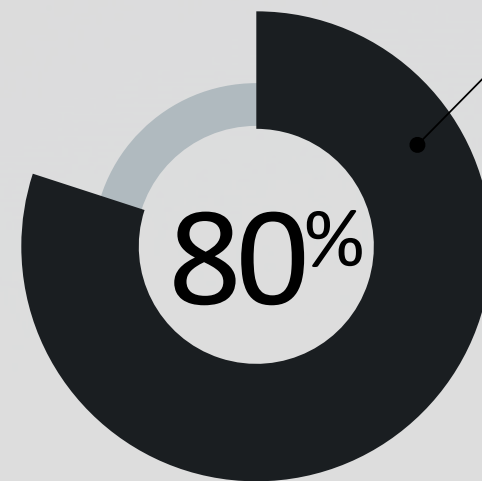
Percentage change year on year  
Projected 2015 spending in discretionary categories  
Source. Survey of Affluence and Wealth, U.S. Data only

# The Power of Me

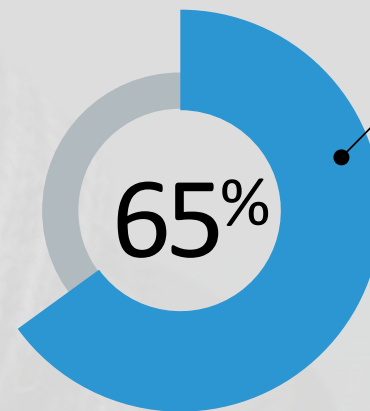
*% AGREE...*

EXPRESSING MY PERSONAL STYLE  
IS VERY IMPORTANT TO ME

Source: Survey of Affluence and Wealth



Millennials  
ages 25-36



Total

Worldwide Averages

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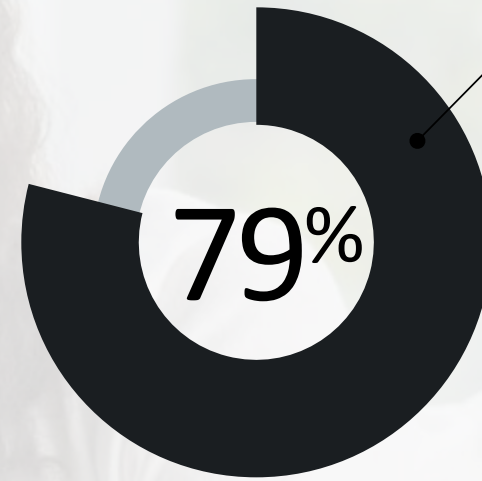
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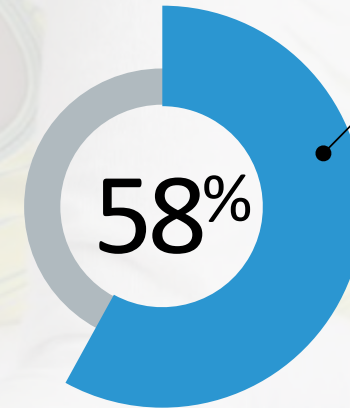
# The Next Big Thing: Reciprocity?

*% AGREE...*

I PREFER WEBSITES AND  
APPS THAT I CAN  
CUSTOMIZE OR  
PERSONALIZE



Millennials  
ages 25-36



Total

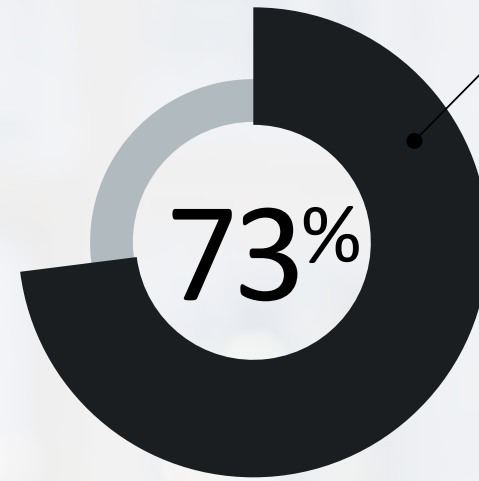


# Personalization is a Key Strategic Issue

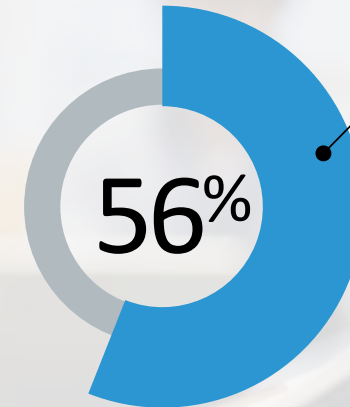
*% AGREE...*

I AM MORE LIKELY TO  
CONSIDER A BRAND WHEN  
THEIR ADVERTISING IS  
TAILORED TO ME

Source: Survey of Affluence and Wealth



Millennials  
ages 25-36



Total

Worldwide Averages

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# The Power of the Cloud Crowd

*Online comments by  
users influence me*

68%

*Online comments by  
experts influence me*

61%

**% AGREE... WORLDWIDE AVERAGES**

# The Power of the Cloud Crowd

Among Millennials  
ages 25-36

*Online comments by  
users influence me*

82%

*Online comments by  
experts influence me*

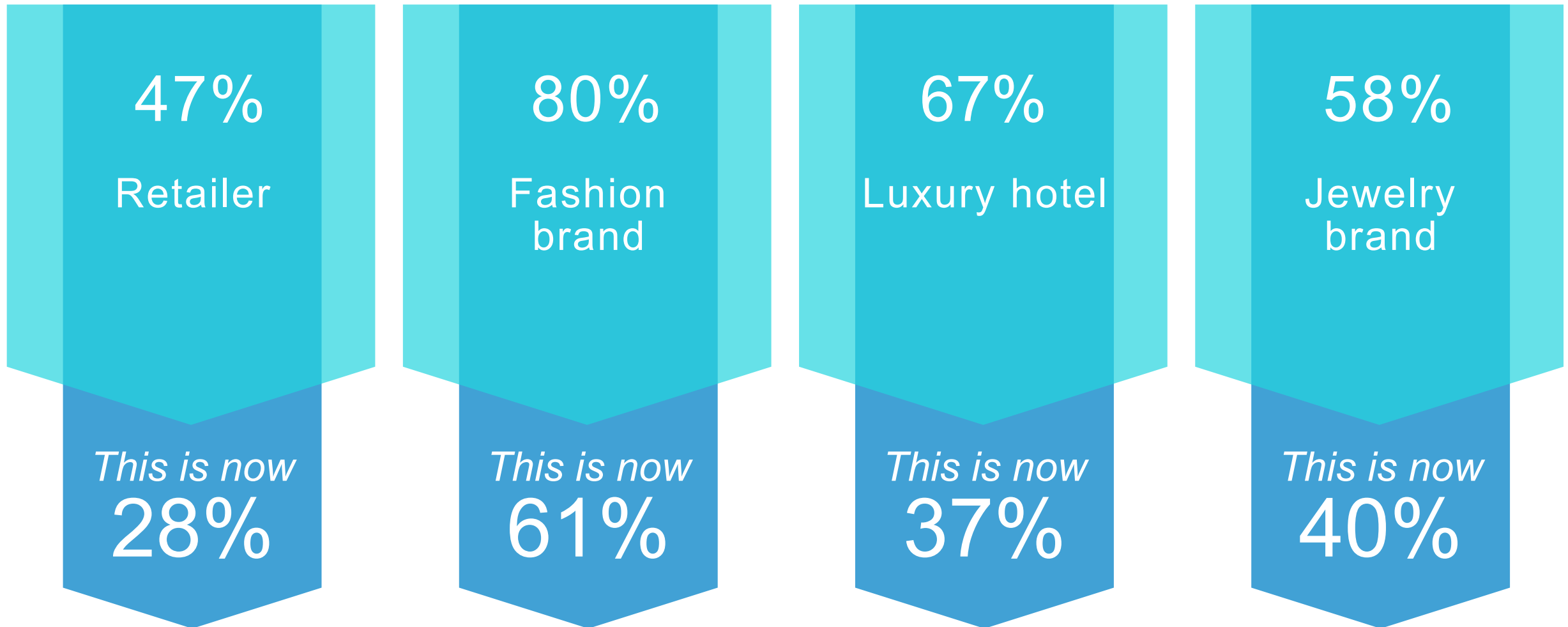
79%

**% AGREE... WORLDWIDE AVERAGES**

Source: Survey of Affluence and Wealth

# Brands losing power?

Among the top 5%, in 2007/2008, % who selected a favorite in each category:

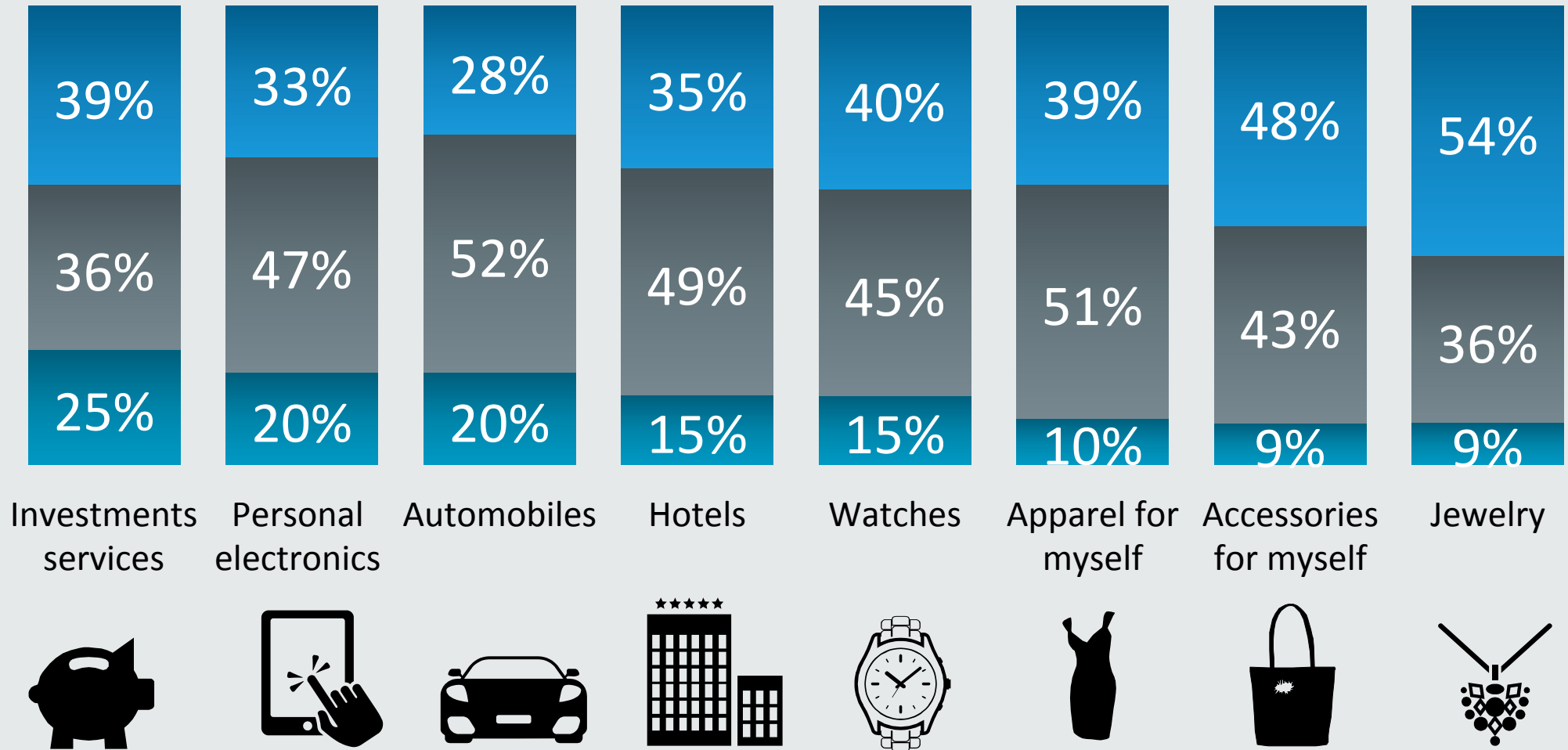


# Loyalty is hard to find

*I don't count on a brand name, I do research to make the best choice*

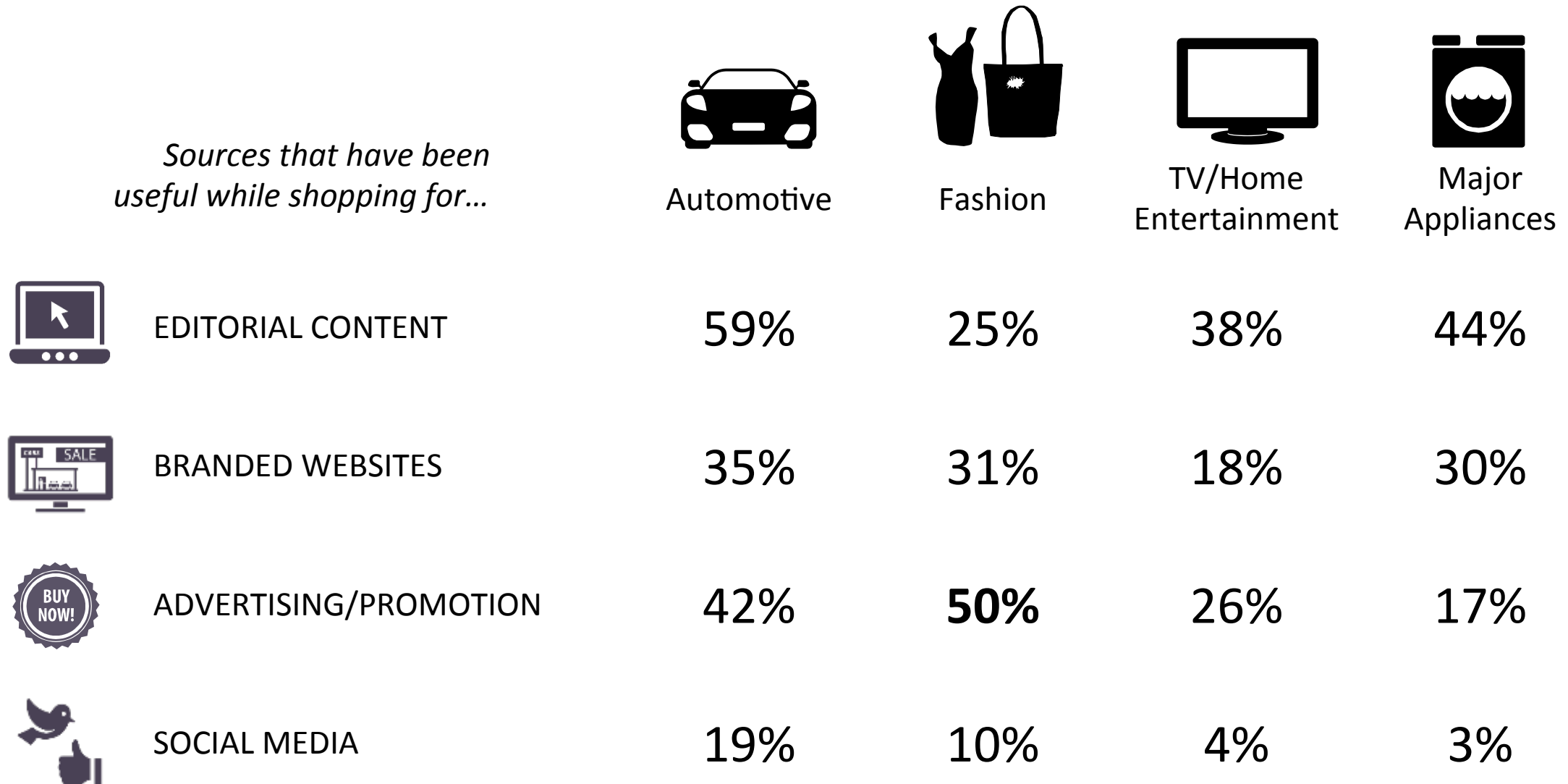
*I tend to choose from small set of brands*

*I found a single brand in the category and tend to use just that brand*





# Content and Promotion Also Lead Auto, Retail Categories



# The Hotel Decision Journey: Content and Promotion Lead

*Hotel Info: Ideas and Inspiration*

Global Average

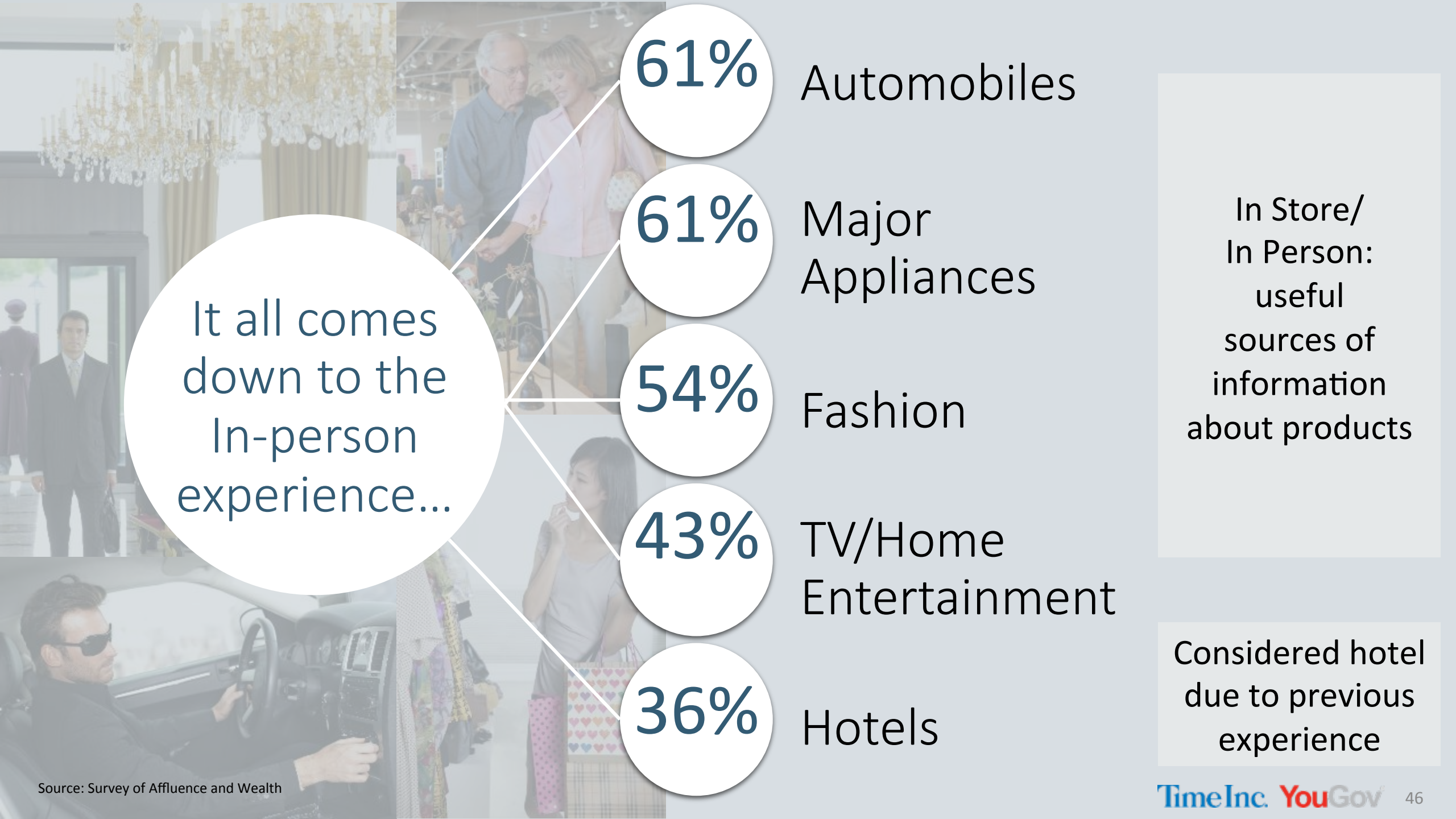


45%  
ADVERTISING/  
PROMOTION

46%  
EDITORIAL  
CONTENT

46%  
BRANDED  
WEBSITES

18%  
SOCIAL MEDIA/  
VIDEO  
CONTENT



It all comes  
down to the  
In-person  
experience...

61%

Automobiles

61%

Major  
Appliances

54%

Fashion

43%

TV/Home  
Entertainment

36%

Hotels

In Store/  
In Person:  
useful  
sources of  
information  
about products

Considered hotel  
due to previous  
experience





WHAT YOU NEED TO KNOW:

The multiplicity of channels is a management issue, but to the customer, it's a singularity

A pair of hands, one from the left and one from the right, are shown holding a large, glowing blue sphere. The sphere has a soft, ethereal light emanating from it, with some internal patterns resembling a nebula or a celestial body. The hands are positioned as if they are gently cradling the sphere. The background is dark and out of focus, with some faint, dark shapes that could be leaves or branches.

# LOOKIN G AHEAD



# Worldwide Wealth: Stunning Growth







# The Global Affluent: One Nation

# Family, Health & Home: Shared Values







Work & Money:  
Global Performance  
Standards



A man and a woman in business attire stand next to a silver convertible car on an airfield. The woman is wearing a light-colored suit and sunglasses, holding a black briefcase. The man is wearing a dark suit, a purple tie, and sunglasses, also holding a black briefcase. The car is a silver convertible with its top down. In the background, a white private jet is parked on the tarmac. The jet has the registration 'N800GG' visible on its tail. The sky is blue with some light clouds. A large white semi-transparent circle is overlaid on the right side of the image, containing the text.

Luxury is a  
Necessity:  
Brands are Not

# A Return to the Exquisite





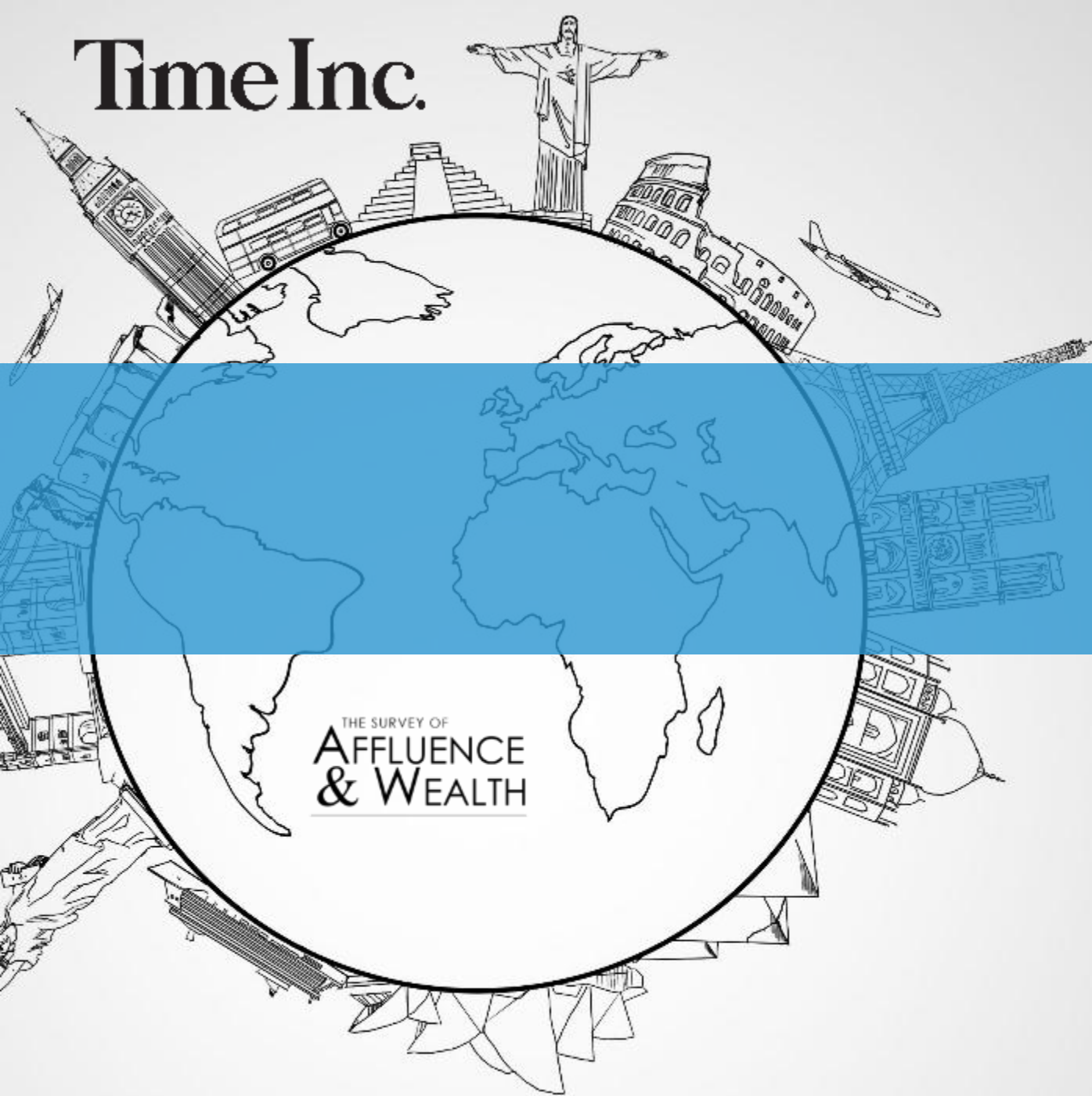
What does it  
all mean?





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THE SURVEY OF  
**AFFLUENCE  
& WEALTH**

# Thank You

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