

For Immediate Release

CONDÉ NAST AND MORPHEUS MEDIA STUDY REVEALS THAT LUXURY CONSUMERS SPEND MORE TIME ONLINE; PURCHASE MORE THAN NON-LUXURY CONSUMER

Increased use of web for product information and inspiration may result in less time spent in store

NEW YORK, NY --- Condé Nast and Morpheus Media presented the results of a study examining the buying power and attitudes of the luxury consumer online, today, during a breakfast at Condé Nast headquarters. Over 70 senior advertising and marketing executives from luxury brands in the retail, apparel, jewelry, watch and beauty categories were in attendance. The event was the second in an ongoing series of exclusive presentations Condé Nast has conducted, offering its clients timely information on issues central to their marketing strategies.

"We're committed to providing our clients with the essential information they need to navigate our rapidly changing marketplace," said Lou Cona, chief marketing officer, Condé Nast. "These presentations play an important role in shaping advertiser perspectives and as their partner we feel a responsibility to help them make smart choices for their brands."

The research conducted by Synovate, was commissioned to help clarify the existing relationship between the luxury consumer and the online medium; understand the role context plays in online advertising and the internet's role as part of the purchase funnel.

"What we've learned is that the luxury consumer not only spends a lot more time online than the non-luxury consumer, they're purchasing more, and using the web for product inspiration and information, resulting in less time in store," said Josh Stinchcomb, vice president digital sales, Condé Nast Media Group. "These results suggest that luxury brands will want to focus attention on both ecommerce and online branding strategies in order to take advantage of their customers' behavior."

"We look at media consumption data all day, but what excited us about this study was that we were able to understand the luxury consumers response to both the placement and the message of our advertising," said Shenan Reed, founder and managing director, Morpheus Media. "Knowing what the consumer expects from our media allows us to serve them better and one of the tent poles of luxury is customer service. "

Highlights from the online study include:

Luxury consumers are highly-engaged hyper users: Seventy percent of luxury consumers surveyed are online 3+ times a day for personal reasons compared to 46% of non-luxury consumers, while two-thirds of them believe “online research is critical for high-end purchases”.

Exponential spending behavior: Luxury consumers surveyed showed a household income more than twice that of the non-luxury consumer with their online spend about four times higher.

Time spent online can result in less time spent in stores: While most luxury consumers admit they “often browse or search for information before making an in-store purchase” – 43% of them said they “spend less time in stores now that they can search online”.

Luxury consumers rely on expert voice: Though social sites were the most often visited by luxury consumers, they scored very low for trust and quality. Rather, these consumers valued premium content sites for “providing quality information”. 84% of luxury consumers said premium content sites were a trusted resource, while only 11% felt that way about social websites.

*premium sites are defined as any non-social media site.

Where the ad resides is key to its success: Seventy-nine percent of luxury consumers said they are more likely to take action on an ad on a premium site, while two-thirds of luxury consumers surveyed went as far to say that “The website where the ad is placed dictates the ad’s credibility”.

Desire for customization may outweigh objections to behavior targeting: Better than half of the luxury consumers surveyed said they “Really like the fact that advertisers are able to customize the ads they see based on their online behavior”.

“This data has interesting connotations,” said Stinchcomb. “While people may be reticent to have their behaviors followed online, it seems that the luxury consumer’s desire to have their environment customized may outweigh that concern.”

Condé Nast, a division of Advance Publications, operates in 25 countries. In the United States, Condé Nast publishes eighteen consumer magazines, two trade publications and twenty-seven websites that garner international acclaim and unparalleled consumer engagement.

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