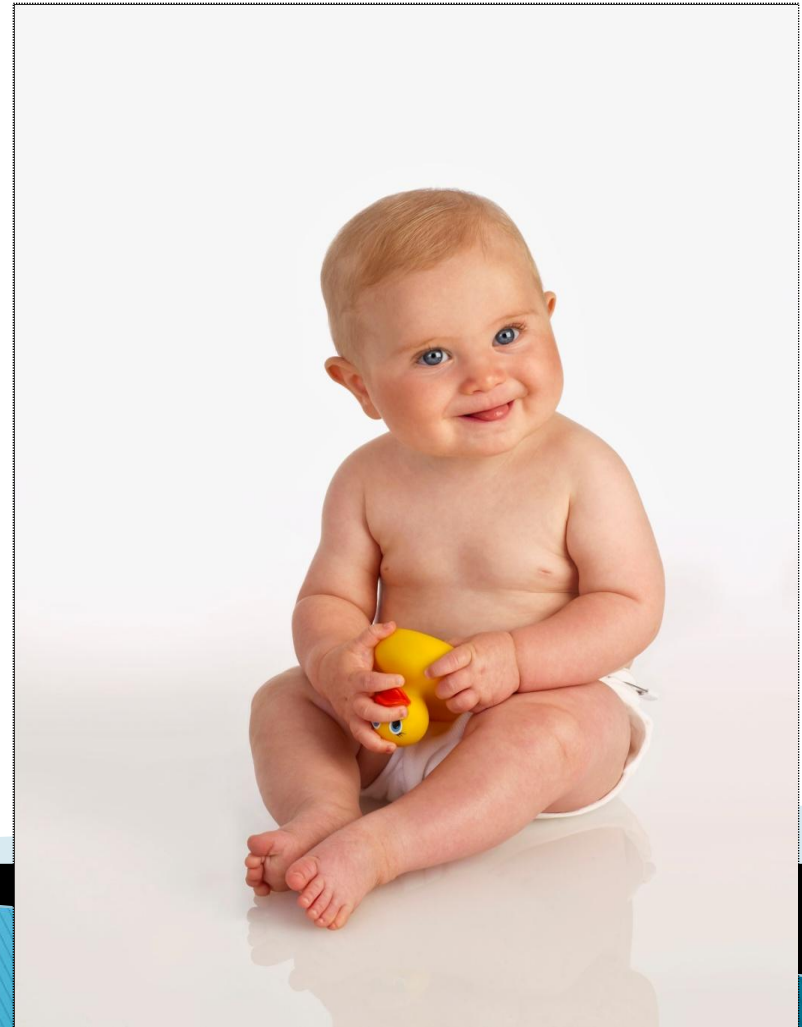


**Year born****# Born (in millions)**

<b>1987</b>	<b>3.8</b>
<b>88</b>	<b>3.9</b>
<b>89</b>	<b>4+</b>
<b>90</b>	<b>4.1</b>
<b>91</b>	<b>4.1</b>
<b>92</b>	<b>4+</b>
<b>93</b>	<b>4+</b>
<b>94</b>	<b>4</b>
<b>95</b>	<b>3.9</b>
<b>96</b>	<b>3.9</b>
<b>97</b>	<b>3.9</b>
<b>98</b>	<b>3.9</b>
<b>99</b>	<b>4</b>
<b>2000</b>	<b>4+</b>
<b>01</b>	<b>4+</b>
<b>02</b>	<b>4+</b>
<b>03</b>	<b>4+</b>
<b>04</b>	<b>4.1</b>
<b>05</b>	<b>4.1</b>
<b>06</b>	<b>4.3</b>
<b>07</b>	<b>4.3</b>
<b>08</b>	<b>4.2</b>
<b>09</b>	<b>4.1</b>



Social Media

weddings

Luxury

Travel

# New Wedding Boom Starts...



...2012

# Women Get Married @ 25-26



Do the Math...

# The Wedding List...

Catering

Gift stores

Stationery & invitations

Jewelry

Restaurants

Wedding planners

Flower shops

Clothing & accessories

Wedding venues

Travel agencies

Directory publishers

Video & photo

& much, much more...

# Brides Want--

- Online wedding planning—use video
- More “rentals”—bridal gowns, cakes!!
- Personalized wedding décor—Millennials want “distinctive”  
Will account for 60% of weddings by 2012
- Green weddings
- Pay attention to trends—“fascinator Frenzy”

# Hot Trend: Destination Weddings

## Challenges:

Harder to plan

Need more (often sight unseen):

Hotel/motel/B&B rooms

Airline/travel arrangements

Venue

Flowers

Food

## Solutions:

Team up to offer “one-stop” shopping

Start a “wedding coordination”



# Who's Buying Luxury?

## Meet the New Tastemakers—the Millennials/Gen Y

Largest “consumer group in US history

They make “conscious choices” with their cash

What they do now, they will likely do later &

What they do now is communicated to other generations

Demand VALUE & AUTHENTICITY

View expensive purchases as NECESSARY investment in themselves  
filling NEEDS, not WANTS

# Who's Buying Luxury?

**Survey: The Gen Y Prestige Brand Ranking**

**Gen Y is “brand conscious”**

**They're following luxury brands on Twitter & Facebook**

**They opt-in to get emails from luxury brands**

**How do they buy?**

**Women:**

**50%+ buy luxury goods via discount & retail sites**

**33% buy directly from brand sites**



# Reaching a New Target Market

## Media consumption

**Just-released report from the Luxury Institute.**

If you want to reach the young (under 35) & wealthy--remember they are avid consumers of "new media."

You'll find them on smartphones and tablet computers.

70% own smartphones & 23% already have an Apple iPad

Fewer of them are:

Reading newspapers, watching TV or listening to the radio

**In fact:**

**78% watch online video**—more than those who regularly read a magazine (76%) or newspaper (68%).

They spend an average 100 minutes a week watching online videos & with 227 minutes a week watching DVR playback. That's a total of 5 ½ hours, which exceeds their weekly TV watching by 1 hour. Internet radio is closing the gap—they spend about 75 minutes listening online, compared to 150 minutes for regular radio.

# Top Brands

Women:

Chanel\* Ritz-Carlton\* Four Seasons\* Marc Jacobs \*Cartier

Men:

BMW\* Ferrari\* Porsche\* Lamborghini\* Audi

# New to Luxury

Now that we're entering economic recovery American Express says there will be "luxury newcomers" who are "trading up" to luxury goods & services.

These newcomers make up 36% of current luxury spend & 43% are from Gens X & Y  
Gen Y will reach "full window of affluence when they start hitting 35 years old

Until they get there—provide new levels of **Access to Luxury**

Rent the luxury experience ([bagborrowsteal.com](http://bagborrowsteal.com), [renttherunway.com](http://renttherunway.com))

Can you do that?

Create entry level goods—or service packages for newbies

# Caution!!!

Are you stuck in your ways?

Your definition of luxury may be different than theirs.

According to a survey, their “ideal” experience is to go into a store, pick up a product, pay and go

Young people often like a DIY-type shopping experience.

1 reason why—consumers under 40 often feel “**perceived as lower spenders**” by luxury-store personnel which is why they’re not flooding into luxury stores & shops & like shopping online

# New Terms for Luxury Market

**(F)Luxury** this means (due to recession for 1 factor) the concept of luxury is in FLUX. As people redefine LUXURY, it will tie in to what many perceive of as SCARCE. This means it's the opposite of common.

Key words:

- \*hand-crafted
- \*personalized
- \*curated

**Responsible Luxury** today's luxury customers have a "deeper social conscience." They're demanding "corporate responsibility" from the companies they do business with. How to do:

- \*Change internal mindset—from top to bottom in your business
- \*Explain the benefits of corporate responsibility (more sales)

**Glocalization** combination of globalization & local. A product or service that has global appeal/distribution, but highlights the benefits and appeal of the local market.

# New Terms for Luxury Market

**Austerity Chic** selling perceived premium products at discount prices. Very popular today in the Vodka market. As an industry expert said: “If you can put ultra-premium on your label & sell it at a low price, you’re going to be well off.

Industry stats show over 25% of all “spirits” drinkers moved to buying cheaper brands last year.

In 2007 E&J Gallo released an inexpensive premium Gin & premium Tequila is about to be introduced costing 25% less than Patron.

I’m sure you’re experiencing this same phenomenon in the wine industry.

**It’s all about the marketing.**

Can you create a new brand to sell? Opens access to all parts of luxury market.

# Who's Traveling?

## **Gen X** ( born 1965 - 1980)

31 % of all leisure travelers \* 36 % of all business travelers

Gen Xers take an average of 3.5 leisure trips & 7 business trips per year.

## **Mature travelers** (born before 1946)

21% of all leisure travelers \* 14% of all business travelers

Takes an average of 4 leisure trips & 7 business trips per year.

## **Young boomers** (born 1955 - 1964)

21% of all leisure travelers \* 22% of business travelers.

Young Boomers take an average of 4 leisure trips & 6 business trips per year.

## **Older boomers** (born 1946-1954)

15% of all leisure travelers \* 16% of all business travelers

Takes an average of 4 leisure trips & 10 business trips per year.

## **Gen Y** (born after 1980)

12% of all leisure travelers

13% of all business travelers

Gen Y take an average 4 leisure trips & 4 business trips per year.

## **Solo travelers** 11% of leisure travelers

Take 4 leisure tips a year, compared to 5 trips for those who travel with other adults.

# Travel Planning

## Leisure travel planning sources

1. Internet
2. Online travel agencies
3. Travel brands
4. Other websites
5. Guide books

25% of adults also get information from friends, relatives, neighbors, and/or co-workers.

# Impact of the Internet

**76% or (90 million) of online travelers plan leisure trips online**

**Most see the Net as an essential tool for planning:**

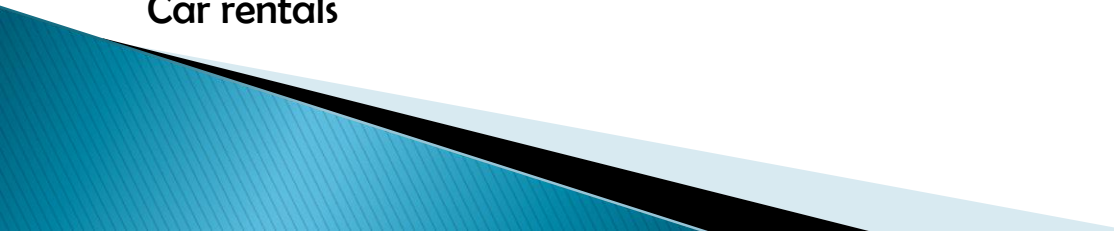
- Where to stay
- Planning travel routes
- Places/attractions to visit,
- What to do.

**Primary tools for travel planning:**

- Online travel agency websites
- Search engines
- Company websites
- Destination websites

**“Dominant” travel products & services purchased online:**

- Airline tickets
- Overnight lodging
- Car rentals



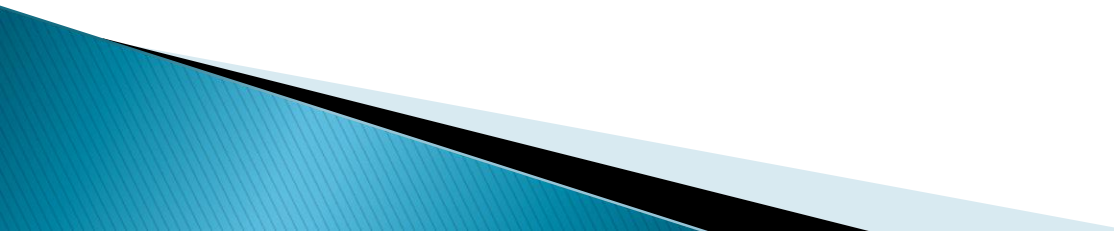
# Be Socially Conscious

## **Environmental issues impact travel decisions.**

79% of U.S. adults consider themselves environmentally-conscious and are increasingly aware of terms such as “carbon footprint” & “global warming”

They're starting to make decisions based on sustainability criteria.

**Note:** Although environmental responsibility is one of the prime influential factors affecting travel, they're still not willing to pay extra to support environmentally-friendly travel providers.



# Impact of the Internet

**For consumers online travel planning has increased:**

The number of information sources

The number of places considered

The number of places actually visited.

**Online travel planning has decreased the # of phone calls made to:**

Travel agencies

Airlines

Local tourism offices

Car rental agencies

Hotels, motels, B&Bs

# Advice from the Luxury Institute

First I want to mention what a great source the Luxury Institute is. You can find them online at:

[www.luxuryinstitute.com](http://www.luxuryinstitute.com)

**The CEO of the Luxury Institute calls this a “tipping point.” He says “the rising generation of wealthy consumers consume media in vastly different ways than anyone did just a decade ago. “Luxury firms face a challenge to adapt accordingly but also a tremendous opportunity to engage younger customers.”**

# Using Social Media

## The main components

Communication sites—the majors:

Facebook \* Twitter \* LinkedIn \* You Tube

## Ratings, reviews, location-based services

Yelp!

Ratepoint

Foursquare

Gowalla

Facebook Places

Google Places

## Deal sites

Groupon

LivingSocial

Bizy (B to B)

Numerous local sites

+ Blogging

# Using Social Media – Marketing Tips

## Facebook

Create a “fan” page—a page for your business.

Ask for “likes”

Post photos, deals, & promotions

Post regularly, so your “fans” can read about you in their Newsfeeds

Use the Facebook “badge” to let people know they can find you on Facebook

Use Facebook tools

Look into buying ads on Facebook—they’re pretty cheap

## LinkedIn

Create free profile

Join a group—answer questions—raise your profile

## Twitter

Tweet specials

Post pictures

Establish relationships—talk to others, don’t just promote

Participation is key to drive people to your website or physical location

# Using Social Media – More about Twitter

**Twitter's my favorite so I want to spend some more time on it.**

**If you're targeting business customers—21% purchased something after reading about it on Twitter.**

**Use 3<sup>rd</sup> party apps like Tweetdeck or HootSuite.**

**Put your Twitter name on business cards, receipts, ads, etc.**

**Use Twitter search to follow potential partners, customers**

**Search with # hashtags to chime in on conversations**

**Follow your competition. (Also get Google Alerts on you & competitors.)**

**Participation is key.**



# Using Social Media - Bloggers

## Find bloggers

Technorati – [www.technorati.com](http://www.technorati.com)

Alltop – [www.alltop.com](http://www.alltop.com)

Google them

## Why bother?

A survey just released says 20% of women who use social media are motivated to buy a product or service that is mentioned or promoted by a blogger they know.

53% of female blog readers actually **HAVE** bought something after reading about it on a blog.

## Take Action

Read, comment, reach out, establish relationship.

# Using Social Media - Marketing

## Significant changes in how small businesses market today

It's all about increasing brand awareness & building community

Small marketing budgets—have to do more with less

Merchant Circle survey of small businesses:

Top 3 most effective marketing methods:

1) search (40%) 2) social networking & email marketing (36%)

Most effective marketing tools:

1) Facebook 2) Google Search 3) Twitter

Also in TOP 3 effective advertising tools, but dropping in use:

Coupons/direct mail—40% put it in their top3, but direct mail use dropped 26%

Printed yellow pages—23% says it's effective, but use dropped 18%

Newspaper ads—in the top 3 of 20%, but print ads dropped 33%

# Using Social Media – Best Practices

Add social media to what you're already doing. I assume you're all using search tools. A new study from comScore showed that about 48% of buyers who make online purchases got to the site through a combination of search & social media—while 51% got there by search alone.

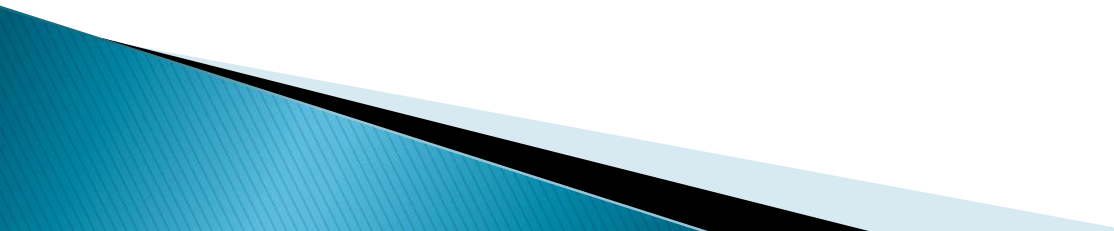
When consumers are exposed to both search-specific results & social media, click-thrus increase 94%!!

Use review & ratings sites—If you're in the travel or food business you **HAVE** to be on these sites. Read the reviews. See what people are saying about you. And respond—try to turn any negative into a positive.

30% of consumers rely on reviews to help them make purchase decisions.

# Using Social Media - Blogging

## You should have your own blog

- Drives traffic to your website
  - It helps you rise in search rankings
  - Update it at least 3 times a week
  - Encourage your employees to participate
  - Feature your customers
  - Highlight interesting info & news
  - Invite experts & customers to guest blog
  - Easier than you think to create
- 

# Going Mobile

These days it's not enough to just have a website. You need to make sure your site is optimized for mobile viewing. We've just put together a booklet (available next week) for Network Solutions. Here's a preview:

- There are 73.3 million smartphone users in the U.S.
- 89% of smartphone owners use it on a daily basis.
- 81% of smartphone users browse the Web.
- 31% of smartphone owners use the mobile Web to read online reviews
- 44% of smartphone users research products on their phones.
- Nearly 80% of smartphone owners use their phones for shopping and shopping-related activities.
- After conducting a mobile search, 68% of users visited a business online or in person & 53% made a purchase.

**\*\*This is why it's important to use location-based social media to attract & reward customers**