

Chapter 1 — Introduction.....	7
Luxury Consumers’ Membership in Loyalty Programs	8
<i>Figure 1: Membership in Loyalty Programs, by age and by income</i>	8
Membership and It’s Impact on Brand Choices	9
<i>Figure 2: How Strongly Loyalty Programs Influence Brand Choices</i>	9
Membership and Its Impact on Luxury Spending.....	10
<i>Figure 3: Average Amount Spent by Luxury Consumers 1Q2007 based upon Membership</i>	10
Want to Target Young Affluents? Create a Loyalty Program for Them.....	11
<i>Figure 4: Average Amount Spent by Luxury Consumers 1Q2007 based upon age and membership</i>	11
Case Studies of Effective Loyalty Programs	11
Characteristics of Effective Loyalty Programs	13
Chapter 2 — Luxury Tracking Study Topline Findings.....	15
Luxury consumption index up 2 points, but spending is not yet as strong as one year ago	15
<i>Figure 5: Luxury Consumption Index thru 1Q2007</i>	15
Luxury Consumers’ Feelings of Financial Well-Being Rose Slightly	17
<i>Figure 6: Financial Well Being</i>	17
More Luxury Consumers Report Decline in their Luxury Spending.....	18
<i>Figure 7: Luxury Spending Trends Past Twelve Months</i>	18
Luxury Consumers Cautious About Spending in Next Twelve Months.....	19
<i>Figure 8: Expected Spending on Luxury Next 12 Months</i>	19
Luxury Consumers’ Confidence in Financial Health of the Country Tanks.....	20
<i>Figure 9: Overall Financial Health of Country</i>	20
Luxury Consumers Feel Quite Confident of Their Financial Prospects for the Rest of the Year...21	21
<i>Figure 10: Financial Prospects Next Twelve Months</i>	21
Cautious Optimism Advised for Luxury Marketers.....	22
Total Luxury Purchase Incidence.....	22
<i>Figure 11: Overall Luuxry Purchase Incidence (All Affluent Consumers)</i>	22
Luxury Purchase Incidence for 1Q2007	24
<i>Figure 12: Luxury Purchase Incidence</i>	24
Luxury Consumer Purchase Incidence by Income Segments.....	25
<i>Figure 13: Luxury Consumer Purchase Incidence by Income Segment</i>	25
Luxury Consumers’ Average Spending Drops in First Quarter Relative to Same Quarter Last Year	26
<i>Figure 14: Average Spending on Luxury</i>	26
Super-Affluents Spent Three-Times More than the ‘Trading Up’ Consumers on Luxury and Two-Times More than Affluents.....	28
<i>Figure 15: Luxury Spending by Income Segment</i>	28
In 1Q2007, Young Affluents Out Spent the Over 40 Year Old Segment.....	29
<i>Figure 16: Luxury Spending by Age Segment – Young Affluents and Over 40 Year Olds</i>	29
As Typical, Men Outspent Women Buying Luxury in the First Quarter.....	31
<i>Figure 17: Luxury Spending by Gender</i>	31
Total Luxury Market Declined Slightly in 1Q2007 compared with Same Period Last Year	32

<i>Figure 18: Luxury Market Potential</i>	32
Non-Store Retailers Continue Their Vital Role in Luxury Shopping	34
<i>Figure 19: Where People Shopped for Home and Personal Luxuries</i>	34
Nordstrom in the Lead as Luxury Shoppers' Favorite Luxury Department Store and Target Is Tops for Mass and Discount Stores.....	36
<i>Figure 20: Store Brand Usage for Any Luxury Shopping</i>	36
Luxury Consumers' Favorite Magazines.....	38
<i>Figure 21: Luxury Consumers Favorite Magazines</i>	38
Chapter 3 — Home Luxuries	39
Home Luxury Purchase Incidence in 1Q2007.....	39
<i>Figure 22: Home Purchase Incidence</i>	39
Luxury Shoppers Spent More on Home Luxuries in 1Q2007 than in 4Q2006, but Less than 1Q2006	40
<i>Figure 23: Home Luxury Spending</i>	40
Luxury Home Consumers Shopped In Stores Most Often for Luxuries for their Homes.....	41
<i>Figure 24: Where Luxury Consumers Shopped for Home Luxuries</i>	41
Art & Antiques — Purchase Details	42
Type of Art and Antiques Bought	42
<i>Figure 25: Type of Art Bought</i>	42
Amount Spent on Art & Antiques	43
Where People Shopped for Luxury Art & Antiques	43
<i>Figure 26: Art & Antiques Shopping Choices</i>	43
Art & Antiques Brand Usage.....	44
<i>Figure 27: Art, Sculpture & Art Retail Brand Usage</i>	44
Electronics & Photography Equipment — Purchase Details.....	46
Type of Electronics Bought	46
<i>Figure 28: Type of Electronics Bought</i>	46
Amount Spent on Luxury Electronics & Photography Equipment	47
Where People Shopped for Luxury Electronics & Photography Equipment.....	47
<i>Figure 29: Electronics & Photography Shopping Choices</i>	47
Electronics & Photography Equipment Brand Usage	48
<i>Figure 30: Electronics & Photography Brand Purchase</i>	48
Home Decorating Fabrics, Window & Wall Coverings — Purchase Details	49
Type of Home Decorating Fabrics, Window & Wall Coverings Bought.....	49
<i>Figure 31: Type of Home Decor Fabrics, Window & Wall Coverings Bought</i>	49
Amount Spent on Home Decorating Fabrics, Window & Wall Coverings.....	49
Where People Shopped for Luxury Home Decorating Fabrics, Window and Wall Coverings	50
<i>Figure 32: Home Decorating Fabrics, Windows & Wall Coverings Shopping Choices</i>	50
Furniture, Lamps & Floor Coverings — Purchase Details	51
Type of Furniture, Lamps & Floor Coverings Bought.....	51
<i>Figure 33: Type of Furniture, Lamps, Floor Coverings Bought</i>	51
Amount Spent on Furniture, Lamps and Floor Coverings.....	51
Where People Shopped for Luxury Furniture, Lamps and Floor Coverings	52
<i>Figure 34: Furniture, Lamps, Floor Coverings Shopping Choices</i>	52

Garden, Outdoor, Lawn & Patio Products — Purchase Details	53
Type of Garden/Outdoor Bought	53
<i>Figure 35: Type of Garden/Outdoor Living Luxuries Bought</i>	53
Amount Spent on Garden	53
Where People Shopped for Luxury Garden, Outdoor, Lawn, & Patio Products	54
<i>Figure 39: Garden, Outdoor, Patio, Lawn Shopping Choices</i>	54
Kitchenware, Cookware & Housewares — Purchase Detail.....	55
Type of Kitchenware, Cookware & Housewares Bought.....	55
<i>Figure 36: Type of Kitchenware, Cookware, Housewares Bought</i>	55
Amount Spent on Kitchenware, Cookware & Housewares.....	55
Where People Shopped for Luxury Kitchenware, Cookware, Housewares	56
<i>Figure 37: Kitchenware, Cookware, Housewares Shopping Choices</i>	56
Kitchen Appliances, Bath & Building Products — Purchase Details	56
Type of Kitchen Appliances, Bath & Building Products Bought.....	57
<i>Figure 38: Type of Kitchen Appliances, Bath & Building Products Bought</i>	57
Amount Spent on Kitchen Appliances.....	57
Where People Shopped for Luxury Kitchen Appliances, Bath and Building Products	58
<i>Figure 39: Kitchen Appliances, Bath & Building Products Shopping Choices</i>	58
Linens & Bedding Products — Purchase Details.....	58
Type of Linens and Bedding Bought	59
<i>Figure 40: Types of Linens & Bedding Bought</i>	59
Amount Spent on Linens and Bedding	59
Where People Shopped for Luxury Linens & Bedding Products.....	60
<i>Figure 41: Linens & Bedding Shopping Choices</i>	60
Tabletop, Dinnerware, Flatware, Servingware — Purchase Details	60
Type of Tabletop Purchased	61
<i>Figure 42: Type of Tabletop Purchased</i>	61
Details: Crystal & Glassware.....	62
<i>Figure 43: Type of Crystal and Glassware Purchased</i>	62
Details: Dinnerware	63
<i>Figure 44: Type of Dinnerware Purchased</i>	63
Details: Silverware	64
<i>Figure 45: Type of Silverware Purchased</i>	64
Amount Spent on Tabletop.....	64
Where People Shopped for Luxury Tabletop Products.....	65
<i>Figure 46: Tabletop Shopping Choices</i>	65
Tabletop Brand & Designer Usage	66
<i>Figure 47: Tabletop Brand Awareness & Usage</i>	66
Chapter 4 — Personal Luxuries	67
Personal Luxury Purchase Incidence 1Q2007.....	67
<i>Figure 48: Personal Luxury Purchase Incidence</i>	67
Personal Luxuries Spending Down Significantly in 1Q2007	68
<i>Figure 49: Personal Luxury Spending</i>	68
Department Stores an Important Shopping Choice for Personal Luxury Consumers	69
<i>Figure 50: Where Luxury Consumers Shop for Personal Luxuries</i>	69

Automobiles & Recreational Vehicles — Purchase Details	70
Amount Spent on Automobiles & Recreational Vehicles	70
Luxury Automobile Brand Usage	70
<i>Figure 51: Luxury Automobile Brand Usage</i>	70
Clothing & Apparel — Purchase Details	71
Type of Clothing & Apparel Bought.....	71
<i>Figure 52: Type of Clothing & Apparel Bought</i>	71
Amount Spent on Clothing & Apparel	72
Where People Shopped for Luxury Clothing & Apparel.....	72
<i>Figure 53: Clothing & Apparel Shopping Choices</i>	72
Clothing & Apparel Brand Usage	73
<i>Figure 54: Clothing & Apparel Brand Usage</i>	73
Fashion Accessories — Purchase Details	74
Type of Fashion Accessories Bought.....	74
<i>Figure 55: Type of Fashion Accessories Bought</i>	74
Amount Spent on Fashion Accessories.....	75
Where People Shopped for Luxury Fashion Accessories.....	75
<i>Figure 59: Fashion Accessories Shopping Choices</i>	75
Luxury Fashion Accessories Brand Usage	76
<i>Figure 56: Fashion Accessories Brand Usage</i>	76
Fragrance, Cosmetics, and/or Beauty Products — Purchase Details	77
Type of Cosmetics Bought	77
<i>Figure 57: Type of Cosmetics & Beauty Products Bought</i>	77
Amount Spent on Fragrance, Cosmetics and/or Beauty Products.....	78
Where People Shopped for Luxury Fragrance, Cosmetics and/or Beauty Products	78
<i>Figure 58: Fragrance, Cosmetics, Beauty Products Shopping Choices</i>	78
Wine & Spirits — Purchase Details.....	79
Type of Wine & Spirits Bought.....	79
<i>Figure 59: Type of Wine & Spirits Bought</i>	79
Amount Spent on Wine & Spirits.....	79
Jewelry — Purchase Details	80
Type of Jewelry Bought.....	80
<i>Figure 60: Type of Jewelry Bought</i>	80
Type of Women’s Jewelry Bought	81
<i>Figure 61: Type of Women’s Jewelry Bought</i>	81
Type of Men’s Jewelry Bought	82
<i>Figure 62: Type of Men's Jewelry Bought</i>	82
Material of Composition.....	83
<i>Figure 63: Material of Composition Women’s Jewelry</i>	83
<i>Figure 64: Men's Jewelry: Material of Composition</i>	84
Amount Spent on Jewelry.....	84
Where People Shopped for Jewelry	85
<i>Figure 65: Jewelry Shopping Choices</i>	85
Jewelry Brand Usage	86
<i>Figure 66: Jewelry Brand Usage</i>	86

Watches — Purchase Details.....	87
Type of Watches Bought	87
<i>Figure 67: Type of Watches Bought</i>	87
Material of Composition Formal/Dress Watches.....	88
<i>Figure 68: Material of Composition Formal/Dress Watches</i>	88
Amount Spent on Watches	88
Where People Shopped for Luxury Watches.....	89
<i>Figure 69: Watches Shopping Choices</i>	89
Watches Brand Usage.....	90
<i>Figure 70: Watch Brand Usage</i>	90
Chapter 5 — Experiential Luxuries	91
Luxury Consumers Experiential Luxuries Purchases Drop Slightly in 1Q2007	91
<i>Figure 71: Experiential Purchase Incidence</i>	91
Average Spending on Experiential Luxuries Remained Stable from 1Q2006	92
<i>Figure 72: Experiential Luxury Spending</i>	92
Luxury Dining — Purchase Details	92
Amount Spent on Luxury Dining.....	92
Luxury Entertainment — Purchase Details	93
Amount Spent on Luxury Entertainment.....	93
Luxury Home Services — Purchase Details.....	93
Type of Home Services.....	94
<i>Figure 73: Type of Home Services Bought</i>	94
Amount Spent on Luxury Home Services	94
Luxury Spa, Massage and Beauty Treatment — Purchase Details	95
Amount Spent on Luxury Spa, Massage and Beauty Treatment.....	95
Luxury Travel — Purchase Details.....	95
Amount Spent on Luxury Travel.....	95
Foreign Travel Choices.....	96
<i>Figure 74: Type of Foreign Travel Bought</i>	96
Domestic Travel Choices.....	97
<i>Figure 75: Type of Domestic Travel Bought</i>	97
Luxury Hotel Brand Usage.....	98
<i>Figure 76: Luxury Hotel Brand Usage</i>	98
Appendix A	99
Quarterly Tracking of Luxury Consumer Purchasing.....	99
Information about Loyalty Programs Was Researched in More Depth	100
Sample Demographics	100
Income Demographics	101
<i>Figure 77: Income Demographics</i>	101
Gender	102
Age Distribution.....	102
<i>Figure 78: Age Distribution</i>	102
Other Demographic Variables	103
1Q2007 Luxury Tracking Survey	104