LUXURY
Introduction

Think luxury and you might think: red carpet, oysters, caviar, Champagne. But you might also envision white sheets, silk and cashmere, a subdued elegance that’s less once-in-a-lifetime glitzy Hollywood, more everyday Scandinavian minimalism. Or, perhaps, it’s something even more low-key: a LUSH bath bomb night, with some candles and a good podcast.

Luxury has come to mean very different things to different people. So in October 2017, Refinery29 began a thorough survey in order to discover exactly what women define as “luxury” — what they deem worthy of a little extra dough and the trade-offs it takes to get there.

Turns out, status symbols of the past no longer apply. Instead, the women we surveyed saw luxury as a way of elevating the everyday, calculating the cost-benefit of each purchase by examining how their purchases make them feel — not how their purchases make them look to others. The term luxury is no longer about projecting an image outwards; it’s about a woman’s internal goals, feelings, and sense of values. In this report, we’ll break down how those internal ideas affect the spending choices of modern millennial women.
**Methodology**

For this survey, Refinery29 wrote and executed a 70-question online survey, administered to Refinery29’s proprietary insights panel, Mad Chatter. In total, we surveyed 1,025 women ages 18 and up in the United States, asking respondents to define luxury from their perspective.

Of the women surveyed, 32% have a household income (HHI) of under $50,000, 36% have an HHI of $50,000 to $100,000, and 32% have an HHI of more than $100,000. The data examines the areas of her life where luxury is important, as well as what our respondents are willing to spend on various luxury items.

**‘Luxury’ Then & Now**

Given the rise of customizable experiences, products, and services, a “luxury” experience is meant to be unique, catering to a specific person’s interests and desires. So for one respondent, “luxury” might mean a Gucci ring, “because Gucci.” For another, it might mean high-end ice cream. And for yet another, it could mean a day at the spa. All these definitions vary based on a woman’s employment status, financial situation, and wants and needs.

There are a few qualities, however, that are universally associated with “luxury”. First and foremost, luxury implies money. When asked to list the first three words they associate with luxury, the most common term women used was “expensive.” The following most popular phrases? “Quality” and “exclusive.”
These top three terms showcase the lasting impact of the “luxury” of yesteryear, where brand recognition, logos, and traditional implementations of service reigned supreme. While 55% say brands and logos may have been important in years past, only 10% of respondents say modern luxury is an experience of brands and logos. In today’s social and economic landscape, because luxury items carry “expensive” in their brand heritage, they truly must deliver. When asked how they make their purchasing decisions, 60% of respondents said they prioritize quality and craftsmanship while 54% consider design.

Of course, brand names do matter when they are associated with quality, aesthetics, and a high price. 82% of respondents consider Cartier bracelets luxury items; 78% call Rolex items luxury; and 76% would say a pair of Manolo Blahnik shoes is luxury (hello Sex and the City fans). But ultimately, these names are considered luxe thanks to their reputation for craftsmanship and quality. In today’s market, it is no longer enough to be known; brands must be known for something. Said one respondent on her Céline luggage tote: “It’s quality and will last me forever.”

The latter point — “[it] will last me forever” — marks the “why” behind all this. The biggest difference in our definition of luxury, it seems, focuses on the longevity, durability, and usability of a purchase. While 52% of respondents believe that luxury was an in-person white glove experience in years past, only 11% believe it’s true now. In fact, only 14% of respondents believe that luxury today is a one-off Cinderella moment reserved for special occasions.
Instead, Consumers Now Aim To Incorporate Luxury Into Their Everyday.

48% of women surveyed only purchase a luxury item a few times a year, but those items are used on a monthly — if not weekly — basis. Out of the 89% of women surveyed who say they own a luxury product, 92% use their luxury beauty products at least weekly; 63% of women use their luxury handbags weekly; and 60% wear their luxury jewelry weekly. The same goes for shoes, the least-used luxury item, as 76% of respondents will pull out their high-end shoes at least once a month. The goal, it seems, is to incorporate a moment where she can feel like Cinderella into everyday life — in small, luxurious ways.
How We Spend on Luxury

It’s no surprise that luxury requires money — good quality items and experiences often come at a price. So reality oftentimes forces women to prioritize what they spend more on. 3 in 4 respondents agree with the statement, "Every aspect of my life can’t be luxurious, so I have to carefully choose the areas in which luxury means the most to me.” Meanwhile, 42% say, "I can only purchase luxury items or experiences at a discount.” 42% also agree that luxury in one area of their life means average in another.

As the vast majority of shoppers do not have endless resources to pull from, our respondents were more likely to own luxury items that have an everyday use. The numbers correlate: Since 92% of our respondents who own luxe beauty buys use them at least weekly (as stated above), 45% of respondents ranked beauty products in their top three prioritized areas for luxury. 94% of respondents say they use their luxury furniture weekly; 45% listed furniture within their top three areas of luxury. And for food, 70% of respondents participate in a luxury conscious food choice once a month or more; 42% say they prioritize the food they consume in their top three areas of luxury.

That’s not to say our respondents don’t own luxury items in other categories. Fashion purchases such as clothing, shoes, and handbags were the least prioritized, for example, but not necessarily because our respondents aren’t investing in these areas. Instead, our respondents are doing more with less.

Ahead, we take a look at what respondents feel is worth their money in different markets — and why.
Beauty is the most popular area for luxury shopping, with 65% of respondents owning a luxury beauty buy. This could be due to the wide-ranging price points of luxe beauty — 37% of our respondents have spent $150 to $500 on luxury beauty this past year, but 45% have spent anywhere from $500 to $3,000.

Here, brands and name recognition seem to play primary roles in defining luxury, despite her more general feelings on luxury expressed towards the beginning of the survey. Many respondents listed La Mer cream as their most recent luxury purchase, noting its high price (typically upwards of $170). NARS was also a popular brand, as were Drunk Elephant, Fenty, and Sunday Riley — brands often recommended by celebrities and beauty editors. But ingredients and effectiveness are the desired results of such luxury buys. One woman describes the value of her body scrubs and lotions, saying, “The best and natural ingredients were used,” while another justified the money spent on her facial moisturizers because they are “organic, holistic, and [give me] the best results without doing damage to the environment or the body. Worth the premium.”

It’s within the realm of beauty that the divide between luxury and not is particularly pronounced, thanks, in part, to the industry divide between drugstore and designer brands.

Many respondents noted the difference between “need” and “want” in this realm. One woman says of her high-end face wash: “I could buy cheaper, drugstore items, but I don’t think they work as well, so I buy a higher quality, more expensive product that feels luxurious and effective.” Of Drunk Elephant, another says: “They’re pricey and nonessential. I buy them purely because they make me feel and look good.”

In all these cases, these women are making a choice here — choosing to spend more on effective items to make themselves look good. The fact that these luxurious buys are typically used daily also helps, injecting something special into the mundane. “The experience of using these products each day is a luxury,” says one woman, “and they help me look my best!”
 Whereas beauty might be the most cost-inclusive area of luxury, home decor and furniture might be the most cost-prohibitive. This has resulted in an interesting dilemma — while 45% of respondents believe their furniture is one of their top three important areas to spend, only 17% actually own luxury furniture, and only 20% own luxury home decor.

This might be due to the price point; a luxury beauty buy can range from $24 lipstick to a $500 night cream. For furniture, the prices are much higher. One respondent wrote of a $1,000 bed frame, “something I had to save up to treat myself to.” In fact, the most common amount of money spent on luxury home decor fell within the $1,000 to $2,000 price range; in beauty, however, the most common price range was $250 to $500.

In general, the written responses reveal that our respondents are more likely to spend on one or two quality pieces, and half the pleasure comes in the find. One respondent who bought a midcentury buffet unit was seemingly more excited by the value of the hunt, writing, “It’s an antique and a great find for a really good price. It isn’t a newly made midcentury-style piece since this is an original. It is really hard to find original midcentury pieces in good condition in general and let alone for a low price. It honestly is a steal and I am in love with it.”

The purpose of these buys is to ultimately create comfort & a space that is uniquely catered to you — not surprising, given that one’s home is often considered a safe space for self-care.

Hence, purchasing decisions in this space hinge very much on the experiences that result from those buys. One woman might splurge on a record player because of sound quality, while another looks for buttery leather and luxurious velvet. A third shells out for “a very expensive oil diffuser” — not for aesthetic reasons, but because “it makes my home more luxurious and is the best one you can buy.” In the realm of home, fabrics, feelings, and a sense of environment are key, highlighting just how much the experiential element becomes more important than brands and logos.
When it comes to daily luxuries, food is always the first thought. Humans can survive without a new purse, after all, but we require sustenance and calories every day. So it makes sense that our respondents engage in luxury food experiences the most often. 42% of respondents consider the food they consume to be within their top three areas of priority in the luxury sphere, and 84% of respondents have a luxury dining experience at least twice a year. In fact, 70% of respondents participate in a "luxury conscious food choice" once a month or more.

The ubiquity of luxury food might be attributed to the range of accessibility within the industry. Not all luxury foods are foie gras and caviar (although respondents did have their share of such fare).

Respondents consider chemical-free, organic strawberries just as luxurious as dinner and cocktails at an exclusive, hard-to-book restaurant in London — for a fraction of the cost.

One respondent shells out for foie gras and rustic French bread at a favorite bistro, which she can’t afford very often. Another considers quality pistachio ice cream (two scoops instead of one) a small, $10 luxury.

This variety of options and price points has increased the accessibility of luxury food, ultimately leading respondents to be happier with this area of their lives. Compared to only 43% of respondents who feel satisfied with their home decor (which, as previously discussed, typically has a higher price point), 75% of respondents feel satisfied with their dining experiences; 72% feel satisfied with their food choices in general.

More interestingly, high quality grocery options are no longer considered a luxury. While 49% of respondents consider shopping at Whole Foods a middle-of-the-road luxury, 41% do not consider Whole Foods a luxury food source. In fact, only 26% of respondents feel that being able to eat healthy is a luxury, implying, perhaps, that access to quality ingredients is considered a right, rather than a privilege.
In an ironic reversal, fashion luxury buys were the second most commonly owned items in our survey, with most respondents owning luxury handbags, clothes, and shoes (60%, 57%, and 53% of the respondents respectively).

These numbers ran counter to the fact that many respondents do not consider luxury fashion high in their priority list. In fact, only 34% of women surveyed consider handbags in their top three priorities; 30% consider luxury clothes in their top three, and 26% consider luxury shoes a top three.

Part of the deprioritization of fashion might be because these luxury buys are already owned. But fashion’s diversity of sources might also be the cause. “There are so many other ways to buy into fashion that aren’t luxury — there’s contemporary, fast fashion, discount, vintage,” says Refinery29 senior fashion market editor Alyssa Coscarelli. And the fact that fashion trends are constantly changing doesn’t help; “It takes a lot of disposable income to buy a luxury trend item, only to be over it in six months.”

Still, just because respondents aren’t actively prioritizing luxury fashion doesn’t mean they aren’t purchasing. Take, for example, shoes — the least prioritized luxury fashion buy. When asked to list their latest luxury buy, respondents consistently listed shoes of all types: Jimmy Choo wedges, Isabel Marant boots, Rachel Comey boots, Nike Limited Edition Air Maxes, “$150 for sneakers I’ll never exercise in,” etc.

This inconsistency could be due to the fact that shoes tend to have a shorter lifespan than, say, a leather bag. But it could also speak to how women are finding their luxury purchases. They might not necessarily be actively seeking out luxury fashion, but they might have something in mind — a basic black boot or a versatile handbag. And if it shows up — perhaps on sale — in their size, why not?
Still, in the realm of fashion, aesthetic and exclusivity are everything. Isabel Marant shoes are a luxury because they’re “difficult to attain, special, beautiful.” A Mansur Gavriel handbag is coveted because “it’s expensive, made of Italian leather, and not everyone has it.”

Meanwhile, the quality of construction and usability is also valued — a Burberry rain jacket was a justified purchase because of its brand and extra versatility (you can zip out the warmer layer), while designer velvet studded boots were splurged on because of “the quality of materials, craftsmanship, and the kind of comfort and fit you can only find in luxury items. I even love the extra touches that go into the outer packaging, box, and bag.”

Ultimately, however, the fashion buys are prioritized based on how they make our respondents look and feel. Per the written responses to the survey, women seemingly invest more in items that boost their confidence, with the intended result of getting more cost per wear. One respondent who bought a jumpsuit wrote, “It was a more expensive option, but it also made me look awesome so I knew I would wear it a ton.”
It might seem like everyone snatches up the latest iPhone edition or smart speaker, but the truth is that purchasing the latest model of any tech item is still a luxury to many. In fact, only 51% of respondents say they own a luxury tech item — compared to 65% who own a luxury beauty buy and 60% who own a luxury handbag.

This is an interesting development, as respondents who do have tech gadgets use these the most often; 96% of respondents with a luxury tech buy use them at least weekly.

How much our respondents spent on tech also varied widely; while 23% of respondents spent $1,000 to $2,000 on their tech buys in the past year, 16% spent only $500 to $750.

Many respondents consider a new cell phone a luxury — “I could function with a less expensive/flashy item,” one wrote in, while another noted, “I didn’t need it, as my current phone was in fine working order, but it was the newest release.”

Exclusivity also felt important within this market. High quality headphones, handcrafted with leather, were also considered luxe, as was an Apple watch (“pretty expensive, exclusive,” wrote the buyer) and the iPhone X (“hardly anyone will have one,” said one respondent).

Beyond that, however, most respondents prized their tech buys based on their increased ease and enjoyment of life. One respondent wrote of the Amazon Echo: “It’s a freaking smart speaker! In all seriousness, it is something that aids many aspects of my life. To me, that means luxury.” Another, who purchased a Mac laptop, wrote that her computer was a luxury because she is “able to create with all the programs available on there. Being able to create brings me joy, [and] my laptop allows that luxury.”

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Luxury: Not Necessary, but Also Not Frivolous

Despite the Hollywood montages of shopping sprees, over and over, the stats remind us that luxury isn’t a mindless impulse buy. Yes, respondents might prioritize some areas of luxury over others, but in the end, all luxury buys are considered investments; thus our respondents are constantly calculating the expected return of such investments. It is no longer enough to simply own something expensive. 82% of respondents say that luxury is a mix of ownership and experiential, meaning buyers want to use, touch, and wear their purchases on a frequent basis.

51% OF WOMEN SAY
“I have worked very hard to enjoy luxury.”

60% OF WOMEN SAY
“I save up to purchase expensive things.”
This is, perhaps, one of the biggest differences in how women view luxury now. While in the past, luxury items were seen as status symbols, modern views of luxury focus less on outward perception and more on inward celebrations.

Only 26% of respondents feel that wearing expensive things is a signal of success to others; in fact, 57% of respondents prefer understated luxury, implying that purchasing a luxury buy is less of a “look at me” moment and more of a moment of celebration. 71% of women say they feel like they’ve earned a luxury item or experience when they’ve reached a personal goal; the same amount feel they’ve earned it on their birthday. 58% say they’ve earned it after a promotion or a raise. Companies that fail to acknowledge the myriad influences behind these purchasing decisions — not solely dictated by brand names and price points — will miss out on opportunities to meet shoppers where they’re celebrating their successes.

ONLY 5% SAY

“Luxury is more about owning items.”

ONLY 28% SAY

“I feel like being gifted luxury items or experiences because of professional or social connections is a luxury.”
The truest form of luxury is being able to choose those items and experiences, and incorporate them into her life as she desires.

41% say “I have worked very hard to enjoy luxury.”

52% say “Luxury is ordering at dinner without considering price.”

40% say “Luxury is being able to shop when I want.”

42% say “Luxury is being able to treat myself whenever I want.”

Even more importantly, the act of buying a luxury item has become a declaration of a woman’s spending power and independence. Let’s do away with the idea that luxury is strictly about ownership or being gifted items or experiences; only 28% of women feel like being gifted experiences or items because of social or professional connections is a luxury. Instead, the biggest luxury of all is simply having the agency and purchasing power to spend money as she desires. 42% of respondents believe that luxury is “being able to treat myself whenever I want.” 40% say luxury is “being able to shop whenever I want.” At the end of the day, it’s less about having expensive items or experiences — the truest form of luxury is the ability to choose those items and experiences and incorporate them into her life as frequently as she desires.