

Buying, Having, Being: Lifestyle and Self-Concept of Today's Affluent Consumers



Niki Christian Nutsch, Managing Director of Residences International Europe, discusses the image preferences of affluent consumers, namely that they prefer products and services with images congruent to their self-images and whose personalities match their own. Nutsch describes why understanding the lifestyle and self-concept of today's affluent consumer is good business

on "couples or qualified singles aged between 30 and 70 with a joint annual income in excess of..."

Although this method is a useful starting point, as it is relatively easy to define and measure and the data used to help segment the market is often freely available from public sources, they nowadays have to be seen as being dated and unsophisticated, partly because

behaviours, making it difficult for developers to maintain a marketing and sales efficiency; this causes them to generate too many leads and tours that fit the demographic segmentation criteria, but nevertheless result in a low close rate and low volume per guest (VPG). It is, therefore, necessary to not only question why consumers purchase (or don't purchase) vacation ownership products, but also how owning them makes them feel and contributes

It is no secret that the affluent shared ownership buyer, who is typically a careful spender who lives within their means, is the more sophisticated and knowledgeable consumer whose priorities have always been quality and value when making a purchase decision.

and how developers in the shared ownership industry can identify their own area of opportunity to approach the issue of lifestyle.

Buying, having, being

While marketers in the shared ownership industry traditionally focused on the consumer's act of buying, the usage of demographic and geographic segmentation methods as a basis for differentiating marketing strategies has traditionally been advocated by developers, with a typical focus

they rely heavily on quantitative and factual data to make general assumptions, which are then used to try to explain vacation ownership purchase behaviour.

In addition, these techniques ignore key influences on behaviour and fail to consider the wide variation in consumers' vacation needs and wants, even in small geographic areas or demographic groupings. Consumers can share the very same demographic and geographic characteristic and still be very different people with different consumption

to the broader social world they experience.

Needs: Functional and symbolic

It is no secret that the affluent shared ownership buyer, who is typically a careful spender who lives within their means, is the more sophisticated and knowledgeable consumer whose priorities have always been quality and value when making a purchase decision.

Providing this group with physical resort features and amenities, luxury privileges and services that extend their specific residential

lifestyle, is essential as they fulfill the functional needs of affluent consumers.

Depending only on the functional needs, however, may result in a lack of consideration regarding symbolic needs. Symbolic needs can be explained by the fact that purchased products act as symbols of their owner's self-concept and may be more important to the consumer than the functional benefits of the product. Affluent consumers nowadays buy products not only for what they can do, but also for what they mean. Product consumption symbolises personal attributes, motivations and social patterns. Symbolic consumption reflects the personality and

products to this group is, more than ever before, about matching consumer's lifestyle preferences and their needs, both the functional and the symbolic ones.

This, in turn, requires developers to understand the consumers they are trying to sell to. It is not only about 'why' they purchase a shared ownership product, but also about how being an owner (or not being one) affects their lives, and how ownership influences the way they feel about themselves and each other. While, in the past, marketing and sales drove our industry by "pushing" the marketing message and sales process to potential customers, marketing and sales is becoming

- Trade up to vacation ownership products that enhance their lifestyle and self-concept.

For developers in the shared ownership industry, the usefulness of the described consumer behaviour concepts lies in their being able to improve affluent consumers' perceptions of a vacation ownership product by imbuing it with an overall product positioning that is closer to the lifestyle and self-concept of their target customers. Thus, marketers need to adapt a lifestyle marketing perspective that "breathes life" into demographic and geographic data in order to identify, understand and target those affluent consumer segments that will share

Increased competition, better-informed and educated customers and, most importantly, changing patterns of demand, have given rise to the vacation ownership industry to segment markets.

lifestyle of consumers, expressing social distinctions. Purchasing and using products allow affluent consumers to define, maintain, and enhance their self-concept.

Lifestyle and self-concept

Lifestyle refers to a pattern of consumption that reflects a person's choices about how to spend time and money, but it is much more than the allocation of discretionary income. It is a statement about who one is in society and who one is not. Consumer behaviour research has shown that consumers choose products that are consistent with their perceptions of themselves and reject those which are incongruous with their self-perceptions. That is to say, consumers show a preference toward a product or brand which can satisfy their symbolic needs, and they prefer to purchase products and services that match their lifestyle and self-concept. To put it simply, it can be argued that affluent consumers consume what they are and that identity directly translates into consumption, and that consumption is capable of revealing identity.

Area of opportunity for vacation ownership developers

What does all this mean to marketers within the shared ownership industry? Very simply, understanding the concept of self-image and lifestyle congruence is good business! Increased competition, better-informed and educated customers and, most importantly, changing patterns of demand, have given rise to the vacation ownership industry to segment markets. This stems from the fact that higher standards of living and a trend towards individualism has meant that affluent consumers are now more able to exercise their choice in the market place. Successfully marketing fractional ownership and timeshare

much more customer-driven and customer-centric, putting the potential owner and his/her lifestyle and needs rather than the offering at the centre of our attention.

Marketers, therefore, are well advised to spend some time evaluating the psychology of how affluent consumers think, feel, reason, and select between different alternatives of lodging while on vacation. Consumer decision-making in selecting a particular vacation ownership product must be considered as a complex choice process. However, it can be stated that affluent consumers generally demonstrate consistency between their lifestyle and values and the products they purchase, meaning that they tend to:

- Purchase vacation ownership products consistent with their lifestyle and self-concept
- Avoid those inconsistent with their lifestyle and self-concept

a set of preferences for their vacation ownership products.

Tools and Segmentation

Tools, like psychographics, which involve the description of consumers based mainly on such psychological and social factors as values, attitudes, beliefs and self-image, can be used to gain knowledge about the lifestyle preferences of affluent consumers. Combined with appropriate and effective segmentation techniques like psychographic segmentation, which attempts to group people according to their lifestyle and personality characteristics, and/or behaviouristic segmentation which attempts to segment the market based on differences in behavior, developers will be able to allocate their marketing budgets much more efficiently and design and create experiences that are consistent with the lifestyle and self-image of today's affluent consumers.

Niki Christian Nutsch is the Managing Director of Residences International Europe and has many years of experience in marketing and sales within the vacation ownership and luxury goods industry. Prior to joining Residences International, Mr Nutsch worked in various marketing and sales positions in Spain and Germany, among others at Marriott Vacation Club International and the luxury fashion group ESCADA. He received his B.A. in Business Administration from the University of Applied Sciences Munich and recently completed his MBA thesis at the University of Liverpool.



Residences International Europe is a fully-integrated outsource organization specializing in Sales and Marketing for the vacation ownership industry and totally accountable for the promoting and selling of a vacation ownership project as well as for providing developers with highly skilled consulting and interims-management services.

For more information on Residences International Europe, please visit www.residences-international.com. Niki Christian Nutsch can be reached via email at nutsch@residences-international.com.