



The 'Aspirational' Consumer: R.I.P.

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It wasn't very long ago that marketers were assured that most consumers were still willing to trade up. You remember, don't you? Average Joes and Soccer Moms splurging for that extra "little" something -- be it a \$6 latte or a \$300 Coach handbag -- just because they worked so hard and deserved some of life's finer things. A good many starry-eyed marketers predicted that, even in a recession, this be-good-to-yourself dynamic would somehow hold true.

It hasn't. While no headlines have announced the official passing, it's become clear that the "aspirational" consumer -- that cherished demo of marketers everywhere -- is dead.

According to a just-released study by the American Affluence Research Center, the spending habits of the utmost tier of earners remains robust, but everyone below has cut back and plans to stay there. "If you look at the 10-15 percent [sales volume] declines for upscale retailers and brands, it was [due to] people spending beyond their means and not being able to sustain it," said AARC president Ron Kurtz.

Even within the sphere most would consider well-off (\$250,000 average annual household earnings), 41 percent reported they're making a conscious effort to reduce expenditures for the next 12 months.

Isolated data? Hardly. Consumer Edge Research recently found that skipping top-shelf brands in favor of lower-end ones is most common in households with incomes of \$100,000 or higher. A study conducted by PriceWaterhouseCoopers/Kantar Retail earlier this year revealed that 93 percent of shoppers say they've changed their shopping behavior -- with 17 percent opting for cheaper brands. "Although we're starting to see signs of shoppers getting tired of trading down, they remain cognizant of today's economic realities," said a Kantar official in a statement.

These findings are in-line with last year's McKinsey study, which revealed 41 percent of consumers think that premium brands are "not worth the money."

So much for life's little indulgences. In fact, the whole affordable luxury pitch has lately been the target of various poison arrows, such as one recent post on Families.com: "Aspirational marketing is a technique in which the goal is to sell items to people who can't afford it." Ouch.

"Marketers have long known that we have an aspirational society, and they've gone heavily after those consumers," observed Claire Ratushny, a brand-positioning consultant based in Eastford, Conn. "Now, 'aspirational' is a dirty word."

It was nice while it lasted.