



MEDIA AND THE MESSAGE: MARKETING REAL ESTATE TO THE AFFLUENT

2019

YouGov Affluent Perspective

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INTRODUCTION

Media, marketing and the way high-net-worth consumers can be reached and influenced is an ever-changing landscape. At Luxury Portfolio International® (LPI), along with our research partner YouGov, we wanted to put a fine point to understanding the media consumption habits, opinions and attitudes about the media amongst today's global elite. Our focus is specifically among those in the market to buy or sell a home worth one million USD or more in the next 3 years. Whether you are luxury homeowner, a seller, a buyer or investor, or a real estate professional, the following provides key insights, rare research and critical data of which you should be aware, so you can make informed decisions this year, and beyond.

The power of media to draw attention is undeniable, and research shows the younger generation has grown up under its influence. Today's Millennials grew up in an age of 24-hour media availability, thanks to technology like tablets and smartphones, and one study¹ estimated the average daily consumption of entertainment media

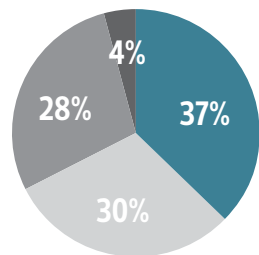
at more than 7 hours (53 hours per week). A counter-trend to this media saturation is consumers' desire to control what they see and when they see it.

Bottom line — marketing to high-net-worth individuals today means offering control and convenience, breaking through the clutter with engaging messages that are contextually relevant and optimizing search results to deliver the right message. This report offers data and insights to help buyers, sellers and real estate professionals achieve success in a complex landscape of changing habits and attitudes toward media consumption.

¹ Kaiser Family Foundation, *Generation M2: Media in the Lives of 8–18 year olds* (2010)

SNAPSHOT OF TODAY'S LUXURY REAL ESTATE BUYER

DEMOGRAPHICS*



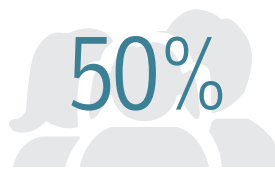
- Millennials (20-39)
- Gen X (40-53)
- Boomers (54-72)
- Matures (73+)



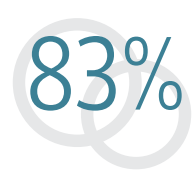
Average age



Have children under 18



Married



FINANCIAL SNAPSHOT (GLOBAL, REPORTED IN EQUALIZED USD)



Average income

\$473,000



Average assets

\$8.75 million



Average liquidity (cash, stocks, bonds, retirement assets)

\$5.95 million

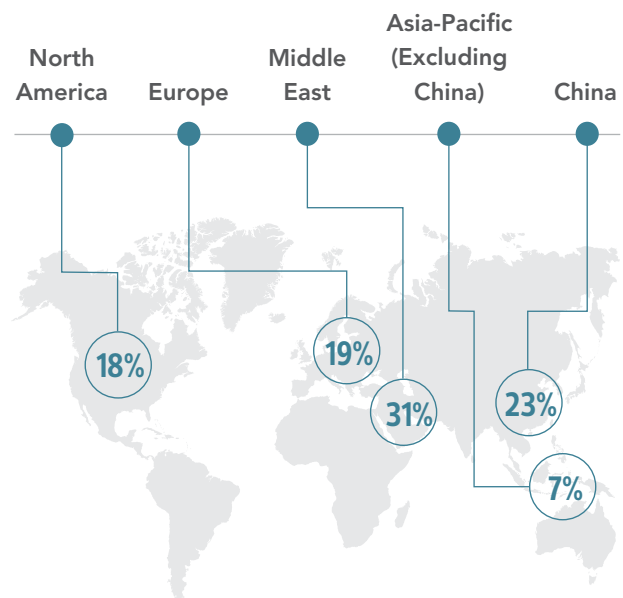


Average amount in real estate holdings

\$2.60 million

GLOBAL AFFLUENT POPULATION: 17%

GLOBAL BREAKDOWN:



*This group has "self-identified" in our study as those who purchase luxury property/real estate "every time or almost every time" they are in the market.

MEDIA AS LIFE

Media consumption, for all age groups and affluence levels, is no longer about just entertainment or education. Today, media use is as much a part of life as the 8-hour workday. In fact, the average affluent **homeowner**² spends more time with media than they do at work.

AVERAGE NUMBER OF HOURS SPENT PER WEEK



BREAKING DOWN THE HOURS

Time online rivals television for the single-most time-consuming activity among homeowners. The shift to time on screen is led by the Millennials (ages 20–39) who in fact are substituting screen for TV time. An enduring myth is that Millennials do not read, which is not the case among the affluent homeowner population. With that group, we see reading books is a significant part of their media consumption each week, outstripping Gen Xer reading habits. Boomers remain the largest consumer of newspapers by age.

ON AVERAGE, HOW MANY HOURS DO YOU SPEND EACH WEEK ON EACH OF THE FOLLOWING?

	All	Buyers	Sellers	Millennials	Gen X	Boomers
TOTAL: Media hours per week	44.4	50.1	49.9	45.2	42.9	44.4
Watch TV (on a TV or any other device)	10.5	9.7	10.2	8.1	11.3	12.3
NET: Hours online or social media	15.9	19.0	18.0	19.9	15.4	11.7
• Spend time online (other than social network or email)	10.5	11.4	11.2	11.6	10.8	9.0
• Use social network sites	5.4	7.6	6.8	8.3	4.6	2.7
Listen to radio or streaming music	6.4	6.9	6.8	6.0	6.6	6.9
NET: Hours reading (print or digital)	11.6	14.5	14.9	11.2	9.6	13.5
• Read books	4.8	5.8	5.0	5.1	3.8	5.2
• Read newspapers	3.9	4.6	5.2	3.0	3.7	4.9
• Read magazines	2.9	4.1	4.7	3.1	2.1	3.4

It is then no surprise that, as of 2017, it was estimated that Americans are exposed to between 4,000 and 10,000 ads daily.³ Globally, companies spent an estimated \$629 billion on advertising in 2018⁴ with 43.5% going to digital ads (mostly on those optimized for mobile). This onslaught of messaging has created a consumer who is eager to block out unwanted communications and find ways to take greater control over their experiences.

% AGREE

77%

There is so much advertising I don't really pay attention to it

60%

I consume media that helps me avoid advertising

SEEKING CONTROL & CONVENIENCE

Homeowners in the age of Google and Amazon Echo are apt to seek the information they want, when they want it. As a result, marketers can and should, target their messaging specifically to an individual's needs. For example, in property marketing, when crafting promotion for a single listing, one could tailor a message appealing to those who are searching for an investment property on one hand, and then also create an entirely different message targeting those looking for a dream beach home. It is the same property, which can fulfill each buyer's needs, yet the information communicated should be different.

More direct and relevant communication is critical considering today's jaded consumer who claims an immunity to the persuasion in advertising.

% AGREE

62%

I no longer need advertising to introduce me to new ideas — I can discover them myself

% AGREE

61%

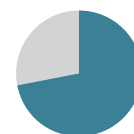
I am immune to advertising and similar commercial persuasion



Millennials: 47%



Gen X: 61%



Boomers: 72%

The pursuit of control in their media life is reflected in the type of content they consume. Traditional cable TV subscriptions are at 58% and falling, with strong competition from Netflix (60%) and a growing number of subscription/on-demand services and even over-the-air antenna access that younger consumers are electing to use as alternatives.

WHICH OF THE FOLLOWING TV SERVICES DO YOU SUBSCRIBE OR HAVE ACCESS TO?

BASE: WATCH 1+ HOURS TV/USA ONLY/ASKED ROTATION

	All	Buyers	Sellers	Millennials	Gen X	Boomers
Netflix	60%	53%	36%	68%	71%	48%
Cable	58%	50%	47%	51%	46%	67%
Amazon Prime TV	51%	46%	51%	59%	61%	39%
DVR/TiVO	43%	37%	40%	46%	59%	31%
Satellite TV	29%	41%	41%	40%	32%	22%
Subscription video on-demand access	26%	32%	22%	46%	28%	17%
Over-the-air/antenna	16%	27%	23%	47%	2%	14%
Subscription streaming TV service	11%	27%	15%	22%	4%	13%
Hulu Plus	10%	22%	11%	20%	3%	12%

BEING FOUND

Next, we look at where and how consumers can be reached. For those looking to market a luxury property, it is interesting to note buyers spend more time and are more engaged in social media than sellers. The most common activities on social media, for buyers, sellers and all age groups are browsing photos, reading articles and watching videos, three perfect mediums for marketing high-end real estate.

While consumption of others' content is the most prevalent activity, buyers (and Millennials) are more likely to spend time curating their own online presence,

followed by engaging with branded content. This ability to both create and consume content gives social media a powerful connection in the life of the next generation of high-end homebuyers. Gen Xers, however, are more interested in engaging with their personal network — for them the point of social media is the socializing. Their activities reflect this by spending time browsing friends' posts and making their own posts. Boomers have the least diverse social media activities, focused on reading articles and staying up to date with what their friends post. They have little interest in engaging in branded content, so viral-inspired messaging and relevant articles can break through to these consumers.

WHAT TYPE OF ACTIVITIES DO YOU DO WHILE USING SOCIAL MEDIA SITES?

	All	Buyers	Sellers	Millennials	Gen X	Boomers
Consume what others are saying/doing	86%	82%	83%	86%	85%	88%
• Browse photos my friends have posted	59%	56%	54%	54%	63%	61%
• Read articles	59%	52%	49%	53%	62%	66%
• Watch videos others have posted	47%	49%	45%	55%	42%	37%
Engage with their network	60%	59%	55%	62%	60%	54%
• Comment on posts/videos/photos	42%	41%	40%	44%	38%	42%
• Post status/tweet	30%	33%	28%	33%	35%	19%
• Share links	29%	31%	23%	29%	34%	23%
Curate their own online presence	61%	69%	67%	73%	55%	47%
• Share photos during/after travelling	39%	39%	36%	41%	42%	31%
• Share photos of things I own (car, fashion, etc.)	24%	31%	26%	34%	19%	12%
• Share videos from others	21%	28%	24%	27%	20%	12%
• Share videos I have recorded	20%	28%	19%	26%	19%	11%
• Tag a restaurant I am dining at	20%	26%	23%	26%	17%	15%
• Tag a hotel I am staying at	16%	22%	15%	20%	14%	10%
Branded content consumption	41%	50%	45%	53%	40%	22%
• Like or follow company/brand	28%	35%	30%	35%	30%	14%
• Like or follow celebrity	21%	29%	24%	31%	19%	4%
• Read sponsored posts	19%	25%	17%	25%	16%	11%
Click on links	31%	34%	29%	34%	30%	26%
Other	7%	7%	7%	5%	7%	10%

Luxury real estate is a discretionary purchase, and therefore it is critical to take a 360-degree look at the lifestyle passions of this consumer as a way to develop an insightful, relevant and impactful marketing

campaign; the top passions below give insight into affluent homeowners' greatest passions, and how they differ around the world.

	TOP 5 PASSIONS	MOST DISTINCTIVE PASSIONS BY REGION				
	Worldwide	North America	Europe	Middle East	Asia-Pacific	
#1	 Traveling	 Fine Dining	 Fashion/Style	 Shopping	 Running	
#2	 Watching Movies/TV	 Wine	 Interior Design	 Personal Appearance	 Shopping	
#3	 Reading Books	 Fitness & Exercise	 Cars	 Technology & Electronics	 Beer	
#4	 Health & Wellness	 Cooking	 Outdoor Activities	 Entertaining at Home	 Recreational Sports	
#5	 Fitness & Exercise	 Volunteering	 Collecting Art	 Video Gaming	 Video Gaming	

In fact, based on a recent study conducted on behalf of Luxury Portfolio International®, visitors to its flagship website luxuryportfolio.com, track perfectly with the attributes and interests outlined above. Additionally, luxuryportfolio.com visitors were found to be deeply passionate about investing and investment services.

They are also business and political news readers and are passionate about green living and home decor. These insights can be used to drive the purchase of something as complex as a Google Adwords display campaign, or as simple as a one-off Facebook social campaign.

ADVERTISING: BREAKING THROUGH

Now we look at the best practices for being noticed. When shopping for anything related to their lifestyle, affluent homeowners report traditional mediums like magazines and television are most effective for

advertising. Millennials follow this trend, though they are less likely than Gen Xers and Boomers to report magazines as being an effective form of advertising.

WHAT DO YOU FEEL ARE THE MOST EFFECTIVE TYPES OF ADVERTISEMENTS FOR EACH OF THE FOLLOWING CATEGORIES?

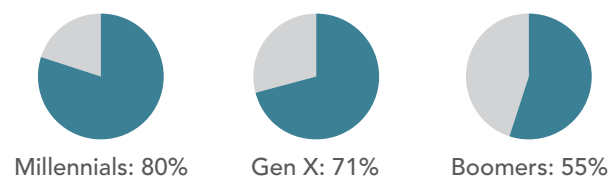
BASE: TOTAL | Average response across Hotels, Fashion and Automobiles

	All	Buyers	Sellers	Millennials	Gen X	Boomers
Magazine advertisements	40%	44%	45%	27%	46%	45%
Traditional TV commercials (Live or recorded TV)	39%	42%	39%	32%	45%	40%
Online search advertising	29%	34%	33%	25%	33%	29%
Newspaper advertisements	28%	31%	33%	23%	29%	32%
Online video advertisements	28%	32%	26%	30%	30%	26%
Direct marketing through email	27%	41%	38%	24%	31%	26%
Ads on social media	27%	39%	28%	33%	29%	20%
Online banner ads (e.g. Facebook, Amazon, nytimes.com, etc.)	25%	33%	27%	31%	27%	20%
On-demand TV commercials	21%	25%	21%	22%	23%	19%
Online sponsored posts	20%	29%	22%	19%	24%	17%
In-app advertising	19%	30%	23%	22%	23%	15%
Radio commercials	19%	23%	16%	15%	21%	19%
Podcast advertising	14%	16%	12%	16%	14%	13%

% AGREE

69%

I appreciate ads that I can relate to

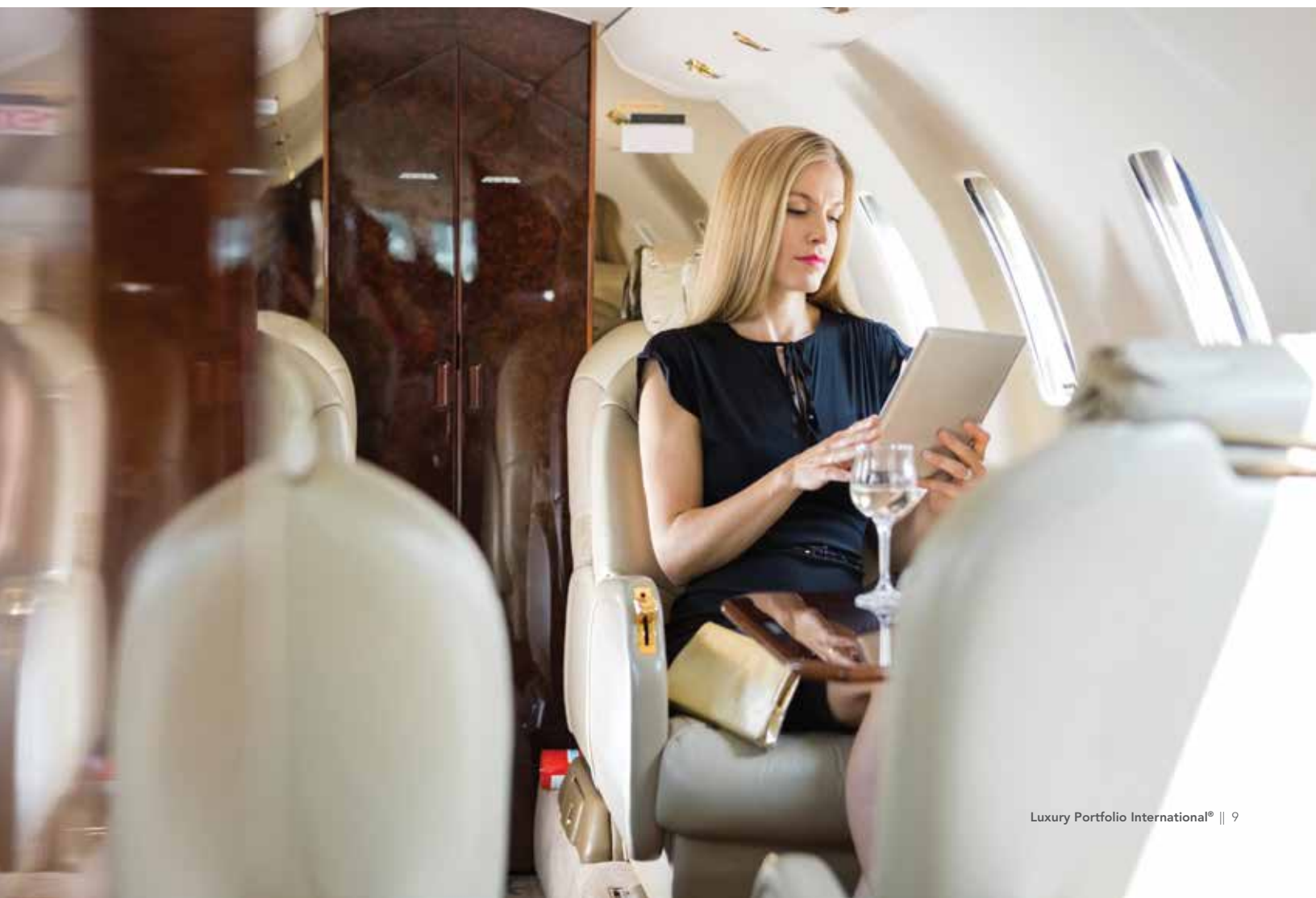


Affluent homeowners are interested in moments of excitement that take them out of their routine and show them something new. Buyers and sellers both like advertisements that demonstrate creativity, humor, and relevance — particularly if the message is insightful and makes them understand an issue they care about from a new perspective. A good story goes a long way to keeping their attention. From a generational perspective, Millennials more than the Boomer generation put emphasis on excitement and references to pop culture or nostalgia. Gen Xers and Boomers, however, keep their practical needs in mind, looking for information and inspiration.

WHICH OF THE FOLLOWING ATTRIBUTES DO YOU LIKE MOST IN ADVERTISING? PLEASE SELECT ALL THAT APPLY. I LIKE ADS THAT...

BASE: TOTAL

	All	Buyers	Sellers	Millennials	Gen X	Boomers
Are creative	49%	61%	62%	50%	52%	47%
Are funny	49%	51%	56%	47%	51%	50%
Are relevant to my needs	39%	50%	48%	34%	44%	38%
Inform me about a product	39%	43%	33%	26%	45%	44%
Make me think	37%	50%	48%	39%	39%	31%
Are to the point	31%	23%	32%	25%	32%	33%
Inspire me	26%	43%	40%	24%	38%	18%
Tell a story	26%	35%	50%	24%	28%	23%
Invoke an emotional or physical reaction	23%	26%	32%	21%	24%	25%
Relate to content I am consuming	23%	27%	15%	24%	27%	15%
Excite me	22%	25%	30%	27%	25%	13%
Reference pop culture	9%	12%	8%	15%	10%	2%



KEY TAKEAWAYS AND THOUGHT STARTERS

START WITH A PLAN

Effectively marketing luxury properties today requires a comprehensive and targeted media strategy. The steps to begin this process:

- 1 **IDENTIFY** and understand all the potential buyer(s)
- 2 **CRAFT** an engagement plan with specific, thought-provoking content for each buyer type
- 3 **LEVERAGE** the most relevant media channels to share those messages

WHAT TO SAY

Buyers and sellers report that getting their attention can be hard, but messaging that is thought-provoking, creative and narrative-driven stands out. The use of active language in text and detail-rich visuals (e.g., photos, video and floorplans) helps buyers and sellers imagine their future and will both motivate and empower them to enact the next phase in their lives.

Targeting by generation can be nuanced, but highly effective. For example, Millennial buyers may be best reached with a digitally focused approach, which includes contextual social media placements, to convey the story of the property in a visual way. Targeting more mature buyers? Traditional forms of media may be more appropriate, though digital should still be included as part of the mix. Particularly with the core Gen X luxury real estate buyer, magazines should not be overlooked.

WHERE TO SAY IT

The power of an effective email marketing campaign and social media ads to drive awareness and consideration for buyers cannot be ignored. However, digital campaigns should run *in addition* to traditional media plans. Affluent homeowners spend an enormous amount of time engaging with content on screens, yet they report that magazines are still the most *effective* medium to reach them. Be creative and try new things.

In digital advertising, search is king. Display ads work well to drive high numbers of visitors to a website, but keyword search ads that appear alongside search engine results for luxury real estate effectively attract visitors who spend more time and engage more deeply with the site's content.

Effectively leverage social media by integrating it into your strategy. In an era where influencers are widely followed and blogging, vlogging (video blogging) and podcasting have become democratized, today's effective real estate professionals use social media to leverage lifestyle "edu-tising" by sharing insights and knowledge about a home, neighborhood or community to become a resource.

Ultimately, to be effective at marketing real estate opportunities to today's high-net-worth, a thoughtful, strategically targeted message and carefully crafted media plan is required. Understanding not just what to say, but also when, where and how to say it, is critical to help cut through the clutter and attract the right audience.



STUDY METHODOLOGY

The YouGov Affluent Perspective is a global study of affluence and wealth reaching 5,800+ consumers in the top end of the economy. This year's report base is among million-dollar homeowners, and we compare those who are in the market to buy or sell in the next 1–3 years, unless otherwise noted. Statistical differences for buyers and sellers, compared to all million-dollar homeowners, varies. Buyers range from 2.9% to 7.2% and Sellers range from 4.3% to 8.3% at the 90% confidence level. If a number is greater than these ranges, then it is statistically different from the average observed among all million-dollar homeowners.

ABOUT LUXURY PORTFOLIO INTERNATIONAL®

Luxury Portfolio International® (luxuryportfolio.com) is the luxury marketing division of Leading Real Estate Companies of the World®, the largest global network of premier locally branded companies dominated by many of the world's most powerful independent luxury brokerages. Luxury Portfolio International® attracts a global audience of visitors from over 200 countries/territories every month and marketed over 57,000 luxury homes to over three million high-net-worth visitors last year.



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