

How Millennials Define Prestige and How It Affects the Consumption of Luxury Products in Switzerland

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26 percent of Switzerland's population are millennials. As a result of them being the largest consumer group, it is extremely important to understand their mindset. Since they have such a big influence on the economy, companies have to respond to that generation and adapt their products and behaviour accordingly. Switzerland and its strong luxury goods market is no exception. To uphold their resilient position, it is necessary for companies competing in this market to comprehend how Swiss millennials define prestige and to identify the values they expect and look for as this directly affects the consumption of luxury products.

This bachelor thesis sought to examine the consumer behaviour of Swiss millennials by identifying their perception of prestige. It further provided insights into the millennials' designation of status symbols as well as their purchase behaviour of luxury products.

Based on the theoretical explanations in the literature, the data for this analysis is primarily derived from an online survey targeted to the Swiss millennials. Furthermore, an expert interview was conducted to observe the consumer behaviour from a different perspective.

The empirical study showed that qualitative and emotional values are the two values that are most associated with prestige. These values are recognized in high quality goods, both material and immaterial and trigger positive feelings and joy. Moreover, the expression of independence is highly valued and linked to prestige but also identified as a status symbol. The leading materialistic status symbols are houses and cars which is in concordance with the status symbols of the earlier generation, the Generation X. A small discrepancy of the perception of status symbols within the Generation of Millennials was found and can be explained by the large time span as well as the different life stages millennials are in. Their purchasing behaviour is characterized by the demand for experiences, at all stages of the purchase. The majority is willing to spend up to 5'000 Swiss Francs every year on status products in shops or online. In addition, millennials tend to inform themselves well about products and the company before a purchase takes place. Therefore, it is vital for companies to offer a detailed information platform online and accept the multi-channel behaviour of today's customers.

It can be concluded that if a company is able to demonstrate the qualitative and emotional value of its products by being transparent in shops and online, Swiss millennials are keen to spend money, especially if the purchase is linked to an experience. It is recommended that companies who want to address Swiss millennials should clearly define the values of their products and make them visible to potential customers. Furthermore, it is suggested to sell the products in combination with an experience.

The thesis is meant to provide a first insight into the Swiss millennials' mindset when it comes to prestige and the consumption of luxury products. It serves as

a basis for further research that could focus on other demographic areas in and outside of Switzerland.