

Upscale Living

What Are You Trading Up For?

(NAPSA)—Whether it's something small, like a Belvedere martini, or something big, like a Viking range, these days more Americans are trading up.

A majority of Americans say they regularly trade up to a product that they consider to be more tasteful, of better quality and more emotionally appealing than the regular-priced version.

Folks are not only trading up in the little luxuries, such as chocolates, bottled water and foaming bath gel. They're also paying more for high-ticket items, such as kitchen appliances, home theater, cars and adventure travel vacations. Most people have at least one category of goods they refuse to compromise on.

"These premium products are called New Luxury goods," says Michael J. Silverstein, author of the new book *Trading Up*, "because they're better than standard fare but more affordable than old-style luxuries."

Pontiac is the standard brand. BMW is New Luxury. Rolls Royce is Old Luxury.

Consumers also regularly trade down, according to research conducted by The Boston Consulting Group, the business consulting group where Silverstein is a partner. "Sometimes they'll go without something so they can save money to buy the premium goods they really want," he says. "One young woman told us she skipped lunch for a week so she could buy a Victoria's Secret bra."

Even rich folks trade down, like the Mercedes driver who shops at Costco. There is no "average" American consumer anymore. These new American consumers don't buy New Luxury goods just for status.

TRADING UP

The New American Luxury



MICHAEL J. SILVERSTEIN
AND NEIL FISKE



Driving the trading up trend are people with more discretionary income than ever before.

They buy them because they think they will have superior technical features, perform better and, most important, make them feel good.

A \$6 Panera sandwich is an adventure in taste. A \$3,000 set of Callaway golf clubs makes even a duffer feel like a pro.

"Consumers buy premium goods for four major reasons: to reward themselves, to connect with loved ones, to express individual style and for an exciting experience. But everyone is different," says Silverstein. "One consumer's have-to-have product is another person's couldn't-care-less commodity."

People can afford to trade up because they have more discretionary income than ever before. Plus, more women are working and feel entitled to spend their hard-earned money on themselves. Also, couples having kids later have more money to spend on them. Marketers beware. Consumers expect more, and they are determined to get it.