



Luxury Brands, Take Note: High-Status Consumers Aren't Snobs



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Many elite buyers are drawn to products commonly associated with the hoi polloi.

A famous paper on culture and status argues that people with high social or economic status have broader cultural tastes than those with low status (See [DiMaggio 1987](#)). In other words, the respected and rich do not actually hide in the opera house and modern art gallery; they also listen to popular music and look at art that the rest of society finds understandable. The cultural lines are actually drawn in the opposite direction: it is the poor who stay away from many forms of culture, staying instead with a limited range of mass offerings.

But what if we look outside the cultural sphere? Surely we would be right to assume that elites deliberately set themselves apart when it comes to the most status-indicative commodities, such as cars? Not so fast! Suppose we

define a luxury vehicle as one that costs US\$50,000 in the USA and is mainly intended for moving people around (so we exclude commercial vehicles). What is the best-selling luxury vehicle in the United States? According to a report in *The Wall Street Journal*, the Ford F150 pickup truck. To be specific, the F150 comes in a wide range of prices, but is projected to sell about 190,000 vehicles in the luxury range this year. That's more than twice the Mercedes-Benz E-Class, which is projected to sell 67,000. And by the way, the E-Class holds third place in the ranking, behind the Ram pickup which will sell about 76,000.

Trucks sell better than cars even in the luxury range. In fact, they sell much better than sports utility vehicles, which you might have thought of as the elite version of large luxury vehicles. Seventh through ninth place in the ranking are SUVs, behind yet more trucks and the BMW 5 series. So what is going on? Many wealthy individuals are not escaping into vehicles that no poor people can afford; they are driving upgraded versions of the same vehicles. And in fact, these vehicles are actually passenger versions of trucks that one can see gardeners and construction workers drive for commercial use.

This will be interesting to some readers simply because it is unexpected. It should be even more interesting because it is not well-known even in the auto industry, where much strategic and marketing effort goes into trying to win the U.S. market back from the foreign brands. But U.S. brands, and Ford especially, are already dominating the luxury vehicle segment. They just don't know it because the winning vehicle is classified as a truck, not a car, and because elite buyers are classified as narrow in their taste rather than broad. The first classification is a misreading of the market. The second completely contradicts how status and tastes are linked in reality.

DiMaggio, Paul. 1987. Classification in Art. *American Sociological Review*, 52: 440-455.

White, Joseph. 2014. The Best-Selling Premium Car in America? It's a Truck. *Wall Street Journal*, Dec 10 2014.

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