



Euromonitor
International

Where Consumers Shop for Luxury Goods

December 2024

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INTRODUCTION

Scope

Key findings

INDUSTRY SNAPSHOT

Luxury retail continues to show resilience but braces itself for sluggish economic growth

Uncertainty prevails across luxury retail due to macroeconomic and climate factors

Experience economy driven further by enriched customer experience and brand engagement

Luxury retailers place bets on Asia Pacific as the largest region and future growth engine

The small but mighty wealth segment gets more focus than ever in face of global uncertainty

Emerging regions continue to stand out as leading future wealth-gain markets for retailers

The middle class and their discretionary spending still hugely important for luxury retailers

Luxury retailers flock to India as its wealthy and affluent populations show strong growth

Promising outlook for luxury tourism spending as international tourism wins in value creation

Two-pronged approach to capture domestic shoppers and align with new travel behaviours

Recovery in Chinese outbound tourism to fuel luxury spending and the experience economy

CHANNEL SHIFTS

Retailers to optimise diverse customer engagement by tapping into multiple touchpoints

The shift from single channel to multichannel to omnichannel continues to accelerate

Further evolution and new business models in luxury retail to drive more online engagement

Digital transformations across personal luxury retail continue to gather further steam

Store-based retailing remains the largest distribution channel across the luxury landscape

Pre-owned luxury poised to gain further prominence within the realm of luxury and fashion

Harper reinvents online try-ons and replaces delivery drivers with a style concierge service

STORE-BASED CHANNELS

Luxury department stores continue to face challenges but retain their leading status

Luxury retailers and brands continue to explore the role of their brick-and-mortar stores

Leisure and personal goods specialists displayed strongest performance over 2019-2024

Luxury consumers will continue to crave the physical aspect of in-store shopping

Hudson's Bay Co, the parent of Saks Fifth Avenue, agrees to acquire Neiman Marcus

SKIMS expands its footprint by rapid expansion to permanent flagship stores across the US

NON-STORE CHANNELS

Steady expansion for luxury e-commerce as growth stabilises after pandemic-driven surge

Luxury shopping habits evolve globally at varying speeds amid accelerating digitalisation

Consumers expect a seamless shopping experience throughout their entire shopping journey

Social media disrupts how consumers interact with luxury retailers and drives digital sales

Digitalisation is driving new business models and transforming others across luxury retail

Transforming the online luxury shopping experience through GenAI

Finding the sweet spot between technology, tradition and exclusivity in luxury retailing

TikTok Shop: Accelerating luxury growth through e-commerce aimed at younger consumers

Zalando adds Gen AI fashion assistant to enable consumers to shop by occasion

Burberry's AI-driven chatbot to provide personalised recommendations and styling advice

NON-RETAIL CHANNELS

Ongoing inflationary pressures encourage consumer exploration in non-retail channels

HURR teams up with Deliveroo to deliver rented luxury goods in just 20 minutes

FUTURE DEVELOPMENTS

Luxury retail future remains optimistic, defined more by mindset than by price tag

Selling to the 1% of global VICs will become ever more challenging amid a market slowdown

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