



**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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