



Where Consumers Shop for Luxury Goods

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Scope

Key findings

INDUSTRY SNAPSHOT

Luxury market continues to show resilience amid a new economic reality

Luxury retailers grapple with persistent pressure on discretionary spending

Performance across different categories continues to show mixed results

Navigating economic challenges as global regions strive to attain pre-pandemic sales

Luxury retailers to benefit from boost in number of affluent consumers in emerging markets

Recovery in travel retail remains in motion but macroeconomic factors challenge growth

Travel spending on luxury remains low, but numbers creep closer to pre-pandemic levels

Repatriated and tax-free shopping habits in mainland China may be hard to break

While affluent Chinese are travelling again, they are staying much closer to home

Anticipated surge in luxury travel retail amidst Chinese domestic shopping resurgence

CHANNEL SHIFTS

Retailers to optimise diverse customer engagement by tapping into multiple touchpoints

The unfolding journey of digital transformations across luxury retail gathers further steam

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

Digital transformation becomes a playground for luxury retail development

Consumer pathway for mobile mavericks and digital natives thrives on the smartphone

Gaming crosses over to the realms of luxury emerging as an alternative distribution model

Retailer strategies are adapting to meet the needs of Gen Z consumers as they come of age

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

Luxury brands and retailers move further into recommerce, diversifying product categories

Case study: LVMH introduces Nona Source, the first online resale platform for materials

STORE-BASED CHANNELS

Luxury department stores retain their leading status despite major challenges in key markets

Luxury brands benefit from their own monobrand stores and the D2C channel

Leisure and personal goods specialists continued to thrive

Embracing the unique offerings that only physical shopping can provide

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

Shoppers yearn for the customer-centric and tactile experience of brick-and-mortar stores

French luxury department store Galeries Lafayette expands into next frontier markets

NON-STORE CHANNELS

Growth in e-commerce stabilises from pandemic highs with steady expansion in all sectors

Continued acceleration of luxury e-commerce albeit at a slower pace of growth

Increasing digitalisation reshapes luxury shopping habits across all regions at varying speeds

Generative AI to shape online experiences ushering in next "Uber moment" in luxury retail

The increasing prevalence of mobile internet usage has significantly impacted luxury sales

Consumers increasingly favour businesses that offer a hassle-free experience

Leveraging social media and s-commerce to cultivate Gen Z engagement in fashion

More luxury consumers flock to TikTok and Douyin with China leading the pack

Fresh wave of livestreaming and social commerce further drives luxury digital sales

Luxury brands aim to capitalise on TikTok's popularity with viral video content of their own

Luxury brands expand to livestreaming on social media to increase exposure in China

Case study: Alibaba uses generative AI to optimise the Tmall shopping experience

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Inflationary pressures encourage consumer exploration in non-retail channel

The “third space” and hyperphysical stores as the next luxury retail channel?

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

The TikTok economy looks set to become a significant part of the luxury retailers' puzzle

Bridging e-commerce and offline retail to complement each other's strengths in luxury goods

Luxury consumers will continue to want the best of both worlds

Omnichannel strategy paves the way for the future of retail and luxury transformation

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