

RetailX

Europe Luxury

2024

In partnership with:



Introduction

Following steady growth across much of the 2010s, European luxury online sales have flattened out since the pandemic, with the sector recording virtually no growth from its €15.5bn level in 2021. Indeed, **2023 brought a small downturn to €15.4bn**, as against €15.52bn in 2022.

But the sector is still buoyant, with more consumers choosing to buy luxury than ever before. For **92%** of consumers, it is **quality** that drives them to buy, far ahead of other factors, including **brand reputation (63.2%)** and **fashionableness (42.3%)**. Half (50%) of consumers also believe that the enduring value of these items is an important factor.

Generously, **37.8% of shoppers buy luxury goods as a gift**, while 55.4% of them are looking for discounts and offers when buying luxury – with 63.1% seeing high prices as the biggest barrier to buying luxury.

European luxury retail sales are **dominated by fashion**, which generates **€5.9bn**, more than a third of the sector's total revenue in 2023. **Luxury cosmetics** accounted for **€4.1bn**. This is backed up by RetailX's ConsumerX consumer data, which shows that luxury fashion and apparel was the segment most likely to generate multiple purchases among **43%** of shoppers.

The largest single group buying luxury fashion are **GenZ-ers**, with **56%** in this cohort saying they have made multiple luxury fashion purchases in the past year. A further 25.5% have made one purchase,

leaving just 18.5% having not bought a luxury fashion item. This compares with a **quarter (25.5%) of Millennials** and more than a **third (36.7%) of GenX-ers** who have bought no luxury fashion this year.

But EU luxury ecommerce is tempered by shoppers being wedded to the theatre and experience of physical retail. On average, **48.4% of European consumers prefer instore**, yet these generate 85% of revenues. This is way more than the 30% who shop online. Interestingly, it is the young GenZ shoppers who buck this trend, with 54.1% of them drawn to shop in physical luxury stores – almost 10% higher than all other shoppers.

Consumer research shows that **79.5%** of all European luxury shoppers are interested in **buying sustainably**. While consumer data shows that 31.5% of European shoppers say that they wouldn't pay more for sustainable luxury, the remaining 68.5% – more than two thirds – say they would.

As part of this shift to sustainable luxury, **two thirds (65.2%)** of European shoppers are buying **second-hand** luxury. While the bulk (39.9%) only do so occasionally, this is still creating a significant market. This is particularly true among GenZ shoppers, where **66.7%** are buying **up to half** of their luxury items second-hand.

The flattening out of European luxury revenues seen in 2023 is set to continue, however. Data shows that **57.3% are expecting to spend the same** amount in 2024, while 27.5% will be lowering their luxury spending. Just 15.2% expect to increase what they spend.

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Market context

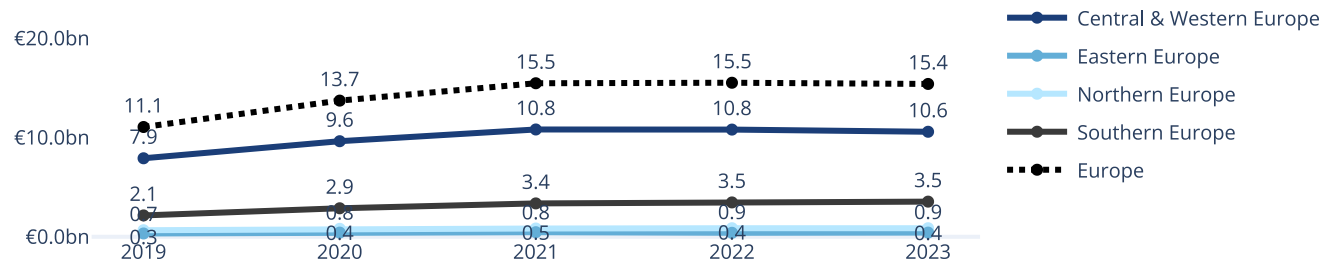
Growth in European luxury ecommerce has plateaued. However, this isn't necessarily a sign of the market stalling, but more an indication it is evolving

Following steady growth across much of the 2010s, European luxury online sales have flattened out since the pandemic, with the sector recording virtually no growth from its €15.5bn level in 2021, with 2023, in fact, recording a small downturn from €15.52bn in 2022 to €15.4bn – a not insignificant drop of €120mn, or a 1% fall.

Much of this drop across the whole European market can be attributed to the marked slowdown in sales in Eastern Europe that took hold in 2022. This is almost entirely the result of the Russian invasion of Ukraine. The conflict, while destabilising the global economy, has had a more profound and 'local' impact on the states that surround that region. Many of these relied on trade with Russia while being members of the EU. Sanctions imposed on Russia post-invasion have hit these economies hardest.

It is also worth noting, however, that against this backdrop of economic uncertainty, luxury ecommerce across the rest of Europe has managed to maintain its sales. This is despite an inflationary spike across 2021 to 2023 and several months therein of lower economic growth across the European region.

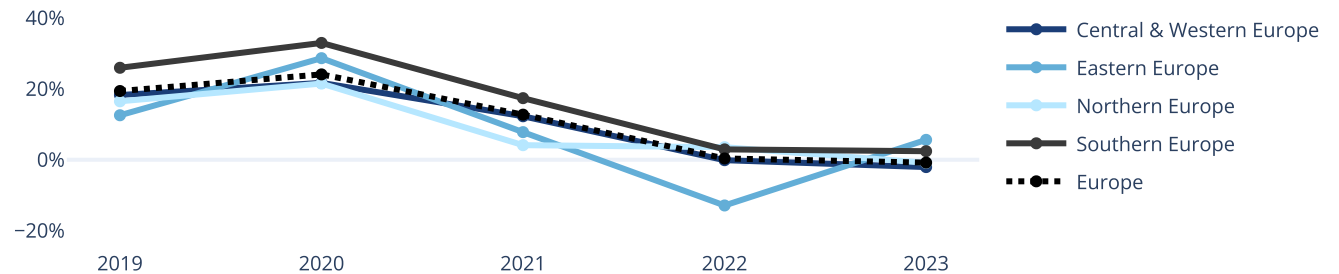
Annual revenue for the luxury goods ecommerce market (bn EUR (€)), selected regions, 2019-23



Source: Statista Digital Market Insights

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Annual change in revenue for the luxury goods ecommerce market (%), selected regions, 2019-23



Source: Statista Digital Market Insights

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This shows that the market in Europe for luxury is still relatively strong, albeit static currently, driven by consumers' continuing desire for longer-lasting and aspirational brands – particularly in fashion

and cosmetics – as our consumer survey research points out later in this report. European luxury has managed to remain strong despite these outside pressures, which bodes well for future growth.

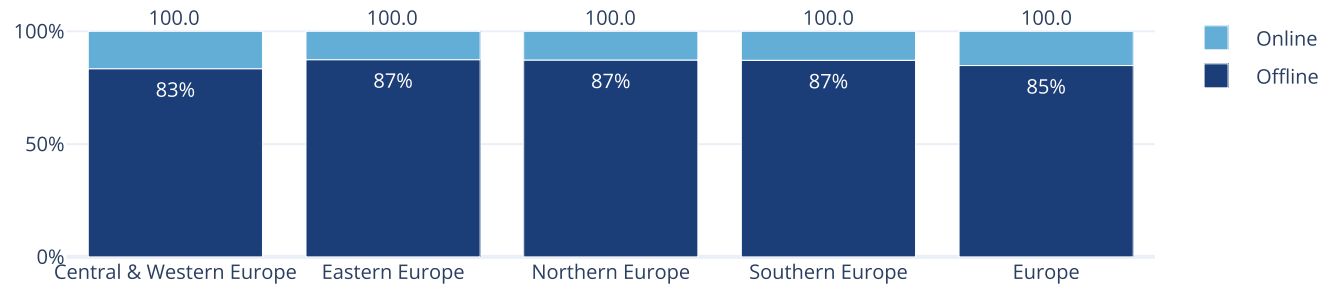
OFFLINE SURGES

Luxury ecommerce growth has also been stymied by a return to physical retail among many consumers in the region. The pandemic forced a closure of physical stores and a pivot to ecommerce for all but essential retailers and this was perhaps most pronounced among luxury brands. Luxury has always thrived on a sense of theatre and a trip to the store is part of the luxury retail experience. While many luxury brands managed to ramp up their ecommerce offerings rapidly in 2020 and 2021, there has been a concerted return to stores by many shoppers. This is reflected in all regions in Europe seeing more than 85% of revenues in luxury coming from offline sales in 2023.

With this in mind, the stasis in ecommerce growth for luxury isn't reflective of European consumers' desire for luxury goods. Rather, it shows the market is growing, just with the main channel of choice shifting. Where luxury has excelled has been in switching those shoppers that are online to being increasingly mobile. While desktop still has more than half of online luxury sales, mobile isn't far behind. Naturally, luxury lends itself to a more considered purchase, so the time taken on the 'big screen' to research and shop is not a surprise. However, the 47% use of mobile in the shopping journey is significant on a number of fronts.

Firstly, it reflects how mobile and online are increasingly part of a more hybrid and multichannel shopping journey, where the consumer is looking online, on mobile and instore as part of their path to purchase and choosing mobile or desktop to buy – perhaps after seeing items instore, or vice versa.

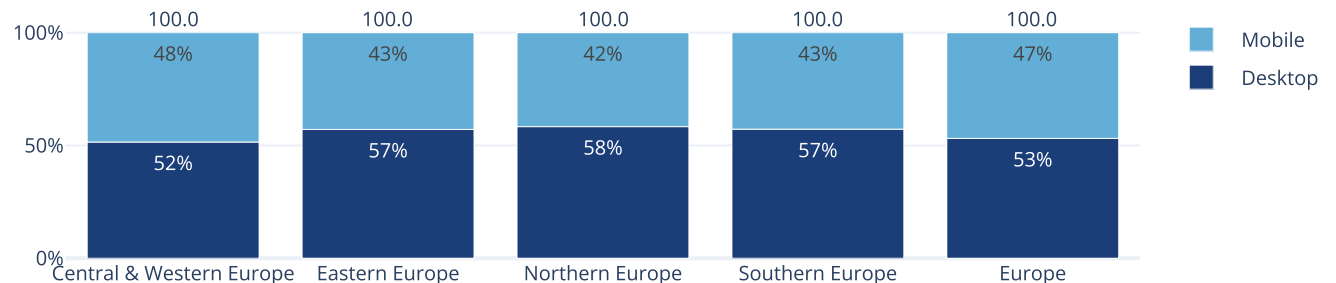
Revenue by channel for luxury goods multichannel shoppers, selected regions, 2023



Source: Statista Digital Market Insights

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Device usage by revenue for luxury goods ecommerce, selected regions, 2023



Source: Statista Digital Market Insights

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Secondly, this also showcases the ever-changing demographic of European luxury shoppers. These are slowly shifting away from an older Boomer and GenX clientele to a younger-end GenX, Millennial and GenZ shopper base. As the youth market matures and explores the luxury sector more,

so too the channels they use will also evolve. Expect to see more online and more mobile in sales figures in the years ahead.

That's the overview, but what does consumer survey data say?

What luxury consumers buy

European luxury consumers are a broad church, shopping across categories and across brands

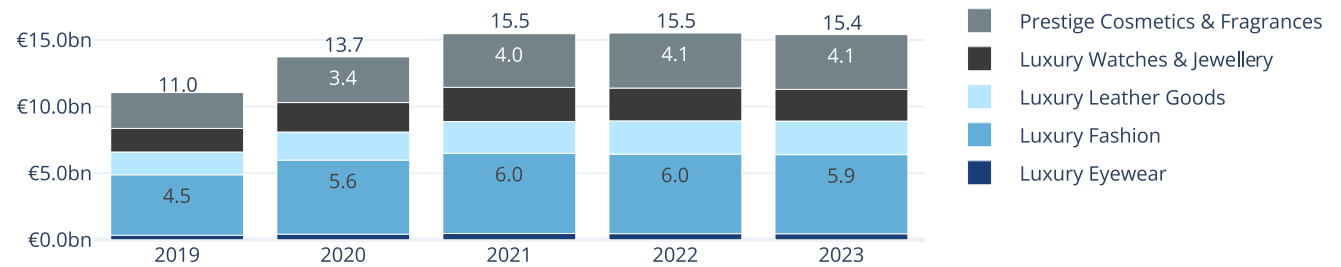
European luxury retail sales are dominated by fashion, which continues to be by far the biggest segment of the market, generating €5.9bn – more than a third of the sector’s total revenue in 2023. The second-biggest contributor was luxury cosmetics, which accounted for €4.1bn of revenues.

This is backed up by data from our ConsumerX survey. This shows that luxury fashion and apparel is the segment most likely to generate multiple purchases, with 43% of shoppers making more than a single purchase. When combined with single luxury purchases, luxury fashion is bought by two thirds of shoppers. Cosmetics are also popular, with 60% of shoppers making a single or multiple purchase.

Not far behind cosmetics, a similar proportion of shoppers are buying luxury electronics regularly (56%), while 52% are shopping luxury sports and leisure at least once. An impressive 46% are shopping luxury groceries.

This skew towards fashion and cosmetics is reflected in the brands that consumers are shopping – but they also tell another story. High-end luxury fashion brands Louis Vuitton, Prada, Cartier and Balenciaga stand out as being relatively popular. However, it is

Annual revenue for the luxury goods ecommerce market (bn EUR (€)), Europe, 2019-23

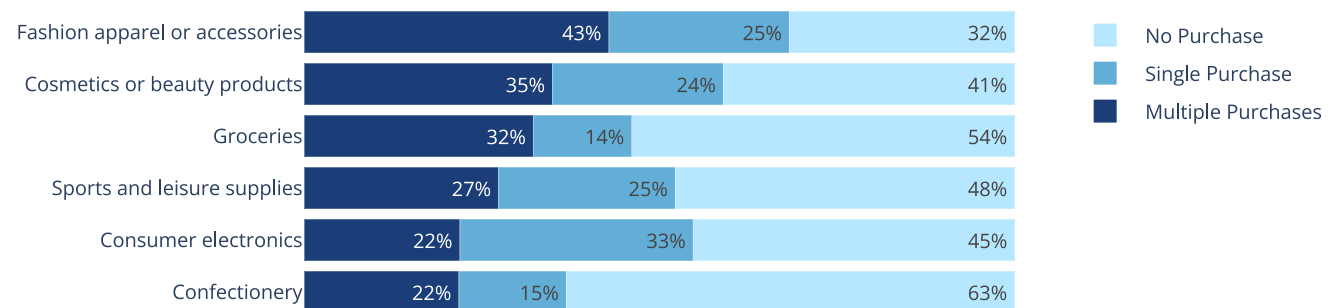


Source: Statista Digital Market Insights

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Types of luxury purchased in last year

Europe



Based on 3,355 respondents in 11 countries (aged 16-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'In the last 12 months, in which of the following categories have you purchased a luxury brand?'. Chart ID: CX73072

Source: ConsumerX

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more 'affordable luxury' brands that really lead the pack in Europe today.

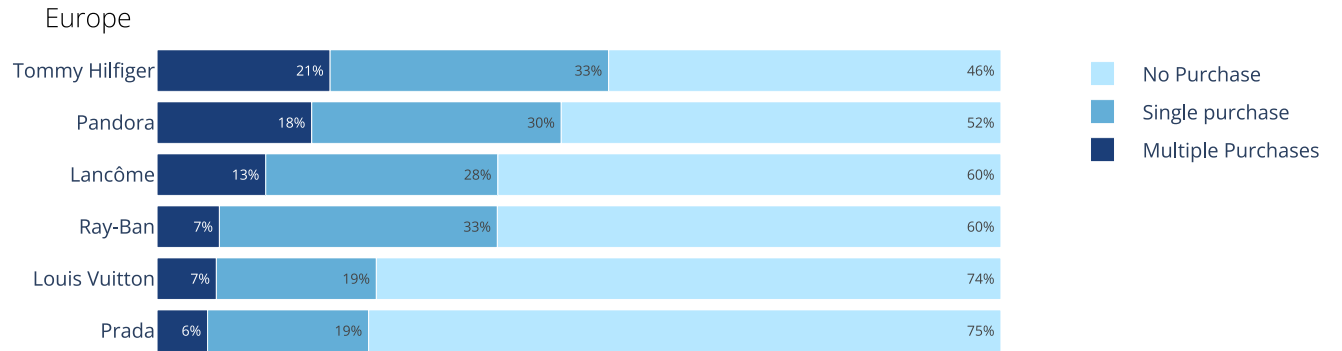
Tommy Hilfiger, Pandora and Ray-Ban can be categorised as more 'everyday' luxury brands – the latter capitalising on the steady growth of luxury eyewear brands in the ophthalmic market – that are regularly shopped with consumers. This is part of an ongoing trend across luxury, with brands targeting a lower price-point audience to grow 'exclusivity at volume', rather than focus purely on exclusive ranges affordable by the few.

The two business models work well, and often in tandem, for the luxury sector worldwide, opening up new groups of shoppers to often well-established brands across the socio-economic spectrum. The sector is also working to attract a younger audience to luxury – essential for the survival of some of Europe's oldest and best-known brands.

This can be clearly seen in the demographic data within Europe, which shows that the largest single generation buying luxury fashion is GenZ, with 56% of them saying that they have made multiple luxury fashion purchases in the past year. A further 25.5% have made one, leaving just 18.5% having not bought a luxury fashion item. This compares with a quarter (25.5%) of Millennials and more than a third (36.7%) of GenX-ers who have bought no luxury fashion this year. Younger shoppers are certainly getting the luxury fashion bug.

The reasons are multiple. While affordable luxury has put these items more in their reach – and the reach of the bank of mum and dad who finance

Luxury brands purchased from in last three years



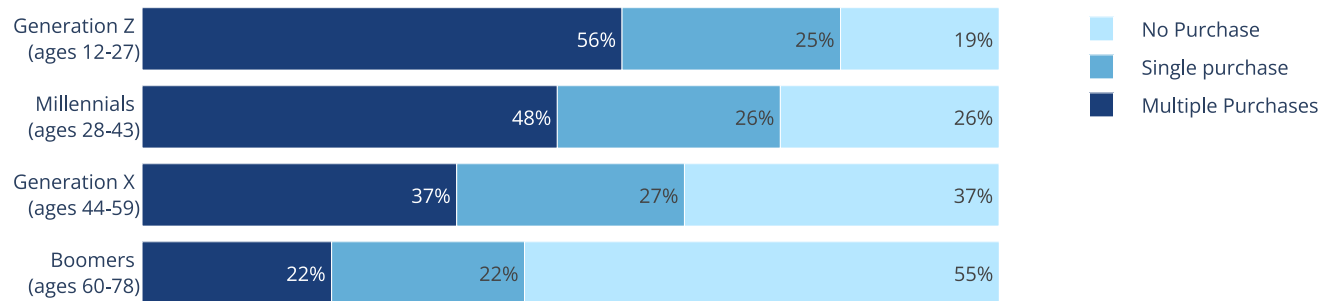
Based on 3,355 respondents in 11 countries (aged 16-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'From which of the following luxury brands have you purchased in the past three years?'. Chart ID: CX72962

Source: ConsumerX

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RXSLXEU24RP-CX-14-v8

People who have purchased a luxury fashion brand in the last year

By Generation, Europe



Based on 3,355 respondents in 11 countries (aged 16-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'In the last 12 months, in which of the following categories have you purchased a luxury brand?-Fashion apparel or accessories'. Chart ID: CX73486

Source: ConsumerX

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many of these buys – there are other attitudinal factors at play. A desire to get away from the uniformity of high street fast fashion is driving many a teen to want to stand out. The social and environmental impact of fashion also plays a role, with investment in a single, reusable luxury item seen as better for the planet than endless throwaway fast fashion. Alongside this, many luxury fashion brands have the resources to properly invest in creating ethically sourced and manufactured goods, which also appeals to GenZ’s tastes.

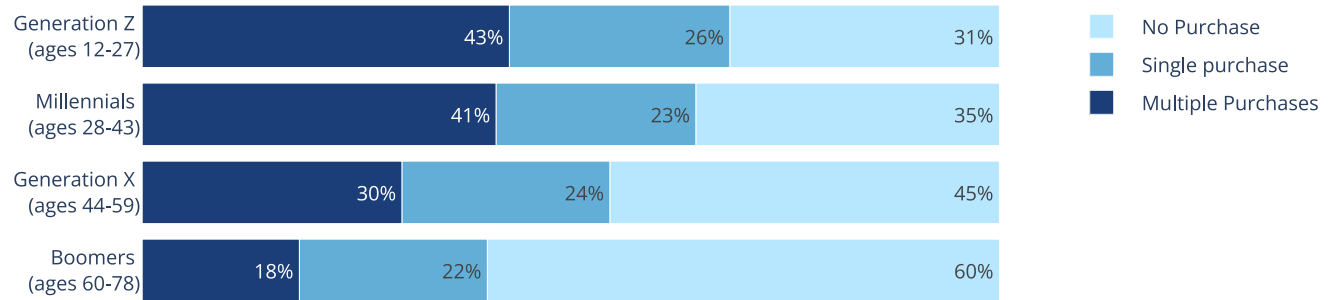
This is seen right across the luxury market. Shoppers buying luxury cosmetics are also trending towards GenZ, with two thirds of them (68.5%) buying these items in the past year. The same applies for jewellery, where again GenZ is the largest single generational group (62.3%) shopping luxury here at least once a year.

Across all these categories, Millennials do run a close second – and that closeness is even closer in luxury grocery and luxury confectionery – with GenX not far behind. While the affordable luxury driver is still present in these categories too, it is again the demand for ethical sourcing and something out of the mainstream that are driving younger shoppers to buy luxury in these segments too.

It is also worth noting that, typically, these cohorts of shoppers also tend to have a larger proportion of disposable income and are more likely to splash out on luxury goods when they have a yearning to do so. Across the age ranges, this disposable income rises, however their impulsive spending tends to lessen to a degree.

People who have purchased a luxury cosmetics or beauty brand in the last year

By Generation, Europe



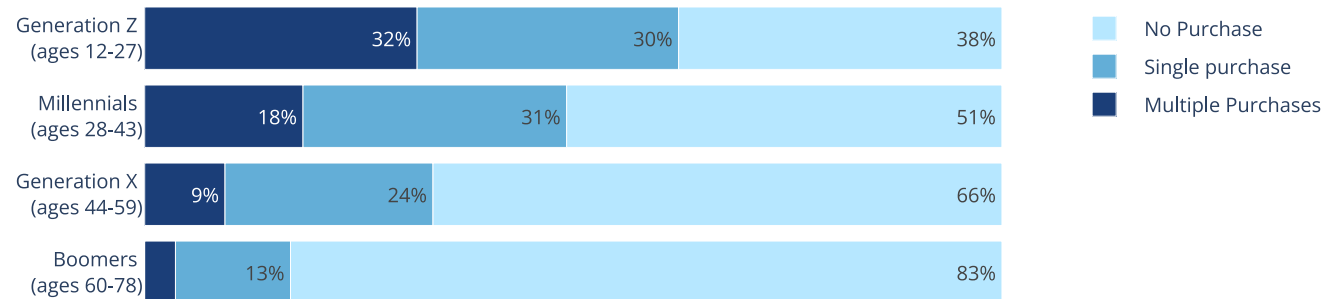
Based on 3,355 respondents in 11 countries (aged 16-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'In the last 12 months, in which of the following categories have you purchased a luxury brand?-Cosmetics or beauty products'. Chart ID: CX73481

Source: ConsumerX

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People who have purchased a luxury jewellery brand in the last year

By Generation, Europe



Based on 3,355 respondents in 11 countries (aged 16-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'In the last 12 months, in which of the following categories have you purchased a luxury brand?-Jewellery'. Chart ID: CX73444

Source: ConsumerX

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Why luxury consumers buy

Why European consumers buy luxury has changed in the past decade and created an ever-evolving market with some interesting drivers

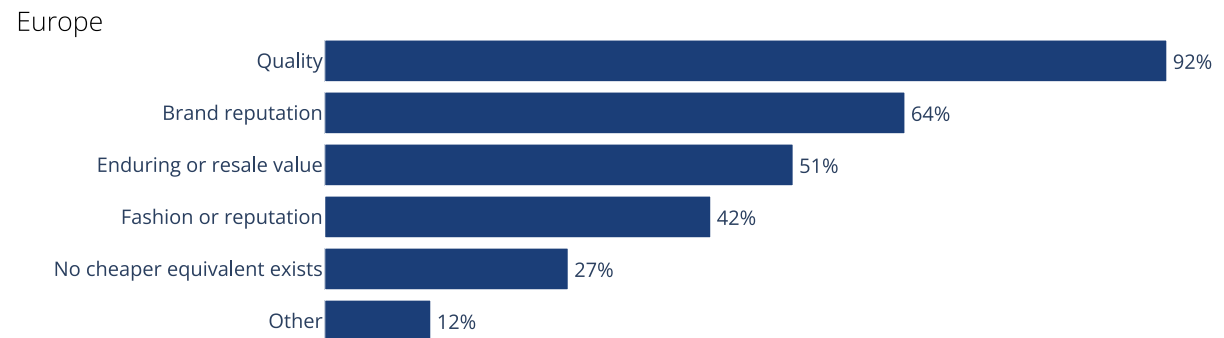
European consumers buy luxury predominantly because of quality. More than 92% of consumers cite this as their main reason for shopping these brands, far ahead of the many other attributes associated with luxury brands, such as brand reputation (63.2%) and fashionableness (42.3%).

That said, 50% of consumers do believe that the enduring value of these items is also a good enough reason to splash out on luxury, cementing the view that shoppers are increasingly seeing buying luxury as something of an investment in timeless fashion.

Similarly, these shoppers also see luxury as having a significant resale value – something that has become a driver of the European luxury market, with shoppers looking to invest in more unusual and even unique items, but with a view to potentially reselling them down the line.

This is also a factor driving the growing market for second-hand luxury, itself fuelled and fuelling the rise of sustainability in the sector and among consumers (see page 13).

Top three reasons for choosing luxury item over cheaper alternative

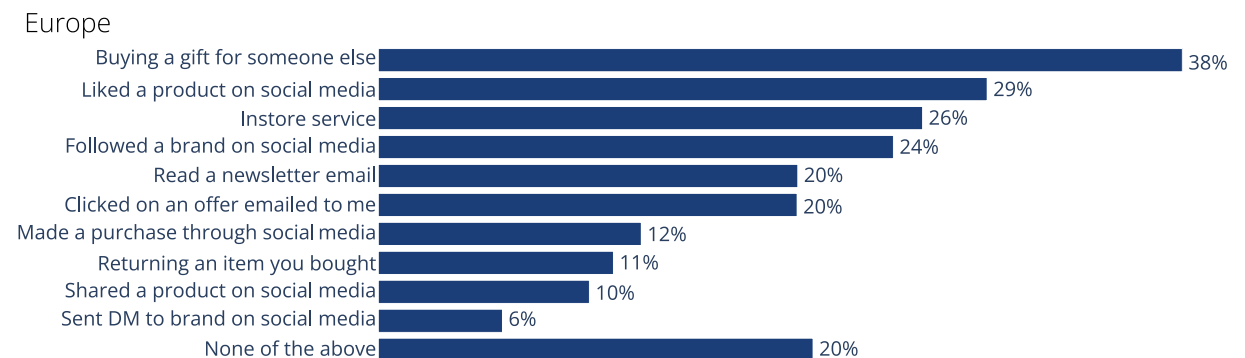


Based on 3,355 respondents in 11 countries (aged 18-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'What are the top three (3) reasons you bought a luxury item instead of a cheaper alternative?'. Chart ID: CX72887

Source: ConsumerX

RetailX 2024
RXSLXEU24RP-CX-1-v2

Types of interaction with luxury brands in last year



Based on 3,355 respondents in 11 countries (aged 16-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'In the last 12 months, have you had contact with a luxury brand through the following activities?'. Chart ID: CX72932

Source: ConsumerX

RetailX 2024
RXSLXEU24RP-CX-4-v1

That said, consumers predominantly buy luxury items as gifts, with 37.8% doing this (presumably not then to resell them). This is driving the interactions consumers in Europe have with luxury brands. Gifting is considerably ahead of other reasons given for buying luxury online, such as seeing items on social media and clicking on offers.

However, interaction with luxury brands via social media – encompassing liking a product seen there, following a luxury brand, DM-ing a brand and even buying through social media – together add up to a much larger combined driver of interactions. This suggests that social media and social affirmation are key drivers for sales in the sector and worth exploring by brands as the key marketing channel at their disposal.

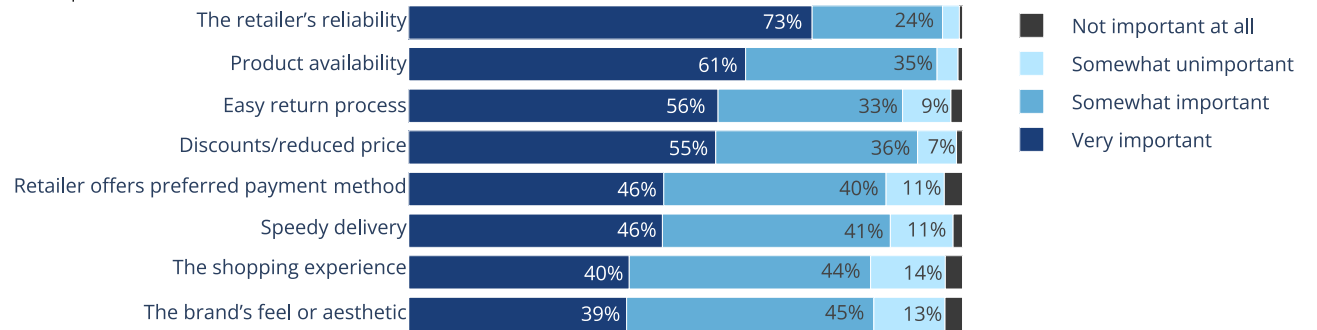
Why consumers choose the luxury brands that they do buy online reflects the same mores seen across ecommerce. Reliability is key for 72.8% of shoppers in Europe when buying luxury online, while product availability (60.8%) and easy returns (55.9%) are also important, more so than shopping experience (39.8%) and even the brand’s aesthetic (39.3%).

Interestingly, 55.4% of consumers are looking for discounts and offers when buying luxury. This points to the increasing interest in affordable luxury. While many are looking to find bargains in well-known – and often high-end – luxury goods, the desire for luxury at an affordable price is undeniable.

Retail in general is tapping into this, with outlet stores selling off-season luxury fashion, while marketplace sites that specialise in luxury and

Importance of factors when purchasing luxury items online

Europe



Based on 3,355 respondents in 11 countries (aged 17-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'How important to you are the following factors when purchasing luxury items online?'. Chart ID: CX72923

Source: ConsumerX

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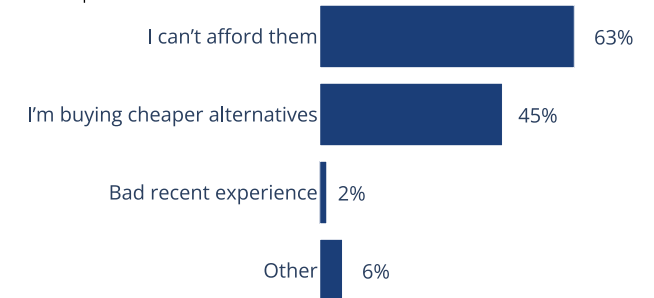
second-hand luxury such as Secret Sales and Vinted are capitalising on this hunger for bargain luxury items. Sites such as Depop are combining second-hand with the inherent resale value of luxury.

The cost of luxury is also seen as one of the biggest inhibitors to European consumers buying luxury, with two thirds (63.1%) of them saying that high prices are the biggest barrier to buying these items. This sits ahead of other key barriers such as finding a cheaper alternative.

On a positive note, however, only very few (1.7%) potential luxury shoppers cite bad customer experience as a reason that they don't buy luxury, indicating that the efforts made in the sector to offer an excellent consumer experience is paying off.

Reason for reduced desire to buy luxury products

Europe



Based on 921 respondents in 11 countries (aged 17-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'Why is your desire to buy luxury products lower?'. Chart ID: CX73019

Source: ConsumerX

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Where consumers buy luxury

Luxury shoppers seem wedded to physical retail and its sense of theatre – but that doesn't tell the whole story

Luxury is a sector that has long thrived in the physical retail environment. For consumers, one of the attractions of shopping for luxury with well-known brands has always been that the store experience – from beautiful architecture and design to free champagne and canapés – has gone hand in hand with browsing and buying the finest things.

While the pandemic did its best to stymie this, with stores closed on and off for close to two years, the sector has maintained a strong physical retail presence – a presence that has bounced back from lockdown to be even stronger than before.

Consumers in Europe still prefer to use the physical retail store to shop luxury, with 48.4% of them choosing to do so – put in front of online and mobile – and with the sector generating 85% of its revenues from physical retail.

Physical luxury stores offer the epitome of instore retail experience, with the shopping format as luxurious as the goods being sold. This has long been the stock-in-trade of many of the well-known luxury brands and it clearly continues to possess an appeal to shoppers.

Retail channel for luxury purchases in last year

Europe

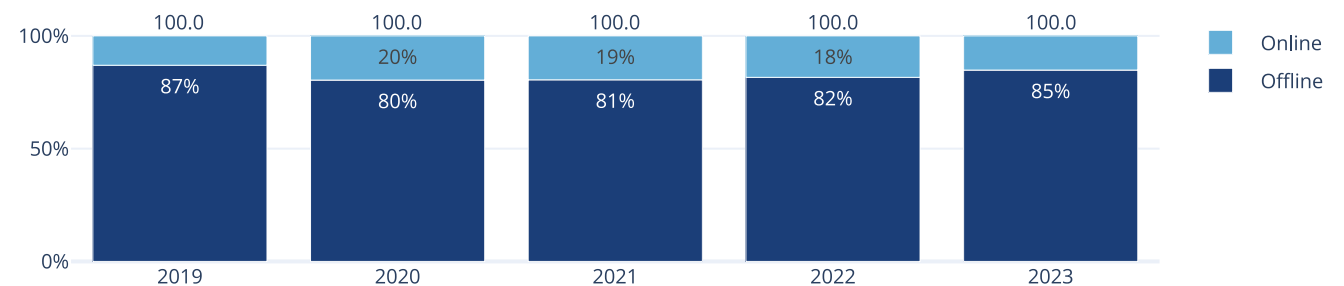


Based on 3,118 respondents in 11 countries (aged 18-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'In the last 12 months, through which channels have you purchased luxury brands?'. Chart ID: CX72914

Source: ConsumerX

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Revenue by channel for luxury goods multichannel shoppers, Europe, 2019-23



Source: Statista Digital Market Insights

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However, this isn't as binary a situation as it might at first appear. The pandemic years saw consumers embrace a more digital-physical shopping model and, with stores closed, luxury brands invested heavily in creating exceptional online and mobile ecommerce offerings. Today, with stores open and consumers still having a penchant for instore luxury shopping but with a taste for the ease and convenience of ecommerce, the digital and the physical forms of retail have come together.

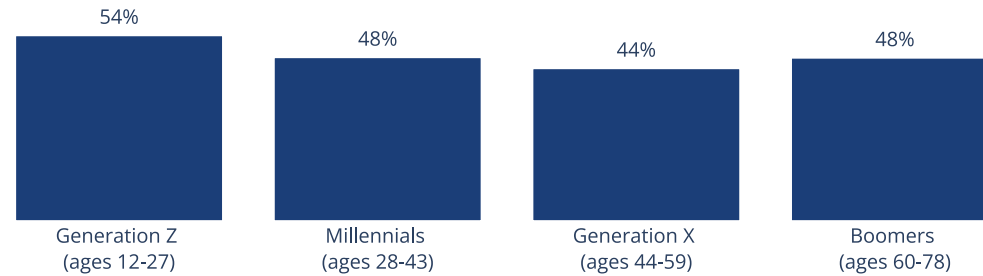
This can be seen in the spread of online and offline in the consumer data. This spread is relatively even across age groups, with Millennials, GenX and Boomers all doing roughly the same, with around 45% of each group shopping luxury instore. Interestingly, it is the young GenZ shoppers who buck this trend, with 54.1% of them drawn to shop in physical luxury stores – almost 10% higher than all other shoppers.

This is a result of GenZ being the generation that truly seeks out experiences, wanting not only engagement and to feel genuine connection, but also to offer up what they are doing and where they are doing it to social media. This is perhaps the key reason why they are drawn more to physical luxury retail than other age groups: it gives good TikTok.

This is borne out with how social plays a role in the shopping habits of GenZ-ers, with this youthful group by far the largest segment (19.8%) of shoppers actually buying through social media channels. This relatively dwarfs how the other groups shop on social, with just 7.9% of GenX and 4.7% of Boomers having shopped via social in the past year.

People who have purchased luxury brands instore in the last year

By Generation, Europe



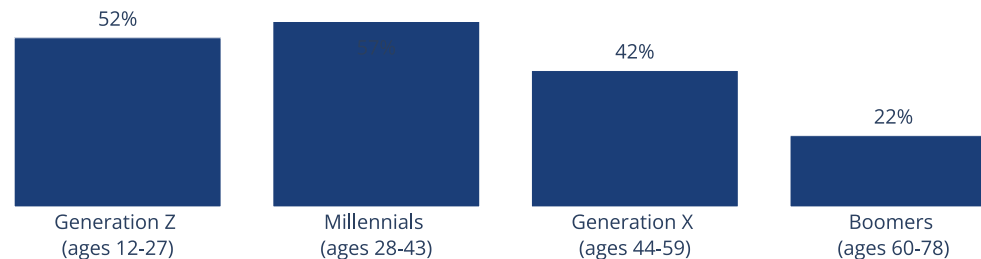
Based on 3,118 respondents in 11 countries (aged 18-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'In the last 12 months, through which channels have you purchased luxury brands?-In a physical store'. Chart ID: CX72942

Source: ConsumerX

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People who have purchased luxury brands online via a mobile phone in the last year

By Generation, Europe



Based on 3,118 respondents in 11 countries (aged 18-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'In the last 12 months, through which channels have you purchased luxury brands?-Online-Mobile'. Chart ID: 72949

Source: ConsumerX

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These younger shoppers, however, aren't single channel shoppers solely with a penchant for social media. Rather, they have constructed a complex shopping journey leveraging all channels – often as part of a single purchase decision. 51.8% of GenZ are using phones to make luxury purchases, second only to Millennials who are very much more mobile-centric (56.8%).

Across the age groups, a clear technological usage picture emerges. Older shoppers – GenX and Boomers – are more likely to shop luxury online via a desktop computer, while younger GenX and Millennials are shopping more on mobile. GenZ are doing these things too, but to a lesser extent, focussing more on instore luxury.

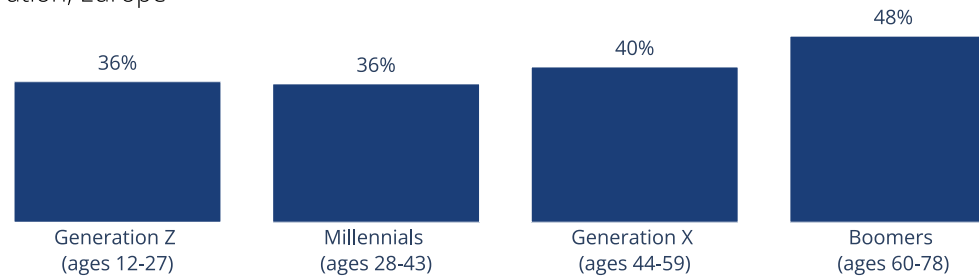
However, the shoppers that are using desktop to shop online luxury are spending more, with desktop generating 53.13% of revenues in 2023 and mobile 46.87%.

This can be attributed to shoppers making higher-value purchase via desktop than mobile. Mobile is still more of an impulse channel, coupled with it being a more handy research-only tool that then leads to shoppers carrying out the actual purchase on desktop or instore.

Desktop purchases are also more likely to lead to a more considered buy, as the shopper can take their time to research products more deeply while online on desktop than mobile, which is especially useful when spending more money.

People who have purchased luxury brands online via a computer in the last year

By Generation, Europe



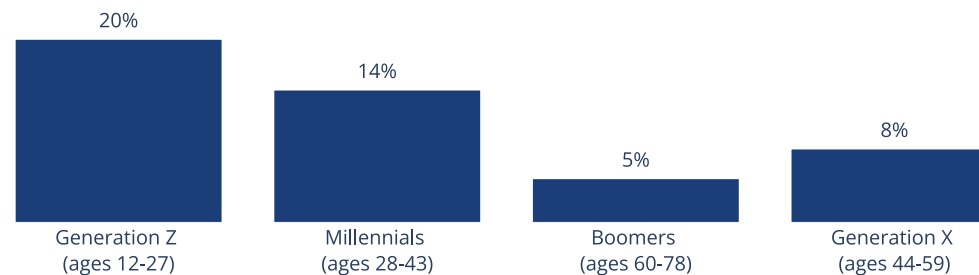
Based on 3,118 respondents in 11 countries (aged 18-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'In the last 12 months, through which channels have you purchased luxury brands?-Online-Computer'. Chart ID: CX72945

Source: ConsumerX

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RXSLXEU24RP-CX-9-v2

People who have purchased a luxury brand's product via social media in the past year

By Generation, Europe



Based on 3,355 respondents in 11 countries (aged 16-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'In the last 12 months, have you had contact with a luxury brand through the following activities?-Made a purchase through social media'. Chart ID: CX73013

Source: ConsumerX

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Sustainability and ethics

Luxury shoppers are picky and they are picking sustainability and ethics as a key reason to shop luxury

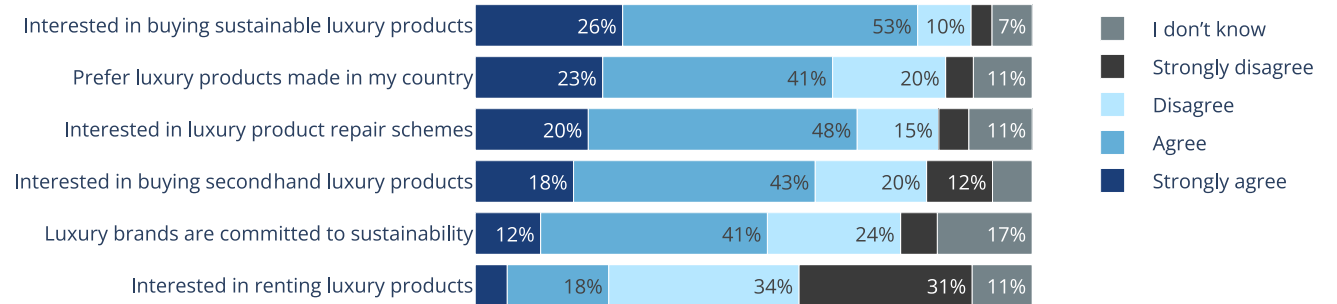
Sustainability and ethics are increasingly important to consumers across Europe and choosing brands and retailers from whom to shop is a choice increasingly being made with these factors in mind. This has become especially true in the European luxury sector. With an increasingly young and social media-savvy clientele, luxury brands are seeing a marked increase in sales being driven by a desire for more ethically sourced and sustainably produced goods in the sector.

Consumer research shows that 79.5% of all European luxury shoppers are interested in buying sustainably. More than half (52.4%) also believe that luxury brands are doing their bit and are committed to sustainability.

This is translating into not only looking to buy sustainably produced products, but also seeing consumers looking towards the circular economy and other ways of shopping in the luxury sector that promote this. 61% of consumers in Europe, for example, are interested in purchasing second-hand luxury goods as part of this shift (see page 16), while 68.6% are interested in repair schemes to keep their luxury items in play.

Agreement that luxury products should be sustainable

Europe



Based on 3,355 respondents in 11 countries (aged 17-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'Regarding your luxury purchases, which of these statements do you agree with?'. Chart ID: CX72940

Source: ConsumerX

RetailX 2024
RXSLXEU24RP-CX-7-v2

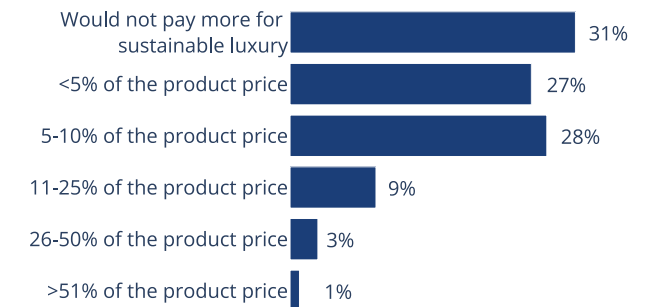
A quarter (23.9%) are interested in renting luxury items (see page 15) and 64.2% are keen to see shipping emissions reduced by luxury items being manufactured in their home countries.

This broad spread of interest in sustainability and how to achieve it is a gauntlet that the luxury industry has readily picked up, being at the forefront of looking at how to produce goods from sustainable materials, cutting down transport costs and treating workers charged with making these items with respect and dignity.

The industry has also tried to temper waste and water usage, and many companies have undertaken projects that look to put back into the communities from which they take labour.

Amount extra people would be willing to pay for sustainable luxury products

Europe



Based on 3,355 respondents in 11 countries (aged 16-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'How much extra would you be willing to pay for sustainable luxury products? (Products produced and transported in ways that avoid harm to the environment)'. Chart ID: 72953

Source: ConsumerX

RetailX 2024
RXSLXEU24RP-CX-40-v3

A PRICE WORTH PAYING

There are strong morals driving consumers who want to shop more sustainably and the luxury industry is meeting that demand, but are consumers willing to pay for it? While consumer data shows that 31.5% of European shoppers say that they wouldn't pay more for sustainable luxury, the remaining 68.5% – more than two thirds – say that they would.

More than half (54.9%) of them would pay somewhere between 1% and 10% more (with 28.3% prepared to pay between 5 and 10% more), while a small but significant 9.5% would pay between 11% and 25% more for sustainable and ethically produced luxury goods.

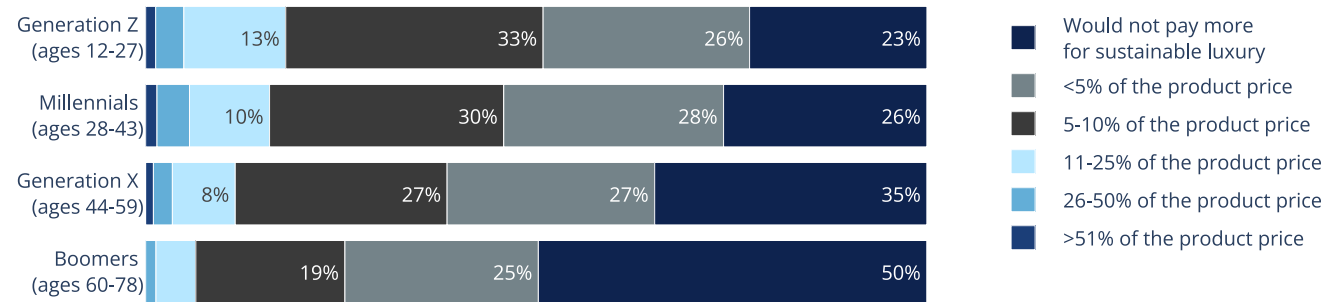
Perhaps unsurprisingly, younger GenZ and Millennials are most likely to be prepared to pay more, with 32.9% of GenZ prepared to pay 5 to 10% more alongside 30% of Millennials. In older cohorts, this drops to 27.1% in GenX and 19.1% in Boomers.

The proportion of those prepared to pay something, so long as it is under 5% of price is remarkably consistent across all age groups at around a quarter of shoppers. This reinforces the view that all luxury consumers, regardless of age, are starting to regard sustainability and ethics as vital factors in making purchase decisions – and are prepared to back this up by paying higher prices.

Geographically, the Finns and the French are the most likely to pay between under 5% to achieve this, while the Germans and the Spanish are those most likely to pay between 5% and 10%.

Amount extra people would be willing to pay for sustainable luxury products

By generation, Europe



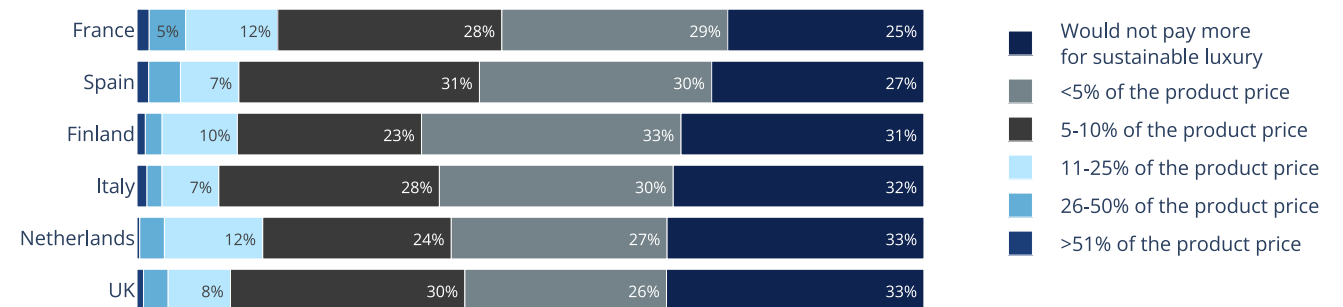
Based on 3,355 respondents in 11 countries (aged 16-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'How much extra would you be willing to pay for sustainable luxury products? (Products produced and transported in ways that avoid harm to the environment)'. Chart ID: CX73067

Source: ConsumerX

RetailX 2024
RXSLXEU24RP-CX-18-v1

Amount extra people would be willing to pay for sustainable luxury products

By country, Europe



Based on 3,355 respondents in 11 countries (aged 16-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'How much extra would you be willing to pay for sustainable luxury products? (Products produced and transported in ways that avoid harm to the environment)'. Chart ID: CX73094

Source: ConsumerX

RetailX 2024
RXSLXEU24RP-CX-44-v4

Overall, European consumers are all pretty much unanimous in that they want to pay something towards sustainable luxury and are prepared to swallow the cost. This shows just how important sustainability and ethics are to consumers.

LUXURY RENTAL

As a result, the European luxury market is experiencing a fascinating shift. While ownership remains a status symbol, a new wave of consumers – many of them GenZ – is embracing the concept of luxury rentals. While there are obvious benefits for the shopper – lower cost of entry constant refresh of a luxury wardrobe to name but two – this trend benefits the luxury industry in several ways.

Firstly, it fosters accessibility. Luxury items, from designer clothing and handbags to high-end jewellery and watches, can be prohibitively expensive. Rental schemes allow consumers to experience these coveted items for a fraction of the purchase price. Companies such as Rent the Runway and Covet Fashion in the fashion sector, and Haute Vault and Borrow for Keeps for jewellery, cater to this growing demand.

Secondly, rentals promote sustainability. Fast-changing trends and concerns about environmental impact are driving a move away from excessive consumption. Renting allows consumers to enjoy a variety of luxury items without the burden of ownership and disposal.

Thirdly, rentals generate recurring revenue streams. Luxury brands can leverage rental platforms to reach new audiences and monetise their existing inventory.

This creates a win-win situation for both the brand and the consumer.

The exact number of users of these services is difficult to pinpoint, as the market is still evolving. However, industry reports suggest significant growth. A 2023 study by Grand View Research predicts the global online apparel rental market to reach a staggering \$4.8bn by 2030. This indicates a strong appetite for luxury rentals in Europe, a key market for these services.

Ethical luxury: A European renaissance?

The European luxury industry, long synonymous with exquisite craftsmanship, is undergoing a renaissance. The shift towards ethical manufacturing, both at home and abroad, is proving mutually beneficial for both shoppers and luxury brands.

For shoppers, ethical sourcing translates to transparency and peace of mind. Knowing a luxury item is made by fairly compensated workers, with respect for the environment, adds value to the purchase.

Certifications such as Fairtrade and GOTS (Global Organic Textile Standard) provide assurances that ethical practices are upheld throughout the supply chain and are particularly resonant with younger shoppers.

Luxury brands that prioritise ethical production reap a multitude of benefits. Firstly, it fosters brand loyalty. Consumers who identify with a brand's ethical stance are more likely to become repeat customers and brand advocates.

Secondly, ethical practices can minimise environmental impact. This not only aligns with consumer values, but also helps brands comply with stricter European regulations on sustainability. Reduced waste and responsible sourcing can even lead to cost savings in the long run.

Furthermore, ethical manufacturing strengthens the European luxury brand's heritage and reputation. By investing in skilled artisans and upholding traditional techniques at home, brands tap into Europe's rich history of craftsmanship.

Meanwhile, ethical practices abroad foster positive relationships with overseas suppliers, creating a more stable and reliable supply chain. Examples abound. The LVMH-owned fashion house Stella McCartney champions eco-conscious materials and fair labour practices. French luxury conglomerate Kering has set ambitious sustainability goals for its diverse brands, including Gucci and Saint Laurent.

Kering has, in fact, achieved a 40% reduction in environmental impact across its entire business by 2021 – surpassing its initial target. The group is now aiming for a further 40% reduction by 2035. This includes reducing greenhouse gas emissions, water use, waste generation and pollution.

Second-hand luxury

As shoppers' love for luxury brands grows – and their ethical mores play a greater role in the choices they make – second-hand luxury is booming

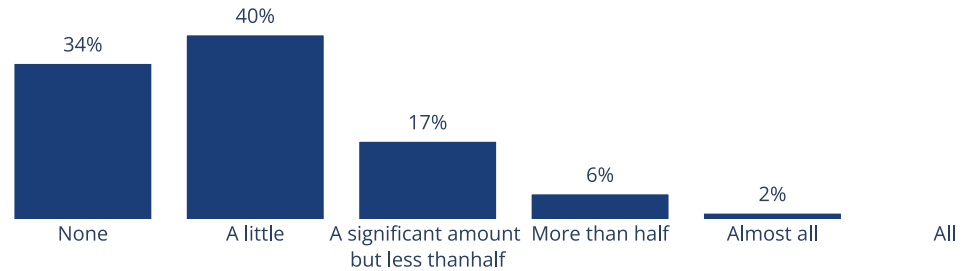
European consumers' increased awareness of sustainability issues around retail, in general, and luxury, in particular, has seen the sub-category of second-hand luxury boom. With more shoppers than ever across the region questioning the environmental and societal impact of what they buy, looking to pre-loved goods – particularly in fashion apparel – has grown. Not only is it 'green', but it also helps salve some of the ethical dilemmas shoppers also face.

Couple this with a trend for vintage garments and the rise in re-sale value of luxury items and suddenly the once backwater of second-hand luxury has become a key track in the retail market.

Consumer data shows that two thirds (65.2%) of European shoppers are buying second-hand luxury items to some degree. While 39.9% only do so occasionally, this is still creating a significant market. This is particularly true among GenZ shoppers. Here 66.7% are buying up to half of their luxury items second-hand. However, other age groups are also starting to pick up on the trend. Almost two thirds (60.8%) of Millennials and 55% of GenX shoppers

Proportion of luxury purchases that are secondhand

Europe



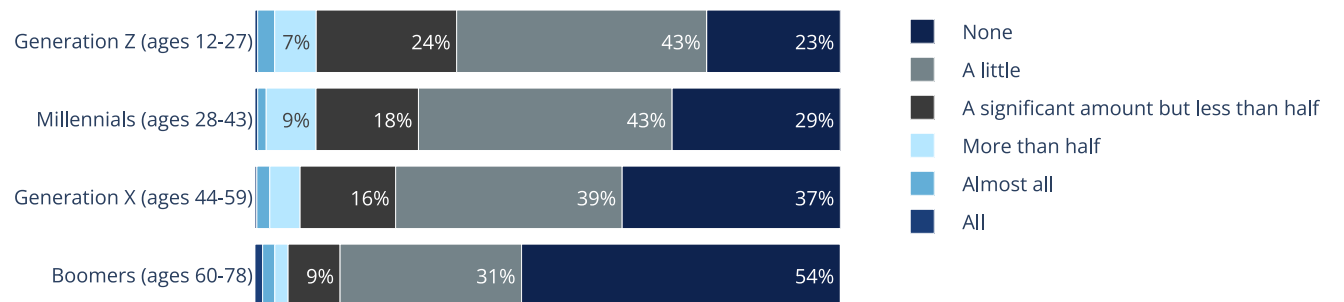
Based on 3,355 respondents in 11 countries (aged 17-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'What proportion of your luxury product purchases are secondhand?'. Chart ID: 72946

Source: ConsumerX

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RXSLXEU24RP-CX-38-v2

Proportion of luxury purchases that are secondhand

By generation, Europe



Based on 3,355 respondents in 11 countries (aged 17-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'What proportion of your luxury product purchases are secondhand?'. Chart ID: CX73062

Source: ConsumerX

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RXSLXEU24RP-CX-17-v1

are sourcing up to half of their luxury purchases through second-hand channels. Only older Boomers show lower interest in second-hand, although even here around 40% are regularly buying second-hand luxury, showing the phenomenon transcends age.

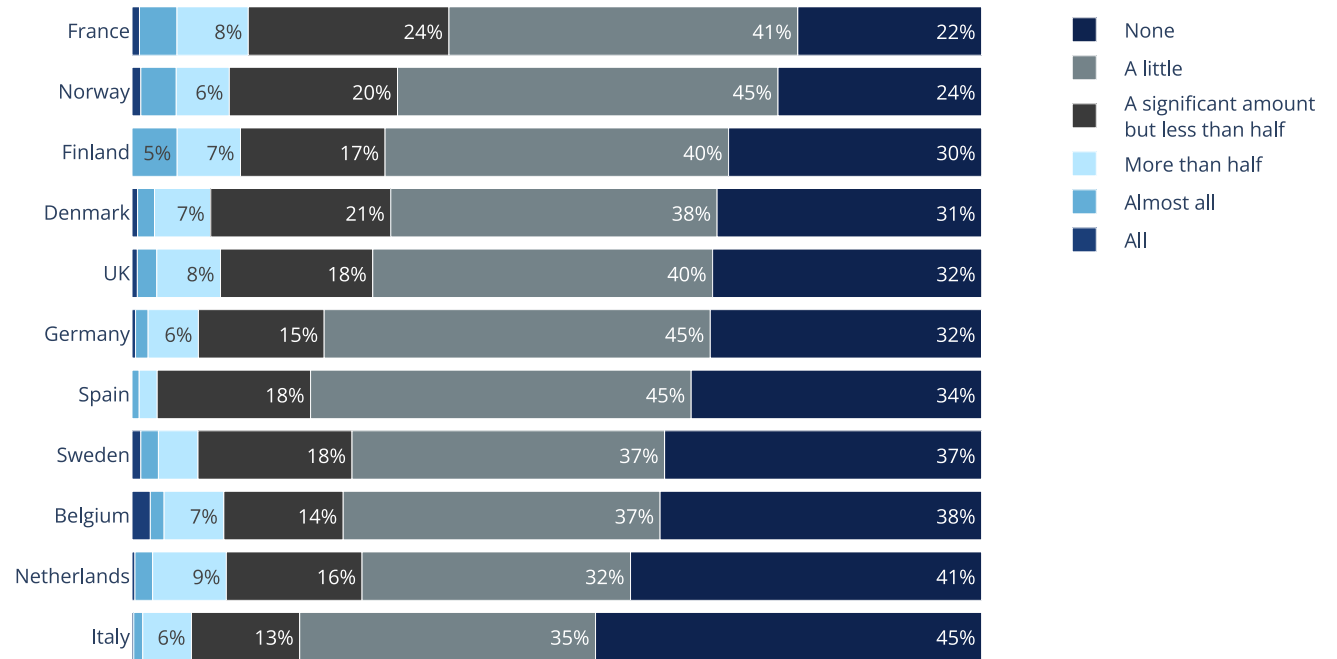
It is also a trend seen across the region. France leads the way with 65% of consumers buying up to half their luxury goods second-hand. However, even in Italy, the country with the lowest level of half or below being second-hand, this stands at 47.5%. Across the rest of the region, the average sits at 57.2%, meaning that approaching two thirds of Europe’s luxury shoppers are engaged in the second-hand luxury market.

This growth is being driven by a range of factors. While sustainability is the main driving force for many, value and rarity, convenience and accessibility are all coming together to make shopping second-hand luxury easier to do.

For example, platforms such as Vestiaire Collective and The RealReal are both at the forefront of combining the marketplace retail model with selling second-hand luxury, including pre-owned designer clothing, handbags, accessories, jewellery, watches and homewares. The success of these companies – generating 2023 revenues of \$750mn at Vestiaire Collective and \$549mn at The RealReal has seen the market for pre-loved luxury expand dramatically. Other luxury sites have launched their own second-hand sections. Farfetch Second Life, for instance, is dedicated to pre-owned designer items from a network of boutiques and retailers and even large luxury brands.

Proportion of luxury purchases that are secondhand

By country, Europe



Based on 3,355 respondents in 11 countries (aged 17-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'What proportion of your luxury product purchases are secondhand?'. Chart ID: CX73087

Source: ConsumerX

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Luxury brands, however, are showing less inclination to sell second-hand, as doing so potentially erodes new sales, hampers brand image and presents logistical challenges.

That isn't to say that they aren't joining in. A few luxury brands are piloting take-back schemes that sees them recycle returned and re-sale goods.

This has been seen most notably in luxury sports/ outdoor, with both The North Face and Patagonia trialling this. Other luxury brands also taken a first step into the second-hand market, notably Stella McCartney, which teamed up with The RealReal to allow customers to sell pre-owned Stella McCartney pieces directly through The RealReal, with a portion of the proceeds going to a sustainable cause.

Changing shopping behaviours

As Europe's luxury consumers shift to be more sustainable, they are also making other changes to what they are likely to buy in the year ahead

The flattening out of European luxury revenues seen in 2023 is set to continue, with consumers in the region largely opting to spend the same or less this year than last.

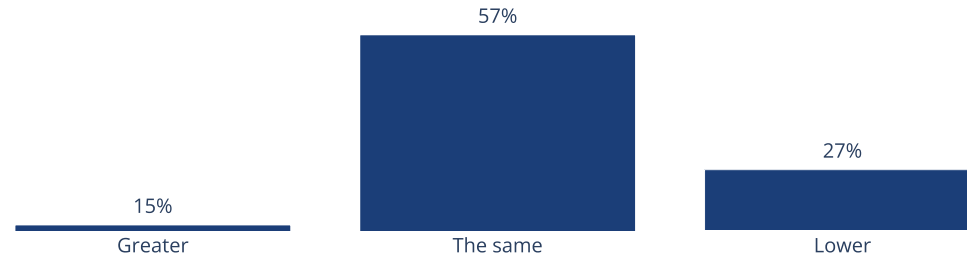
Data shows that 57.3% are expecting to spend the same amount, while 27.5% will be lowering their luxury spending. Just 15.2% expect to increase what they spend.

However, this picture is different depending on age. GenZ continues to cement its position as perhaps the most important segment of the population for luxury, with more than a quarter (27.8%) of them expecting to spend more on luxury in the year ahead. This is substantially more when compared with 17.3% of Millennials, 8.3% of GenX and just 1.1% of Boomers who expect to up their spending in the same time frame.

More tellingly, these GenZ shoppers show a significantly lower level of desire to spend less on luxury, with 51.6% expecting to do so, compared with 59.1%, 62.6% and 55% of Millennials, GenX and Boomers respectively.

Desire to buy luxury products in the year ahead, compared to last year

Europe



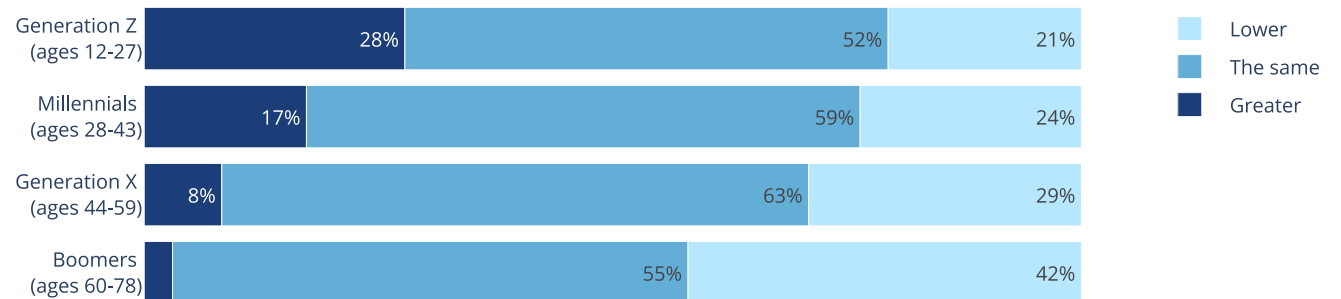
Based on 3,355 respondents in 11 countries (aged 17-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'Looking into the year ahead, is your desire to buy luxury products greater or lesser than last year?'. Chart ID: 73000

Source: ConsumerX

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Desire to buy luxury products in the year ahead, compared to last year

By generation, Europe



Based on 3,355 respondents in 11 countries (aged 17-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'Looking into the year ahead, is your desire to buy luxury products greater or lesser than last year?'. Chart ID: CX73184

Source: ConsumerX

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RXSLXEU24RP-CX-34-v1

This illustrates that growth in the sector will come from these GenZ shoppers. This in turn points to the luxury brands that successfully key into the desires of this age group being the ones that start to see strong growth and coming out on top. It is worth noting too that these brands may not be the most established or wealthiest. Rather, it will be those that are agile enough to embrace designing for and marketing to this audience now – *and* as this audience gets more mature – that will prevail.

Nevertheless, Boomers should not be written off. These older, more traditional consumers are the most likely to maintain their existing level of luxury spending – which is already significant – and so, while not generating growth as such, are actually keeping the sector buoyant. Here 42% of them – which is almost double that seen in the other age groups – are looking to maintain their spending at its current level.

IMPACT OF INFLATION

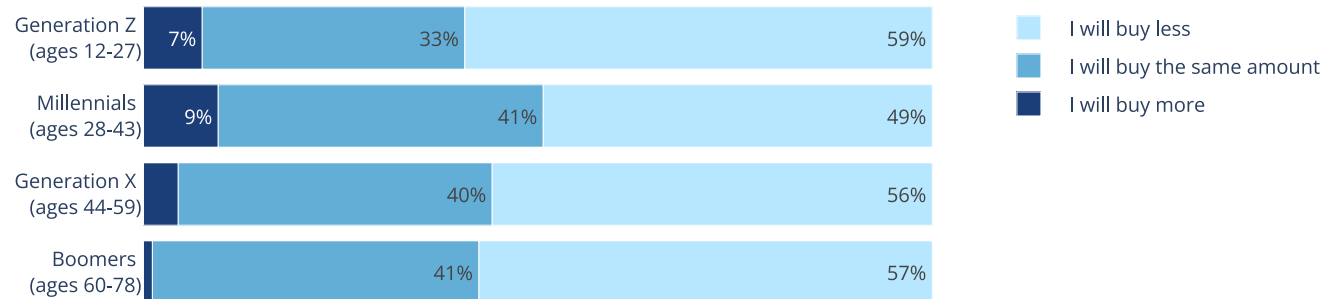
One of the main reasons for the flattening out of European luxury spending lies with inflation. The Russian invasion of Ukraine in February 2022 kicked off a rise in energy prices and a decreased in consumer spending confidence.

The upshot of rising energy prices was rapid growth in inflation across global economies. Much of Europe’s reliance on Russian oil and gas saw this impact European markets more than others. Recovery here has also been slower.

The impact on luxury was twofold. Shaken consumer confidence saw a reduction in spending across the

Expected change in purchase of luxury goods over coming year, due to high inflation rate

By generation, Europe



Based on 3,355 respondents in 11 countries (aged 18-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'Considering the high inflation rate this year and its impact on the prices of essentials, how do you expect it to affect your luxury purchases for the upcoming year?'. Chart ID: CX72936

Source: ConsumerX

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RXSLXEU24RP-CX-5-v1

board, with luxury – very much a discretionary spend – being one of the hardest hit sectors.

Inevitably, rising inflation also saw the price of luxury goods increase, further denting any discretionary spending that was likely to occur. Off the back of a post-pandemic surge in sales, this has led to luxury sales in Europe being turbulent.

This wavering in confidence rooted in inflation has been the largest drag on spending, with consumer data illustrating that across all age groups, inflation is slowing consumer luxury spending.

The demographic where this is most pronounced, with 59.3% expecting inflation to see them spend less on luxury, is GenZ. This is likely down to the sector, firstly, being the biggest spenders and most regular shoppers of luxury. Secondly, it is important to note again that some if not many of these GenZ luxury shoppers are also being bankrolled by their parents, so inflationary pressures may be squeezing GenZs who want to spend because costs have become unaffordable to their parents.

Those parents, typically GenX and Boomers, are also slowing their spending as a result of increased inflation, although not by as much. Here 55.8% and

57.5% respectively are expecting to spend less on luxury due to worries about inflation.

Only Millennials, of whom 49.3% expect to spend less on luxury due to inflation, are looking for their spending to be unaffected by inflationary pressures.

These shoppers tend to have a higher level of disposable income and so are less impacted by inflation eroding their spending on other aspects of their lives, such as family costs, grocery bills and mortgages and rents.

They are also more likely to spend what money they have on brands and designer goods. While still impacted by inflation, they are less impacted than the other groups.

The impact of inflation on luxury spending is particularly strong in France, where 71% of all shoppers say that they will spend less on luxury as a result of rising inflation.

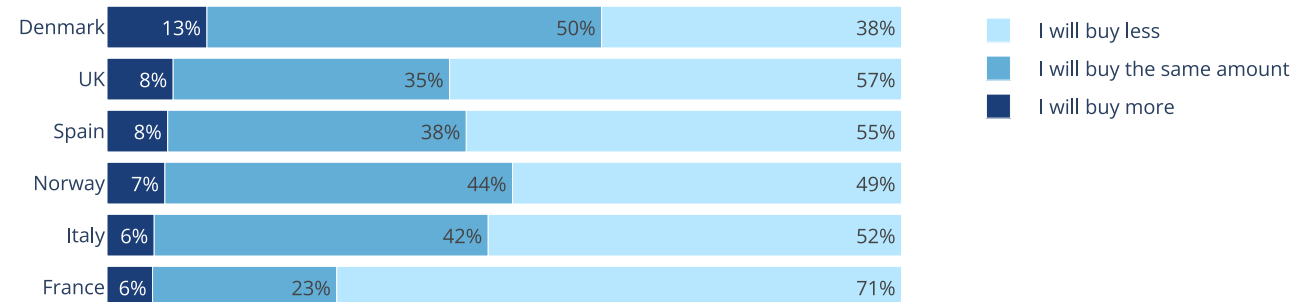
Conversely, Denmark sees some 12% of all consumers expecting to spend more on luxury, more than any other market in the region.

Interestingly, when looking across the continent at those that believe their spending will remain unaffected by inflation in the coming year, in all other markets outside of the extremes of France and Denmark, the level is consistently around 40%.

This points to the impact of inflation on the European market starting to show signs of lessening as inflation rates come down.

Expected change in purchase of luxury goods over coming year, due to high inflation rate

By country, Europe



Based on 3,355 respondents in 11 countries (aged 18-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'Considering the high inflation rate this year and its impact on the prices of essentials, how do you expect it to affect your luxury purchases for the upcoming year?'. Chart ID: CX72939

Source: ConsumerX

RetailX 2024
RXSLXEU24RP-CX-12-v2

However, it is worth noting that, at the time of writing, political upheaval in the European Union (EU) post elections is likely to lead to more economic uncertainty in many nations – not least France, Germany and Italy – which, ultimately, could see any degree of spending optimism in these markets get shaken again.



Use Your Customer Data to Create Moments That Matter

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Expert insight

Unlocking luxury growth through customer-centricity



Merinda Hillier, VP Marketing EMEA at Tealium

The European luxury sector is at a crossroads. While it boasts a rich heritage and undeniable consumer allure, it faces a new wave of challenges in the digital age. Discerning EU consumers, armed with mobile devices and ever-evolving expectations, demand a more personalised and frictionless brand experience.

To thrive in this environment, luxury brands must embrace a customer-centric approach, leveraging technology to bridge the data gap and cultivate lasting relationships.

The data disconnect challenge

One of the most significant hurdles for EU luxury brands is fragmented customer data. Legacy systems, siloed information management and a lack of integration across online and offline channels create a distorted view of the customer journey. This disconnect makes it difficult to understand individual preferences, tailor marketing efforts, and deliver a truly personalised experience – the hallmark of success in today's competitive landscape.

Here Customer Data Platforms (CDPs) emerge as a powerful solution. These platforms act as a central nervous system, unifying customer data from diverse sources – website interactions, CRM systems, loyalty programmes and more – into a single, holistic view. This empowers brands to create a 360-degree profile of each customer, encompassing demographics, purchase history, brand interactions and sentiment analysis.

Imagine being able to identify high-potential customer segments based on past purchases, brand affinity and online behaviour. Intelligent segmentation tools such as those in Tealium's CDP make this a reality. These tools allow for the creation of targeted marketing campaigns that resonate with specific customer groups – making personalised product recommendations, exclusive early access to new collections and loyalty programme rewards tailored to individual preferences possible.

Building trust in the digital age

The ever-evolving EU data privacy landscape, with regulations including GDPR and CCPA, presents another challenge for luxury brands. Here, CDPs ensure compliance by providing complete transparency and control over customer data. Customers can easily grant or withdraw consent, while brands can manage data preferences more effectively. This fosters trust, a critical element in building brand loyalty in the digital age.

Orchestrating omnichannel experiences

Luxury is not confined to physical stores anymore. Today's customer journey seamlessly blends online and offline touchpoints. Tealium's CDP empowers brands to orchestrate exceptional omnichannel experiences. Imagine a customer researching a designer watch online and then receiving a geo-targeted notification

on their phone about its availability in a nearby store, complete with a stylist consultation offer. Tealium's platform facilitates these personalised journeys, ensuring a consistent brand experience across every touchpoint.

By harnessing the power of CDPs such as Tealium's, EU luxury brands can unlock a new era of customer-centricity. Unified data, intelligent segmentation, and seamless omnichannel experiences empower brands to cultivate lasting customer relationships and build brand advocacy.

In a market where personalisation is no longer a luxury, but an expectation, Tealium empowers EU brands to embrace the future of customer-centricity and reignite the magic of luxury for the discerning European consumer.



Tealium provides the industry-standard platform for businesses aiming to unleash innovation with a real-time, universal data foundation. More than 1,000 companies trust Tealium to orchestrate their customer data. These include Dunelm, Thomas Sabo, Domino's, Gap, IBM, Molekule, Epson America, Cambia Health, Orange, TUI, Rakuten, Sportsbet and Network 10.

www.tealium.com

European Top 50

The Top 50 luxury ecommerce sites by traffic paints a revealing picture: the best known brands lie relatively low – indicative of how shoppers are more store-based and exclusive – while the marketplaces, affordable luxury and newbies dominate the online world.

RetailX European Top 50

COMPANY NAME	SECTOR	HQ COUNTRY	WEB TRAFFIC (MN)
FARFETCH	FASHION APPAREL OR ACCESSORIES SHOP	UNITED KINGDOM	36.4mn
VESTIAIRE COLLECTIVE	FASHION APPAREL OR ACCESSORIES SHOP	FRANCE	21.4mn
PANDORA (JEWELLERY)	JEWELLER	DENMARK	14.6mn
MYTHERESA	FASHION APPAREL OR ACCESSORIES SHOP	GERMANY	14mn
TOMMY HILFIGER	FASHION APPAREL OR ACCESSORIES SHOP	NETHERLANDS	13.2mn
LYST	FASHION APPAREL OR ACCESSORIES SHOP	UNITED KINGDOM	12.9mn
LOUIS VUITTON	FASHION APPAREL OR ACCESSORIES SHOP	FRANCE	10.8mn
DIOR	FASHION APPAREL OR ACCESSORIES SHOP	FRANCE	9mn
LACOSTE	FASHION APPAREL OR ACCESSORIES SHOP	FRANCE	8.5mn
HUGO BOSS	FASHION APPAREL OR ACCESSORIES SHOP	GERMANY	8.3mn
RAY-BAN	FASHION APPAREL OR ACCESSORIES SHOP	ITALY	8mn
ROLEX	JEWELLER	SWITZERLAND	7.2mn
MATCHES FASHION	FASHION APPAREL OR ACCESSORIES SHOP	UNITED KINGDOM	7.1mn
HERMÈS	FASHION APPAREL OR ACCESSORIES SHOP	FRANCE	7mn
GUCCI	FASHION APPAREL OR ACCESSORIES SHOP	ITALY	6.9mn
SWAROVSKI	JEWELLER	AUSTRIA	6.4mn
HARRODS	FASHION APPAREL OR ACCESSORIES SHOP	UNITED KINGDOM	6.2mn
CHANEL	COSMETICS SHOP	UNITED KINGDOM	6mn
TED BAKER	FASHION APPAREL OR ACCESSORIES SHOP	UNITED KINGDOM	6mn
OMEGA	JEWELLER	SWITZERLAND	4.7mn
TISSOT	JEWELLER	SWITZERLAND	4.6mn
PRADA	FASHION APPAREL OR ACCESSORIES SHOP	ITALY	4mn

L'OCCITANE	COSMETICS SHOP	FRANCE	3.1mn
BURBERRY	FASHION APPAREL OR ACCESSORIES SHOP	UNITED KINGDOM	3.1mn
ARMANI	FASHION APPAREL OR ACCESSORIES SHOP	ITALY	3mn
BALENCIAGA	FASHION APPAREL OR ACCESSORIES SHOP	FRANCE	3mn
MAX MARA	FASHION APPAREL OR ACCESSORIES SHOP	ITALY	2.9mn
MONCLER	FASHION APPAREL OR ACCESSORIES SHOP	ITALY	2.7mn
YVES SAINT LAURENT	FASHION APPAREL OR ACCESSORIES SHOP	FRANCE	2.6mn
VERSACE	FASHION APPAREL OR ACCESSORIES SHOP	ITALY	2.2mn
LONGINES	JEWELLER	SWITZERLAND	2.2mn
CALVIN KLEIN	FASHION APPAREL OR ACCESSORIES SHOP	UNITED STATES	2.2mn
TAG HEUER	JEWELLER	SWITZERLAND	2.1mn
LONGCHAMP	FASHION APPAREL OR ACCESSORIES SHOP	FRANCE	2.1mn
MONTBLANC	COSMETICS SHOP	GERMANY	1mn
BARBOUR	FASHION APPAREL OR ACCESSORIES SHOP	UNITED KINGDOM	1mn
CELINE	FASHION APPAREL OR ACCESSORIES SHOP	FRANCE	1.9mn
PAUL SMITH	FASHION APPAREL OR ACCESSORIES SHOP	UNITED KINGDOM	1.9mn
COACH	FASHION APPAREL OR ACCESSORIES SHOP	UNITED STATES	1.9mn
RALPH LAUREN	FASHION APPAREL OR ACCESSORIES SHOP	UNITED STATES	1.8mn
WATCHFINDER & CO.	JEWELLER	UNITED KINGDOM	1.7mn
VIVIENNE WESTWOOD	FASHION APPAREL OR ACCESSORIES SHOP	UNITED KINGDOM	1.6mn
AUDEMARS PIGUET	JEWELLER	SWITZERLAND	1.6mn
REALREAL, THE	FASHION APPAREL OR ACCESSORIES SHOP	UNITED STATES	1.5mn
MICHAEL KORS	FASHION APPAREL OR ACCESSORIES SHOP	UNITED STATES	1.4mn
ADOLFO DOMINGUEZ	FASHION APPAREL OR ACCESSORIES SHOP	SPAIN	1.4mn
TIFFANY & CO.	JEWELLER	UNITED STATES	1.3mn
GUERLAIN	COSMETICS SHOP	FRANCE	1.2mn
LOEWE	FASHION APPAREL OR ACCESSORIES SHOP	SPAIN	1.2mn
IWC SCHAFFHAUSEN	JEWELLER	SWITZERLAND	1.2mn



Coach

Features in: Europe Brand Index Top500, Europe Top1000, UK Growth 1000

Retail websites: coach.com, uk.coach.com

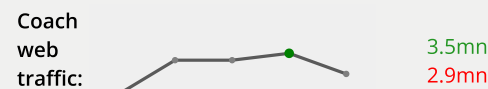
Most significant retail markets: UK, Germany, France, Spain

Retail HQ: United States of America

Corporation: Tapestry Inc, NYSE: TPR

Other brands in the group: Kate Spade, Stuart Weitzman, Coach Outlet

X (Twitter): @coach



Tapestry Inc



2019 2023

Researched 26-04-2017 to 16-10-2023
 Sources: RetailX, SimilarWeb (web traffic, European visits included), Yahoo Finance (financial records). Green and red dots represent the highest and lowest recorded data point respectively.
 Year end 2023

© RetailX 2024

Coach

Coach, established in New York in 1941 – now part of the Tapestry Group – is well known across Europe for its handbags, wallets, belts and luggage, mostly in leather. This is the company’s core product line, accounting for most of the brand’s sales. Coach also runs ready-to-wear women’s and men’s apparel ranges and produces shoes and sneakers, along with a growing range of accessories, sunglasses, scarves and jewellery.

Through a licensing deal with Interparfums Coach also offers fragrances. This 11-year deal was signed in 2015 and saw the company pull away from working with Estée Lauder, its previous partner of nine years. The move was made to create new scents for an increasingly global base.

This shift in fragrance partner was part of a wider move by the company to become more active globally and, within that, grow the size of the brand’s European base. Its overall performance has been strong worldwide, with traffic, sales and revenues all rising slightly ahead of the market as a whole.

While specific European financial data isn’t readily available, Coach boasts more than 945 stores globally, with a significant presence in major European cities including London, Paris and Milan. The company is also using celebrities for its recent campaigns, including some specifically European stars such as French actress Léa Seydoux.

Perhaps more tellingly, Coach is also starting to focus on a younger audience, tapping into the growing number of European GenZ-ers who are drawn to the luxury market. The company has done this through a number of collaborations, typically with brands such as BAPE and pop-up stores in trendy districts.

While this is a prescient move – and one that reflects how the European luxury market is changing – it does present challenges for the company. Coach now competes with both the high-end luxury brands such as Louis Vuitton and Gucci, as well as the affordable luxury brands lower down the food chain. This pulls the company in both directions.

The need to target younger shoppers also requires constant innovation and a ready eye on shifting trends in goods and shopping channels.

However, the biggest challenge Coach faces lies in sustainability. Using leather from tanneries can be an environmentally tricky process, but the company is focused on sourcing leather from Leather Working Group Gold-rated and Silver-rated tanneries, reflecting the industry’s highest environmental standard. The company also aims to increase recycled content in packaging.

In addition, Coach has started Coachtopia, a sub-brand launched in 2023, dedicated to using recycled materials, while Coach (Re)Loved, the company’s upcycled, pre-loved and vintage offering is also aiming to tap into a younger, greener market.

FARFETCH

Farfetch

Features in: Australia Top100, Europe Top1000, France Top100, Germany Top100, Global Elite Top1000, UK Top100, UK Top500

Retail website: farfetch.com

Most significant retail markets: UK, Germany, Italy, France, Netherlands


Retail HQ: United Kingdom

Corporation: Farfetch Ltd, OTCMKTS: FTCHF

Other brands in the group: Mr Porter, Net-A-Porter

X (Twitter): @farfetch

Farfetch

web traffic:  51.6mn
38.2mn

Farfetch Ltd

Share price:  €51.8
€6.3

Total revenue:  €2.2bn
€1.5bn

Gross profit:  €1.0bn
€0.7bn

2019 2023

Researched 25-01-2016 to 07-02-2024

Sources: RetailX, SimilarWeb (web traffic, European visits included), Yahoo Finance (financial records). Green and red dots represent the highest and lowest recorded data point respectively.

Year end 2023

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Farfetch

Farfetch isn't your typical European luxury retailer, but is part of a new breed of vendors that leverage the power of the ecommerce marketplace model to carve out a new niche in what is in Europe a very well established market.

Founded in 2007, it is an online marketplace that connects customers with more than 1,400 brands and boutiques across 50 countries. This unique model makes Farfetch a fascinating player in the European luxury scene, offering a one-stop shop for luxury, catering to a diverse European clientele with a taste for both established brands and independent boutiques.

By partnering with boutiques and curating its collections, Farfetch seeks to offer this discerning clientele a unique and differentiated shopping experience compared to traditional luxury retailers. Add in a seamless online user experience and same-day delivery in many key European cities and it is clear why the company is flying high.

While web traffic is wavering in 2022 and 2023 as the wider European luxury market growth slowed, it nonetheless tops the RetailX Top 50 list of European Luxury retailers by traffic, with 36.4mn visits annually from just within the European theatre.

This has translated into impressive results for the company. While not regionally specific, Farfetch

reported €2.3bn in GMV for Q4 2022 globally, indicating strong global sales with profits hitting the €1bn mark in the same year.

However, the European market is not without its challenges for the company. Managing a vast network of boutiques and ensuring product authenticity across borders requires a robust logistical system.

Farfetch is still in a growth phase, with negative earnings per share, and competition in the sector is fierce. Established luxury houses with a strong online presence and legacy brands such as Chanel and Hermès pose a formidable challenge, along with the raft of affordable luxury brands appearing in the market.

Despite these hurdles, Farfetch's innovative approach and strategic partnerships, notably including a recent acquisition of a stake in YOOX Net-A-Porter, position it for significant growth in the European luxury market.

While Farfetch is doing well across European luxury, it has a very distinct consumer base. As ConsumerX consumer data shows (see overleaf), it is predominantly being used by GenZ and Millennials. These two groups make up the bulk of its shopper base, with 9.5% and 9.8% respectively saying they have made a single purchase in the past year from the site. However, just 3% of each are making regular purchases.

This, along with the relatively high proportion of high income consumers shopping the site, is indicative of the luxury market as a whole – it is a high-end sector characterised by low-frequency, high-value purchases behaviour, after all. It is also part and parcel of the company being very much a new kid on the block and in a growth phase.

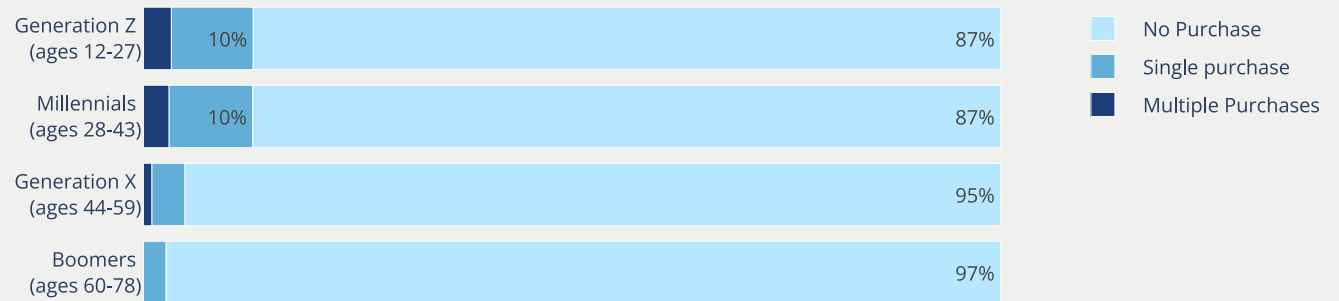
While it is a novel idea in the luxury market, it is still to be discovered by a wider audience, which will come with time. Its focus on GenZ and Millennials can also limit the level of spending and repeat shopping, as GenZ, in particular, has less disposable income and, in many cases, is more dependent on parents and other adults for purchasing luxury items for them.

That said, this skew to a younger audience plays into its business model. These shoppers are both tech-savvy and brand-aware and often on the look out for novel and non-mainstream purchases. Farfetch brings these two elements together perfectly. These shoppers also value convenience, which the marketplace model naturally delivers.

Nevertheless, the company needs to grow and expand and collaborations with older influencers, along with partnering with boutiques that offer pre-loved and vintage pieces, caters to a more mature clientele who appreciate timeless luxury and heritage brands. The latter also has the added benefit of appealing to all age groups' increasing desire for more sustainable fashion.

Number of purchases at Farfetch in the past three years

By Generation, Europe



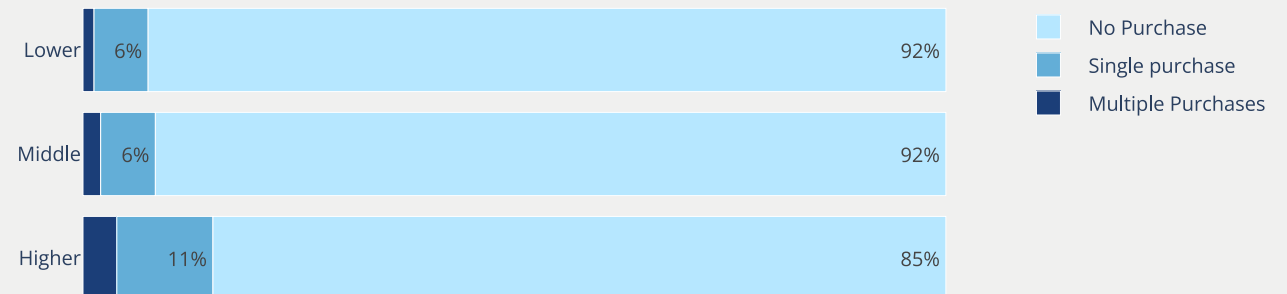
Based on 3,355 respondents in 11 countries (aged 16-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'From which of the following luxury brands have you purchased in the past three years?-Farfetch'. Chart ID: CX73121

Source: ConsumerX

© RetailX 2024
RXSLXEU24RP-CX-28-v1

Number of purchases at Farfetch in the past three years

By Income, Europe



Based on 3,355 respondents in 11 countries (aged 16-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'From which of the following luxury brands have you purchased in the past three years?-Farfetch'. Chart ID: CX73126

Source: ConsumerX

© RetailX 2024
RXSLXEU24RP-CX-29-v1

GUCCI

Gucci

Gucci

Features in: Europe Brand Index Top500, Europe Top1000, Global Elite Top1000, UK Top500

Retail website: gucci.com

Most significant retail markets: UK, Italy, Germany, France, Spain

Retail HQ: Italy

Corporation: Kering SA, PA: KER

Other brands in the group: Balenciaga, YvesSaintLaurent, Bottega Veneta, Pomellato

X (Twitter): @gucci



Kering SA



Researched 02-09-2015 to 03-02-2024
 Sources: RetailX, SimilarWeb (web traffic, European visits included), Yahoo Finance (financial records). Green and red dots represent the highest and lowest recorded data point respectively.
 Year end 2023

© RetailX 2024

Founded in Florence in 1921, Gucci holds a unique position in the European luxury landscape, not least for its bold moves to ‘redefine luxury’, started in 2015 under the creative direction of Alessandro Michele. This has seen this established luxury brand embrace maximalism, gender fluidity and streetwear influences – pushing the whole luxury fashion sector to also acknowledge these trends.

This move has been particularly resonant with the younger generation and propelled Gucci to the forefront of the luxury conversation on social media and among GenZ and Millennial shoppers.

As part of this shift, Gucci has also been a frontrunner in embracing digital marketing and social media, creating viral campaigns and leveraging influencers to connect with a global audience, especially Europeans.

This has been backed up with strategic partnerships with a number of artists and musicians, including Harry Styles, Billie Eilish, Lil Nas X, Florence and the Machine and King Princess. It has also worked with other brands such as The North Face – all keeping Gucci fresh and relevant, attracting new demographics.

The strategy is paying dividends for the company. Gucci remains the largest brand within the Kering Group, generating €10.7bn in revenue for the first half of 2023. Europe remains a key market, although Asia Pacific currently leads in revenue share.

Gucci boasts healthy profit margins – logging €15,2bn in profits in 2022 – strongly indicating its strategy of blending heritage with innovation is a financial success.

As part of targeting this younger age group, the brand has had to adapt its processes and production to be more sustainable. This has seen Gucci commit to using more sustainable materials such as recycled and organic fibres in its products.

It has also launched a programme to extend the life of existing products and is exploring garment recycling. It is also making its supply chain and manufacturing more transparent in a move to promote more ethical labour practices.

Going forward, Gucci is looking to more seamlessly blend online and offline experiences for its customers, with virtual try-on options and flagship stores that are cultural destinations. It is also looking to continuously innovate across design, marketing, technology and who it collaborates with.

Despite being more than 100 years old, the company has successfully moved from being a stalwart of luxury fashion to being at its vanguard and as such is a great exemplar of how the luxury industry has been forced to rapidly change.



Guerlain

Features in: Europe Growth 3000

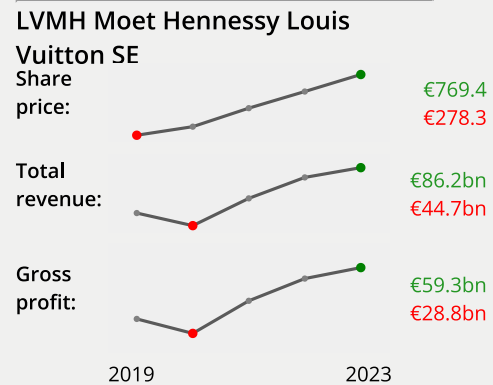
Retail website: guerlain.com

Most significant retail markets: France, UK, Spain, Italy

Retail HQ: France

Corporation: LVMH Moët Hennessy Louis Vuitton SE, PA: MC

Other brands in the group: Louis Vuitton, Fendi, Bvlgari, Sephora, Loewe, Kenzo, Tiffany & Co., Dior, Celine, Givenchy, Tag Heuer, Rimowa, Marc Jacobs...



Researched 13-12-2019 to 28-10-2023
 Sources: RetailX, SimilarWeb (web traffic, European visits included), Yahoo Finance (financial records). Green and red dots represent the highest and lowest recorded data point respectively.
 Year end 2023

© RetailX 2024

Guerlain

Founded in Paris in 1828, Guerlain epitomises a luxury European heritage brand, boasting a rich history that positions the perfume and cosmetics company uniquely in the European luxury landscape – old and well known, yet embracing modernity.

Renowned for its iconic fragrances, Guerlain, which is today part of the giant luxury powerhouse Louis Vuitton Moët Hennessey (LVMH) Group, remains a leader in European perfumery. Via brands such as Shalimar and La Petite Robe Noire, it appeals to a customer base who appreciate heritage and tradition. But Guerlain is also an innovator. In fact, Guerlain possesses a long history of innovation, introducing the first lipstick in a tube and also pioneering the concept of ‘Aqua Allegoria’ light fragrances. This commitment to pushing boundaries continues to keep the company relevant in the modern European luxury market.

As such, the company caters to an audience of luxury connoisseurs, people who appreciate heritage, quality ingredients and timeless design, particularly in fragrances and skincare. But to stay relevant Guerlain has also to embrace digital marketing and is growing its use of influencer marketing to help attract a new, younger audience of discerning Millennials and GenZ-ers, playing specifically to those who are interested in luxurious beauty products.

As such, it has invested in developing effective beauty products made from naturally sourced ingredients that offer this audience not only effective – and luxuriant – cosmetics and skincare, but also products that are environmentally friendly. The company is also at the forefront of European bee conservation, actively supporting a number of beekeeping initiatives in recognition of the importance of bees for biodiversity and natural ingredients.

As the company moves forward, it is also looking to expand its reach, targeting more travel duty free shops across Europe and the world, as well as launching men’s grooming products to tap into the burgeoning GenZ and Millennial male health and beauty segment.

While specific figures for Guerlain are not published, parent group LVMH has grown substantially over the past three years, bucking the overall flattening of the European luxury market. Guerlain has played its part in this.

Web traffic at the cosmetics company has been variable as the market in Europe has fluctuated in the 2020s, but overall, the trend is heading in the right direction. Initiatives to create a better omnichannel experience for its customers, with an increased digital presence offering online consultations, tutorials and ecommerce options to cater to a tech-savvy European clientele, is set to see this rise in the years ahead.



Longines

Features in: Europe Brand Index Top500, USA Growth 2000

Retail website: longines.com

Most significant retail markets: Italy, Germany, UK, France, Switzerland

Retail HQ: Switzerland

Corporation: The Swatch Group Ord Shs, SW: UHR

Other brands in the group: Omega, Swatch, Tissot, RADO



The Swatch Group Ord Shs



2019 2023

Researched 13-12-2019 to 11-02-2024

Sources: RetailX, SimilarWeb (web traffic, European visits included), Yahoo Finance (financial records). Green and red dots represent the highest and lowest recorded data point respectively.

Year end 2023

© RetailX 2024

Longines

Longines, founded in Switzerland in 1832, is an interesting example of the watches sub-category of European luxury – an area of luxury that generates in the region of €30bn a year and which is expected to grow above the sector average at 4.2% in the next five years. It is also a prime example of the burgeoning market for ‘affordable luxury’.

Longines is one of the oldest watchmakers in the world, boasting a legacy of innovation and craftsmanship, appealing to European consumers who value heritage and tradition. Known for having, somewhat ironically, a timeless yet elegant aesthetic, Longines watches offer a classic European style, but without the exorbitant price tags of some competitors. Compared to many high-end watchmakers, Longines offers a more attainable entry point into the world of Swiss-made luxury timepieces – which makes it stand out in the luxury market.

Specific financial data for Longines isn’t publicly available as the brand is part of the Swatch Group. However, industry reports suggest Longines is a significant contributor to the group’s success, particularly in Europe, where their brand recognition and heritage are strong.

So, who does it target? Longines caters to consumers who appreciate quality Swiss-made timepieces with a rich history, buy who want

something affordable. Despite being an old brand, the affordability and classics looks make these watches prime fodder for professional millennials and even some GenZ-ers, often as an entry point into the world of collectable luxury watches.

In Europe, timepieces are often regarded as more than just functional accessories. They hold an important cultural significance, symbolising status, heritage and craftsmanship. This is a strong pull for many consumers. In addition, luxury watches, particularly limited editions or vintage pieces, can appreciate in value over time, making them attractive investments for some European consumers.

These are all factors in Longines’ success, which the company is now building on through a range of bold initiatives. For starters, the company is investing in developing its digital presence, to attract younger consumers across Europe and the world. It is also expanding its women’s watch collections with designs catering to this growing demographic part of the GenZ market in the European luxury watches.

Highlighting Longines’ rich history and heritage through storytelling and marketing campaigns is also further solidifying brand identity and appeal to European consumers who value tradition. This is also part of targeting these younger consumers, who don’t want to be marketed at, but rather take the time to be engaged and involved in a story.

LOUIS VUITTON

Louis Vuitton

Features in: Europe Brand Index Top500, Europe Top1000, France Top100, Germany Top100, Global Elite Top1000, UK Top500

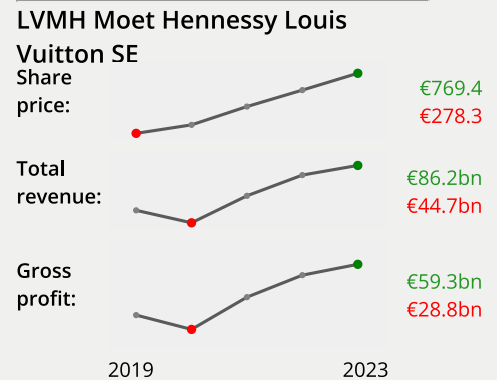
Retail website: louisvuitton.com

Most significant retail markets: UK, France, Germany, Italy, Netherlands

Retail HQ: France

Corporation: LVMH Moët Hennessy Louis Vuitton SE, PA: MC

Other brands in the group: Fendi, Bvlgari, Sephora, Loewe, Kenzo, Tiffany & Co., Guerlain, Dior, Celine, Givenchy, Tag Heuer, Rimowa, Marc Jacobs...



Researched 28-01-2016 to 04-02-2024
 Sources: RetailX, SimilarWeb (web traffic, European visits included), Yahoo Finance (financial records). Green and red dots represent the highest and lowest recorded data point respectively.
 Year end 2023
 © RetailX 2024

Louis Vuitton

Louis Vuitton (LV) is the most recognisably symbolic luxury brand, combining heritage, modernity, uniqueness, a highly recognisable logo and, of course, luxury.

Founded in Paris in 1854, it certainly brings heritage to the table, but it is through a remarkably advanced grasp of digital and omnichannel, social media and collaborations that the brand has brought this heritage to a whole new audience, while managing to not alienate its existing, more ‘old school’ customers.

While it runs more than 6,000 stores globally, LV has managed also to create a cutting-edge online presence that combines a friendly, easy-to-use ecommerce site and virtual live shopping with personal recommendations. However, it has gone much further – perhaps further than almost any other luxury retailer – into what it can do online.

For starters, LV has a strong presence across Instagram, YouTube and, outside of Europe, WeChat. Its content strategy regularly showcases products, heritage and craftsmanship through the use of high-quality photos, videos and behind-the-scenes glimpses. Additionally, influencer marketing campaigns strategically target specific European demographics.

LV also uses interactive campaigns and digital storytelling to engage European audiences. For instance, its ‘LV by the Book’ campaign

used augmented reality (AR) to bring fashion illustrations to life as a real world overlay.

But it is in the putative metaverse where it is a heritage brand that is very much at the online bleeding edge. LV has dipped its toes into the world of gaming, creating exclusive skins for League Of Legends and exploring virtual experiences within the metaverse. This approach attracts younger European shoppers who are comfortable in these online spaces and, in turn, is bringing this well-known, high-end luxury brand to a whole new generation of shoppers.

In line with other well-known luxury brands, LV is also keen to enhance its green reputation and has instigated a number of interesting initiatives here too. It is committed to using ethically sourced materials such as Responsible Leather and recycled nylon in some collections. It has also launched La Malle Louis Vuitton, a circular economy initiative that allows customers to refurbish and resell pre-loved LV items, extending product life and reducing waste.

So, what do consumers make of these LV initiatives? The brand has a remarkably loyal user base, with repeat purchases relatively high for the sector. A staggering 12.3% of GenZ make multiple purchases a year from LV, with many more (23.7%) making one. The levels are similar among millennials (8.9% and 23% respectively).

The majority of these multiple purchasing shoppers are, as you might expect, high income shoppers. However, these are not the super-rich,

these are people with an income of €50,000 or more annually. LV, it seems, is popular with what is in reality a very broad range of consumers.

The data also shows that, relative to many other luxury brands, LV has high cross-generational appeal with all age groups drawn to buying its products at least once a year. Much of this is down to its brand image, cultivated increasingly through a powerful social media reach and tie ups with key influencers and artists.

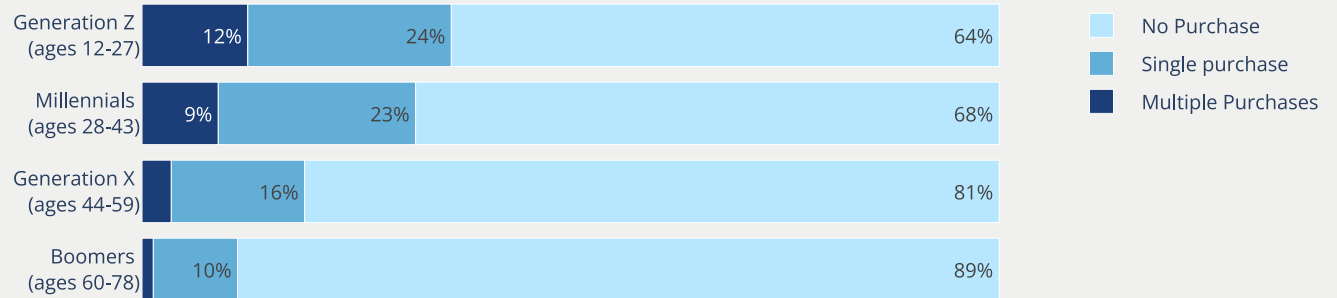
Interestingly, it uses numerous micro-influencers, rather than mega-influencers. It has worked with, among others, Jeanne Damas, a French fashion icon, and Alex Rivière a key British menswear influencer. In the world of entertainment, it has also teamed up with Dua Lipa, Lil Nas X, Kendrick Lamar and DJ Khaled.

It is important to note that these are just a few examples, and Louis Vuitton likely collaborates with other musicians beyond this list. Their strategy involves selecting artists who embody their brand values and resonate with specific regional audiences in all its markets, including Europe.

While this has helped extend its cross-generational reach, LV's broad appeal is also a result of the wide range of segments of luxury that the LV brand operates in – everything from fashion to footwear, to handbags, accessories, jewellery, perfume and, perhaps best known of all, branded luggage.

Number of purchases at Louis Vuitton in the past three years

By Generation, Europe



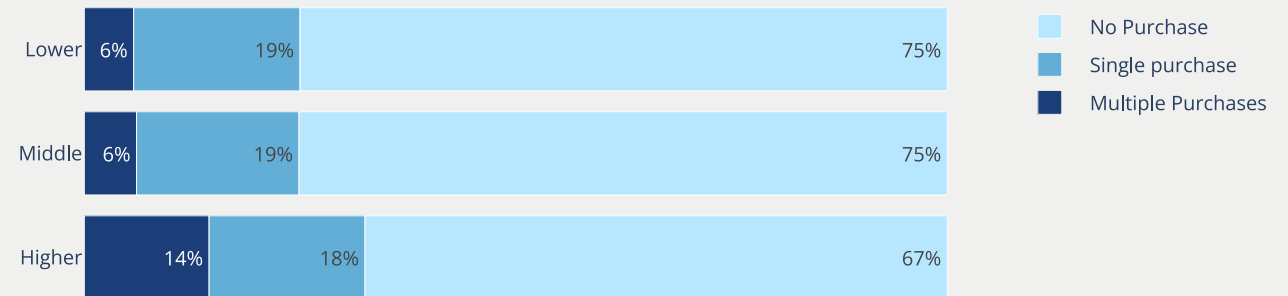
Based on 3,355 respondents in 11 countries (aged 16-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'From which of the following luxury brands have you purchased in the past three years?-Louis Vuitton'. Chart ID: CX73136

Source: ConsumerX

RetailX 2024
RXSLXEU24RP-CX-30-v1

Number of purchases at Louis Vuitton in the past three years

By Income, Europe



Based on 3,355 respondents in 11 countries (aged 16-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'From which of the following luxury brands have you purchased in the past three years?-Louis Vuitton'. Chart ID: CX73142

Source: ConsumerX

RetailX 2024
RXSLXEU24RP-CX-32-v1

LYST

Lyst

Lyst

Features in: Europe Top1000, Global Elite Top1000

Retail websites: lyst.com, lyst.co.uk

Most significant retail markets: UK, Germany, France, Italy

Retail HQ: United Kingdom

X (Twitter): @lyst



Researched 17-03-2017 to 30-09-2023

Sources: RetailX, SimilarWeb (web traffic, European visits included), Yahoo Finance (financial records). Green and red dots represent the highest and lowest recorded data point respectively.

Year end 2023

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In a similar vein to Farfetch, Lyst is part of the new breed of luxury aggregation platforms/ marketplaces, that seek to bring together brands in one place for ease of use by shoppers.

Lyst aggregates products from around 1,700 stores and brands – both well-known and established players, as well as independent labels and boutiques – on its platform. However, its USP is that it leverages vast amounts of user behaviour data to offer a curated approach to product recommendation and a highly personalised shopper experience.

The platform is, says the company, designed to prioritise product discovery, offering trend reports and editorial content to inspire European consumers seeking the latest luxury items.

One of Lyst’s interesting approaches to serving its target audience of tech-savvy, Millennial and GenZ consumers has been to partner with sustainable brands such as French sneaker brand Veja, Denmark’s Reformation – a sustainable, organic women’s wear brand – and Stella McCartney, a designer committed to being sustainable throughout the production process.

Lyst also promotes pre-owned luxury, partnering with a range of pre-owned stores to push these clothes. Much of this is pushed at Lyst’s clientele through sustainable brand curation and a range of unique search filters and sustainability tags, that

allow shoppers to specifically browse for products made with recycled materials, organic fibres, or produced by brands with ethical labour practices.

The platform also publishes the quarterly Lyst Index report on the hottest trends and most-wanted products, it often features sustainable brands and highlights eco-conscious trends within the European luxury market.

Continuing this momentum, the data-driven company is looking to technology to evolve, investing in AI to further personalise product recommendations and curate content for European users, particularly around sustainability.

Lyst is also looking at exploring interactive experiences such as live shopping events to increase engagement and cater to evolving consumer preferences.

Lyst claims to have 150mn shoppers globally in 2023, with a significant proportion of these being in Europe. These shoppers are young, tech-savvy and trend-conscious, making them an ideal target audience for the company’s offering.

Lyst’s confluence of data-driven curation and recommendation, coupled with a bent towards sustainability and innovation is cutting through with shoppers, albeit at a limited level. GenZ and Millennial consumers make up the bulk of the company’s consumer base, with 7.7% of GenZ and

6.7% of Millennial European luxury shoppers having shopped there at least once in the past 12 months.

The shoppers are, as would be expected, in the higher income bracket.

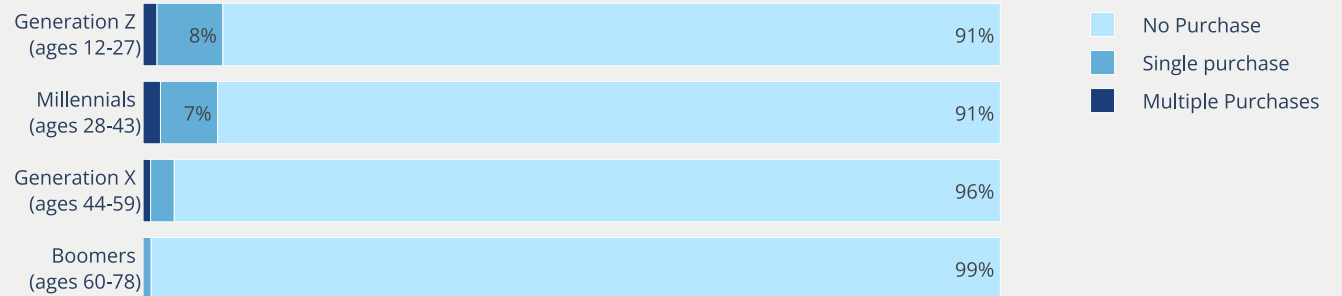
While consumer data points to low levels of use, Lyst’s focus on sustainability – particularly through partnerships – is likely to continue to grow the business in Europe.

Showcasing sustainable brands helps educate consumers about the eco-conscious options available in luxury, while letting them make informed decisions about what they buy. Search filters and sustainability tags empower Europeans to easily find products that align with their values.

This coupled with an expected surge in online luxury growth in Europe after two years of flat growth is likely to drive up the company’s user base in the coming years.

Number of purchases at Lyst in the past three years

By Generation, Europe



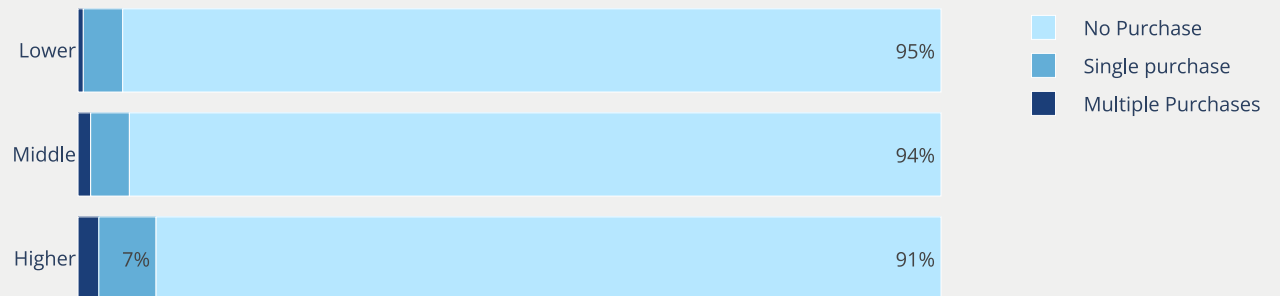
Based on 3,355 respondents in 11 countries (aged 16-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'From which of the following luxury brands have you purchased in the past three years?-Lyst'. Chart ID: CX73140

Source: ConsumerX

RetailX 2024
RXSLXEU24RP-CX-31-v1

Number of purchases at Lyst in the past three years

By Income, Europe



Based on 3,355 respondents in 11 countries (aged 16-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'From which of the following luxury brands have you purchased in the past three years?-Lyst'. Chart ID: CX73145

Source: ConsumerX

RetailX 2024
RXSLXEU24RP-CX-33-v1

PANDORA

Pandora

Pandora

Features in: Australia Top100, Europe Brand Index Top500, Europe Top1000, Global Elite Top1000, UK Top500

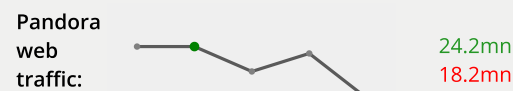
Retail websites: pandora.net

Most significant retail markets: UK, Italy, France, Poland, Germany

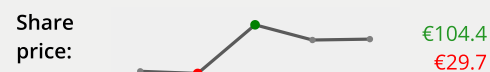
Retail HQ: Denmark

Corporation: PANDORA A/S, CPH: PNDORA

X (Twitter): @pandora_na



PANDORA A/S



Researched 02-09-2015 to 04-02-2024
 Sources: RetailX, SimilarWeb (web traffic, European visits included), Yahoo Finance (financial records). Green and red dots represent the highest and lowest recorded data point respectively.
 Year end 2023

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Pandora, founded in 1982, taps into the growing sweet spot for affordable luxury jewellery – and has capitalised on this in Europe. Pandora generated an impressive €4.8bn (\$5.18bn) in revenue, representing a 4% increase year-on-year.

The company’s well-known customisable charm bracelet is the key to its success. Designed to allow its fashion-conscious GenZ and Millennial customer base to express themselves, the regularly updated range of charms are not only a relatively low cost of entry to luxury jewellery, but the collectable nature of the charms leads to repeat business.

The brand does face challenges, however, not least in fluctuating currency exchange rates and increased competition. The European luxury market has been tough for the past two years and affordable luxury brands face pressure on two fronts: non-luxury brands are upping their offering into low-end luxury, while high-end luxury brands are rolling out their own affordable luxury ranges.

Beyond these travails, Pandora stands out for its recent shift towards sustainability. In December 2023, the company made a significant move by switching to 100% recycled gold and silver for all its jewellery.

This decision was driven by a growing concern over the environmental impact of mining virgin metals – including deforestation, water pollution

and greenhouse gas emissions. Recycled metals require significantly less energy and resources, reducing their environmental footprint.

Consumers too are increasingly concerned about sustainability and ethical sourcing. This move aligns Pandora with their values and strengthens brand image. Additionally, by using recycled metals, Pandora ensures greater transparency in its supply chain, addressing growing consumer demand for ethically sourced materials.

This shift isn’t just about marketing; it’s a strategic move with several other tangible benefits. For example, recycled metals can be slightly cheaper than virgin metals, potentially leading to cost savings and improved margins. Exploring and incorporating recycled materials also fosters innovation and the development of new, sustainable design solutions.

Pandora holds a significant market share in the European jewellery market, with consistent revenue streams despite fluctuations in recent years and this is clearly seen in the consumer data. An impressive 61.9% of GenZ-ers have bought something from Pandora at least once in the past year, as have 50.7% of Millennials.

Even outside the company’s target audience, sales are strong. 44% of GenX and even 29.2% of Boomers have purchased something from the brand.

The spread of these shoppers emphasises the brands affordable luxury model, with just shy half of all income brackets shopping with the brand.

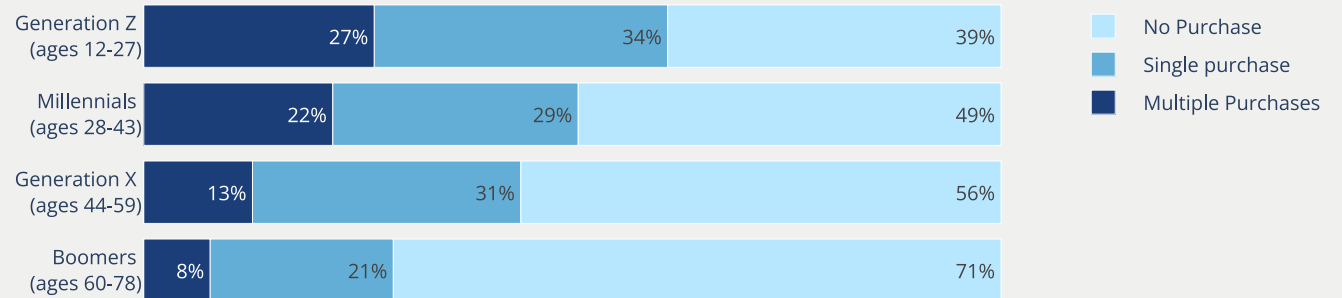
This, as stated, is thanks to the repeatable appeal of its core product. It is also testament to how it is also seen as an ideal gift, with the bracelet, then the charms, offering a solution for multiple birthdays and occasions beyond just a one-off purchase.

Pandora’s embrace of sustainability should also play well with its wide consumer base – not least at the younger end of the spread – and, with an ongoing focus on omnichannel and an ever-improving ecommerce offering, the scene is set for the company to grow still further.

Adding new products could also help, but the company will have to go a long way to top the long-lasting marketing genius of its charm bracelet.

Number of purchases at Pandora in the past three years

By Generation, Europe



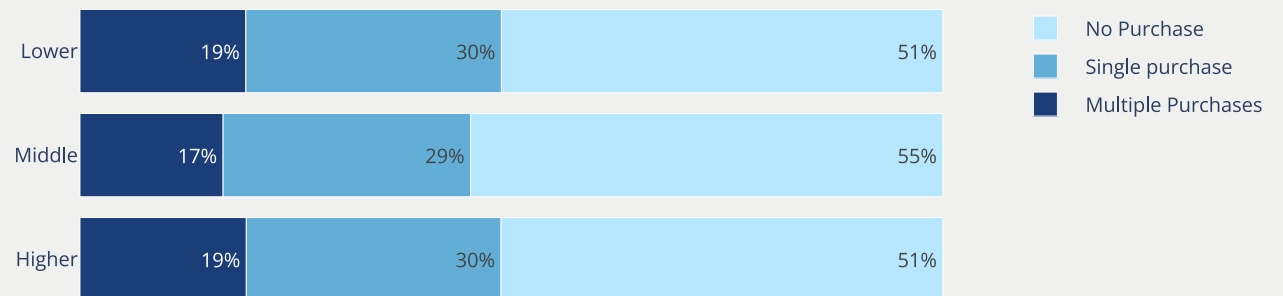
Based on 3,355 respondents in 11 countries (aged 16-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'From which of the following luxury brands have you purchased in the past three years?-Pandora'. Chart ID: CX73082

Source: ConsumerX

RetailX 2024
RXSLXEU24RP-CX-21-v1

Number of purchases at Pandora in the past three years

By Income, Europe



Based on 3,355 respondents in 11 countries (aged 16-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'From which of the following luxury brands have you purchased in the past three years?-Pandora'. Chart ID: CX73086

Source: ConsumerX

RetailX 2024
RXSLXEU24RP-CX-23-v1



Ray-Ban

Features in: Europe Top500 Brands, Europe Top1000, UK Growth 1000

Retail website: ray-ban.com

Most significant retail markets: UK, Italy, Germany, France, Spain

Retail HQ: Italy

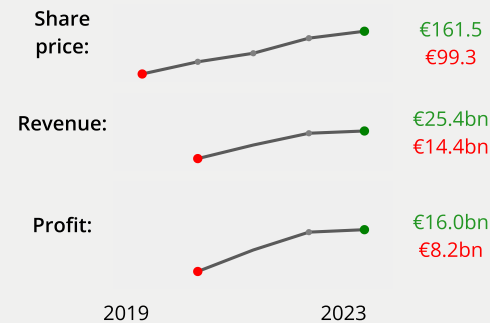
Corporation: EssilorLuxottica SA, PA: EL

Other brands in the group: Oakley, Sunglass Hut, Eye Buy Direct, Óticas Carol, Clearly, VisionDirect, Lenstore, Glasses Direct ...

X (Twitter): @ray_ban



EssilorLuxottica SA



Researched 07-03-2017 to 04-02-2024
 Sources: RetailX, SimilarWeb (web traffic, European visits included), Yahoo Finance (financial records). Green and red dots represent the highest and lowest recorded data point respectively.
 Year end 2023

© RetailX 2024

Ray-ban

In 1929, US Army Air Corp colonel John A Macready teamed up with medical equipment maker Bausch & Lomb in Rochester, New York, to create a pair of 'aviator' sunglasses that would reduce the distracting glare of the bright blue sky and white clouds when flying. Goggles, Macready had learned from bitter experience fog up at high altitude, so he thought open-sided glasses would work better. The 1936 prototype, featuring a patented anti-glare coating with plastic frames – which feel less cold against the skin at high altitude – and green lenses were born. The name, Ray-Ban, was derived from the coating.

Now a fashion staple, with 'Top Gun' himself Tom Cruise sporting them in the iconic movies and with the Wayfarer style popularised by Peter Fonda in the 1969 classic Easy Rider, Ray-Ban has become a luxury fashion staple and one which has capitalised on its cool image in the rise of luxury designer ophthalmic eyewear as well as in its more traditional sunglasses market.

The company, which hit its fashion zenith in the 1980s, was sold to Italian sunglasses and eyewear company Luxottica in 2010, which itself was bought by French lens maker Essilor in 2017 for €22.8bn, creating one of Europe's largest eyewear and sunglasses makers. In 2021, Luxottica founder Leonardo Del Vecchio agreed to share power with the board of Essilor and end years of spats between the two. The move also unlocked some €300m of annual cost savings and

sets the company up to make more of the 20% of the global eyewear business that the group current owns.

For Ray-Ban, this has seen a shift in the business to start to look at how it can not only play in the lucrative luxury eyewear market, but also how it can leverage technology to create smart glasses. These new models – based on existing frame styles – feature dual 5MP cameras for handsfree photography, discreet speakers mounted in the arms, voice control via a microphone at the arm hinge, touch control to run the camera and audio playback, as well as a charging case. Working with Facebook owner Meta, the glasses use Meta AR tech to sync with Facebook and the user's phone to display content as an overlay on the glasses.

The brand has also started to use more recycled materials in its frames and is working on collaborations with sustainable eyewear manufacturers or initiatives promoting responsible production within Europe that could further solidify their commitment.

Ray-Ban caters to consumers that are style conscious, but it also has an eye on offering an affordable entry point into luxury eyewear. This is reflected in the company's consumer survey data, which finds that the glasses are popular across all age groups, with fashion-conscious GenZ-ers and Millennials leading the way.

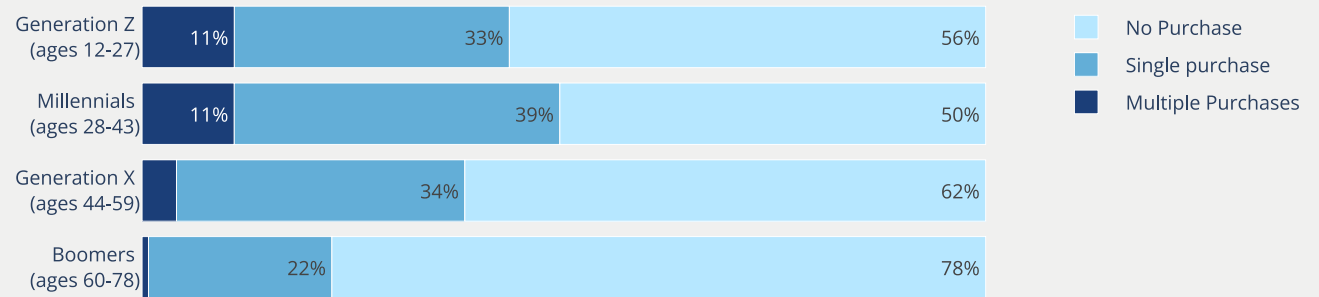
Across the age groups around a third of GenZ, millennials and GenX are making single annual purchases – perhaps unsurprisingly, as eyewear, especially ophthalmic eyewear, is a less frequent purchase for many. That said, 10% of both GenZ and millennial shoppers are making multiple Ray-Ban purchases each year.

Similarly, the spread across income levels is also reasonably even for the brand. Again, around a third of lower, middle and higher income shoppers are making single annual purchases of Ray-Bans, testament to how popular this iconic brand of eyewear is.

Looking ahead, the company’s move to add technology to its glasses, as well as offering an increasing level of personalisation to its products is likely to see continued support for the brand from across the age groups.

Number of purchases at Ray-Ban in the past three years

By Generation, Europe



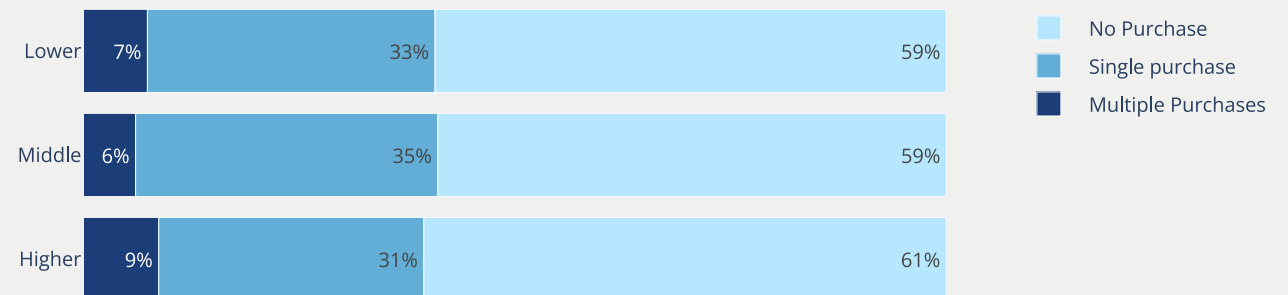
Based on 3,355 respondents in 11 countries (aged 16-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'From which of the following luxury brands have you purchased in the past three years?-Ray-Ban'. Chart ID: CX73088

Source: ConsumerX

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Number of purchases at Ray-Ban in the past three years

By Income, Europe



Based on 3,355 respondents in 11 countries (aged 16-87), Mar 2024 - Apr 2024. Surveys conducted in 10 languages. Question: 'From which of the following luxury brands have you purchased in the past three years?-Ray-Ban'. Chart ID: CX73093

Source: ConsumerX

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The road ahead

The European luxury ecommerce landscape is at a crucial juncture. Growth has stalled and it is trying to navigate changes in the economy, technology and values – so, where does it head next?

The European luxury ecommerce market is poised for continued growth in the next two years, but the landscape is shifting. Economic turbulence, evolving consumer values and disruptive technologies are reshaping the industry.

So, how will these things shake up the European luxury ecommerce market in 2025 and 2026 and what should retailers and brands be doing about it?

ECONOMIC HEADWINDS AND SHIFTING CONSUMER BEHAVIOUR

The European luxury sector has been hampered by forces beyond its control, with global and regional economic issues pushing changes in consumer behaviour. This is set to continue, with a number of existing factors combining with each other – and with some new issues – to continue to apply pressure to the sector.

- **Inflation and Discretionary Spending:** Inflation is a major concern for European consumers, particularly in the luxury segment. Rising costs of living may lead to a decrease in disposable income, impacting spending on non-essential items such as luxury goods.



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Brands will need to focus on offering compelling value propositions and strategies that appeal to budget-conscious luxury shoppers.

- **The 'lipstick effect' and second-hand luxury:** During economic downturns, consumers often turn to 'affordable luxury' items, like designer beauty products, as a way to treat themselves. The 'lipstick effect' could benefit certain sectors of the European luxury market. Additionally, the resale market for pre-owned luxury goods is expected to boom, driven by a combination of affordability and sustainability concerns.

- **Emerging markets and geopolitical uncertainty:** While growth in Europe might be tempered, emerging markets like China are expected to show resilience. However, geopolitical tensions can disrupt supply chains and consumer confidence, requiring brands to be adaptable and diversify their markets.

While not insurmountable problems, they will continue to impact the sector in the months and years ahead, forcing the sector to evolve, particularly around affordable luxury options for some brands.

TECHNOLOGY SHAPES A NEW LUXURY EXPERIENCE

While the sector will continue to see pressures from macro-economic influences, part of the EU luxury market's evolution to handle these changes will come from the adoption and application of technologies both new and existing. These will include:

- **Artificial intelligence (AI):** AI will play a significant role in personalising the customer experience. Targeted advertising, chatbots for customer service and AI-powered virtual try-on technology will enhance engagement and conversion rates.
- **The rise of the metaverse:** While still in its nascent stages – where it has been for almost five years now – the metaverse has the potential to revolutionise luxury ecommerce. Imagine attending virtual fashion shows, interacting with 3D product models in virtual stores, or even purchasing digital clothing for avatars. Many luxury brands have been early players in the virtual realm – with varying degrees of success – and this is likely to continue. However, much of it is dabbling, with the virtual world still not ever rising above cult status.
- **Social media and livestream commerce:** While the metaverse will struggle to gain any more traction than it currently sees, social media platforms will increase the power they have for brand building and influencer marketing. Livestream shopping events, where brands or influencers showcase products in real-time, will gain traction in Europe, offering a more interactive and engaging experience.

- **Augmented reality (AR) and virtual reality (VR):** AR and VR – and indeed mixed reality (MR) that combines the two – will be used to create immersive shopping experiences, allowing customers to virtually try on clothes or accessories before purchase. This can address sizing concerns and improve customer confidence when buying luxury items online. This 'real worlding' of ecommerce is going to be a prevalent force in the coming years across fashion generally, but it is in luxury where it may have the most and earliest impact. Luxury purchases are more considered and try before you buy is more vital to the shopping journey.
- **Retail media networks (RMNs):** Retail media has exploded in 2023 and 2024, with retailers looking to better exploit their first party customer data by using it to sell hyper-targeted advertising on their retailer websites. In luxury, major online retailers such as Farfetch and YOOX Net-a-Porter are developing RMNs, offering luxury brands targeted advertising opportunities within their platforms. This allows brands to reach a relevant audience and leverage the retailer's established user base more effectively than most other forms of digital and performance advertising. For luxury retailers, it is an important new revenue stream, while for luxury brands it is likely to become a vital new marketing tool that offers the laser focus brands today need to reach the right consumers on the right channel at the right moment.

SUSTAINABILITY AND ETHICS: EVOLVING CONSUMER VALUES

Sustainability and ethics already shape the EU luxury market to a surprising degree. As the research shows, consumers are increasingly making purchases choices based on the environmental and ethical impact brands have on the world. This has been a driver for sales in luxury fashion in particular as it offers a more sustainable alternative to fast fashion products.

This focus on sustainability and ethics will continue to be a positive force in EU Luxury, with the focus shifting to several key areas, including:

- **Transparency and traceability:** Consumers are increasingly demanding transparency into a brand's supply chain and environmental practices. Luxury brands need to showcase their commitment to sustainable materials, ethical sourcing, and responsible production processes.
- **Circular economy and second-hand luxury:** The European luxury market will see a rise in brands embracing the circular economy. This could involve offering take-back programs for pre-owned goods, refurbishing and reselling used items, or incorporating recycled materials into new collections.
- **Ethical labour practices:** Consumers are more conscious of working conditions within the luxury fashion industry. Brands that prioritise fair wages, safe working environments, and ethical treatment of workers will gain a competitive edge.

A SUSTAINABLE AND TECH-DRIVEN FUTURE

The European luxury ecommerce market is at a crossroads. Economic uncertainties require adaptation, while evolving consumer values necessitate a focus on sustainability and ethics. Technology offers exciting solutions for personalised experiences and immersive shopping, but data privacy and inclusivity concerns must be addressed (see panel).

Luxury brands that can navigate these challenges and embrace a future that integrates technology, sustainability, and ethical practices will be well positioned to succeed in the next two years through a series of key strategies, including:

- **Developing innovative and engaging storytelling:** Luxury brands have always relied on strong brand narratives. In the digital age, leveraging storytelling through social media, influencer partnerships and engaging content marketing campaigns will be key to connecting with consumers on an emotional level.
- **Building trust and community:** Create a sense of community around the brand. Foster customer loyalty through exclusive online experiences, personalized outreach, and post-purchase customer service that exceeds expectations.
- **Omnichannel strategy:** A seamless omnichannel experience that integrates online and offline touchpoints is crucial. Luxury brands should utilise physical stores to complement the online experience, offering personalised services and instore events that further enhance brand value.

- **Investing in customer data management (CDM):** Harness the power of customer data to personalise marketing campaigns, product recommendations and loyalty programmes. However, this must be done ethically and with full transparency regarding data collection and usage.
- **Embracing innovation while preserving tradition:** The luxury industry thrives on heritage and craftsmanship. Brands need to strike a balance between embracing innovative technologies and maintaining their unique brand identity and artisanal values.

The European luxury ecommerce market is poised for exciting growth in the next two years, but success will depend on agility and adaptation. By understanding the economic headwinds, harnessing the power of technology and prioritising sustainability and ethics, luxury brands can create a winning formula.

As the lines between physical and virtual experiences blur, the future of European luxury ecommerce lies in offering a seamless, personalised and value-driven experience for the discerning modern consumer.

Challenges and considerations

While there is much to be positive about for the EU luxury sector, the brands and retailers involved still have some key areas that they need to focus on maintain that growth and exciting and to keep consumers looking at luxury as a viable alternative to mainstream fashion and beyond.

- **Data privacy and security:** As technology advances, the need for robust data privacy and security measures becomes crucial. Luxury brands must ensure user data is collected ethically and used responsibly, building trust with customers.
- **Accessibility and inclusivity:** Not everyone has equal access to high-speed internet or expensive VR headsets needed for certain technologies. Ensuring inclusivity by offering alternative shopping experiences remains important.
- **Addressing counterfeits:** The growth of online marketplaces requires stricter measures to combat counterfeit luxury goods. Brands need to collaborate with platforms and authorities to maintain brand integrity and consumer protection.

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End matter

We hope you have found our research and analysis to be of interest and value. We would be very pleased to hear from you with questions, suggestions or comments. In particular, do let us know of any areas of research that you would like us to investigate for possible inclusion in the 2025 report.

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