

WORLD LUXURY TRACKING 2016

EXPANDING LUXURY HORIZONS

NEW TARGETS, NEW USES, NEW PURCHASE FUNNELS...

As deep sociocultural changes are operating: new uses, new mobile and C to C culture, new ways of purchasing luxury goods..., understanding luxury consumers becomes more and more complex.

Consumers of luxury are also more and more fragmented into several groups, each of them carrying its own values and expectations.

1

MILLENNIALS VS BOOMERS

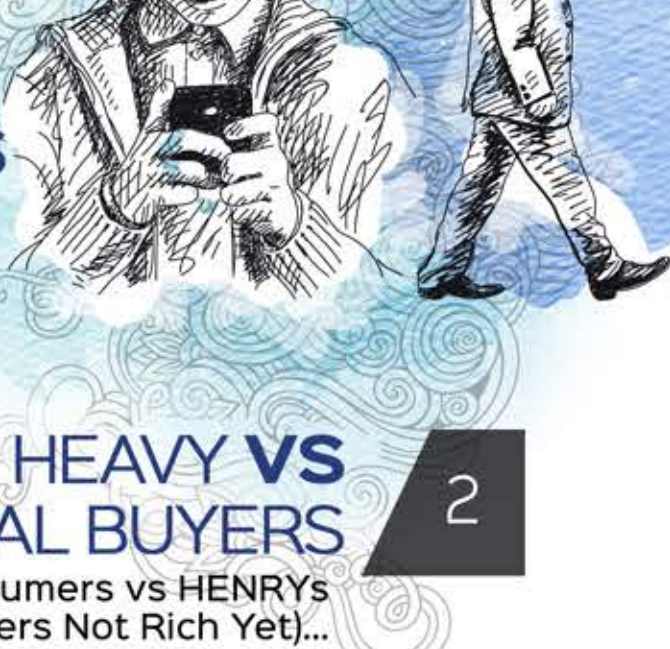
In 2026, the main luxury consumer will be a Millennial



HEAVY VS OCCASIONAL BUYERS

Affluent consumers vs HENRYs (High Earners Not Rich Yet)...

2



Luxury brands need to adapt themselves to succeed to maintain the same high level of desirability and performance over markets and categories.

CHALLENGES & OPPORTUNITIES

EXCITING POSITIVISM & DESIRE FOR LUXURY

In 2015, consumers seem to get back to a more positive state of mind.

15% THINK THEY WILL INDULGE THEMSELVES BY SPENDING A LITTLE MORE IN 2016 **VS 12% IN 2013**

At the same time, they express a real desire for luxury, to be surprised and amazed.



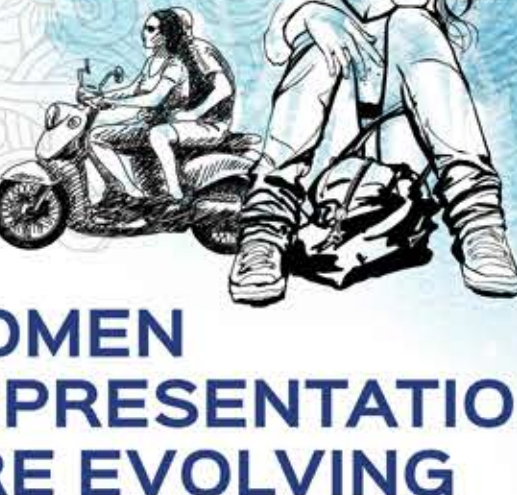
70% OF THEM STATE THAT LUXURY SHOULD MAKE THEM LIVE AN UNFORGETTABLE EXPERIENCE

This is a real opportunity for brands which will be able to play on the recreational dimension of luxury.

UNDERSTANDING THE MILLENNIALS' CULTURE

Both in mature and emerging countries

The influence of the Millennials' culture is growing and is influencing luxury strategies and communications



GENDER BORDERS ARE FADING

INCREASE OF GENDER FLUID ICONS / LAUNCHES OF A-GENDERED COLLECTIONS

WOMEN REPRESENTATIONS ARE EVOLVING

A GROWING DESIRE FROM WOMEN TO INDULGE THEMSELVES BY SPENDING MORE MONEY

+4% IN 2015 VS 2013



Millennials' icons (Cara Delevingne, Kendall Jenner...) are a real opportunity to boost one's image and influence among this target.

NURTURING AN ICONIC BRAND POSTURE

1

FOR 85% OF CONSUMERS

+10 POINTS VS 2007 QUALITY IS WHAT FIRST CHARACTERIZES LUXURY

64% OF CONSUMERS

+12 POINTS VS 2007 ASSOCIATE LUXURY TO A TIMELESS, UNIQUE KNOW-HOW



Overall, the level of satisfaction on the relationship with luxury brands is low, both in store and online, and necessitates an optimization of purchasing experiences, especially the fulfillment of online or physical purchase.

Simultaneously, online e-commerce is a challenge for luxury brands. With an increasingly complementary role between digital and physical experiences, the relationship with luxury is now a continuum.

IN 2015, GLOBAL GRADE OF APPRECIATION OF LUXURY IS LOW

6,13/10, DECREASING SINCE 2007

2

SATISFIED OF THEIR SHOPPING EXPERIENCE

55% IN STORE

39% ON THE INTERNET

The consumer/brand dialogue has to be maintained. Luxury brands should optimize the "phygital" fluidity of their purchase funnels.

THE "ELSEWHERE" DESIRE THE TRAVEL RETAIL CHALLENGE

Travel is now the main leverage of growth of the luxury industry

60% OF LUXURY CONSUMERS

HAVE TRAVELED ABROAD WITHIN THE PAST 2 YEARS,

84% OF THEM TRAVELING FOR LEISURE



53% OF LUXURY CONSUMERS

SAY THEY PREFER AIRPORT BOUTIQUES TO BUY LUXURY GOODS WHEN TRAVELING

Luxury brands need to adopt a strategy of diversification through local collections, pop-up stores... AND airports!

SOCIAL NETWORKS' GROWING INFLUENCE

Stores and word-of-mouth remain the most important sources of influence

BUT digital sources are on the rise (15%, +10 points versus 2011), especially among youngsters and heavy buyers.

INFLUENCED BY SOCIAL NETWORKS WHEN BUYING LUXURY PRODUCTS

1

28% OF 18-34YO

+18 POINTS VS 2011

22% OF THE HEAVY BUYERS

+14 POINTS VS 2011

2

Social networks should be fully integrated in the consumer-brand relationship, each of them being used and understood in its specificities, tone and uses.

M-COMMERCE CHALLENGE

1

IN 2015, ONLY 15% OF LUXURY CONSUMERS SAY THEY HAVE DOWNLOADED A LUXURY BRAND APP



2

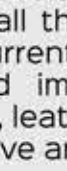
MORE THAN 80% WOULD BE INTERESTED IN PURCHASING PRODUCTS SECURELY AND IN ACCESSING THE AFTER-SALES SERVICE THANKS TO A LUXURY BRAND MOBILE APP



Luxury brands must meet consumers' expectations to turn mobile into a strategic touchpoint.

ABOUT THE WORLD LUXURY TRACKING

The "World Luxury Tracking" has been launched in 2007 by Ipsos and the International Luxury Business Association. It is the first global observatory on luxury clients with 15 markets analyzed regularly. It surveys alternatively developed markets and emerging markets every other year, interviewing 1 000 individuals per country, among the wealthiest populations. It offers a dynamic analysis of the evolutions of expectations, attitudes and behaviors of luxury clients and proves to be a must for all those who want to better understand and anticipate the fast changes that markets are currently undergoing. It provides a wealth of data, and such analysis as brand awareness and image, favorite distribution networks, etc. on specific luxury segments: beauty, fashion, leather goods, watches, jewelry, etc. The figures above are sourced from our 2015 edition.



ASSOCIATION DES PROFESSIONNELS DU LUXE
THE INTERNATIONAL LUXURY BUSINESS ASSOCIATION

GAME CHANGERS

