

BCG



ALTAGAMMA
CREATIVITÀ E CULTURA ITALIANA

True-Luxury Global Consumer Insights

11th Edition



11th Edition

Last year we doubled
down on **top-of-the-
pyramid luxury
clients...**

This year, we triple down!

1. According to Wealth-X definition, this group corresponds to individuals with \$30M+ in net worth
2. USA, France, UK, Italy, Middle East, China, Japan, South Korea, India, Brazil
3. Includes: personal includes apparel, footwear, accessories, leather goods, beauty, jewelry (branded and unbranded) and watches; Experiential includes furniture, food and wine, fine dining & hotel and exclusive vacations



For the first time, leveraging **Altrata's Wealth-X** database of more than **150k HNWI¹** profiles across the globe to analyze spending habits and share of wallet allocation

ALTRATA **WEALTH-X** Research partner



7k+ respondents quantitative survey across 10 top luxury countries and regions²



1K respondents ad-hoc deep-dive on **top-tier clients** (min 50K€ / avg. ~360K€ yearly spend in luxury³)

PHRONESISPARTNERS simplify growth Research partner



20+ in depth 1:1 interviews with True-Luxury **Very Important Customers**

BCG **VIC** **EXEC** Research partner



10 **VICs** interviewed in focus groups (5 each) in two countries (USA & China)



20+ interviews & content discussion sessions with industry **CEOs & executives**, and **Client Advisors**



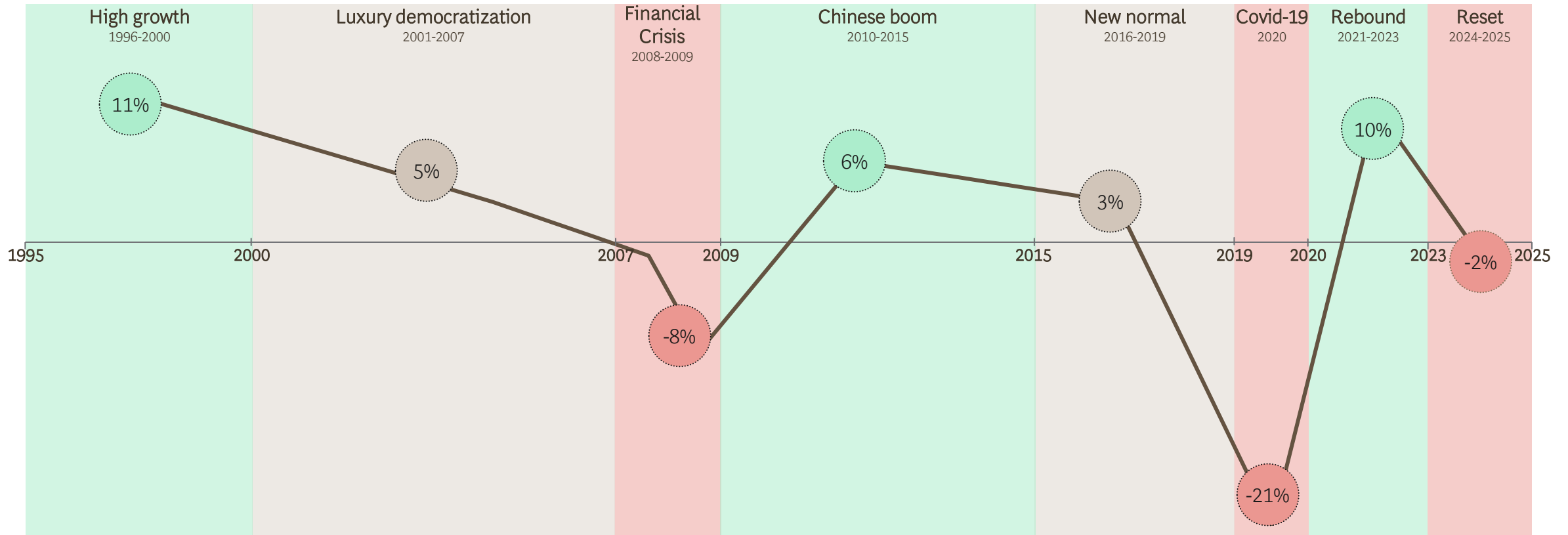
Engagement of **local Luxury experts** and **industry partners** from different regions

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Bocconi₁

The Personal Luxury Goods Market is facing a rare lack of growth

Personal Luxury goods market growth evolution

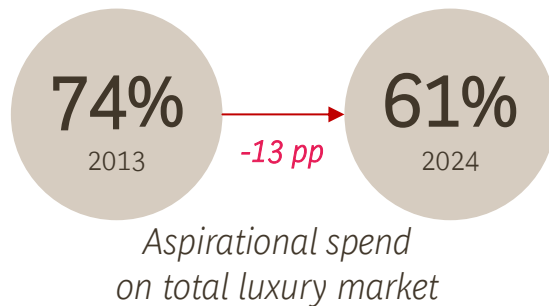


Note: personal luxury includes apparel, footwear, accessories, leather goods, beauty, jewelry (branded and unbranded) and watches
Sources: BCG Fashion & Luxury Market Model as of June 2025; BCG Analysis

Behind the headlines – what's going on?

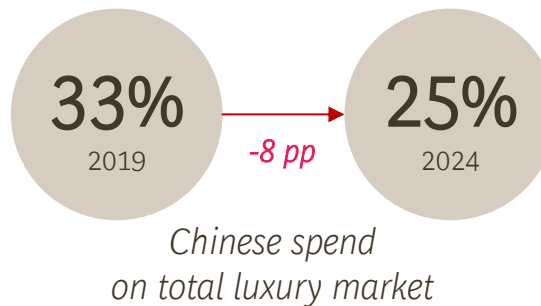
1

Where Did Luxury's Aspirational Shoppers Go? **BOF**



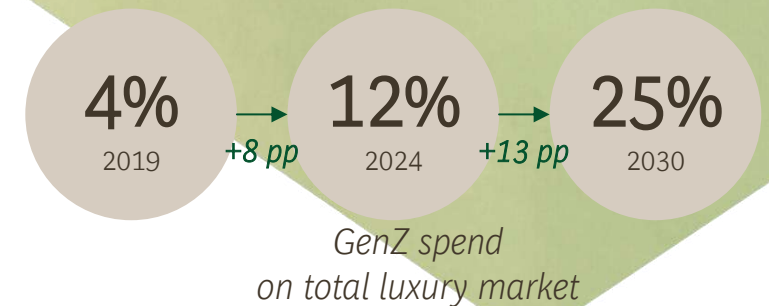
2

The world's biggest luxury brands are hurting as Chinese shoppers rein in spending **CNN**



3

Luxury Brands Sag As Gen Z's 'No-Buy 2025' Trend Spreads **Forbes**



Behind the headlines – what's going on?

1

Where Did Luxury's Aspirational Shoppers Go? **BOF**

True, spend is shifting

35% of Aspirational reduced or stopped their luxury spend in last 12 months

65% expect to keep their spend in luxury stable or reduce it over the next 12 months

2

The world's biggest luxury brands are hurting as Chinese shoppers rein in spending **CNN**

True, but driven by macro, not behavior

-5% projected drop in Chinese spend in 2025, mostly driven by macro environment (Chinese spend correlated 0.8 with GDP)

No structural consumer behavioral changes (yet): luxury remains deeply rooted in culture as expression of success

3

Luxury Brands Sag As Gen Z's 'No-Buy 2025' Trend Spreads **Forbes**

Hyped, they still lean into luxury

70% of Gen Z feel represented by global luxury brands (+3pp vs Millennials, +15 vs Older Gens)

With 80% purchasing intent, they are the most confident about luxury spending over the next 12 months

*But what's really
going on?*

**The Consumer
Pyramid is changing**



A reminder of the Consumer Pyramid: Top-tier luxury clients drive the highest growth in luxury spend

Personal and Experiential Luxury¹ Market, Consumer Pyramid

Minimum Luxury spend per year	Cluster	Population Mn			Spend B€			CAGR '13-'24
		2013	2023	2024	2013	2023	2024	
50 k€	Top-tier clients = <i>Beyond Money</i>	0.3 0.1%	0.6 0.1%	0.6 0.1%	88 12%	215 21%	236 23%	9%
20 k€	Top Absolute	1.3 0.3%	1.7 0.4%	1.8 0.4%	24 3%	44 4%	48 5%	4%
5 k€	Entry Absolute	14 4%	16 4%	17 4%	77 11%	106 11%	115 11%	
2 k€	Top Aspirational	19 5%	24 6%	22 5%	69 9%	66 7%	60 6%	1%
<2 k€	Other Aspirational	354 91%	392 90%	383 90%	479 65%	569 57%	563 55%	
	Total True Luxury	389	434	424	737	1.000	1.022	

Top-tier clients = *Beyond Money*

The powerhouse of luxury: small in size, (0.1%) massive in impact (23%), growing even when others pull back

Absolute

The solid spine: steady, consistent and quietly growing in value year after year

Aspirational

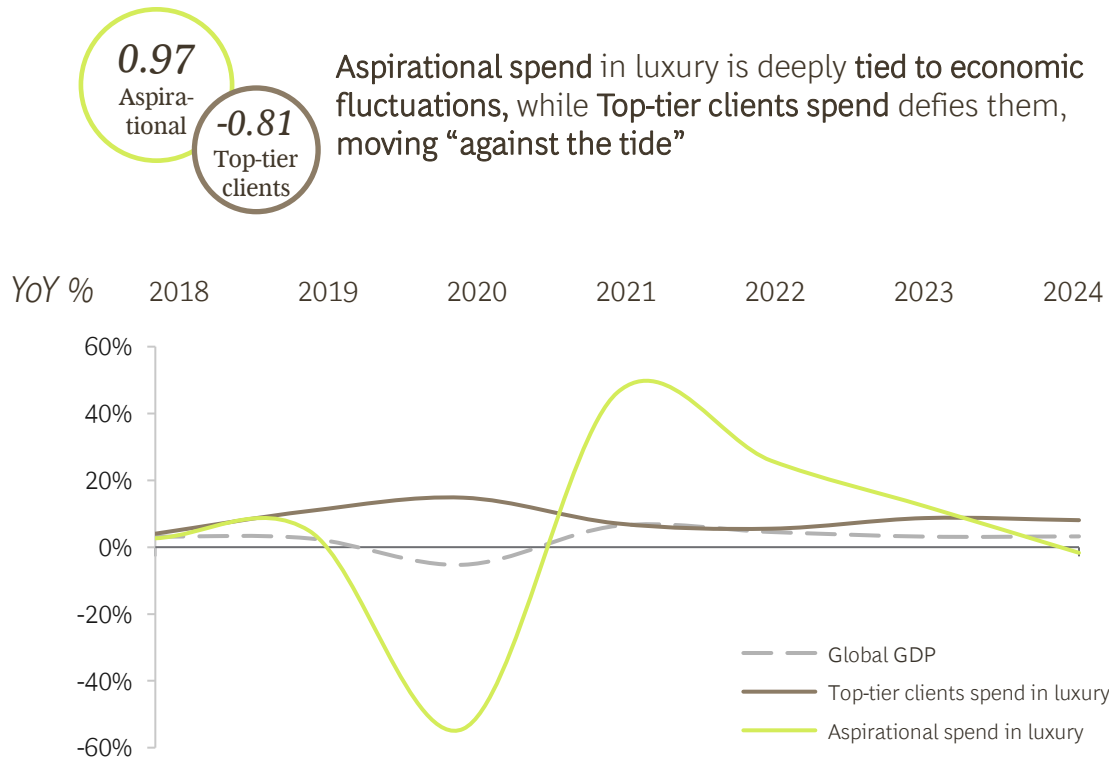
The fading foundation: once the gateway to luxury, now slipping away (-13 pp) as the dream becomes harder to afford

Note: Numbers rounded. 1. Includes: personal includes apparel, footwear, accessories, leather goods, beauty, jewelry (branded and unbranded) and watches; Experiential includes furniture, food and wine, fine dining & hotel and exclusive vacations

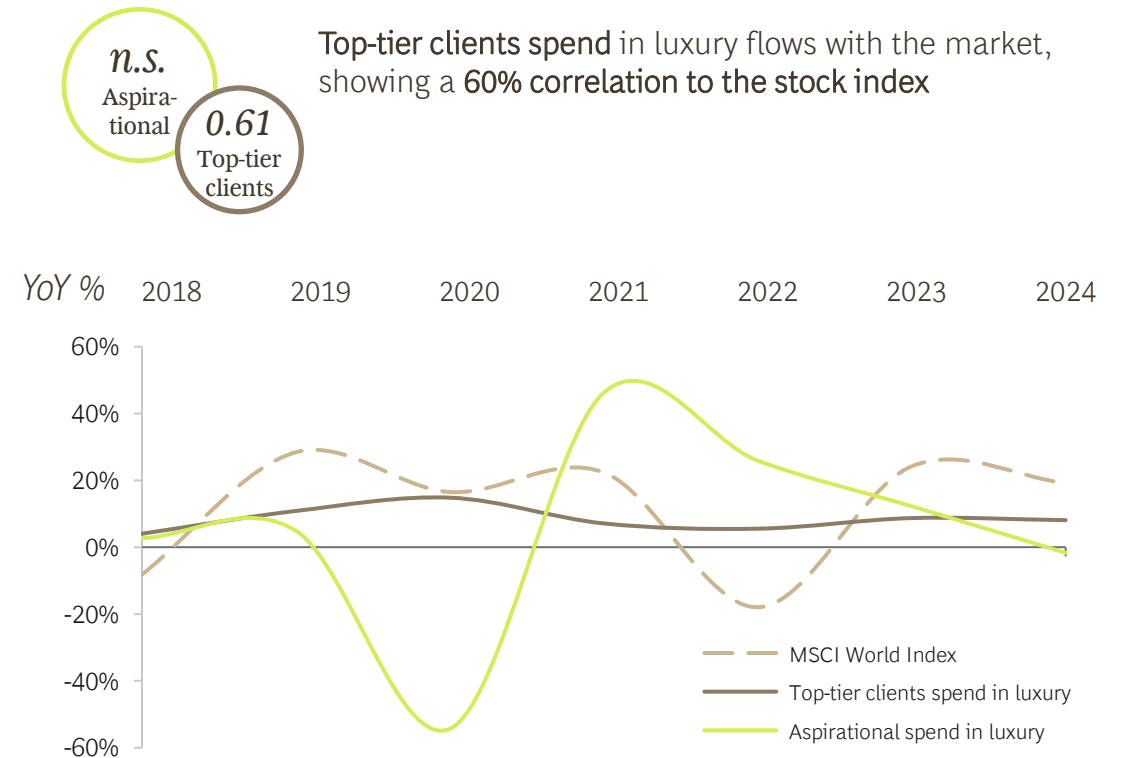
Source: BCG Fashion & Luxury Market Model as of June 2025; BCG Analysis

Strong correlations in the pyramid, but profoundly different ones

The P&L: Correlation between spend in luxury and GDP evolution



The Balance Sheet: Correlation between spend in luxury and Stock Market Performance (MSCI¹ World Index)



1. Morgan Stanley Capital International Index: tracks large and mid-cap equities across 23 developed markets covering ca. 85% of their combined market cap with 1,500+ companies; a key benchmark for global equity market

Sources: Oxford Economics; MSCI; BCG Analysis

Chasing scale, losing soul?



Aspirationals are stepping back: ~35% reduced luxury spend in past 12 months, diverting to savings, wellness, second hand

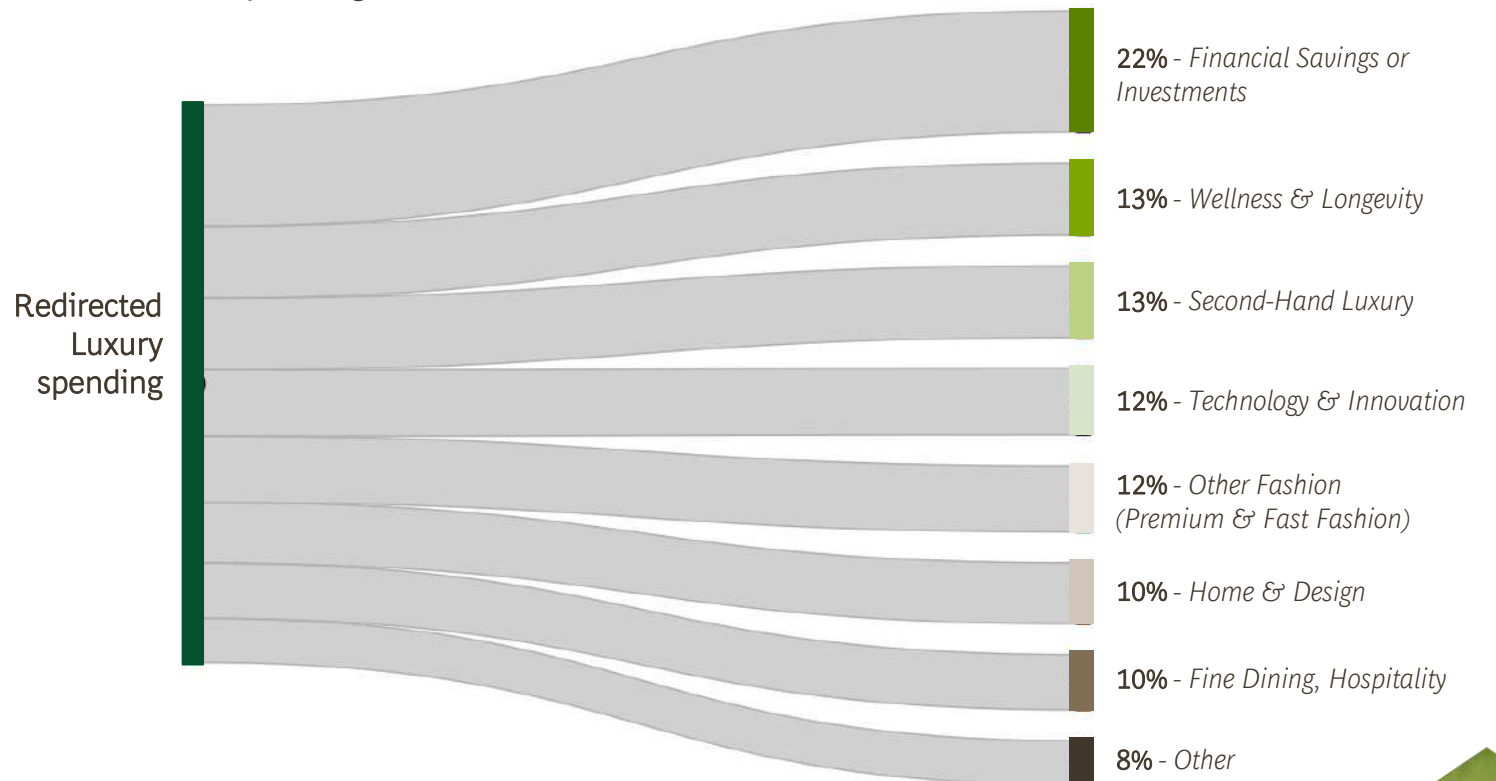
THE ASPIRATIONAL SEGMENT IS UNDER PRESSURE — SPEND IS SHRINKING....

~35%

Have reduced or stopped personal luxury spend over the last 12 months

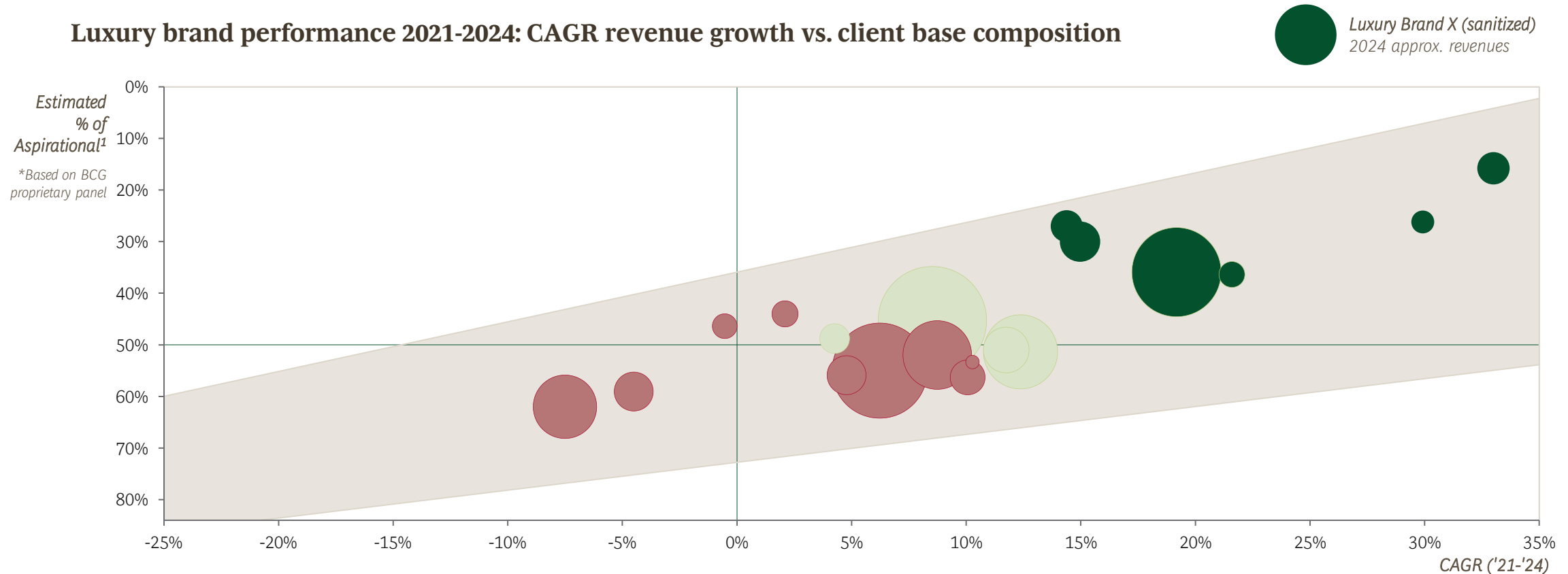
...BUT HOW ARE THEY REDIRECTING THEIR PERSONAL LUXURY SPEND?

Q: If you've reduced your personal luxury spending in the past 12 months, where have you redirected that spending instead?



The hard truth: democratization was good... until it wasn't

Luxury brand performance 2021-2024: CAGR revenue growth vs. client base composition



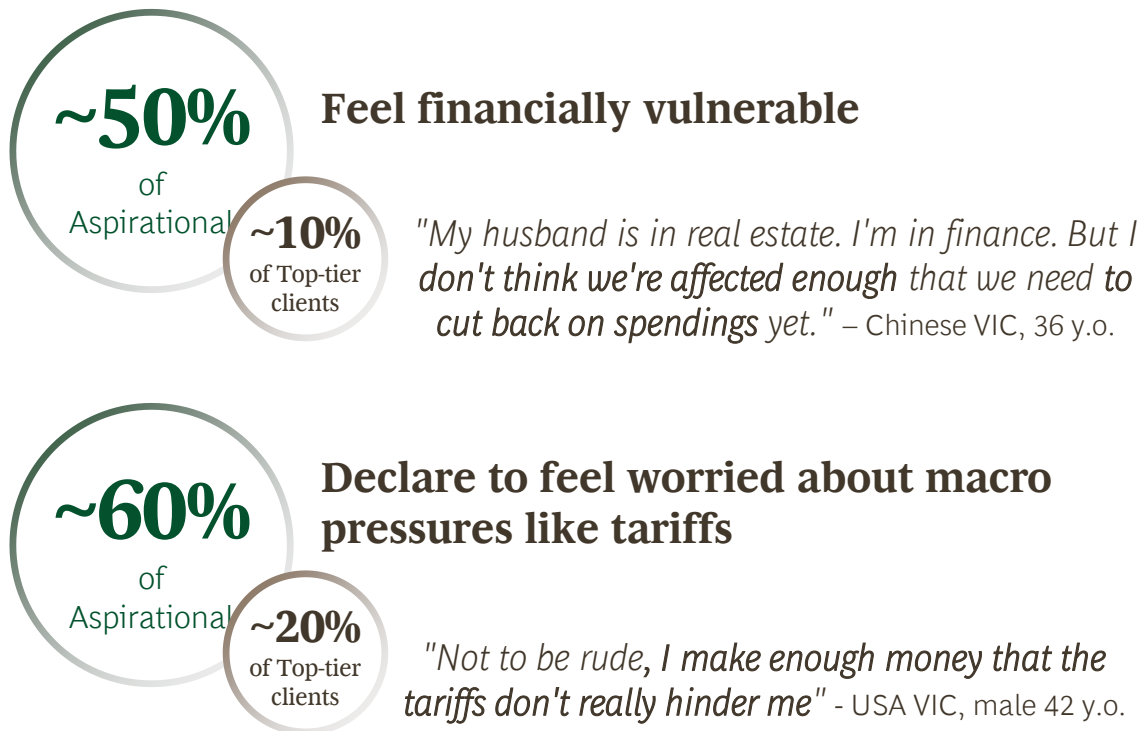
...and now some brands are facing the cost of having it stretched too far

High exposure to Aspirational (50%+) correlates with recent underperformance across the board

1. Calculated as the share of Aspirational consumers over the total of Aspirational and Top-tier clients who declared they purchase the brand according to BCG proprietary panel;
Note: Refers to spend across all brand's categories incl. beauty, excl. hospitality | Size of each bubble corresponds to brand revenues in 2024
Source: Analyst reports; Company annual reports; BCG analysis; BCG-Altacamma True-Luxury Global Consumer Insight Survey June '25 (7K respondents in 10 countries and regions)

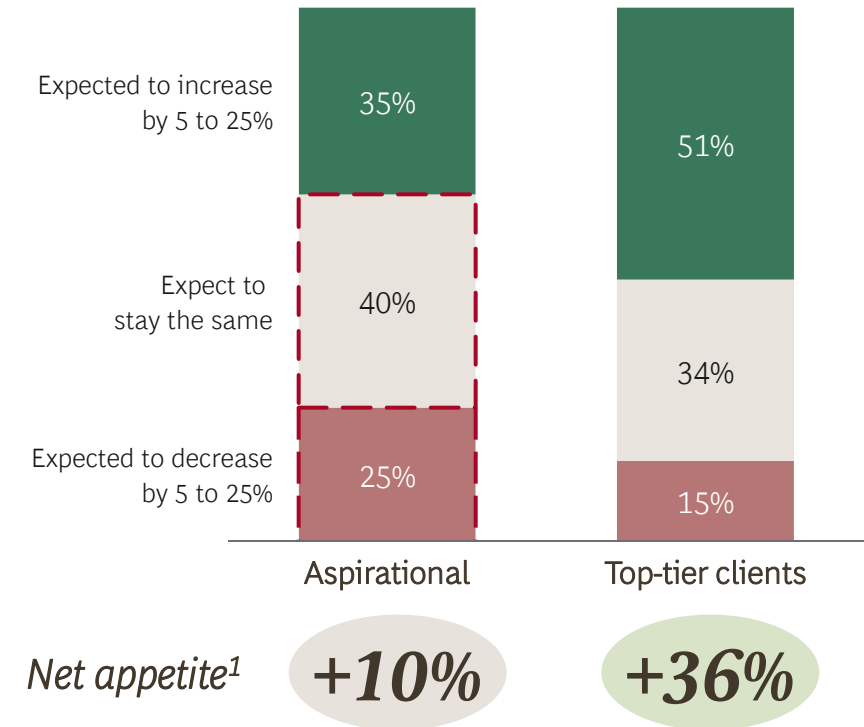
2026 outlook still cautious for the Aspirational consumer, while Top-tier clients amplify their spend in luxury

Aspirational consumers remain exposed to macroeconomic volatility...



...with 65% expected to spend the same or reduce their spend, while Top-tier clients spend more

Estimated change in luxury spending over the next 18 months



1. Calculated by subtracting the percentage of consumers who expect their luxury spending to increase from those who expect it to decrease
Source: BCG-Altacamma True-Luxury Global Consumer Insight Survey June '25 (7K respondents in 10 countries and regions), VIC Interviews, CEO interviews, CA interviews

The way forward starts at the core, with top-tier luxury clients at the barycenter

A

Who are they?

They build on a strong underlying base of HNWI's, with **900K+ individuals growing ca. 10% a year** and with increasing wealth, even in **new geographies**

B

What do they enjoy?

Personal Luxury is the **common denominator** across **top luxury spenders** – but engagement **spans far wider**, with a **health-as-wealth** mindset on categories such as wellness/beauty

Leveraging Altrata's Wealth-X database with
>150k HNW profiles across 70 economies

**C**

What do they dislike?

What they want is simple: **connection, intimacy, excellence, recognition**. What they get? A luxury that still feels too noisy, too crowded, too industrialized

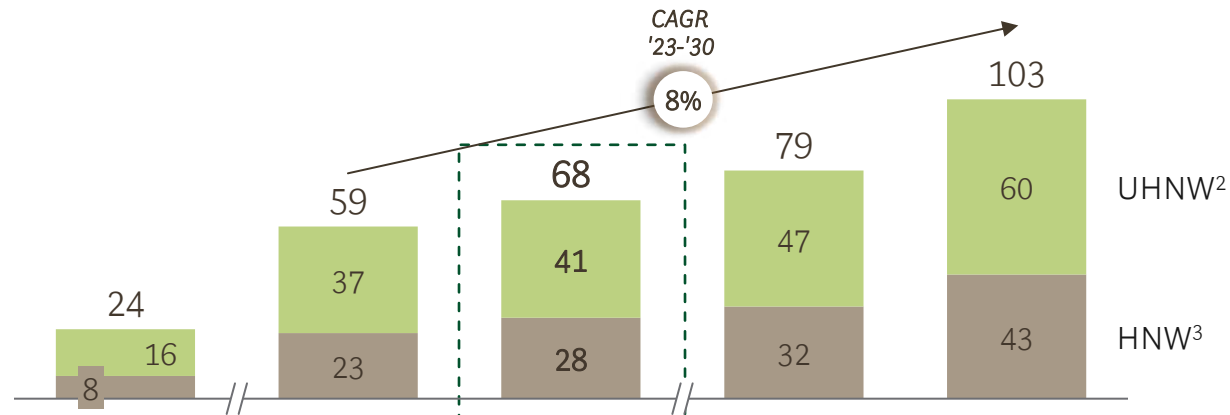


Who are they?

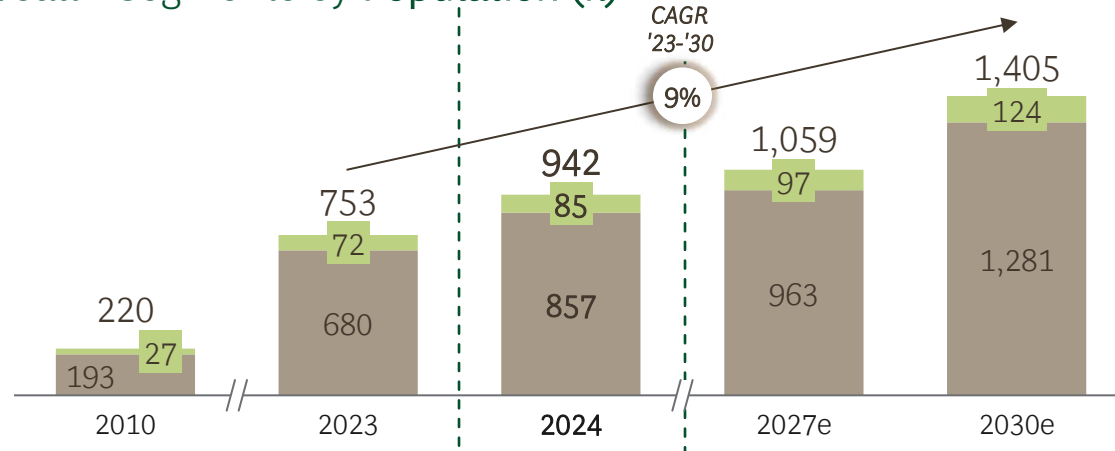


Who are they? 900K+ individuals that grow year after year...

Wealth Segments by Total Financial Wealth (T€)¹



Wealth Segments by Population (k)



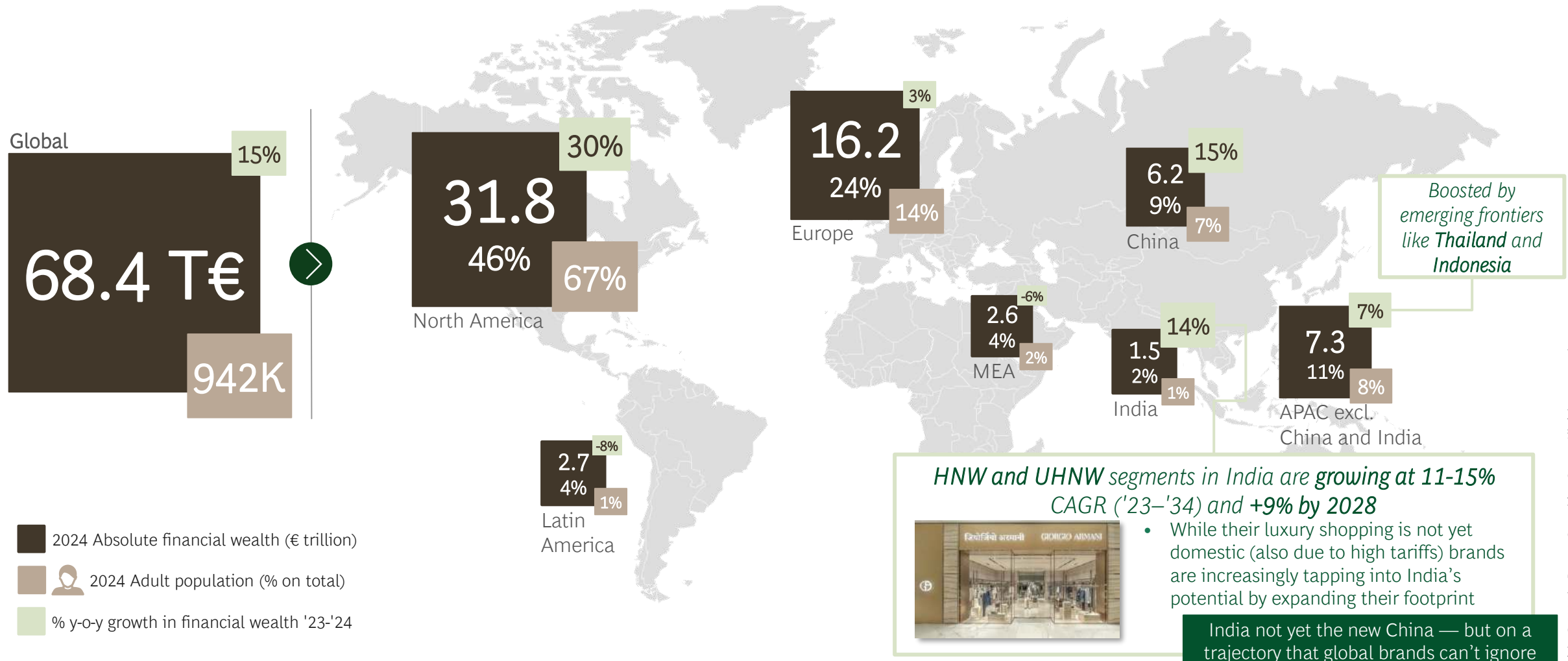
Implication for luxury brands

They are more than what you track

*Identifying, recruiting and segmenting these clients is a continuous effort.
How to go beyond Client Advisors' "gut feeling"?*

1. Including cash and deposits: bond, equities & investment fund shares; life insurance and pensions and other assets; 2. Wealth > 100M€; 3. Wealth 20-100M€
Note: Sums may not add up due to rounding; Source: BCG Global Wealth Report 2025, BCG analysis

Where are they? Nearly half of global HNWI wealth is held in North America, followed by Europe and APAC



Note: HNWI: Financial Wealth >20M€; Based on a variable currency methodology that captures the impact of exchange rate fluctuations
Source: BCG Global Wealth Report 2025—BCG Global Wealth Market Sizing



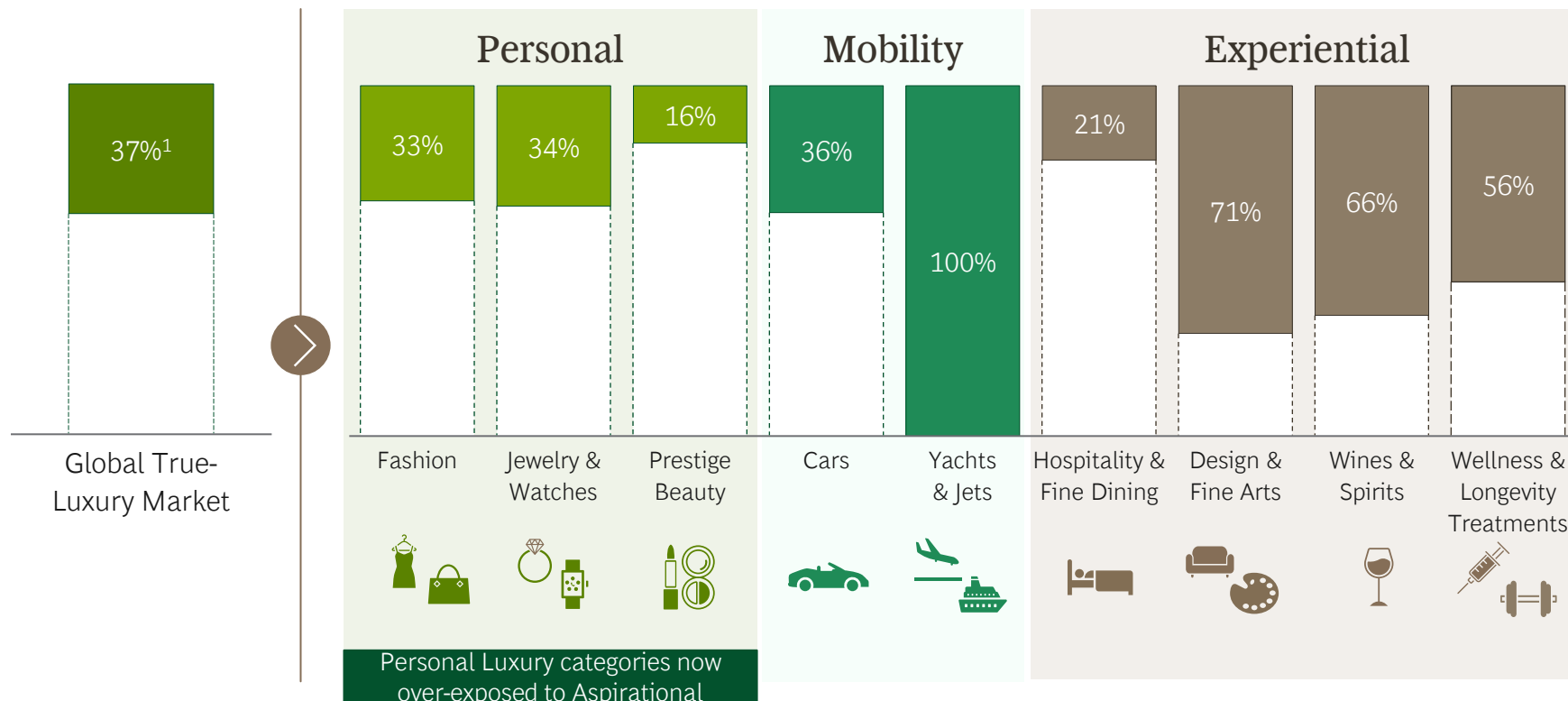
*What do they
enjoy?*



Want to find them?

Beyond yachts (of course!), they love design, wines, cars and wellness

Share of Top-tier clients consumers spend in total market value by category, 2024 (%)



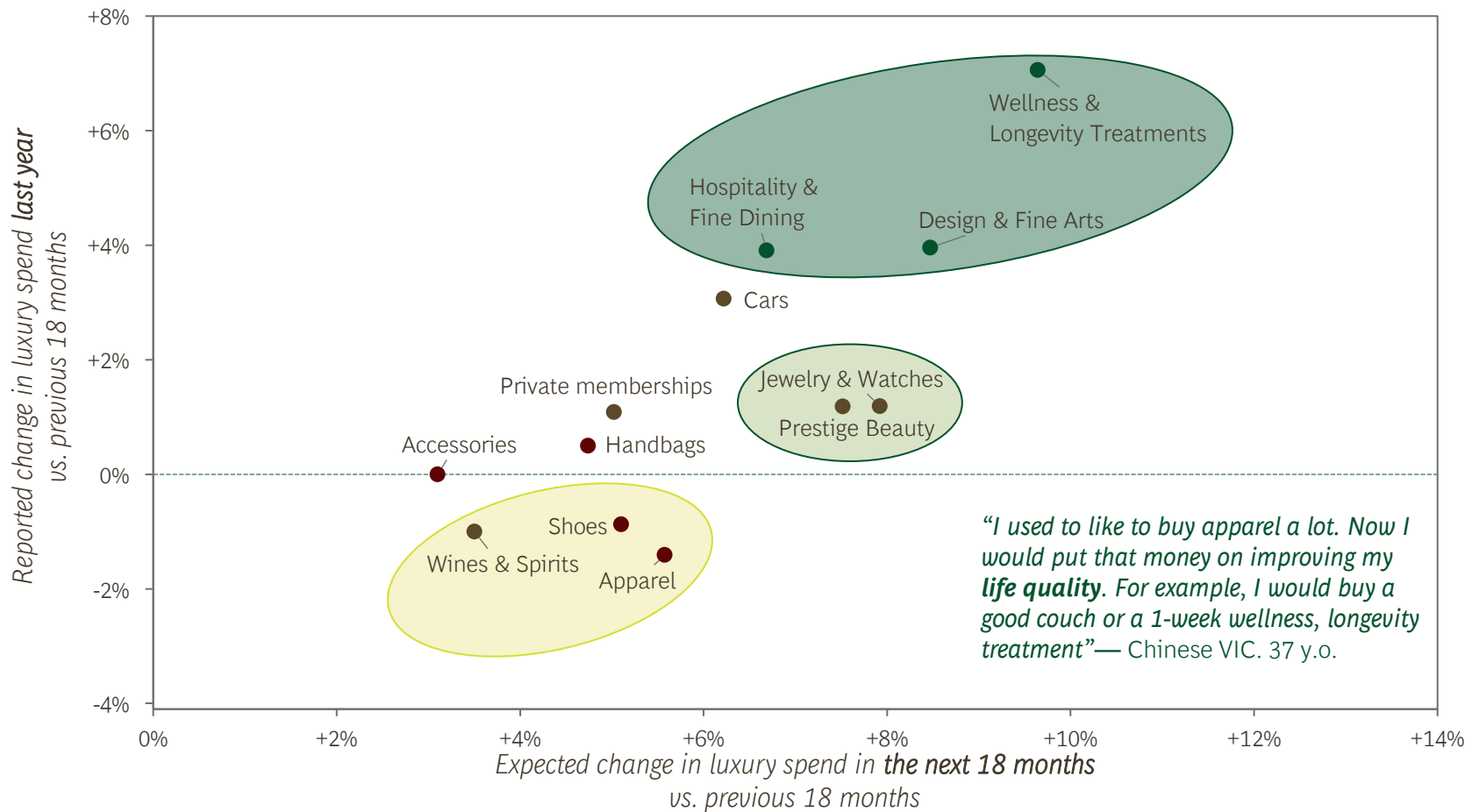
Implication for luxury brands

To catch these clients, you need to expand

How to connect to these not-so-adjacent categories? Is this a brand extension or an ecosystem play?

1. Including mobility and wellness/longevity vs 23% excluding them
Source: Altrata – 2025; BCG Fashion & Luxury Market Model as of June 2025; BCG Analysis

Looking forward: health-as-wealth mindset



Living well, spending more
Wellness & Longevity Treatments boom (+8% past, +10% future) together with design & fine arts (+4%, +8%) as health-as-wealth mindset surges

Bright spots in luxury
Jewelry & Watches and Prestige Beauty shine with steady past and future growth

From pause to recovery
Shoes, apparel and wines decelerated in past 18 months, but expected to enjoy higher spend on the horizon

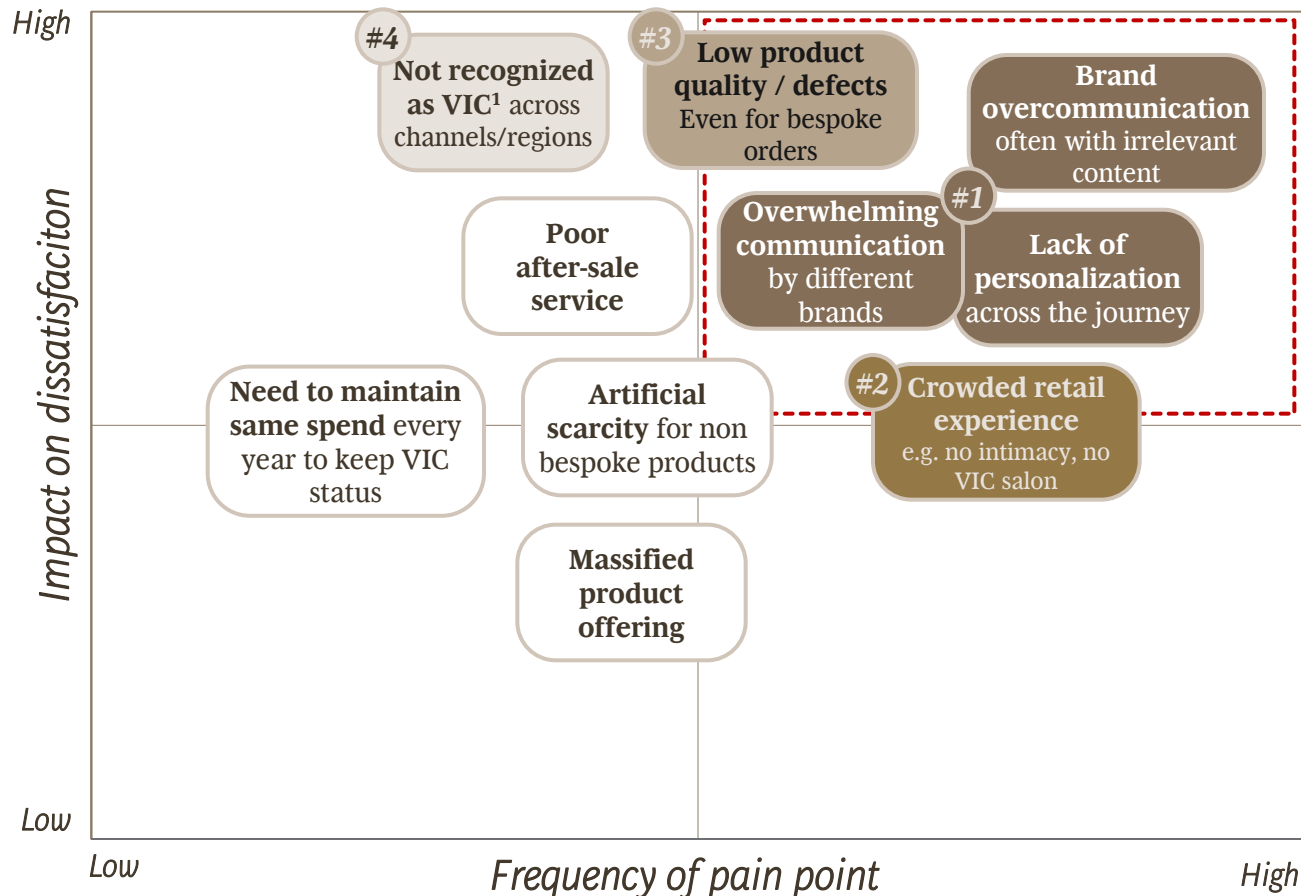


*What do they
dislike?*



Top-tier clients shared where brands are still falling short, and four clear gaps are still emerging

Mapping of top-tier clients pain points



Four main pain points

- #1 *Overcommunication, no personalization*
- #2 *Crowded, standardized retail experience*
- #3 *Lower product quality and defects*
- #4 *Lack of top-tier status recognition*

1. Very Important Customer

Source: BCG-Altacamma True-Luxury Global Consumer Insight Survey June '25 (7K respondents in 10 countries and regions), VIC Interviews, CEO interviews, CA interviews

What do top-tier clients want?

A luxury that goes *back to the core*:
connection, intimacy, excellence and recognition

#1

1:1 Connection

"I engage with 57 brands in different categories, and I receive 40-60 outreaches a month, in a way that doesn't feel personal most of times. I can't stand it anymore "

#2

Intimacy

"I love going to the boutique, but I need more intimacy: luxury-associated experiential formats must be exclusive, and I need my space - luxury cannot be crowded"

#3

Product Excellence

"Now that everything is transparent, how a product is made defines its value; sometimes I feel I am not getting the right quality"

#4

Recognition

"I typically shop at 9 brands on average, but I am recognized a Very Important Client only by 2 brands"

What do they get instead?

A luxury that still feels *too noisy, too crowded, too industrialized* –
to capture the Aspirational consumers rather than the top-tier clients

Too much overcommunication, too little Clienteling

60% feel overwhelmed by excessive marketing and under-targeted communication

Too much crowd, too little intimacy

80% of Top-tier clients would prefer a dedicated, intimate in-store space

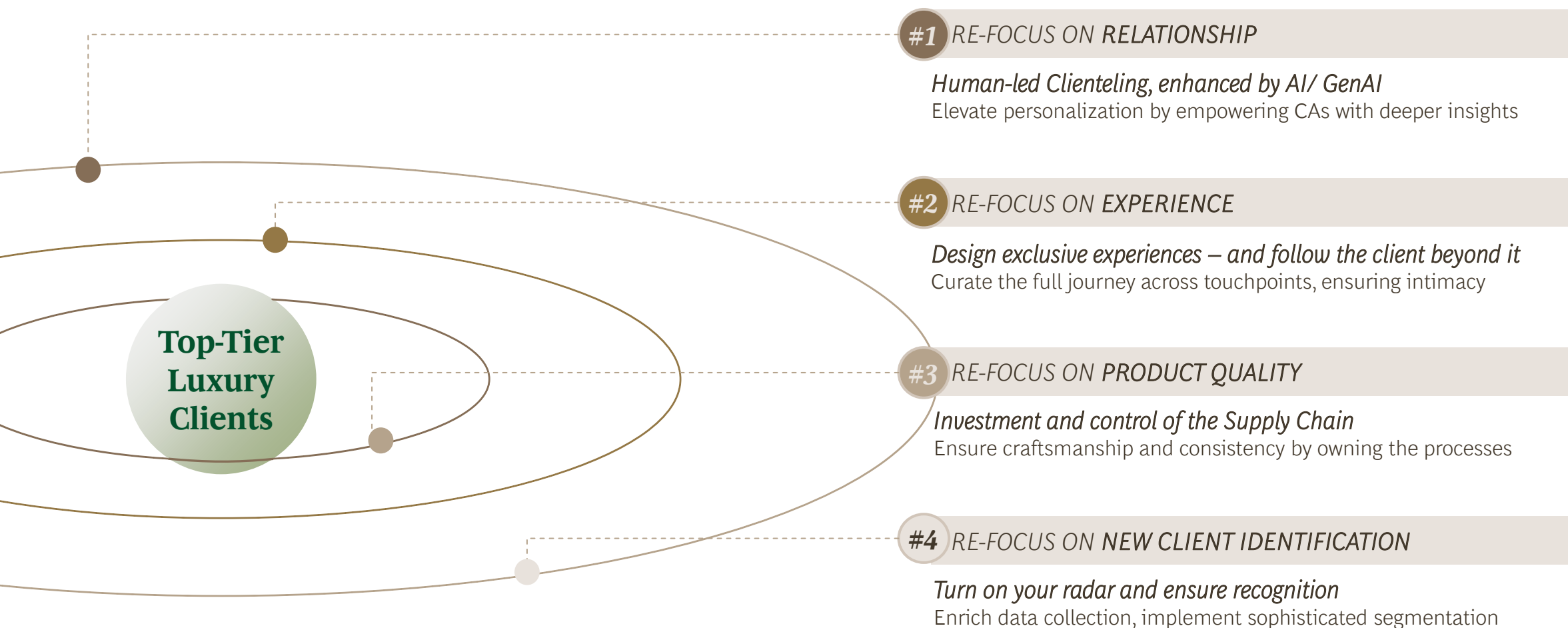
Too much volume, too little value

89% value luxury products for their craftsmanship and quality, but feel they are not getting it

Too limited focus, many missed opportunities

70% of potential Very Important Clients are not correctly identified by brands because of their segmentation/CRM

The way forward: RE-FOCUS on the core



Altagamma & BCG Team for the 11th edition of the study



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*Thank
you.*

