

# Rhapsody in luxury

ORCHESTRATING RELEVANCE  
AMID SHIFTING MEANING

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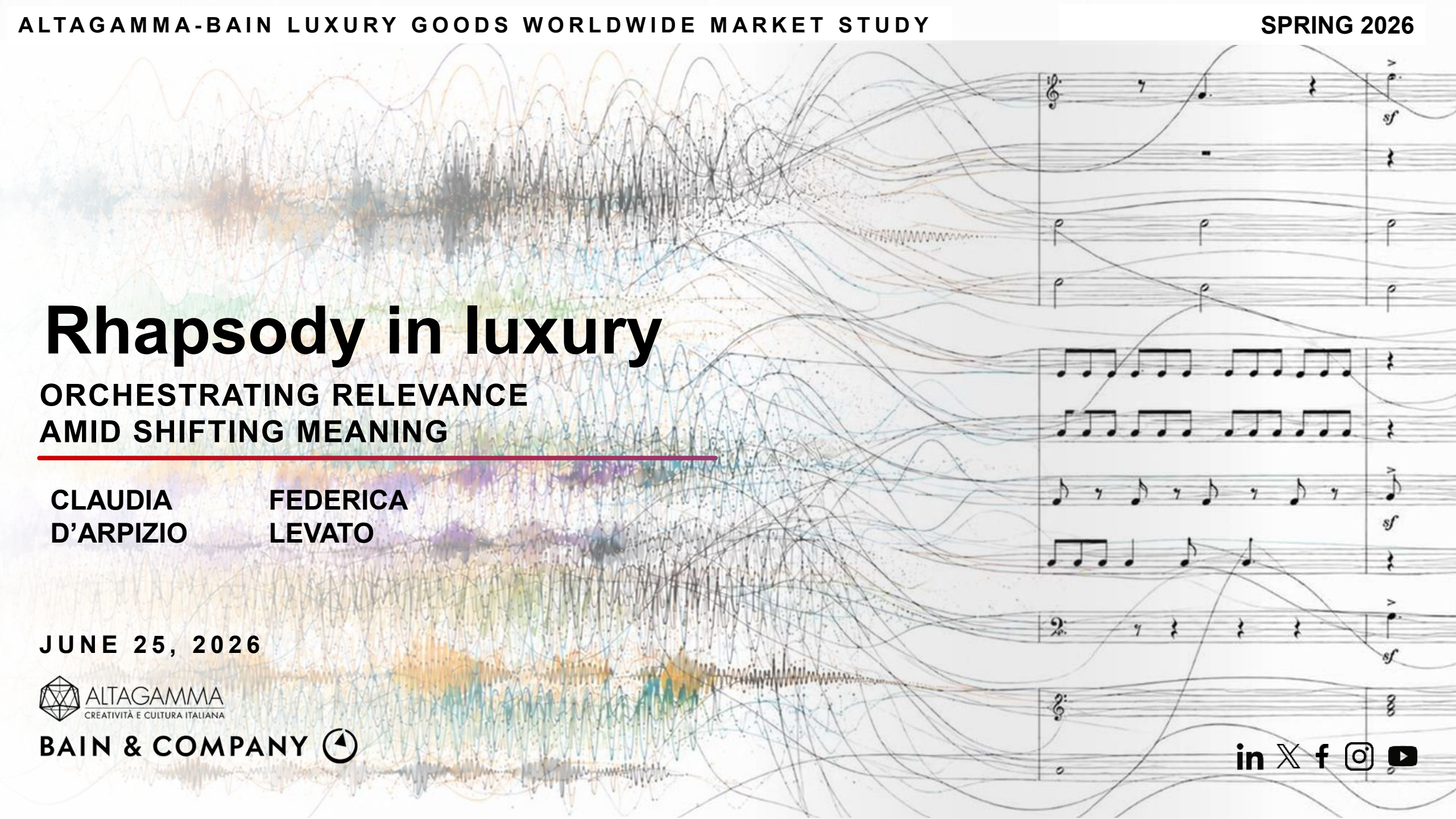
CLAUDIA  
D'ARPIZIO

FEDERICA  
LEVATO

JUNE 25, 2026



BAIN & COMPANY



# Foreword on content and sources

## Content of this document

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- This document contains **an update** on the **luxury goods markets, with particular focus on the personal luxury goods categories**:
  - Insights on the **performance of the market** as of **mid-June 2026**, with greater emphasis on the **first quarter**, with details by region, channel, and categories
  - **Estimates** for how the luxury market will evolve **during FY 2026**, with related emerging **macrotrends**
  - Bain's **recommendations** for how luxury players can **steer the next phase of growth**

## Sources of this document

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- The **insights** are based on **Bain's** triangulation of **information** and **sources**, available as of **June 19, 2026**, and include:
  - **Macroeconomic data** (e.g., GDP, consumer confidence index) and the latest **forecasts**
  - **Current trading performance** from relevant luxury industry players
  - Annual **reports**, quarterly **results**, and analyst reports
  - **Consensus of 100+ expert interviews**
- Outlooks **do not consider disruptive changes** in the **global sociopolitical** situation vs. the **status quo**

# Compounding complexities

Short-term challenges accelerating luxury demand reframing

## EXOGENOUS



Extreme **wealth polarization**



Tightening **rules & regulations**

## ENDOGENOUS



**Competitive edge** shifting from heritage to **relevance**



Evolving needs toward **emotion & escape**

## LONG-TERM STRUCTURAL TRENDS

# P O L Y C R I S I S

## SHORT-TERM CHALLENGES



Economic **volatility**



Political **turbulence**



Renewed **desirability codes**



Rigorous scrutiny on **value & conduct**



Reinforced multifaceted **competition**

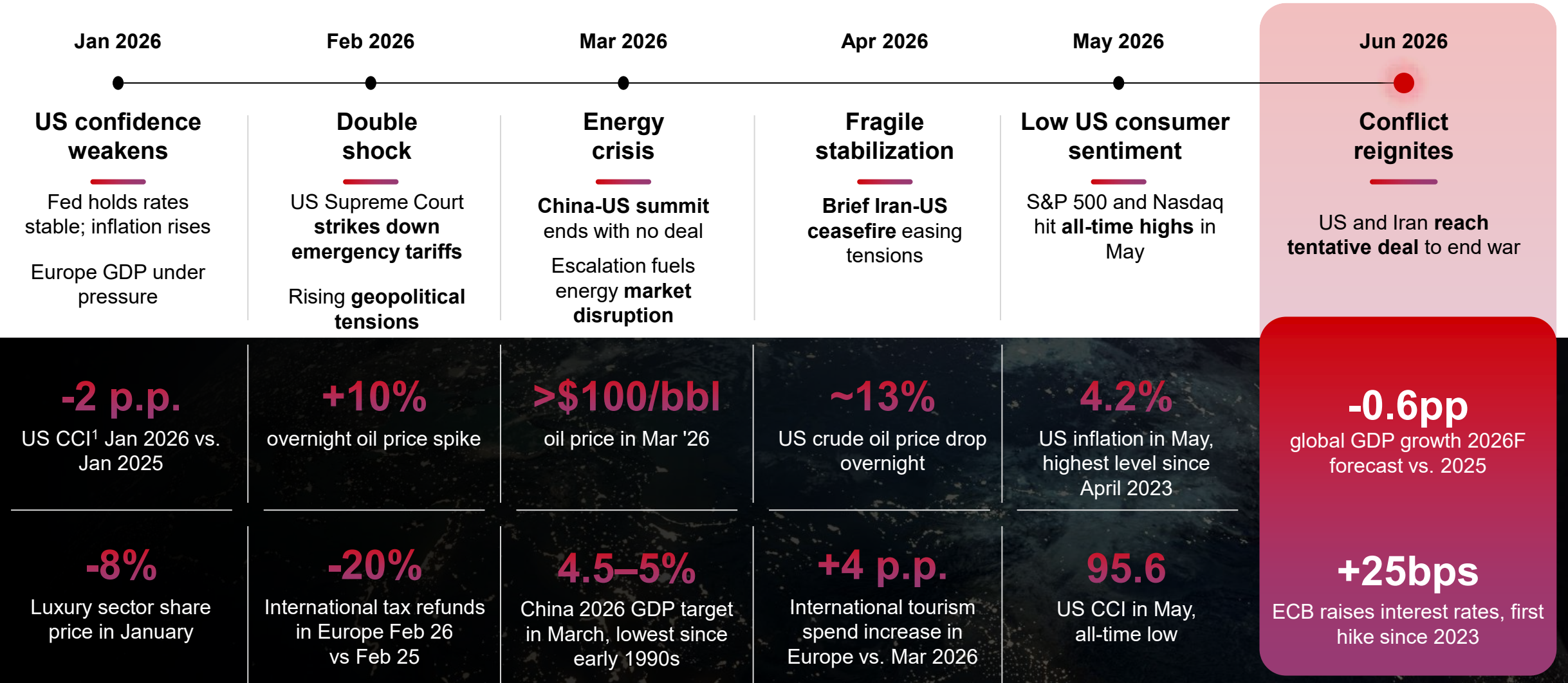


Raised bar for **excellence**

## EXOGENOUS

## ENDOGENOUS

# Geopolitical escalation, energy shock, and a confidence collapse reshaping global outlook



Notes: 1. Consumer Confidence Index

# Experiences lead growth as consumers prioritize meaning over ownership

Luxury areas growth | YoY growth | 2026YTD vs. 2025, @K

## LUXURY MARKET

**-1/+1%**

YoY growth | 2026YTD vs. 2025, @K

**Consumer sentiment across luxury areas 2026 YTD**

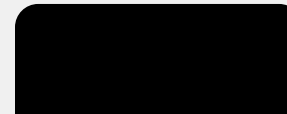
## LUXURY EXPERIENCES

**+2/6%**

**1.5x**  
vs. Luxury Goods

## PERSONAL LUXURY GOODS

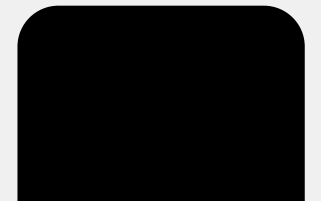
**+2/4%**



## LUXURY ASSETS

**-6/-2%**

**+1/+3%** *Excluding Luxury Cars*



## HOW ARE CONSUMERS BEHAVING

Notes: @K = growth at constant exchange rates

Pivoting toward exploration

Seeking **curation**

Increasingly **selective** and aware

**Scrutinized** to rebuild trust

Expanding toward **uber-luxury**

**Long-lasting** and thorough decisions

# Experiences continue to outpace tangibles

## –current trading on slight inflection

↗ → ↘ 2026 YTD YoY growth trend in real terms

**1,443** Global luxury markets  
€B | 2025

2026 YTD – YoY change

LUXURY EXPERIENCES



Luxury hospitality

↗ Continued **premiumization** across formats, but **uncertainty** redirects spend domestically



Fine wines & spirits

↘ → Shift to **less but better** and rising demand for **alcohol-free** options dampen consumption



Fine dining & gourmet food

↗ **Trading up** within food occasions sustains demand across **in-home** and **out-of-home** consumption



Luxury cruises

↗ Strong customer acquisition, with **first-time buyers** complementing repeat demand



Personal luxury goods

↗ → Growth increasingly **uneven amid macro tensions**



Luxury cars

↘ Demand softens on **EV headwinds** and **declining Gen Z ownership aspiration**



High-quality design & furniture

↘ → Demand softens as **backlog normalizes**, and **real estate** remains **constrained**



Private jets & yachts

↗ → **Large assets** outperform as **price/mix** offsets softer volumes and **backlog visibility** holds



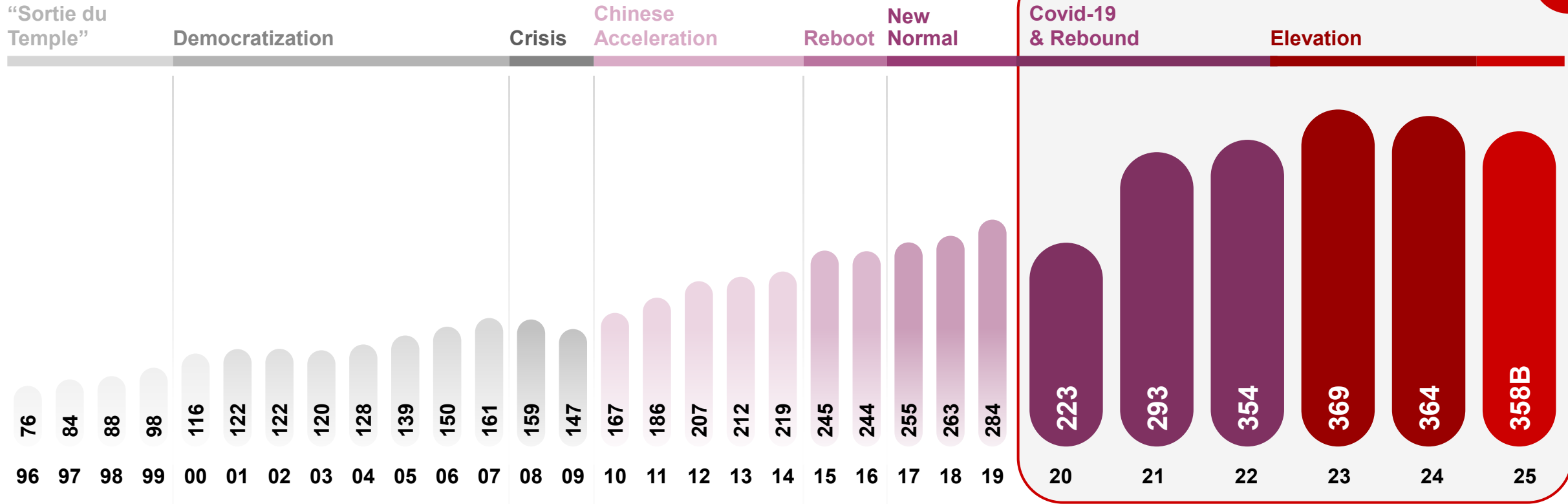
Fine arts

↗ Returning to growth as **investors rebalance portfolios**

LUXURY ASSETS

# Personal luxury goods: Recalibration continues as global uncertainty persists

Personal Luxury goods market evolution | 1996–2025 (€B)



1996–2019 CAGR

**+6%**

2019–2024 CAGR

**+5%**

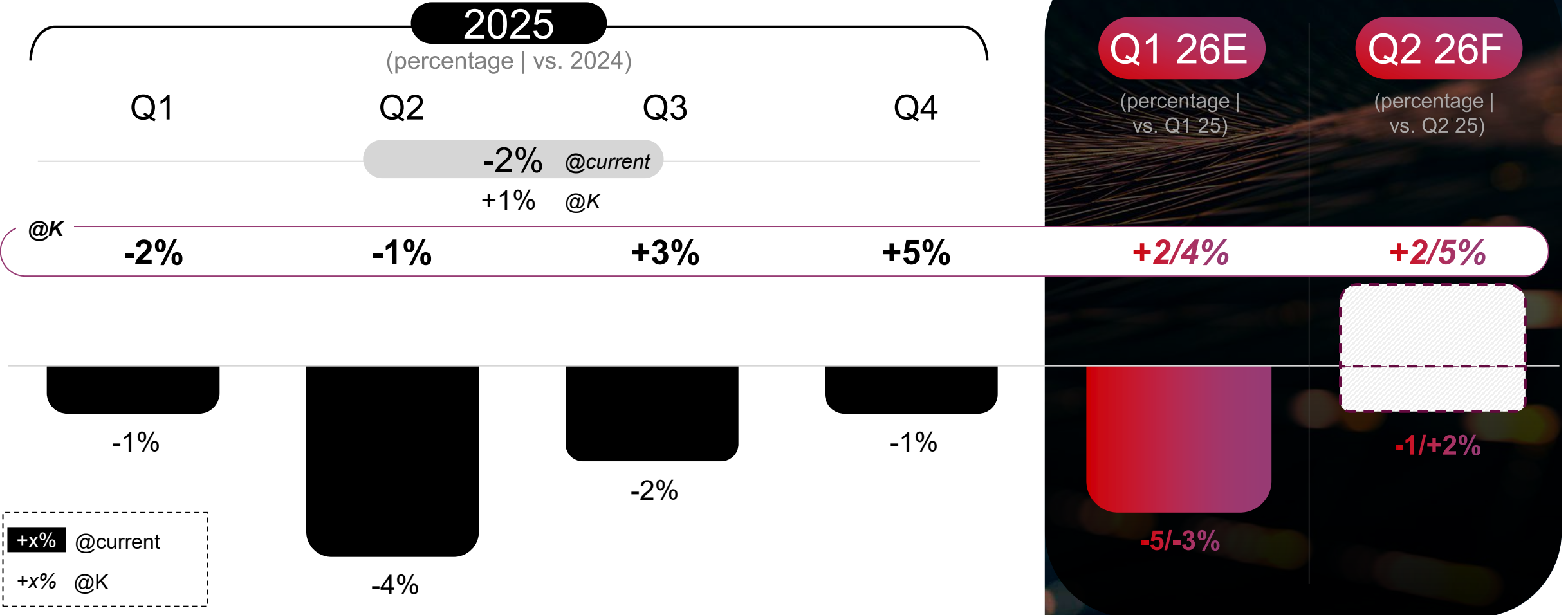
2024–2025 YoY

**-2%** @current | **+1%** @K

Notes: @K = growth at constant exchange rates

# Consumer demand softens in Q1, but better performance expected in Q2 as macroeconomic and geopolitical headwinds partially ease

Luxury goods market evolution by quarter | (2025 vs. 2026F)



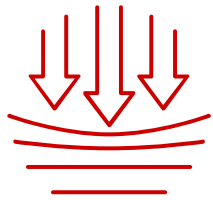
Notes: @K = growth at constant exchange rates

# Polarization persists although progressively converging

Luxury goods market growth dispersion | (Q1 25 vs. Q1 26E)

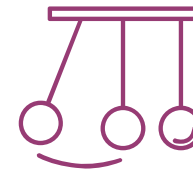
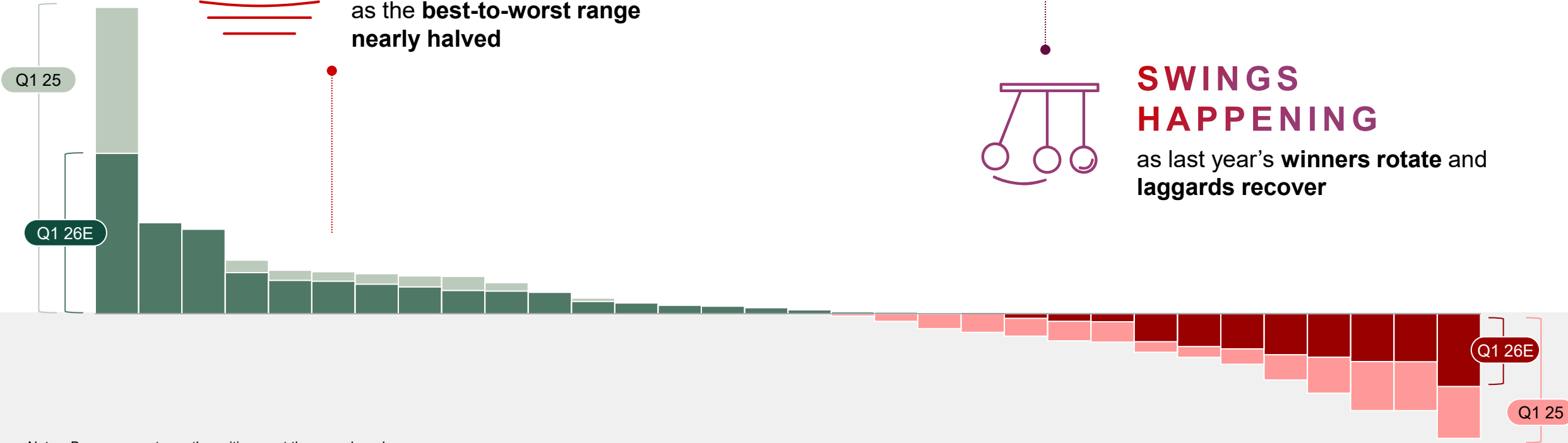
~60%

Of players  
have improved  
VS. Q1 25



## COMPRESSING TAILS

as the best-to-worst range  
nearly halved



## SWINGS HAPPENING

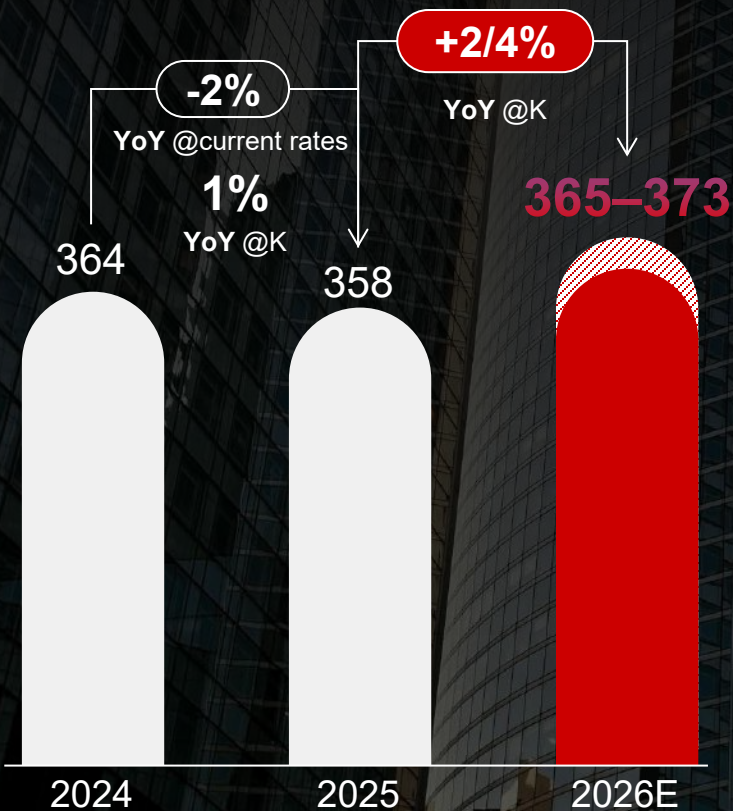
as last year's winners rotate and  
laggards recover

Notes: Bars represent growth positions, not the same brands across years

# Personal luxury goods market expected to grow +2%–4% YoY in 2026

## Personal luxury goods market

€B | 2024–2026F  
 Not accounting for exogenous disruptions



Although outlook remains **scenario-dependent**, with multiple trajectories open

**Worse**  
 0/+2%  
 YoY @K

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**Realistic**  
 +2/+4%  
 YoY @K

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**Better**  
 +4/+6%  
 YoY @K

LIKELIHOOD

Renewed regional **escalation** in Middle East  
 Tourism and travel flows **soften further**  
 Americas **soften** against **stronger comparable**



Middle East **stabilizes** to Q2 performance  
 Local consumption offsets uneven tourist flows  
 Chinese demand improves gradually



Geopolitical tensions **ease further**  
 Major events (e.g., FIFA World Cup) provide **incremental spending tailwinds** in the US  
 China accelerates its **growth trajectory**



Notes: @K = growth at constant exchange rates

MARKET TRAJECTORY

# is stabilizing **AMID** multi-axis shifts



## Rebalancing **engines**

Shifting **growth dynamics** across  
**Americas, MEA, China, and Europe**



## Shuffling **funnels**

Shifting **go-to-customer**  
approaches, disrupted by **AI**



## Amplifying **experiences**

Shifting **value systems** from  
**ownership to lived moments**



## Evolving **meaning**

Not a category, but a **moving system of meaning**, more expansive in defining what (combinations) it takes to **live well**

# Tale of three speeds: Americas accelerate, APAC recovers, Europe and MEA hold back

Q1 26E vs. Q1 25 @K:

**+2/4%**

@current:  
**-4/-2%**

## Personal luxury goods market evolution by region (YoY growth | 2026F vs. 2025, @K)

 Pulling ahead

 Recovery underway

 Navigating headwinds

### AMERICAS

Q1 26E

Q2 26 YTD

Winning on aspirational consumers' step-up



### SOUTH KOREA & ROA

Q1 26E

Q2 26 YTD

Rising wealth and new touristic corridors



### CHINA

Digital lifting momentum, despite real estate pressure



### JAPAN

Uplift on easier comparable and renewed local demand



### EUROPE

Lagging tourism, despite glimmers of visitor flows



### MIDDLE EAST & AFRICA

Key drag as geopolitical tensions weigh further






# Americas lifting the growth bar, fueled by broad affluent base and strong local brand resonance

US spending **improving** across both **soft** and **hard luxury**; beauty softening in Q2 26E

Acceleration in US spending on personal luxury goods | (p.p. change in YoY vs. previous period)

↑ → ↓ Half-year YoY trend in real terms

	H1 25	H1 26 YTD	
 <p>SOFT LUXURY</p>	↗	↗↗	<p>Everyday casualwear winning</p> <p>Relevance over reach</p>
 <p>HARD LUXURY</p>	→↘	↗↗	<p>Icons collectability</p> <p>Jewelry-led</p>
 <p>BEAUTY</p>	→↘	↗→	<p>Rising <b>competition</b> from Masstige</p> <p><b>Celebrity-led</b> relevance</p> <p>Softening in April</p>

Notes: @K = growth at constant exchange rates

With **clear growth champions** affirming

~2x

Upper-middle class spending growth vs. affluent

+4p.p.

Younger (<35y.o.) customer spending growth vs. older

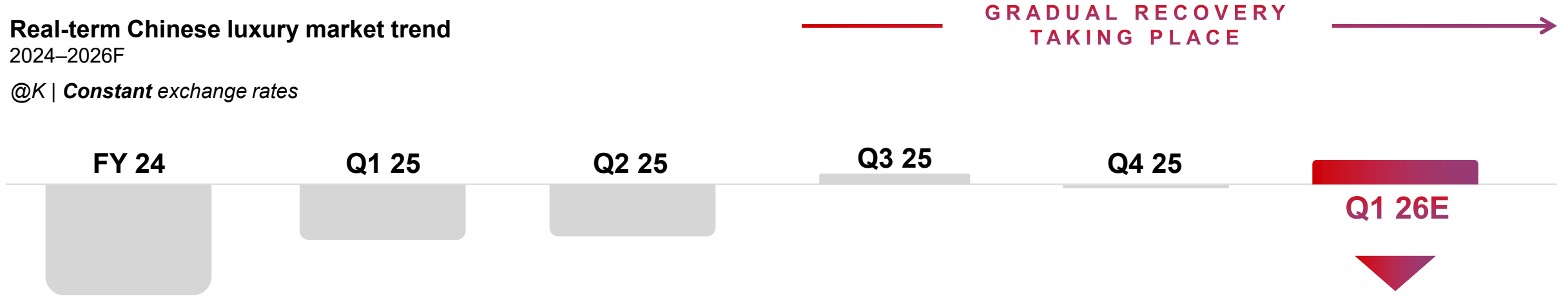
+10/15%

Average growth of US-native luxury brands (Q1 25–Q1 26E | @K)

# China's recovery gaining traction in a shifting consumer environment

Real-term Chinese luxury market trend  
2024–2026F

@K | Constant exchange rates



## Digital sales reaccelerating after a sluggish Q1 25

**+25/35%**

Digital luxury sales in China  
(Q1 25 vs. Q1 26E)

↑ ↑ Double-digit growth (vs. Q1 25)	↗ ↑ High-single-digit growth (vs. Q1 25)
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SOFT LUXURY

HARD LUXURY

BEAUTY

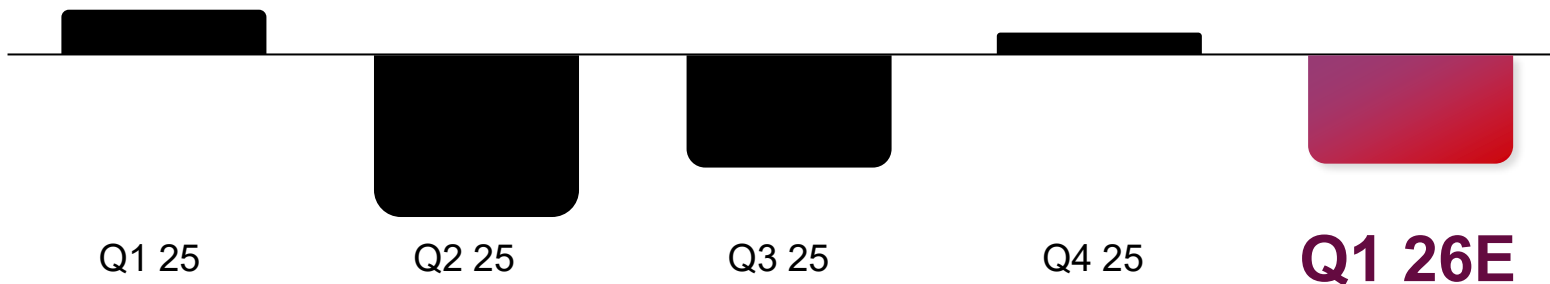
**2x** Ready-to-wear growth vs. leather goods

## Consumers redefining value

FROM	TO
FULL-PRICE	PRE-LOVED
OVERT STATUS	CULTURAL BELONGING
LEATHER DOMINANCE	REFINED RTW

# Europe's weaknesses resurface on depressed tourism

Real-term European luxury market trend  
2025–2026F



Amid signs of stabilization emerging in Q2 26

### INTERNAL DRIVERS

- Local tourism endurance
- Educated audience
- Heritage-driven high-end stronghold

### EXTERNAL DRIVERS

Acceleration in tax refund growth by key nationality (Q2 26YTD vs. Q1 26)

Nationality	Growth
US Americans	↑ ↗
Chinese	↑ ↗
Middle Eastern	↑ ↗

↑↑ High-double-digit  
↑↗ Mid-single-digit to low-double-digit

In May vs. April only

## MEA: conflict-driven uncertainty weighed on Q1–early Q2 spending

- SHOPPING MALL SOFTNESS
- FOOT TRAFFIC EROSION
- SPEND MIGRATION

# -25/-15%

drop in Q1 26E in GCC luxury consumer base

# Shifting tourist flows

remix nationality weights in the market

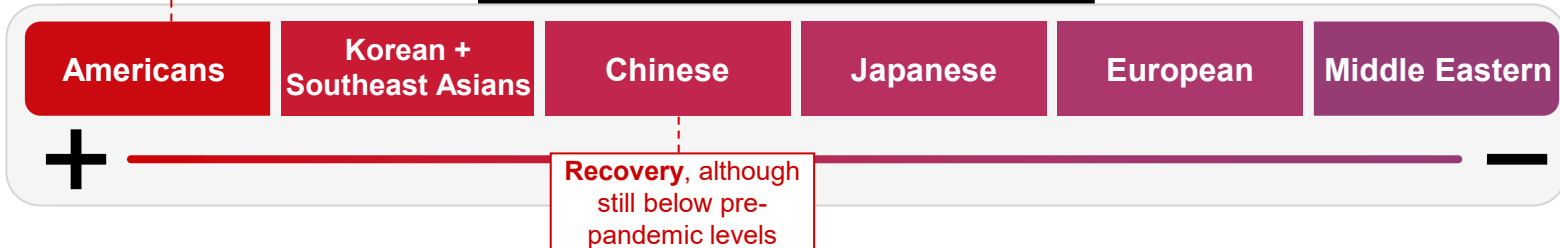
Difference vs. 2025

→ Higher

→ Lower



YoY change by nationality YTD 26E VS. 25



With **Chinese** demand driving reshuffle in APAC

## 📍 SOUTH KOREA



Magnet for Chinese inflows



AI-driven wealth fueling local demand



High-ticket categories outperform

## 📍 JAPAN



Chinese flows below historical trends, growing Korean inflows



Jewelry leads; soft luxury rebounds



Dept. stores as new clienteling hubs

# As flows shift, journeys evolve: consumers reimagining distribution paradigm



## Emotion over transaction

Consumers buy into **atmospheres, identities, and brand world**

Beyond the **store experience**



## Seamlessness across the journey

Path to purchase is no longer linear

Consumers move **fluidly** across channels



## Immediacy as the new baseline

**Next-day delivery, instant availability, real-time service**

No longer a mass-market privilege

### AMID STALLED CHANNEL LANDSCAPE



#### Outlet

still capturing some aspirational spillover



#### Mono-brand

experience-led, but under volume pressure



#### Direct online

stabilizing as brands tighten control over direct to consumer



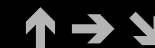
#### Multi-brand

caught between brand pullback and consumer demand



#### Travel retail

recovering unevenly, GCC flows volatile



# AI is redefining luxury relevance

Consumers increasingly discover, compare, and validate through AI

~50%

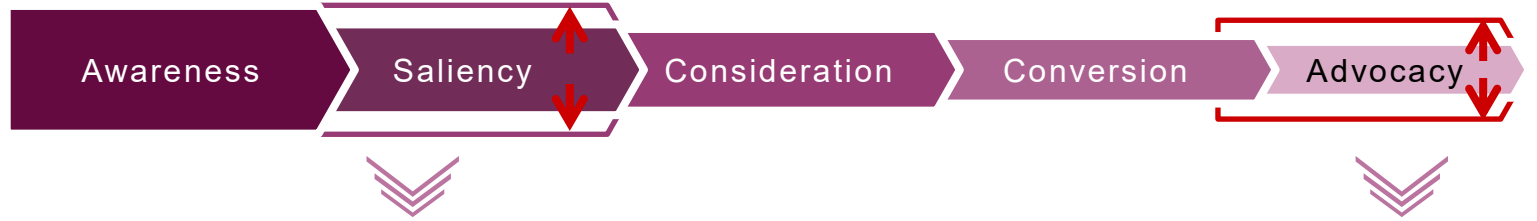
already use AI in their luxury journey

~100%

plan to reuse it

**1 in 4**  
luxury consumers  
in brand & product discovery

**2 in 3**  
consumers leverages on AI for  
product comparison



Drive **memorability**  
to stay **salient everyday**



Win **advocacy**  
making **each customer**  
a **recommendation engine**

Build **AI-native relevance**  
Intentional **diffusion** + Enhanced **narratives**

In an **AI-shaped** journey, **emotional connection** matters even more. Brands must become **meaningful** to both **people** and **machines**

# Sports reshaping narratives

As sport becomes  
deeply rooted in  
consumers' lifestyle,  
brands are weaving it  
into their narratives to  
**connect with broader  
audiences**

## Sport events **luxury-fying**

**>35%**

Of luxury consumers engage with **sports events** as **status-driven social experiences**

**>30%**

**Luxury retail and fine dining receipts** during last F1 season races

### Sharp upper-funnel investments

**80%+**

**Market value** represented by brands that sponsored **sports experience** in last 12 months



**Awareness and saliency at scale**



**Cultural credibility**

### Lower funnel yet to be exploited

**~3 out of 5**

luxury consumers plan to **increase spend on sportswear-born brands**



**BUSINESS POTENTIAL YET TO BE REVEALED, WITH AUTHENTICITY AND CREDIBILITY AS THE KEY UNLOCKS**

# Differential category performance

BEAUTY

Fragrances



Cosmetics



HARD LUXURY

Jewelry



Watches



SOFT LUXURY

Eyewear



Apparel



Leather



Shoes



H1 26 YTD YoY growth trend in real terms

## Shaped by **evolving** consumer priorities

**Wardrobing** fragrances

GLP-1 lifting new consumption occasions

**Connoisseurship** overtaking hype

**Vintage codes** shaping desirability

**Creative renewal** reigniting demand

**Nostalgia** fueling newness

**WHILE PRE-LOVED CONTINUES TO THRIVE**



**Jewelry growth leader**

Key audiences

Growth hotspots

Gen Z

China

Female collectors

US



**Vintage mania** driving momentum

**>2x**

Increase in vintage bag searches vs. last year

**~50%**

Shoppers consider resale before buying new

As brands seek new audiences, demand for **high-end experiences** is shifting toward **emotion- and purpose-led moments**

WHY



**INTENTSCAPE**

Experiences anchored in **purpose**: wellness, self-discovery, culture

WHERE



**Elsewhereism**

Shift toward **less-crowded, nature-led settings**

HOW



**Immersive Wayfaring**

Bespoke, **slow-travel experiences** rooted in **discoveries** and **traditions**

WHO



**Skip-gen & Inheritourism**

Multigenerational experiences shaping **early brand affinity** and **personal rituals**

**+20%**

Trips to destinations **beyond the traditional tourism hotspots**

**+30%**

**Immersive Experiences** bookings across dining, leisure, and entertainment

**~50%**

of Zillennials<sup>1</sup> say their **tastes and brand preferences** have been **shaped by parents**

**TREND VS. LAST YEAR**  
(BASED ON BAIN LUXURY CONSUMER RESEARCH)

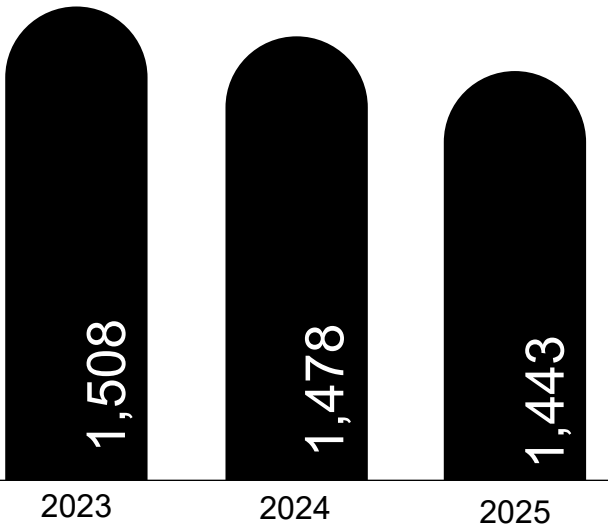
Note: (1) Zillennials refers to a generation between Millennial and Gen Z

# Global luxury market points to gradual stabilization, though macro shifts may reshape travels and spill over into both tangibles and experiences

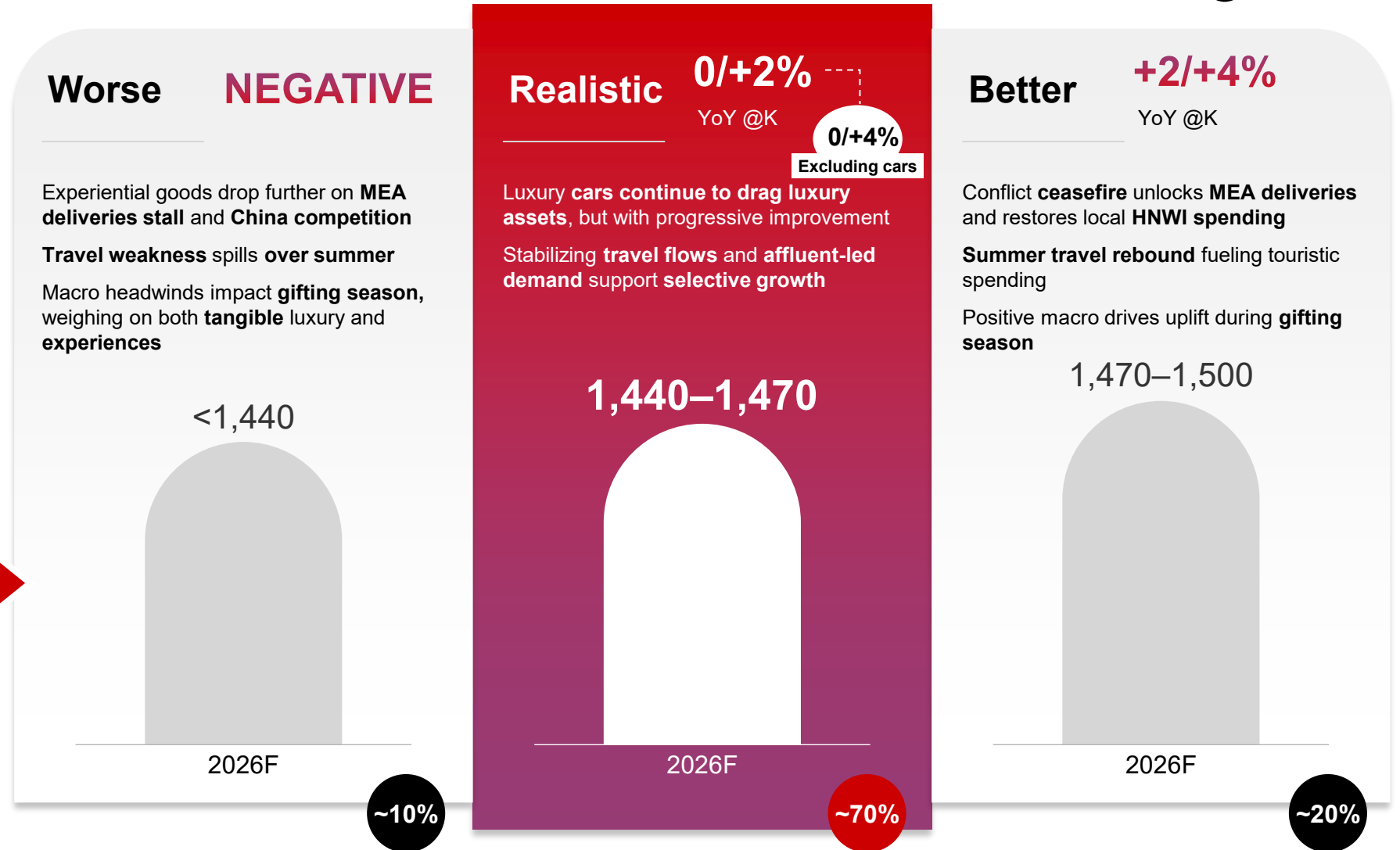
X% = likelihood

## Global Luxury Goods market evolution

€B | 2023–2026F  
Not accounting for exogenous disruptions



Note: @K = growth at constant exchange rates



EVOLVING MEANING



ELITISM  
ERA

ASPIRATION  
ERA

SELF-  
EXPRESSION  
ERA

AMPLIFICATION  
ERA

Acting as a  
codified **marker  
of status**

Expanding toward  
**emotional  
value**

Nurturing  
**selfhood** through  
**identity**

EVOLVING  
from social validation to  
*self-actualization*

Resonating  
exclusively with a  
**narrow elite**

Widening access  
to **aspirational**  
segments

Belonging through  
**(individual)  
tribes**

EXPANDING  
from possessions to  
*inward* self-time & *well-being*  
*outward* richer & *lived moments*

Concentrating  
value in  
**exceptional  
creations**

Broadening  
toward entry  
products and  
**indulgences**

Manifesting value  
in **distinctive  
codes**

REDEFINING  
from *being admired*  
to *feeling fulfilled*

LIVING WELL

EXPRESSION

REWARD

STATUS

Meaning of  
luxury is  
amplifying

Luxury no longer  
defines what people  
own.

It increasingly  
defines how  
they live.

# Customer is increasingly\_

## \_purposeful

No longer buy products

They buy **signals**

## \_demanding

Harder to **impress**

Easier to **lose**

## \_fragmented

No longer fit into **segments**

They move **between worlds**

## \_judging

Benchmark is **no longer luxury**

It's the **best experience** they can have, **anywhere**

In a world of shifting behaviors, traditional segmentation is losing its power

**Brands need a continuously evolving understanding of consumers**

Leveraging AI to hyper-segment their consumer bases and test, iterate, and refine strategies before scaling

# To remain relevant, brands are asked to deliver meaning under new, multiple shapes



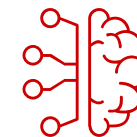
## Wonder

A world to  
**experience**



## Culture

A purpose to  
**live in**



## Participation

A platform to  
**coauthor**

Longevity escapes

Untamed sanctuaries

Cultural relevance

Community

AI-enabled creativity

Personalization at scale

**APPETITE** for luxury remains strong.  
The **TOLERANCE** does not.

**70+%**

of lost customers  
intend **to return to  
luxury**  
**Not** necessarily to the  
**same brands nor  
categories**

As meaning becomes the new currency,  
brands will be **CHOSEN**—or **LEFT BEHIND**



**Luxury** now competes beyond luxury

as consumers increasingly redefine what feels valuable



**Winning** is becoming harder to sustain

as innovation cycles are accelerating



**Meaning** must be continuously reinvented

as cultural relevance now expires faster

THE MOMENT  
IS NOW

TO WIN THROUGH  
**MEANING AMPLIFICATION**

THANK YOU



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## Claudia D'Arpizio

**Partner, Bain & Company**

Leader, Global Fashion-Luxury Goods vertical



Claudia has spent almost 30 years advising multinational luxury and fashion clients on everything from strategy and new product development to innovation and organizational change.

She is the lead author of the Bain Luxury Study, one of the most cited sources of market information in the luxury industry.

In 2009, Claudia was also recognized as one of the Top 25 Consultants in the World by *Consulting Magazine*.

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## Federica Levato

**Partner, Bain & Company**

Leader, EMEA Fashion-Luxury Goods vertical



Over the last 20 years, Federica has led more than 300 assignments in the fashion and luxury industry on issues relating to corporate and brand strategy, portfolio management, merchandising, retail and wholesale excellence, digital acceleration, millennial strategies, marketing and communication, and more.

Alongside Claudia D'Arpizio, Federica is the coauthor of the Bain Luxury Study, one of the most cited sources of market information in the luxury industry.

# Bain contacts

**For any questions or further discussion, please contact:**

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## **Press**

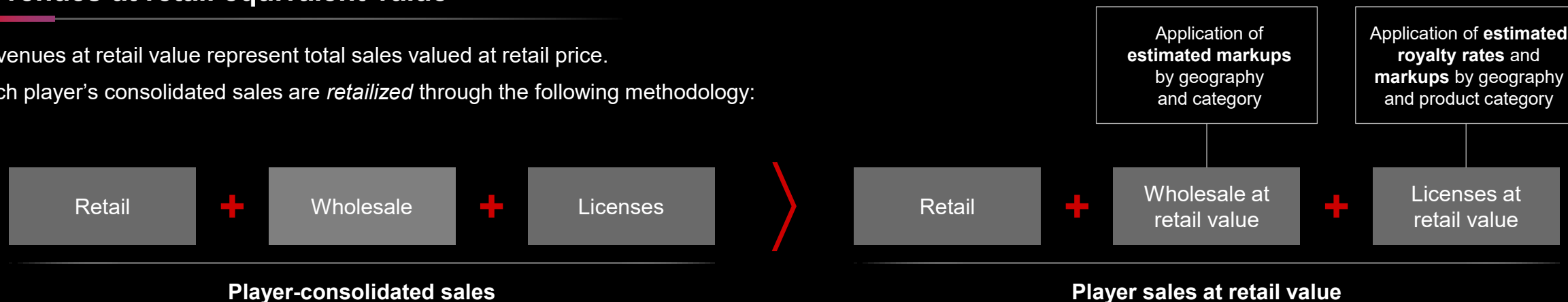
- Orsola Randi (Italy)  
[orsola.randi@bain.com](mailto:orsola.randi@bain.com) or +39 340 408 2256

# Methodology of the study

## Revenues at retail equivalent value

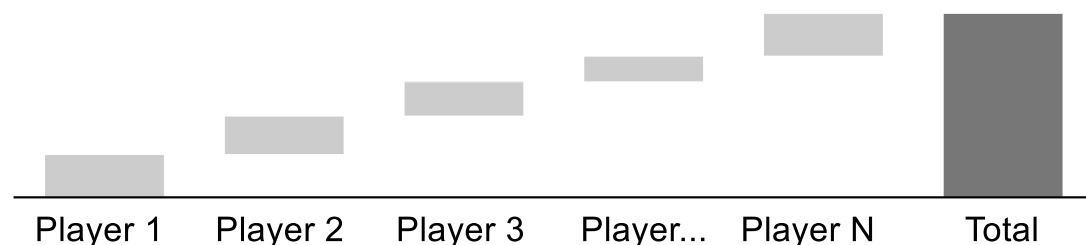
Revenues at retail value represent total sales valued at retail price.

Each player's consolidated sales are *retailized* through the following methodology:



## Bottom-up and top-down estimates

### Bottom-up



We add brands' individual retail values ...

### Top-down

- Industry-specific (e.g., watches vs. beauty) data in the main geographical markets
- Comparison between market breakdown and turnover breakdown for key players
- Interviews with industry experts (top management of brands, distributors, department stores, etc.)
- Consistency check on the data and fine-tuning

... we cross-check results

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