

LUXURY MARKET

THE WALL STREET JOURNAL. BARRON'S GROUP



AGENDA

I.

Demographic Trends / Wealth / Wealth Transfer

II.

Luxury Market
Travel
Luxury Goods

III.

Trends in Luxury

IV.

Luxury Across Generations



DEMOGRAPHIC TRENDS

WEALTH

WEALTH TRANSFER



+7.8%

HNWI Population



+8%

HNWI Wealth

22.5MM

Global number of individuals per wealth band (2021)

ULTRA HNWI \$30M+

220,100 [1% of HNW individuals, 34% of net worth]

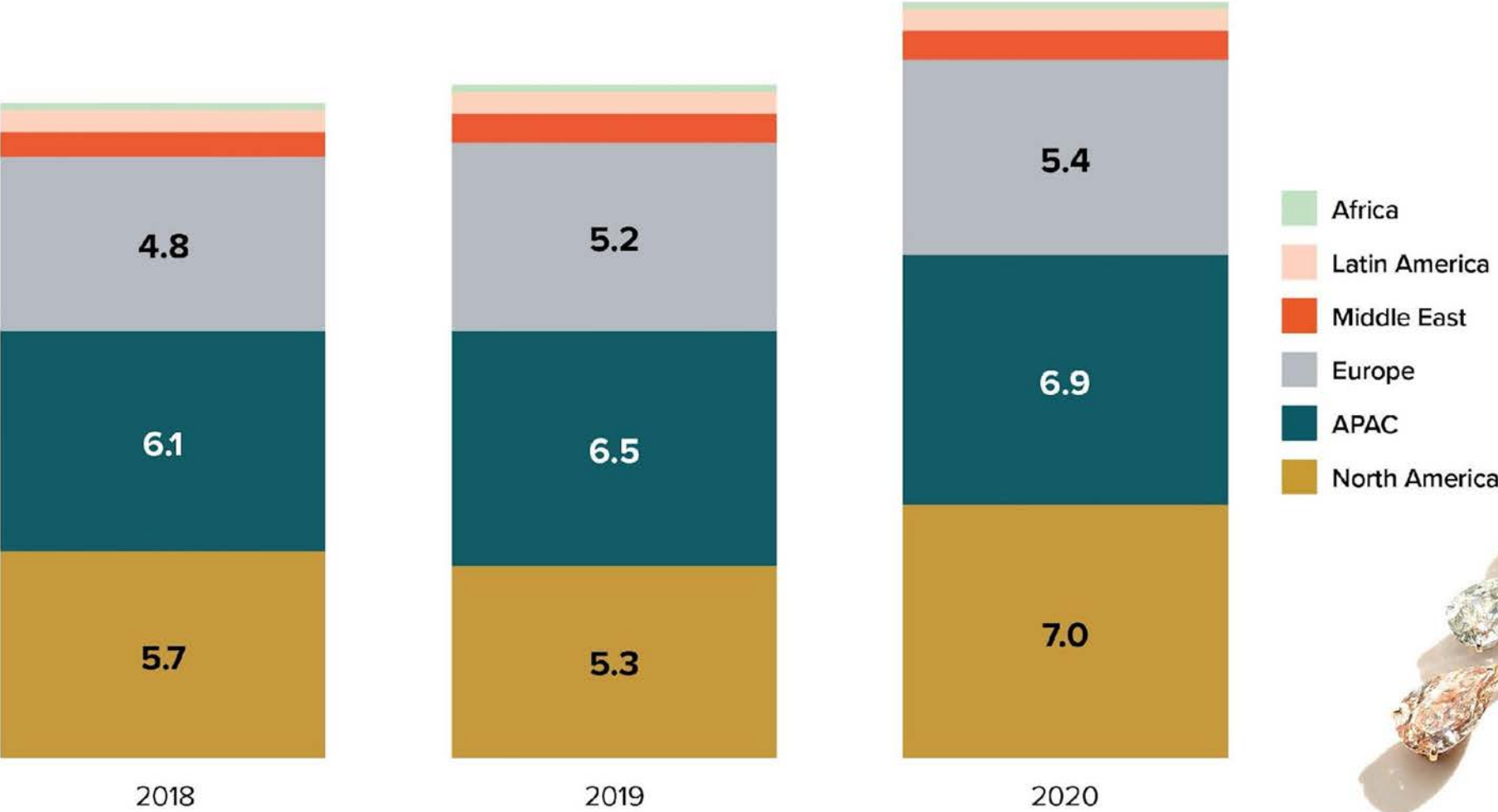
MID-TIER MILLIONAIRES \$5M - \$30M

2,055.0K [9.1% of HNW individuals, 22.8% of HNW wealth]

MILLIONAIRES 'NEXT DOOR' \$1M - \$5M

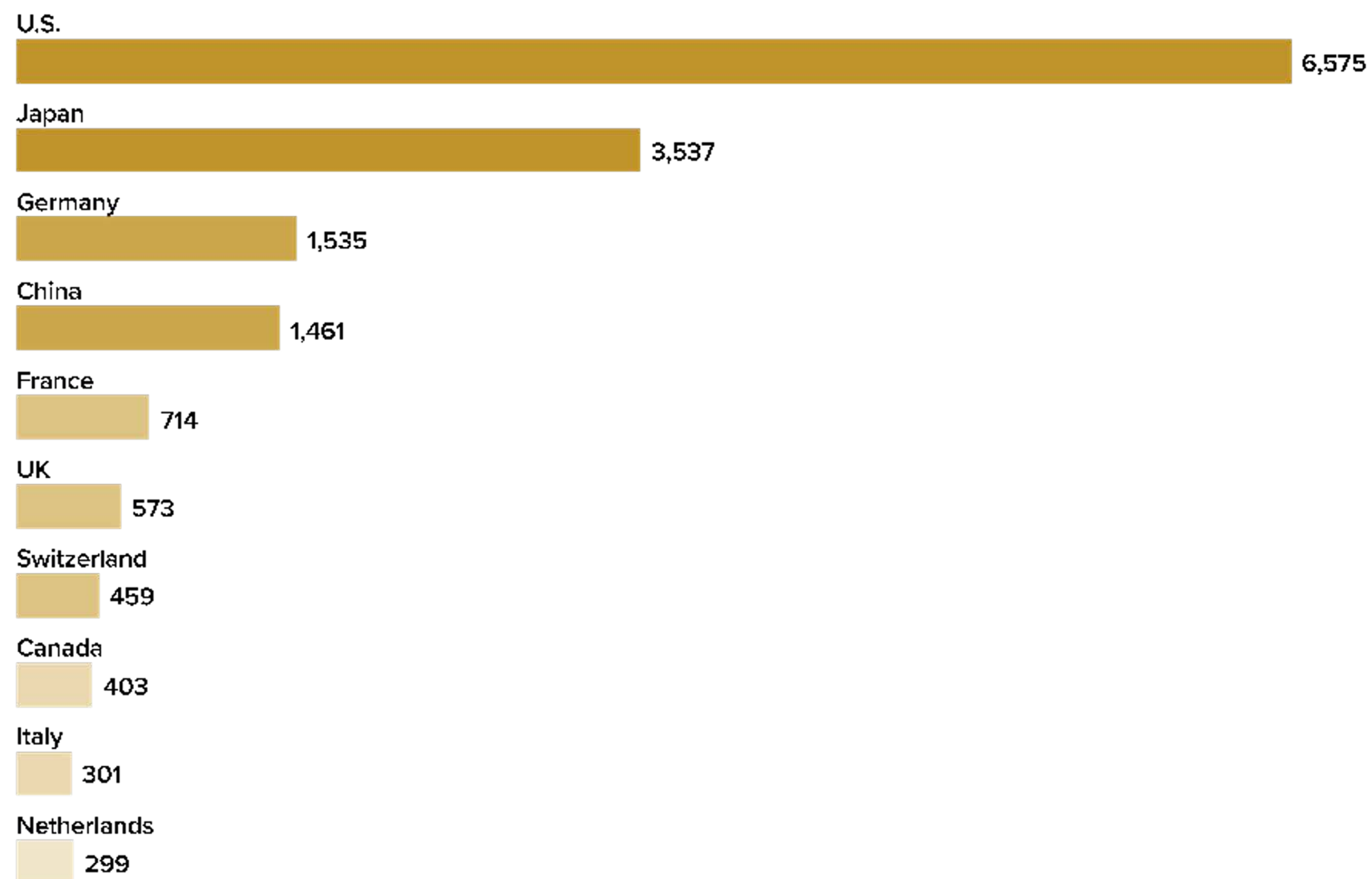
20,183.9K [89.9% of HNW individuals, 43.2% of HNW wealth]

NUMBER OF HNWI (MILLIONS)



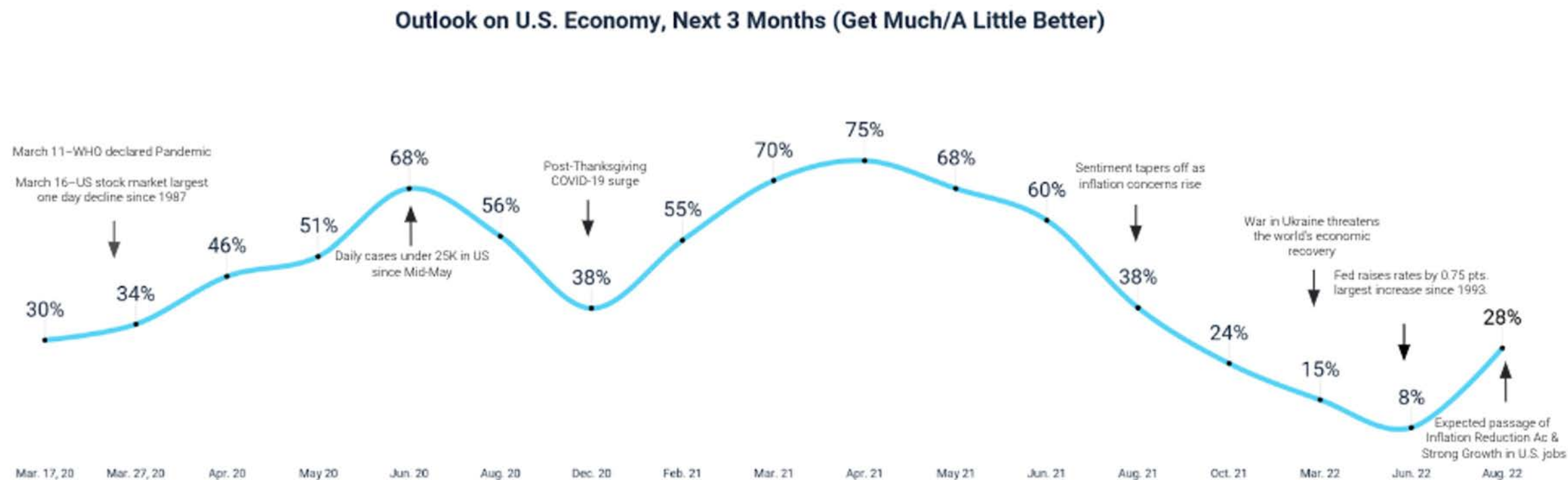


TINWI POPULATION (THOUSANDS)



Level of Optimism in the U.S. Economy is Increasing

Rising optimism towards the future of the economy expected as a result of strong growth in U.S. jobs & expected approval of Inflation Reduction Act.



Source: WSJ | BG Intelligence Consumer Confidence & Economic Monitor. Base: Total Respondents: March 17-20, n=584, March 27-April 1, n=664, April 10-15, n=615, May 4-8, n=1010, June 18-24, n=636, August 14-19 n=600, December 4-9 n=701, February 2-12 n=649, March 1-8 n=514; April 5-9 n=744; May 7-11 n=657; August 4-18 n=659, October 15-30 n=635, March 7-15 n=761; June 15-29 n=740; August 11-15 n=755 Q. During the next 3 months, do you think that the nation's economy will get better, get worse or stay about the same?

AVERAGE WEALTH

At Age 31:



Millennial (25-41)

\$140,000



Gen X (42-56)

\$152,000



Boomer (57-75)

\$221,100

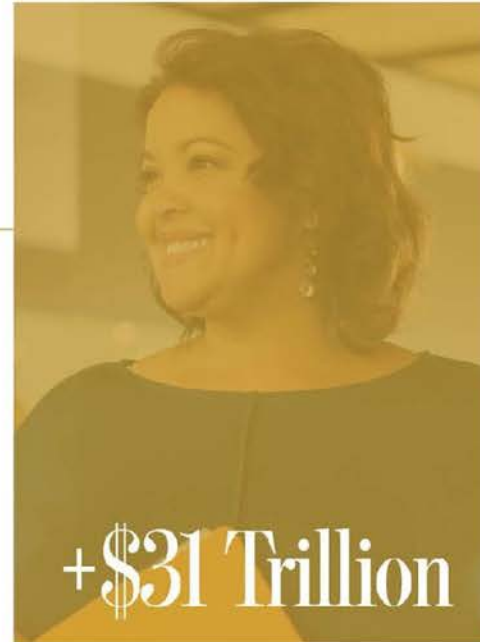
At age 34

\$61 Trillion



Millennial

72MM



Gen X

65.2MM



Boomer

71.6MM

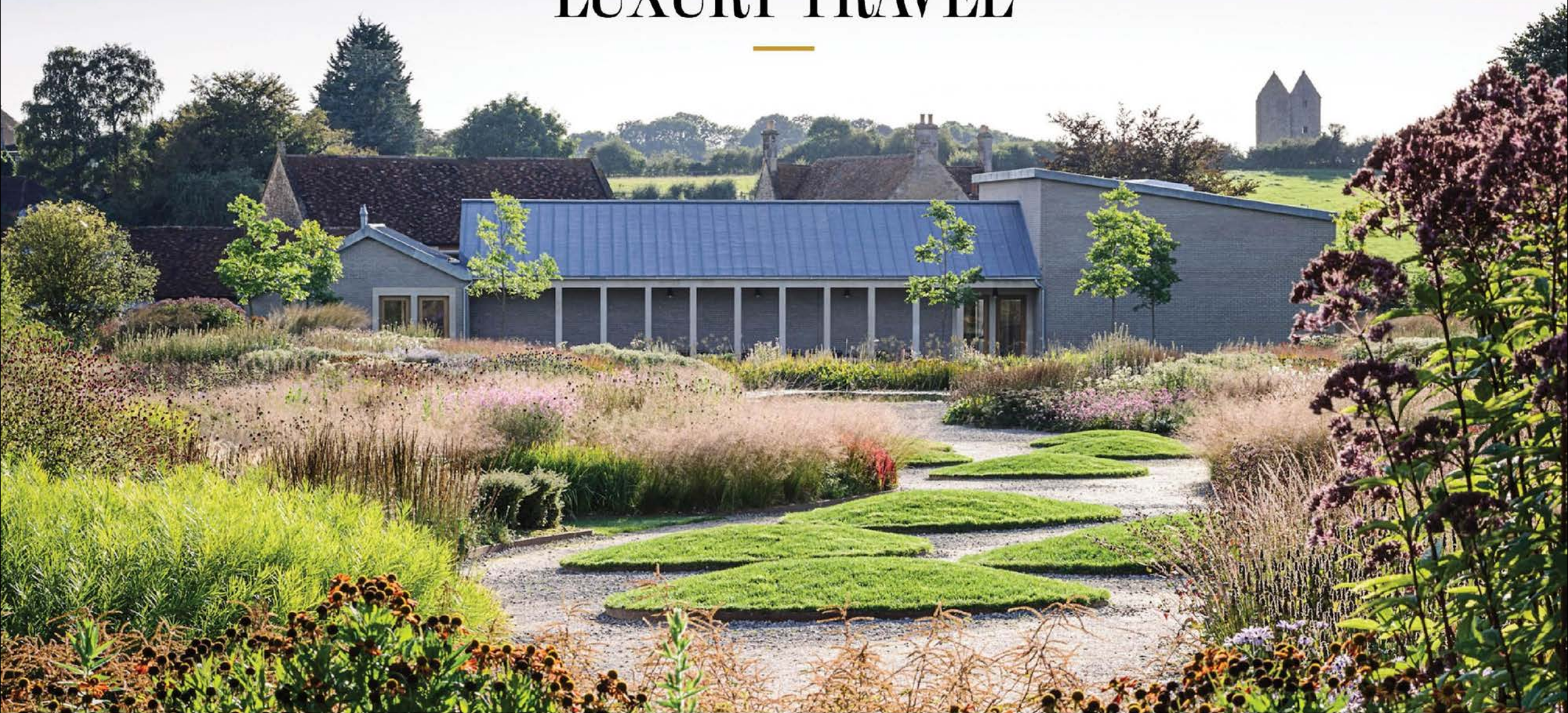
WEALTH INHERITED BY GENERATION, U.S.

2018 - 2042

LUXURY MARKET



LUXURY TRAVEL







LUXURY TRAVEL EQUALS PAMPERING & STATUS

Luxury travel motivations:

1. I appreciate the **pampering experience** that going on a **luxury vacation** offers
2. I like to travel in **luxurious style**
3. I'm **proud** that I'm **able to afford luxury travel**
4. I go away to do nothing but **relax and recover from the stress of everyday life**





LUXURY GOODS



THE PANDEMIC IS DIFFERENT THAN THE 2008 RECESSION, WITH DIFFERENT IMPLICATIONS FOR LUXURY

51%

Embraced **online shopping as a social distancing hobby**

41%

Made **impulse purchases to cope with stress, loneliness or anxiety during pandemic**





Global Luxury Goods

+17-19%

at current exchange rates

Q1 2022 vs. Q1 2021



UNIQUE PRODUCTS & THEIR BRAND HERITAGE ARE MOTIVATORS

Luxury goods mean to them:

1. It means something when a brand has **a longstanding heritage behind it**
2. I appreciate that luxury goods are **exclusive, but also unique**
3. I purchase luxury items as a splurge to **treat myself**
4. **I'm proud** that I'm able to afford luxury items

LUXURY GOODS
PRICES ARE
UP SUBSTANTIALLY



+57%

Jewelry



+10%

Handbags



+15%

Fashion



TRENDS IN LUXURY



FROM CONSPICUOUS LUXURY TO CONSCIENTIOUS LUXURY



32%

of luxury goods consumers
say it's **very important** for
luxury goods brands to
participate in a social cause

LUXURY CONSUMERS AND SOCIAL GOOD



59%

of luxury goods consumers say
'even if a luxury brand does
not support social causes,
I will still buy from them'

A MOVE ONLINE



+14.2%

2021 vs. 2020

+51%

2022 vs. 2019

LUXURY ACROSS GENERATIONS



A LOOK AT GENERATIONS



Millennial (25-41)
Young Professionals.



Gen X (42-56)
Mid-Career Accomplished.



Boomer (57-75)
Enjoying Life.

EXPECTATIONS FOR LUXURY GOODS MARKETING IS IMPACTED BY GENERATIONAL VALUES & EXPECTATIONS

More Demanding

Less Demanding



Millennial

- Highlight efforts the brand is taking to assist within current events (83%)
- Feature people that look like me/my community (83%)
- Spread awareness about a social cause (81%)



Gen X

- Feature people that look like me/my community (67%)
- Highlight the effort the brand is taking to fight/assist the current events (65%)
- In the form of a giveaway (64%)
- Spread awareness about a social cause (63%)



Boomers

- Feature people that look like me and my community (38%)
- Highlight the effort the brand is taking to fight/assist the current events (37%)

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TRUST YOUR DECISIONS

THANK YOU

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