

MARKETING

Luxury outlook across sectors in 2018

January 18, 2018



Looking toward the future road ahead in luxury

By STAFF REPORTS

NEW YORK Luxury is constantly being redefined and will continue to evolve throughout 2018.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

There is a prediction for slow, but increased growth in the luxury industry this year. In a fireside chat at on Luxury FirstLook 2018 on Jan. 17, Milton Pedraza, CEO of [Luxury Institute](#) sat down with *Luxury Daily's* editor in chief, Mickey Alam Khan to discuss his predictions across all luxury sectors in the year to come.

"There is no predicting the future as there is adapting constantly what is happening in real time," said Mr. Pedraza.

Luxury Daily produced Luxury FirstLook 2018: Exclusivity Redefined

Entering a new unknown

Mr. Pedraza offered a brief outlook on 12 industry sectors. Mr. Pedraza predicts a 5 percent increase for overall luxury businesses in 2018.

1. Real estate Millennials lack the ability to afford what they want to buy, but regardless there will likely be a surge in the ultra-luxury with the decline of the dollar and the safe haven real estate offers.
2. Travel and hospitality There will be a continual growth, but there are too many options, and with Airbnb offering an affordable option to millennials, there is limited growth with that population.
3. Automotive Some think that this sector has peaked, 2017 seems to have been a crescent point for consumers, so 2018 will likely see a flattening out or a downward trend.
4. Leather goods There is a demand, but there are too many options on the market from those pretending to be part of the luxury market. Also, there are a lot of luxury brands keeping bricks-and-mortar stores open because of the cost of breaking a lease.
5. Apparel and accessories Luxury brands in this sector have suffered from non-luxury brands copying looks. Brands such as H&M and Uniqlo offer cheaper options that challenge luxury.
6. Watches and jewelry - This category is a brand, by brand basis, but there is a resurgence in this sector with millennials demonstrating an interest in vintage and high-end watches.

7. Art Art will always be consumed in high demand by the wealthy. Even in the mainstream consumer market, consumers engage with art.
8. Fragrance There is a growing demand, there is innovation in the sector and there will likely be a resurgence in fragrance.
9. Spirits and wine There will be a slow in growth for spirits, but tremendous growth in wine. Millennials are willing to spend more on wine, creating a surge in the industry.
10. Home furnishings This is a growing category, however, the growth may not be seen in luxury. As millennials between 28 to 34 years of age get married and move into larger living spaces, there is a demand for home furnishings.
11. Healthcare and wellness There is a huge demand for aging consumers and new innovations within the field. Wellness options continue to increase as there are more personal services available.
12. Retail This sector is reinventing itself. It is reorganizing and revitalizing.

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.