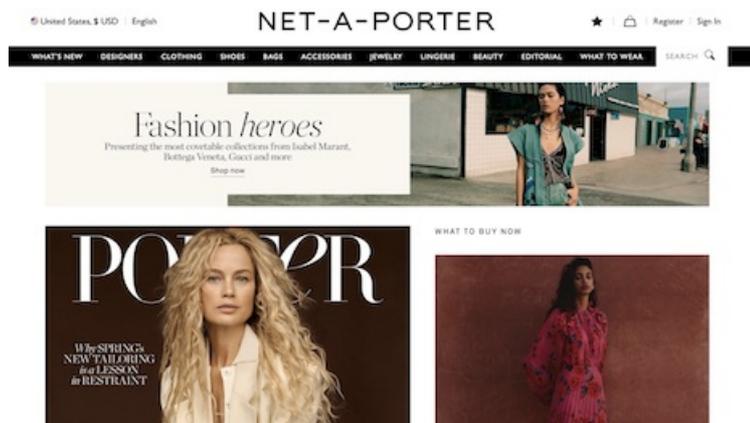


RETAIL

Luxury ecommerce sales have shifted throughout pandemic: report

November 3, 2020



Luxury brands have seen a surge in ecommerce revenues since the start of the pandemic. Image credit: Net-A-Porter

By SARAH RAMIREZ

Consumer behaviors continue to evolve during different stages of the coronavirus pandemic, leading to an uneven ecommerce boon across sectors.

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According to new data from personalization software platform **Qubit**, categories including luxury and fashion have seen their online visits and revenues rebound from the start of the pandemic while others have stabilized after dramatic surges. To ensure continued success, luxury brands will have to continue to invest in their ecommerce presence.

"The most surprising or interesting finding was to see luxury ecommerce revenue up by almost 115 percent over last fall," said Tracey Ryan O'Connor, vice president of North America and head of global sales at Qubit, New York. "This growth is especially significant as it exceeds the increase in ecommerce visits over the same period, up 36 percent.

"It's a positive indicator for luxury brands who have been very careful in their transition to ecommerce, a carefulness that makes sense given the importance of the in-store experience to luxury brands and their consumers," she said.

Qubit compared online visits and revenues from the United States and United Kingdom during September 2020 to September 2019 as well as April 2020, when most non-essential stores in both countries were locked down.

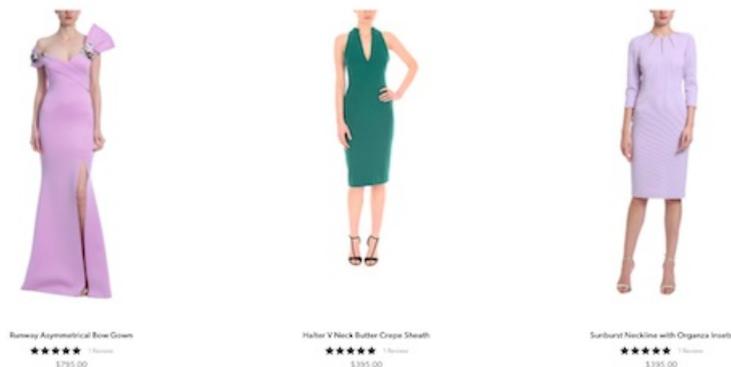
Ecommerce boosts

Affordable luxury, which Qubit defines as having a price tag between \$500 and \$1,000 an item, was one of the categories hardest hit at the start of the pandemic.

From April 2020 to September 2020, online visits are now up 82.39 percent and revenues are up 122.66 percent. Compared to September 2019, visits for affordable luxury are only down 3.54 percent for the year while revenue is actually up 11.68 percent year-over-year.

"The bounce back in affordable luxury in ecommerce, when looking at the Sept 2020 figures, can likely be attributed

to two main factors: easing of lockdown restrictions and changes to consumer confidence levels," Ms. Ryan O'Connor said. "As cities re-enter lockdowns and the pandemic drags on, we'll keep a close eye on affordable luxury but hope that the bounce back continues."



The Badgley Mischka website was revamped in summer 2020. Image credit: Badgley Mischka

Luxury ecommerce is having an even stronger year.

Online visits have jumped 36.32 percent from September 2019 to September 2020, with revenues having grown 114.90 percent. From the start of the pandemic, however, luxury gains have been more modest with revenues up 0.81 percent from April to September 2020 and online visits up 19.80 percent in the same period.

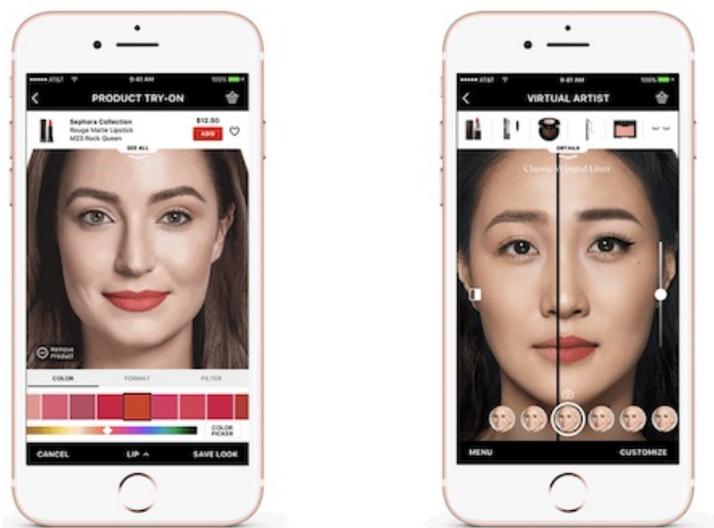
Similarly, the general fashion category has seen online visits increase 16.35 percent from April 2020 to September 2020. Revenues are also up since April, having grown 11.75 percent.

Compared to last fall, fashion visits have increased 5.66 percent and fashion revenues are up 14.80 percent. Revenue-per-click has only seen a dip of 1.68 percent from September 2019 to September 2020.

Other categories that saw ecommerce surges at the start of the pandemic have since stabilized to an extent.

Beauty ecommerce has experienced drops in site visits and revenues from April to September 2020, at a rate of 11.83 and 3.70 percent, respectively.

The picture for beauty is brighter when compared to September 2019, as consumers have become more accustomed to shopping for cosmetics and personal care items online. Year-over-year, online beauty visits are up 18.03 percent while revenues are up a staggering 78.04 percent.



Sephora's Product Try On and Virtual Artist apps. Image credit: Sephora

"The in-store experience had traditionally been paramount to the beauty consumer and difficult to replicate online, even with many brands' digital investments in shade finders, virtual try-ons, etc.," Ms. Ryan O'Connor said. "Now, after buying online for several months, they've likely grown more comfortable or even accustomed to the switch."

Meanwhile, general retail including home, garden, furniture and pharmacy saw online visits and revenues fall 22.28 and 44.00 percent, respectively, from April to September 2020. Year-over-year, however, online visits have gained

22.41 percent and revenues have grown 49.30 percent.

Looking at luxury

While exponential ecommerce growth in the luxury sector has helped high-end brands rebound from the pandemic, in-store experiences will remain crucial since they cannot be easily replicated online.

Luxury brands are continuing full-speed ahead with investments in bricks-and-mortar.

Throughout the summer, French luxury groups LVMH and Kering have reopened newly renovated and relocated stores across the globe. Luxury label Herms has also unveiled new and revamped boutiques recently ([see story](#)).

Despite the continued focus on bricks-and-mortar stores, luxury retailers are also improving their ecommerce offerings to appeal to consumers who remain wary about in-store shopping.

U.S. department store Saks Fifth Avenue is progressing the standard of luxury ecommerce with its new site.

This is the first comprehensive website replatforming and redesign from [Saks](#) in the last five years. Using Salesforce Commerce Cloud, saks.com now emphasizes fashion, convenience and personalization while ensuring flexibility for future enhancements ([see story](#)).

"We predict continued growth in luxury's online segment and luxury brands should continue to ensure they're poised to best engage with their consumers online," Qubit's Ms. Ryan O'Connor said. "This means curating impactful digital experiences for both types of consumers.

"For new visitors, either those who have never shopped with your brand before or never purchased with you online, this also means properly educating consumers on your brand, heritage, legacy, in addition to visibly noting returns or exchange policies," she said "For returning visitors, it means curating more personalized digital experiences across all channels, and as consistent with the luxury in-store experience as possible.

"Continued success in online luxury means replicating many of the items that have always been so crucial and unique to luxury's in-store experience."

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