

RESEARCH

How millionaires define luxury in 2021

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*Agility Research & Strategy has released its 2021 luxury report, giving us a peek at how global millionaires plan to spend over the coming year.
Image credit: Chanel's Weibo*

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Luxury market researcher Agility Research & Strategy has released its Agility Global Millionaire Luxury Report for 2021. According to a [press release](#), the company conducted extensive research in the United States, China, India, United Kingdom, France and Japan by interviewing a pool of more than 1,000 millionaires between February and April 2021. The report gives an outlook on income and luxury spending among global high-earners.

High earners in [India](#), China and the U.S. were found to be the most optimistic of global millionaires. China and the U.S. have addressed the global pandemic faster than most countries. Therefore, their economies have picked up speed after remarkable recoveries. So it is unsurprising that consumer confidence in those countries is positive.

In China, 63 percent of millionaires are optimistic about their financial future, expecting an increase in disposable income. Meanwhile, 29 percent believe their financial situation will stay the same, and 8 percent expect a decrease in disposable income.

In the U.S., 64 percent of respondents have a positive outlook, while 27 percent don't see any changes in their financial goals. Nine percent felt negative about their future.

Amrita Banta, managing director of Agility Research, believes the positive trend will impact luxury consumption.

"Contrary to what one would think, wealthy millionaires have been spending on luxury products and experiences across markets, and that includes gifting luxury to others as well as buying for themselves," Ms. Banta told *Jing Daily*. "Chanel, Dior, and Cartier are the top-three gifted brands in this study."

In fact, 35 percent of Chinese HNWIs and 26 percent of affluent respondents intend to increase [spending on skincare](#) over the next six months.

Smartphones and fashion accessories will also profit from this positive trend as 34 percent of Chinese HNWIs plan to increase spending on these discretionary categories.

Interestingly enough, there is also a strong interest in [vintage luxury](#), with 41 percent of Chinese respondents expressing interest in making a vintage luxury purchase in the future.

The report also highlights how the global pandemic has changed the lifestyle and goals of many millionaires, giving birth to a new concept of luxury.

While American consumers still associate luxury with higher-levels of quality and exclusivity, middle-aged millennial millionaires believe [health and wellness](#) are new luxuries. But the study also found "a more complex and diverse definition of luxury among Chinese millionaires."

"Luxury in China has continued to evolve, and in our interviews with the wealthy, we find it has taken a new meaning," Ms. Banta said. "It also means freedom, enjoyment, and health, which are all new notions for luxury."

Some affluent Chinese consumers still associate luxury with status, while others embrace the more traditional vision

of luxury that prioritizes quality and high prices.

The study also captured how the modern definition of luxury is pivoting toward **sustainability**. A Beijing-based millennial in his thirties told Agility: "Luxury means having more environmentally friendly choices."

The research also found that almost 88 percent of Chinese millionaires care about brands being ethically responsible.

The study also shows significant changes in post-pandemic travel. While international travel sentiment remains high in the U.K. and India, high-earners in China, U.S., and Japan were more inclined to travel domestically over the next 12 months.

As for the more adventurous Chinese millionaires who have ignored international travel restrictions and fly abroad, their favorite destinations remain Japan, France, and Italy.

Before the pandemic, the number of Chinese outbound **tourists visiting Europe** has increased from year to year.

In 2019, Central/Eastern Europe was the most visited European region by Chinese tourists, according to a report published by Statista Research Department.

During that year, Central/Eastern Europe recorded around 6.3 million trips from China, and Western Europe registered roughly 5.9 million outbound trips.

For cash-strapped Central/Eastern European nations, the return of the affluent Chinese travelers could be a salvation for their regional tourism industries. As for the rest of the luxury industry, its dependency on China is sure to escalate.

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