

MARKETING

## Cross-border luxury shoppers gravitate to online convenience

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Consumers are not afraid to buy luxury products outside of their home countries. Image credit: Unsplash

By KATIE TAMOLA

The demand for luxury is actively surging across the globe, with more consumers willing to make purchases outside of their home countries, according to a new report.

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According to new research from direct-to-consumer leader ESW, formerly eShopWorld, luxury purchases were the fastest-growing cross-border category over the past six months. Consumers are consistently indicating their willingness to give up the in-store experiences for online convenience.

"When ecommerce retailers focus on providing an enhanced, customized experience for their consumers, more and more shoppers, especially digitally savvy millennial and Gen Z customers, will decide that convenience and a broad product assortment win out," said Patrick Bousquet-Chavanne, president and CEO, Americas, at **ESW**.

"Furthermore, creating linked CRM systems with one view of the customer regardless of where that customer shops guarantees the highly personalized customer service that luxury consumers demand."

ESW drew data from 14,697 consumers in 14 countries from The U.K., France, Germany, US, Canada, Mexico, South Africa, UAE, India, Russia, China, South Korea, Japan and Australia who were surveyed online in July 2021.

### Luxury demand across the globe

Cross-border luxury demand proved strongest in four key markets: China at 39 percent, United Arab Emirates at 33 percent, South Korea at 28 percent and India at 21 percent.

More than 70 percent of millennials, Gen X and Baby Boomers in China and South Korea are shopping online, compared to less than 45 percent of shoppers in America and most of Europe.



*More than 70 percent of Millennials, Gen X and Baby Boomers in China and South Korea are shopping online. Image credit: Shutterstock*

While 42 percent of luxury shoppers still prefer to shop in-store, 43 percent of cross-border shoppers are noting they are happy to forego the in-store luxury experience for online convenience. Forty-two percent of respondents also said they will make those purchases from brand websites outside of their home country.

When flocking to ecommerce, consumers expect quality products as well as quality customer service.

Seventy-seven percent of survey respondents said they expect exceptional personalized customer service. Three-quarters also indicated that brands and retailers could do more to improve the premium levels of customer service for such purchases.

Citing a lack of local availability and variety, more than half of shoppers in Mexico, China, Russia and South Africa said they are comfortable buying luxury products online.

Although ecommerce is increasingly enticing, brands should not abandon omnichannel approaches. Brands must continue to work on merging their physical and digital worlds and offerings.

Sixty-nine percent of respondents said they are more likely to buy luxury goods online if the online experience mirrors the level of service received in-store.

"The quality, craftsmanship and prestige of luxury products is in increasing demand from a growing digitally native middle class, living outside the traditional luxury markets, who are both brand and status hungry," said Martim Avillez Oliveira, chief commercial officer, EMEA and APAC at ESW, in a statement.

"To capitalize, luxury brands need to focus on recreating the high-touch, hyper-personalized experience customers receive in-store, in the DTC channel, and deploy those experiences across borders to meet demand at its point of origin."

#### Advertising from all angles

As consumers continue to rely on online offerings, many will still be looking for similar personalization benefits when shopping in-store. Several brands are responding to this kind of need.

In July, Italian fashion label Missoni went the floral route in its latest push for omnichannel offerings.

A Deloitte study from earlier this year also found that a popular trend for a brand's long game is to seek out new revenue models and introduce partnerships to create profitable omnichannel approaches ([see story](#)).

There are myriad methods that brands can ensure their offerings, both in-store and online, are seamless.

"Tech-enabled enhancements will go a long way toward bridging the customer service gap between physical and digital," ESW's Mr. Bousquet-Chavanne said.

"Providing an endless aisle of product on kiosks or tablets in store allows the customer to shop the global inventory," he said. "These consumers are driven by what they see on social media and are not at all concerned about shopping across international borders.

"This consumer is also participating voraciously in new ways of shopping such as social commerce and live stream commerce."

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