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89pc of consumers poised to up luxury spending in 2024: report

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Global performance marketing company Wunderkind's findings solidify that the online world is the key to the success of any luxury label's goods. Image credit: Chanel

By ZACH JAMES

A vast majority of luxury customers are buying far more than they have in years past, with those expectations rising going into 2024.

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The new report by global performance marketing company Wunderkind went directly to the source to find what luxury buyers' spending preferences and behaviors are. The firm's findings solidify that the online world is key to the success of any luxury label's goods.

"In today's economic climate, where uncertainty looms and the ground beneath us seems shaky, it's only natural for businesses to seek insights that can guide their strategies and help them navigate the changing consumer landscape," said Amandine Servain, vice president of marketing at Wunderkind, in a statement.

"As marketers, we all ponder questions like, Will our customers continue to spend?' and How will our company be affected'," Ms. Servain said. "It's with these concerns in mind that we embarked on a comprehensive survey of luxury shoppers, aiming to understand their mindset, spending patterns, and sentiments."

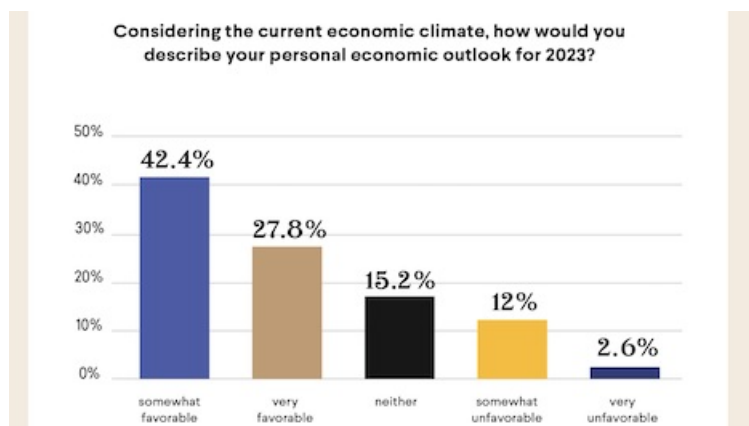
The [Wunderkind Luxury Retail Pulse 2023](#) report compiled the data gathered from surveying 500 luxury customers, with an even 250-person split between the United States and the United Kingdom. American respondents were required to have a yearly salary of over \$100,000, and those from the U.K. were required to bring in over 60,000 euros, or roughly \$65,000, by current exchange.

Spending power

The report lists four key takeaways, the first of which is that luxury will stand tall despite uncertainty revolving around the economy due to strong customer demand.

Of those surveyed, 67 percent state that they are shopping for luxury goods "much more" or "somewhat more" in 2023 compared to 2022. Looking ahead, 89 percent indicate that they plan to either maintain or increase their spending on luxury items in 2024.

Even with a seemingly looming recession, 70.2 percent report a "somewhat favorable" or "very favorable" personal economic outlook. Seventy percent of Americans hold favorable views of their financial futures, a statistic 15 percent higher than that of U.K. residents.

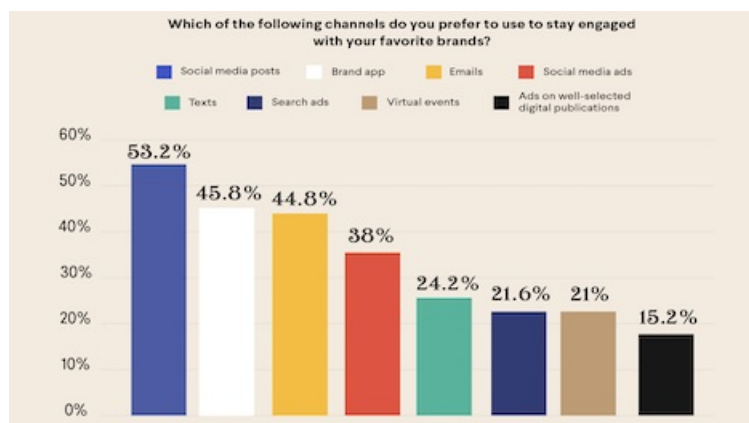


The report reveals that just under 15 percent of respondents are expecting a worse year financially in 2024. Image credit: Wunderkind

The second of the four key tenants of the report links luxury products and consumers' self-image.

Eighty-nine percent of survey-takers indicate that consistent, targeted, digital engagement severely impacts their purchasing decisions. Another 24 percent state that "personal expression" is the most important factor in luxury purchases to them.

Compared to U.K. consumers, those in the U.S. are more susceptible to targeted advertising, as 33 percent of them admit to being very influenced by the campaigns, compared to 23 percent of British buyers.



One survey question ranks respondents' most preferred method of luxury brand engagement, showing that social media posts come out on top. Image credit: Wunderkind

Based on another of the four conclusions drawn, brand loyalty reigns supreme when it comes to purchasing decisions, though some will jump ship if enough negative experiences are had ([see story](#)).

Forty-five percent of consumers, or nearly half, are willing to try new luxury brands, but overall end up sticking with their tried and true label of choice.

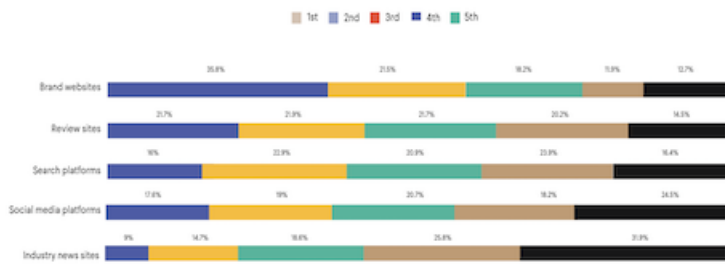
Alternatively, 37 percent state that they are very interested in trying a new brand, revealing that although longtime consumers hold the power, there is an opportunity for luxury maisons to nab new audiences. Targeted promotions could bolster this effort, bringing fresh faces into the hold on an international and domestic basis.

Faithful figures

Finally, the report emphasizes the power of trust.

Wunderkind's findings show that just over 35 percent of respondents view luxury brands' websites as the most reliable source of information about the said label. Review sites and search engines are the second and third most favorable options, respectively, with industry news publications coming in dead last.

Rank the following types of platforms in order of trustworthiness



The report shows that brand website messaging is critical in driving consumer purchasing decisions. Image credit: Wunderkind

Based on consumer statements, it is clear that websites are not only storefronts in the modern landscape but are coming forward as a highly effective marketing tools, revealing the dual nature of landing page potential.

With increased online visibility, cybersecurity is proving to be an essential support in this transition.

Deloitte's annual cybersecurity survey showed that 91 percent of companies had at least one breach or incident in 2022 ([see story](#)). As a result, many companies are stepping it up, seeing the importance of heightened protection in their digital domains.

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