

RETAIL

Touting luxury's archival appeal predicted as key to success in 2024: report

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According to the findings, the most influential customers want to interact with prestige brands in a deeper way. Image courtesy of The Future Laboratory

By EMILY IRIS DEGN

U.K. think tank The Future Laboratory is out with an annual release.

In the Future Forecast 2024 report, findings indicate that Gen Z customers are the ones to watch, and they want brands to go beyond the transactional. As this key demographic seeks meaning in the products they buy and the companies they support, luxury houses that promote craftsmanship, knowledge-building, conscious consumption and the archival value of the category appear be primed for success in the year ahead.

"Appealing to Gen Z is key for the luxury sector next year," said Fiona Harkin, director of foresight at [The Future Laboratory](#), London.

"I think the main thing luxury brands should know is that young affluents crave more than a transactional relationship; they want to play an active part in the brand universe, and that's before they become tomorrow's luxury clientele," Ms. Harkin said. "As generations raised in the streetwear era, younger millennials, together with Generations Z and Alpha, are true connoisseurs and avid archivists.

"They have a vision of luxury that is based on trading in knowledge, access, community and craft."

For the report, The Future Laboratory drew upon the insights of a team of analysts, strategists and creatives, who all performed research on lifestyle industries to figure out 50 key trends for 2024. By assessing "global drivers" and "core human needs," the professionals were able to narrow down the largest shifts in customer attitudes and behaviors, cross-referencing them with the think tank's previous macrotrend, microtrend, weekly and daily reports.

Stepping into the future

The report is divided into 10 sections that cover the beauty, fashion, health and wellness, retail, food and drink, technology, travel and hospitality, design, pop culture and media, and of course, luxury industries.



Customers want both exclusive and inclusive luxury, and the report details how this can be done. Image courtesy of The Future Laboratory

There are some similar themes throughout that are predicted to drive every market, such as the integration of cutting-edge technology, inclusion, immersive advertising and sustainability. Six major terms for 2024 are also called out.

From "Girl Economy" to "Hi-Lo Lifestyles," the drivers of tomorrow are defined, many of which have to do with social media culture, breaking with mainstream practices and rising financial powers, such as young people and women.

The idea of "essentialism" is prevalent throughout the Future Forecast 2024 report, as experts reveal how brands can respond to consumers' intense need to find purpose and intention in their spending. Houses that promote social responsibility, mindfulness and optimism are expected to draw in many new clients and retain the loyalty of current ones.

For the luxury section, five main trends are covered: "Appealing to Gen Z," "Recrafting Heritage," "Twisting Traditions," "The Great Wealth Transfer" and "Branded Living."



Louis Vuitton is among those praised for its ability to embrace both heritage and the future in its marketing. Image courtesy of The Future Laboratory

To align with each, the report urges prestige maisons to reimagine their narratives around legacy. Through innovation, contemporary perspectives and technology, brands in this tier have a strong chance of connecting with young audiences, the movers and shakers of the upcoming year.

Next-gen

As Gen Z particularly stands on the cusp of inheriting a significant amount of wealth, luxury must cater to the group.

Consumers in this generation are called out for reshaping the industry's landscape as they search for more than "mere transactions." According to the findings, they want to be a central part of brand universes.

Younger millennial, Gen Z and Gen Alpha customers are all said to be enthusiastic archivists.



Craft is a key point of interest for Gen Z, making it critical for luxury to center advertising around talent. Image courtesy of The Future Laboratory

As a result, their view of luxury is anchored in the exchange of knowledge, accessibility, craftsmanship and community. These concepts are coupled with a love of all things exclusive and unique.

Operating with a collector and connoisseurship mindset is already proving to be a successful way to appeal to the young and rising.

Many luxury maisons are highlighting their institutional know-how. Some like French fashion and leather goods house Hermès are even taking their artisans on the road so that customers can see them in action ([see story](#)).

The report points out that consumers of all generations are looking to build a deeper understanding of design archives. Physical retail spaces are working to make that information engaging.

From beauty ([see story](#)) to apparel ([see story](#)), various categories and their brands are rolling out store renovations and openings as they reinterpret layouts, putting their crafts at the heart of the touchpoints.



Maisons are reshaping their in-person spaces to highlight the art of their industry. Image courtesy of The Future Laboratory

Finally, sustainability continues to be a key determinant of customer loyalty, with luxury labels that involve activists ([see story](#)), engage with the environmental sector ([see story](#)) and earn third-party certifications sitting in a strong position for 2024.

“Besides supply chain transparency, consumers want to know what happens behind closed curtains,” said Ms. Harkin.

“My three tips for brands to cut through next year are, firstly, to be more vocal about the know-how your business relies on,” she said. “Secondly, invite the consumer in on the journey for the manufacturing process.

“Third of all, leverage transparency to maintain your unique selling point.”

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