

23RD ALTAGAMMA MONITOR

LUXURY HAS SLOWED IN 2024 (-2%); EXPERIENCES ARE ON THE UP

The global high-end market stands at €1,478 billion, normalizing after the record year of 2023. Asia is sluggish, while experiences and wellness are on the rise (+5%). The gap between high-end and aspirational consumers is broadening. 50 million consumers have been lost in two years, including many young people. For 2025 a moderate recovery is forecast.

Milan, November 13, 2024. The **2024 Altagamma Monitor Conference** presented the latest figures on the **global luxury market**, which is now in the process of normalizing after the post-Covid rebound and last year's record results. In 2024, the segment stands at **€1,478 billion, compared to around €1,500 billion in 2023**, a fall of around 2% (at current rates). **Experiential luxury is on the up**, with a leap of around +5.

The 2024 turnover of the **personal luxury goods market** is estimated to be around **€363 billion** (vs. €369 billion in 2023). Beauty, jewelry and eyewear are the product categories showing growth. The challenging geopolitical and economic scenario, with two conflicts, inflation, rising prices and a drop in purchasing power and consumer confidence, is affecting all markets, with **the slowdown led mainly by Asia**. The struggling Chinese market is partially offset by the excellent performance of Japan, while **the other regions are mostly in line with last year**. There is, however, strong polarization between very high-end consumers, showing better performance, and aspirational shoppers, where there is a marked downturn, which can be partly attributed to the younger generations turning away from luxury purchases. The Altagamma Consensus envisages a moderate recovery in **2025**, with companies' **EBITDA** up by around **+3%**.

The forecasts for 2025 and the state of the art of the industry draw on two studies: **the 2025 Altagamma Consensus, presented by the CEO of Altagamma Stefania Lazzaroni**, and formulated with the support of 21 Italian and international financial analysts; and the **2024 Altagamma-Bain Worldwide Luxury Market Monitor**, authored by **Claudia D'Arpizio and Federica Levato, Senior Partners at Bain & Company**.

The figures and the trends that emerged from the studies were commented on by **Laura Burdese** (Deputy CEO, **Bvlgari**), **Patrick Chalhoub** (Group President, **Chalhoub Group**), **Alfonso Dolce** (CEO, **Dolce&Gabbana**), **Andrea Guerra** (CEO, **Prada Group**), **Pier Francesco Nervini** (COO North & Central Europe & Global Accounts, **Global Blue**) and **Marco Piscitelli** (CEO, **Molteni Group**).

Matteo Lunelli, Chairman of Altagamma, observed: *"In 2024, the world market for high-end products has fallen by about 2% to €1,478 billion. The uncertainties of the international economic and geopolitical scenario have had significant repercussions on our industry and its supply chains. In part, this is a process of normalization following the strong post-Covid rebound. In 2025 we expect to see a moderate recovery driven by experiences (hospitality, fine dining, wellness), the stronger markets such as Europe and America, and the positive performance of jewelry and beauty. It will be crucial to work cohesively, on an Italian and European level, to safeguard our companies from the risks of increasing international protectionism. It is also vital to strengthen the critical success factors of the Italian luxury industry: manufacturing know-how and supply chains, creativity and technological innovation, sustainability, and the ability to communicate authentically with consumers across the world".*

"Despite the complexities of the macroeconomic panorama, luxury spending has remained remarkably stable, driven by consumers' desire for premium experiences. The loss of 50 million consumers in the last two years, coupled with a decline in confidence in the sector, is an important signal to brands, which should view this moment of uncertainty as an opportunity to make informed decisions and proactively firm up their medium- to long-term strategies. To win back customers, particularly the younger ones, and maintain a broad consumer base, brands will need to invest more in creativity and wide-ranging, yet brand-relevant conversation topics. Simultaneously, it will be crucial to bolster the pillars that have always defined luxury - craftsmanship,

*personalized experiences and customer connection - leveraging technology to achieve this seamlessly and maximize companies' operational flexibility", commented **Claudia D'Arpizio and Federica Levato**, Senior Partners at Bain & Company and authors of the report.*

BELOW, AN INDEPTH LOOK AT THE FINDINGS OF THE STUDIES.

The **2025 Altagamma Consensus**, produced by Altagamma with the input of 21 leading Italian and international analysts in the sector.

Moderate market growth is forecast for 2025 due to the international macroeconomic situation, which remains uncertain due to various factors: inflation, high interest rates, geopolitical tensions, price increases and a drop in the purchasing power of medium-high-end consumers.

Revenues are expected to grow by 3% as a general average for personal luxury goods, and **EBITDA** is also expected to show 3% growth. Chinese travel picking up once more and consumers' renewed confidence could have a positive impact on this scenario in the second half of the year.

Markets. **Europe** is expected to see **growth of 2%**. Weak domestic demand will be partially offset by tourist flows, especially from the United States. The **North American market** remains a key focus for the luxury industry, with **growth of +3.5%** forecast, though there is the possibility of new tariffs on European products following the election of Donald Trump. Latin America is expected to grow by 4%. After strong growth in 2024, **Japan** is slowing down: the estimate of +2% is due to a less positive Yen exchange rate and, consequently, a possible reduction in tourist flows. Growth in China (+3%) is uncertain, due to the more cautious demand of the middle class and the real estate downturn, which has affected consumer confidence. The government is introducing new stimulus measures that could take effect in the second half of 2025. The performance of Asia and China will be pivotal for the industry globally.

The **Middle East** can expect to see growth of **+5%**, despite the tensions and political instability in the area. The Gulf states and Saudi Arabia in particular remain a key market, with sizeable investments in real estate.

Consumers.

Luxury consumers are displaying marked polarization between the 1% of HNWI's (High Net Worth Individuals) and the other brackets, which are losing purchasing power globally. The figures confirm the focus on experiences and the greater sway of consumers older than GenZ. Chinese customers are no longer leading the segment, and this has had significant fall-out. In 2025 growth will continue, **at +2%**, with a possible return to travel in the second half of the year. The socio-cultural phenomenon of "Luxury Shame" could continue.

A more moderate growth rate is expected among Asian consumers: **3% for Asia Pacific** and **1% for Japan**.

North American consumers are expected to be the best performers, with **+4.5% growth**. Following the elections, spending is expected to pick up again and the fall in inflation could benefit middle-high and aspirational consumers. **Europeans** have always been more cautious, mature consumers: no significant growth is expected in 2025 (**+2%**).

Product categories. **Leather goods (+2%)** and **footwear (+1%)** should expect more modest growth. For leather goods, price increases, and the drop in casual consumers and Chinese tourism have reduced sales and increased stocks. Moderate growth is estimated for **clothing (+3%)**, which is highly polarized between brands that are continuing to grow (quiet luxury) and others that are not faring so well.

Beauty is one of the strongest categories, with an estimated growth of **6%**. K-beauty continues to dominate, and the sector is increasingly gaining traction among young consumers. The positive trend in jewelry, which remains a safe-haven asset and an investment, will continue, with growth of **+4.5%**. Purchases of watches should grow by +1%.

Distribution channels. **Physical retail (+5%)** is the top performer, as new markets develop, and it remains a strategic channel for luxury thanks to ad hoc and customized services, dedicated showrooms, exclusive sales tactics, entertainment and experience areas. **Digital retail** - expected to grow by **3%** - is intrinsically linked to physical shops and dominated by brands, with a focus on Artificial Intelligence. **Wholesale, both physical and digital**, will continue to struggle, with no growth expected (**0%**).

The 2024 Altagama–Bain Worldwide Luxury Market Monitor by Bain & Company.

Global luxury spending is expected to reach **nearly €1.5 billion in 2024**, remaining relatively flat compared to 2023, with an **estimated growth rate between -1 and 1% year over year** at constant exchange rates.

Global luxury consumers, grappling with macroeconomic uncertainty and continued price elevation among brands, are cutting back on discretionary items. As a result, the **personal luxury goods market** is expected to see its first slowdown since the Great Recession, excluding Covid, experiencing **-2% erosion, at current exchange rates**, compared to last year. This trend—particularly acute among Generation Z, whose advocacy for luxury brands continues to decline—has led to the luxury customer base shrinking by about 50 million over the last two years. Meanwhile, luxury spending by top customers continues to grow, although they are progressively losing the feeling of exclusivity from brands.

Luxury experiences continue to maintain traction as consumers shift their spending toward travel experiences, fine dining and social events, favoring self-care and wellness over tangible goods. Simultaneously, experiential goods, especially those geared toward high-net-worth individuals, such as yachts, cars, and jets, are garnering strong interest, with manufacturers able to count on the robust order books built in recent years.

Beauty products, above all perfume, continue to perform well as consumers gravitate toward “small indulgences.” **Eyewear** is also experiencing positive momentum, with consumers drawn to widening brand creativity and high-end specialist brands.

Jewelry is holding its own, thanks above all to the high jewelry segment and the particularly strong performance of the US market. Meanwhile, **watches, leather goods, and shoes** have seen a slowdown, with consumers becoming increasingly selective about purchases, though small leather accessories and entry-level items are still popular with Gen Z.

The **secondhand** market is gaining traction, with strong momentum on jewelry, heritage apparel and leather goods.

As most brick-and-mortar luxury **stores** are suffering from plummeting walk-in traffic, the **outlet** channel is overperforming, driven by consumers’ quest for value purchases. Outlet shopping is gaining popularity as a preferred entry channel into the market, with consumers downtrading from full-price environments. Meanwhile, online is entering a normalization trajectory following post-pandemic swings. It does however remain a key channel for those brands able to offer immersive, personalized experiences, broadening in-store engagement.

The **United States** continues to show signs of growth, despite an uncertain economy. Outside of the US, performance is more polarized. Canada continues to struggle due to the absence of Chinese tourists, while the scenario in Mexico and Brazil is more encouraging.

Japan continues to lead globally on luxury growth due to favorable exchange rates and associated surges in tourism-related spending throughout the first half of 2024. Momentum, however, has recently slowed as pricing has realigned.

Mainland China, on the other hand, has experienced a sharp slowdown, worsening throughout the year as domestic spending decreased due to lackluster consumer confidence and Chinese tourists traveling to nearby areas and Europe.

Europe has been showing stronger yet normalizing growth over the quarters, with demand sustained by incoming tourism, particularly in tier-one cities and resort locations in southern Europe. The UK and northern Europe are seeing more limited luxury tourism inflows.

The picture is more varied across the **Middle East**, where regional tensions are impacting inbound tourism.

Emerging markets represent new potential avenues of growth—including in Latin America, India, Southeast Asia, and Africa—which are collectively expected to add more than 50 million upper-middle class luxury consumers by 2030.

The luxury market is expected to face a slightly improving context throughout 2025, though this is highly dependent on the unfolding macroeconomic scenarios in key regions. Looking toward 2030, the market will likely embark on a long-term positive trajectory, with an increasingly addressable consumer base.

[ACCESS THE DIGITAL PRESS KIT HERE \(full reports, biographies, images, videos\)](#)

FONDAZIONE ALTAGAMMA

Altagamma riunisce dal 1992 le migliori imprese dell'Alta Industria Culturale e Creativa che promuovono nel mondo l'eccellenza, l'unicità e lo stile di vita italiani. Unica per la sua trasversalità, Altagamma accoglie 119 brand dei 7 settori della moda, del design, della gioielleria, dell'alimentare, dell'ospitalità, dei motori e della nautica. La Mission di Altagamma è contribuire alla crescita e alla competitività delle imprese dell'industria culturale e creativa italiana, offrendo così anche un contributo allo sviluppo economico del Paese. L'alto di gamma rappresenta un'industria da 144 miliardi di euro, in Italia, e fornisce un contributo al PIL del 7,4%. La quota dell'export è di circa il 50%. Coinvolge 1.922.000 occupati, diretti e indiretti, pari all'8,2% dell'occupazione italiana. www.htagamma.it

Press Office Contacts

For ALTAGAMMA

Edoardo Carloni | +39 339 1618463 | carloni@htagamma.it

Giorgio Bocchieri | +39 334 6853078 | bocchieri@htagamma.it