



Luxury Goods Recovery: Optimism for Luxury Goods in a Post-pandemic World

November 2021

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Scope

Key findings

KEY GLOBAL DRIVERS SHAPING LUXURY OUTLOOK

COVID-19 continues to threaten the recovery for H2 2021

Luxury shows relatively optimistic income elasticity but took a huge hit

Global uncertainty continues to slow down but risk remain across luxury

Sales in Western Europe still impacted by low consumer confidence

Revival in health of global wealth to benefit outlook for overall demand

Top 10 players clear determinants for H2 2021 and 2022 outlook

Consolidation varies across the key luxury categories

A tale of disruption across all luxury goods categories

Top 10 luxury players continue to dominate the competitive landscape

FOCUS ON LUXURY CARS

High focus on premium and electrification helps support luxury car sales

Leading luxury car manufacturers all show healthy recovery in H1 2021

Luxury car manufacturers remain optimistic for a better 2022

Higher EV registrations in more affluent markets, but competition rises

FOCUS ON PERSONAL LUXURY

Personal luxury category expected to see a vast improvements

Outlook for personal luxury stable as key players show impressive growth

LVMH H1 2021 results further cement Asia-led recovery trend

Chinese “ glocals ” drove strong momentum for Kering’s H1 2021 sales

Richemont celebrates double-digit H1 2021 growth in all regions

Iconic luxury retailer Harrods bets on Suburbia for its stand-alone stores

China’s recovery drives sales but risk of new variants poses huge threat

FOCUS ON EXPERIENTIAL LUXURY

Experiential luxury sits at a disappointing 28% below pre-pandemic levels

Post-pandemic recovery in luxury hospitality continues to be constrained

Luxury travel decimated by the pandemic and frustration levels rise

Global travel shutdown leads to dearth of inbound tourist spending

All eyes look East as repatriated spending and revenge travel sets in

Will China’s return to travel help save luxury hospitality?

LVMH hopes to welcome tourists back to its landmark Paris department store

FOCUS ON LUXURY DRINKS

Luxury drinks outpace global GDP as demand for prestige rises

Recent developments illustrate value over volume focus

LVMH results shows strength of premium positioning and diversification

Polarisation will gain momentum as aspirational consumption boost sales

CONCLUSION

Global luxury goods expected to return to pre-pandemic levels by 2021

Faster recovery in key regions expected to drive sales into next fiscal period

Evolving consumer behavior will shape strategies over forecast period

Conclusion

DEFINITIONS

Definitions

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