

**BCG**



# *True-Luxury Global Consumer Insights*

*11<sup>th</sup> Edition*



## 11<sup>th</sup> Edition

Last year we doubled down on **top-of-the-pyramid luxury clients...**

*This year, we triple down!*



For the first time, leveraging **Altrata's Wealth-X** database of more than **150k HNWI<sup>1</sup>** profiles across the globe to analyze spending habits and share of wallet allocation

**ALTRATA**  **WEALTH-X** Research partner



**7k+** respondents quantitative survey across 10 top luxury countries and regions<sup>2</sup>



**1K** respondents ad-hoc deep-dive on **top-tier clients** (min 50K€ / avg. ~360K€ yearly spend in luxury<sup>3</sup>)

**PHRONESIS PARTNERS** simplify growth Research partner



**20+** in depth 1:1 interviews with True-Luxury **Very Important Customers**

**BLOOMBERG** TELETRIC Research partner



**10** **VICs** interviewed in focus groups (5 each) in two countries (USA & China)



**20+** interviews & content discussion sessions with **industry CEOs & executives**, and **Client Advisors**



Engagement of **local Luxury experts** and **industry partners** from different regions

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istitutomarangoni

**Bocconi** <sub>1</sub>

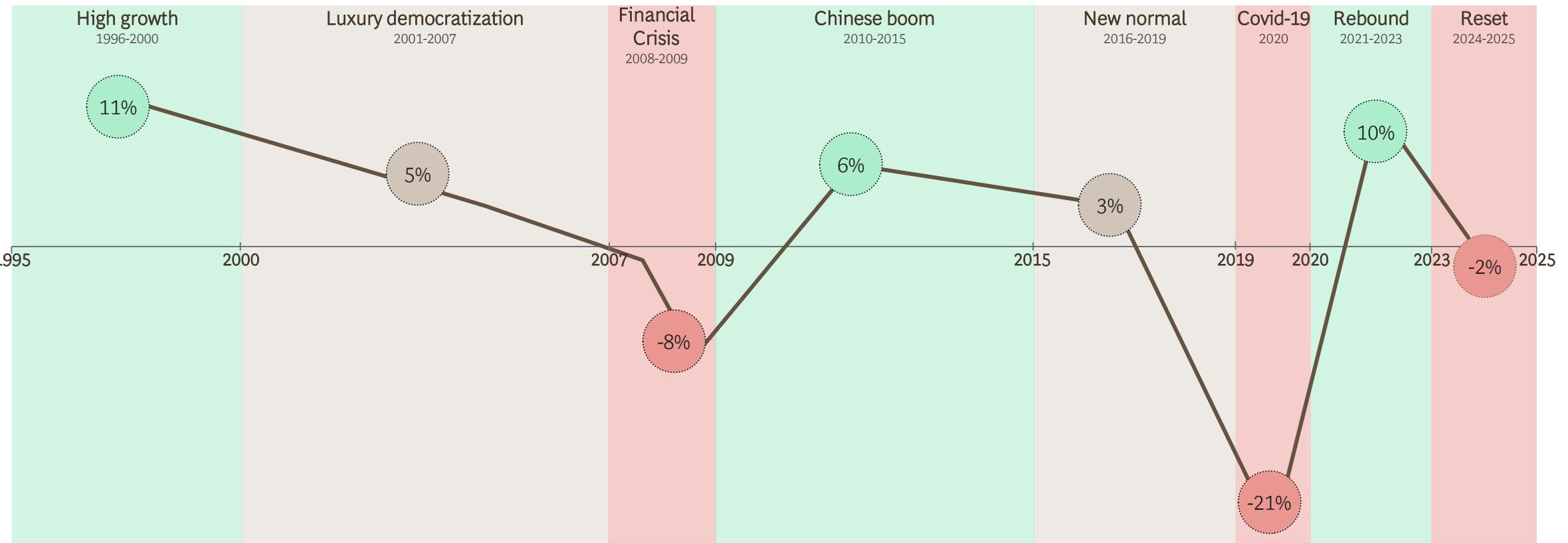
1. According to Wealth-X definition, this group corresponds to individuals with \$30M+ in net worth

2. USA, France, UK, Italy, Middle East, China, Japan, South Korea, India, Brazil

3. Includes: personal includes apparel, footwear, accessories, leather goods, beauty, jewelry (branded and unbranded) and watches; Experiential includes furniture, food and wine, fine dining & hotel and exclusive vacations

# The Personal Luxury Goods Market is facing a rare lack of growth

## Personal Luxury goods market growth evolution

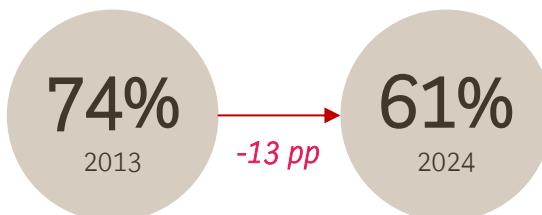


# Behind the headlines – what's going on?

1

Where Did Luxury's Aspirational Shoppers Go?

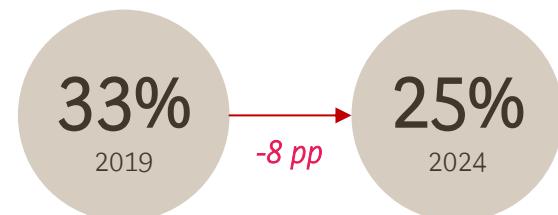
BØF



Aspirational spend  
on total luxury market

2

The world's biggest luxury brands are hurting as Chinese shoppers rein in spending [CNN](#)

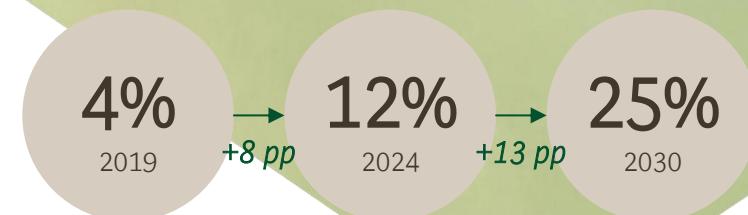


Chinese spend  
on total luxury market

3

Luxury Brands Sag As Gen Z's 'No-Buy 2025' Trend Spreads

Forbes



GenZ spend  
on total luxury market

# Behind the headlines – what's going on?

1

## Where Did Luxury's Aspirational Shoppers Go? B&F

*True, spend is shifting*

35% of Aspirational reduced or stopped their luxury spend in last 12 months

65% expect to keep their spend in luxury stable or reduce it over the next 12 months

2

## The world's biggest luxury brands are hurting as Chinese shoppers rein in spending CNN

*True, but driven by macro, not behavior*

-5% projected drop in Chinese spend in 2025, mostly driven by macro environment (Chinese spend correlated 0.8 with GDP)

No structural consumer behavioral changes (yet): luxury remains deeply rooted in culture as expression of success

3

## Luxury Brands Sag As Gen Z's 'No-Buy 2025' Trend Spreads Forbes

*Hyped, they still lean into luxury*

70% of Gen Z feel represented by global luxury brands (+3pp vs Millennials, +15 vs Older Gens)

With 80% purchasing intent, they are the most confident about luxury spending over the next 12 months

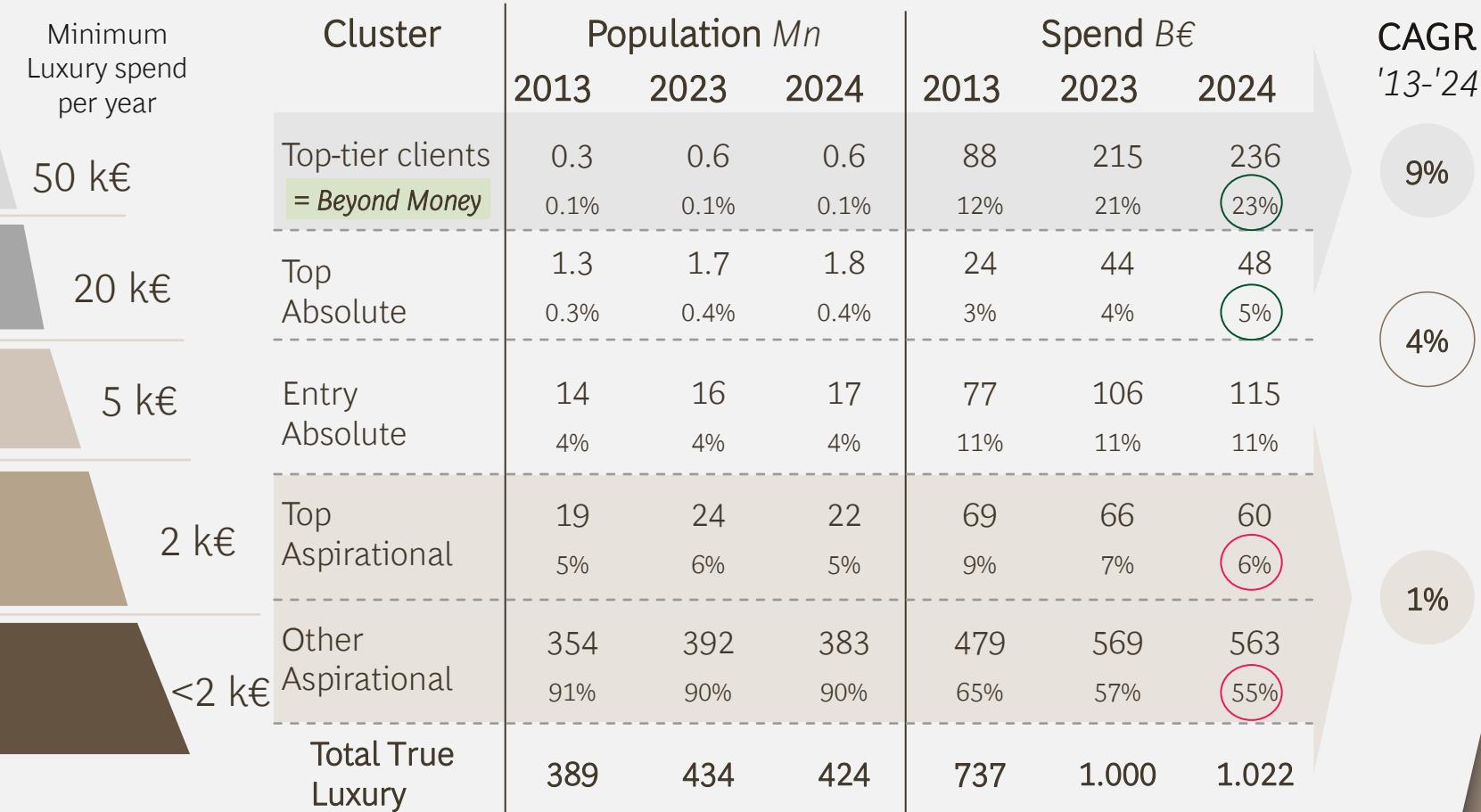
*But what's really  
going on?*

The Consumer  
Pyramid is changing



# A reminder of the Consumer Pyramid: Top-tier luxury clients drive the highest growth in luxury spend

*Personal and Experiential Luxury<sup>1</sup> Market, Consumer Pyramid*



## **Top-tier clients** = Beyond Money

The powerhouse of luxury: small in size, (0.1%) massive in impact (23%), growing even when others pull back

## **Absolute**

The solid spine: steady, consistent and quietly growing in value year after year

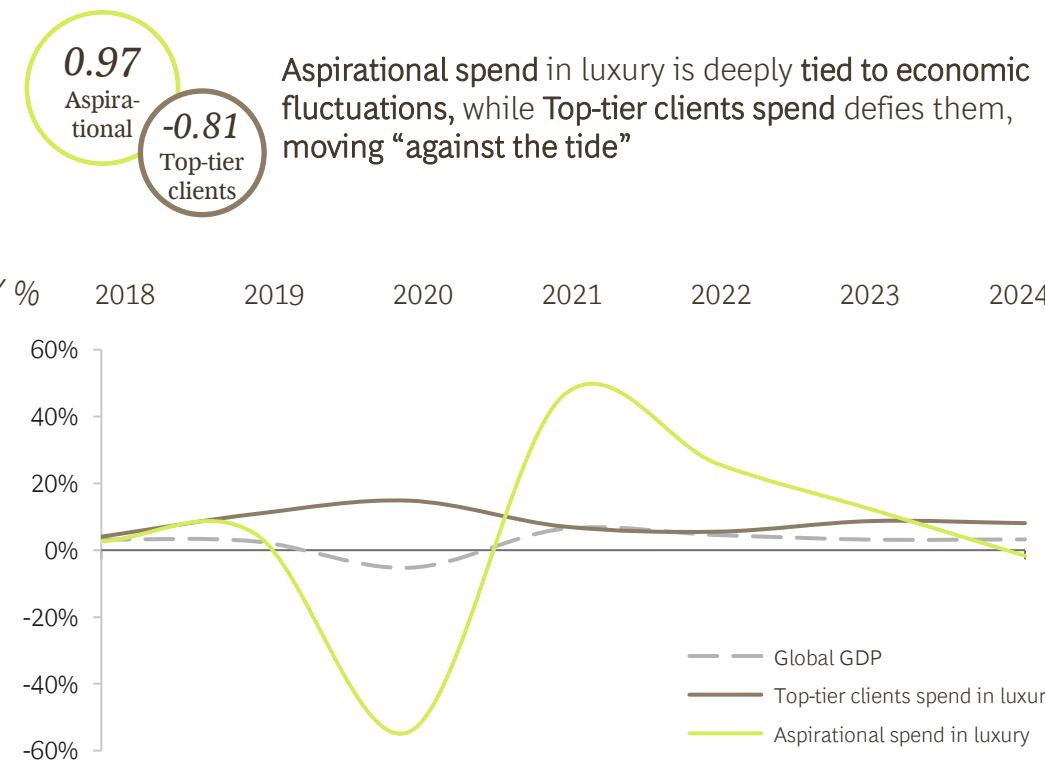
## **Aspirational**

The fading foundation: once the gateway to luxury, now slipping away (-13 pp) as the dream becomes harder to afford

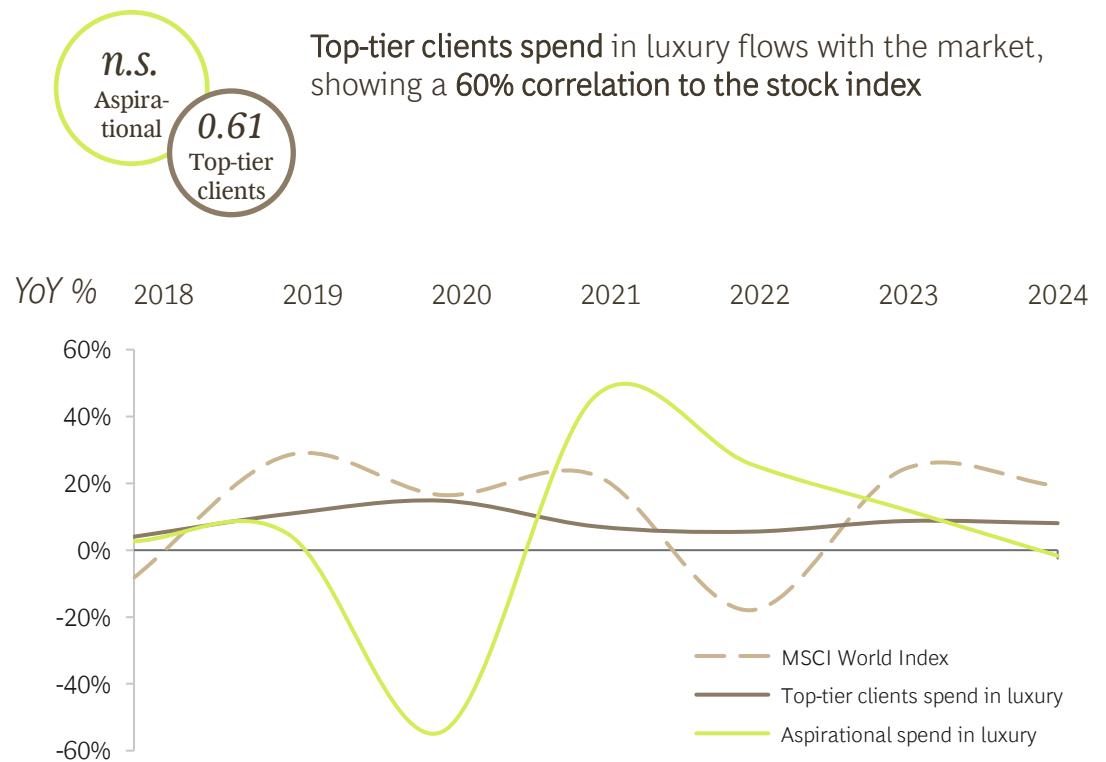
Note: Numbers rounded. 1. Includes: personal includes apparel, footwear, accessories, leather goods, beauty, jewelry (branded and unbranded) and watches; Experiential includes furniture, food and wine, fine dining & hotel and exclusive vacations  
Source: BCG Fashion & Luxury Market Model as of June 2025; BCG Analysis

# Strong correlations in the pyramid, but profoundly different ones

*The P&L: Correlation between spend in luxury and GDP evolution*



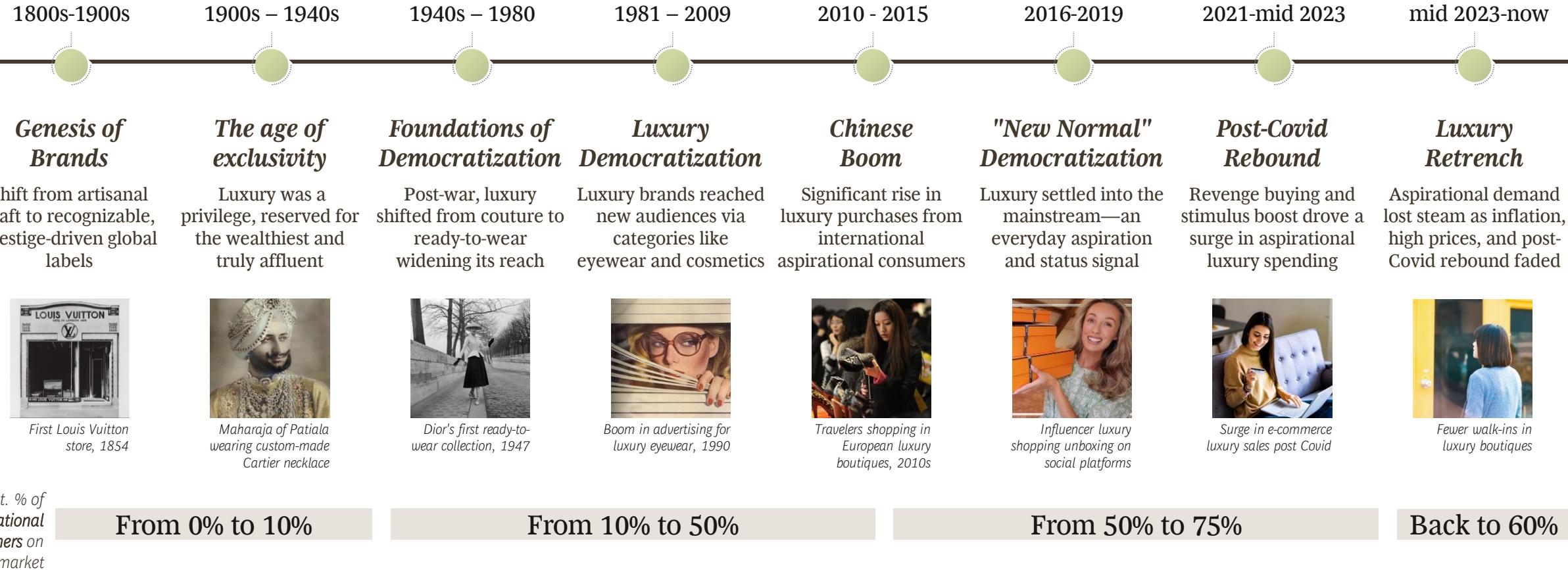
*The Balance Sheet: Correlation between spend in luxury and Stock Market Performance (MSCI<sup>1</sup> World Index)*



1. Morgan Stanley Capital International Index: tracks large and mid-cap equities across 23 developed markets covering ca. 85% of their combined market cap with 1,500+ companies; a key benchmark for global equity market

Sources: Oxford Economics; MSCI; BCG Analysis

# Chasing scale, losing soul?



Sources: "Deluxe: How Luxury Lost Its Luster" by Dana Thomas; Desktop research; BCG analysis

# Aspirationals are stepping back: ~35% reduced luxury spend in past 12 months, diverting to savings, wellness, second hand

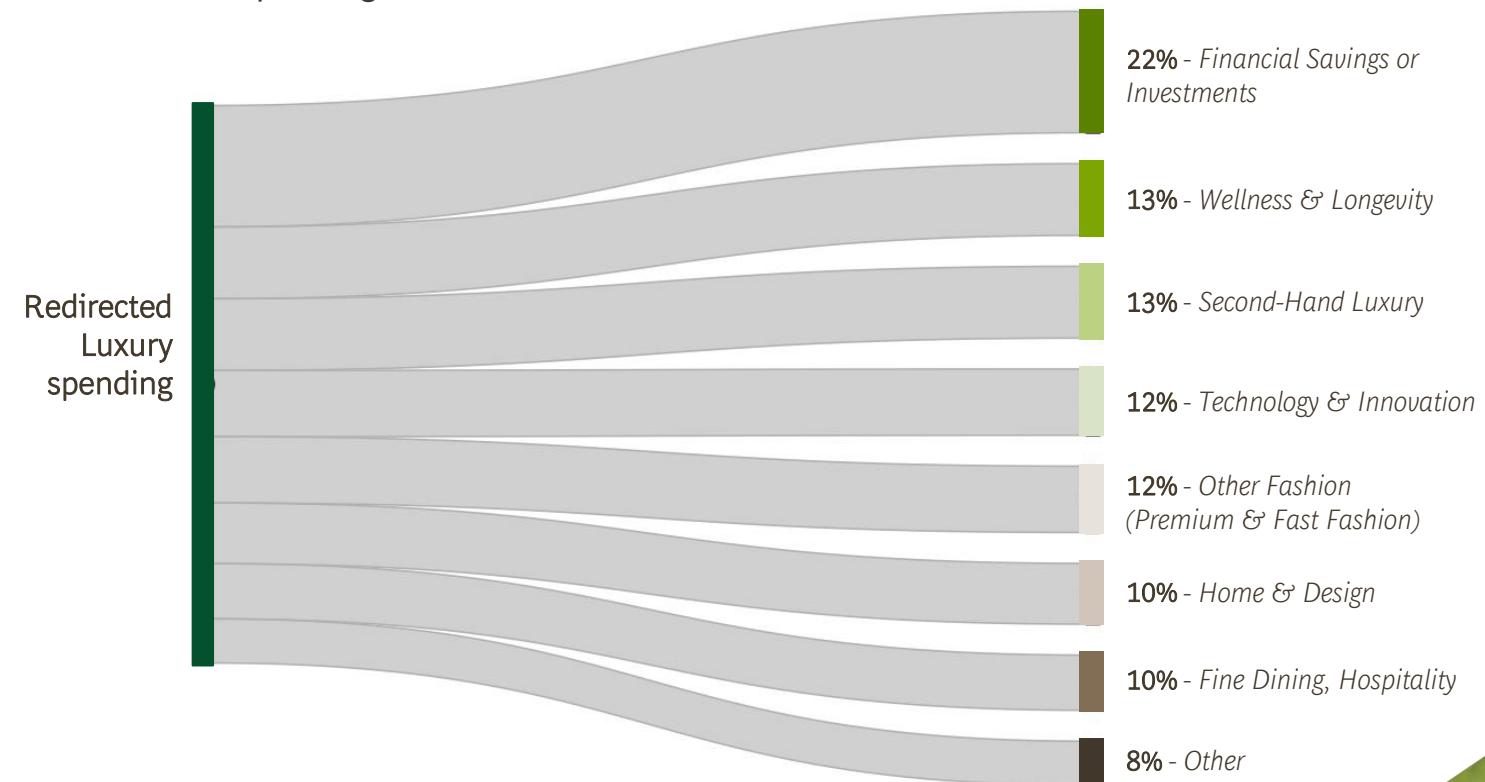
THE ASPIRATIONAL SEGMENT IS UNDER PRESSURE — SPEND IS SHRINKING....

~35%

*Have reduced or stopped personal luxury spend over the last 12 months*

...BUT HOW ARE THEY REDIRECTING THEIR PERSONAL LUXURY SPEND?

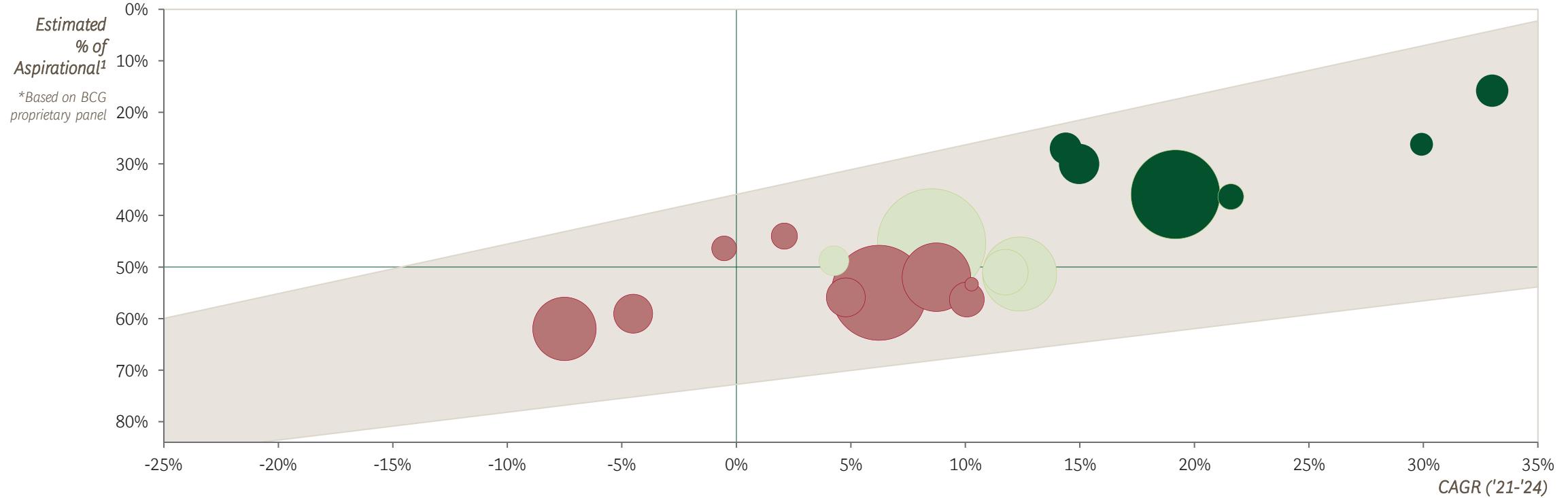
*Q: If you've reduced your personal luxury spending in the past 12 months, where have you redirected that spending instead?*



# The hard truth: democratization was good... until it wasn't

Luxury brand performance 2021-2024: CAGR revenue growth vs. client base composition

 Luxury Brand X (sanitized)  
2024 approx. revenues



*...and now some brands are facing the cost of having it stretched too far*

High exposure to Aspirational (50%+) correlates with recent underperformance across the board

1. Calculated as the share of Aspirational consumers over the total of Aspirational and Top-tier clients who declared they purchase the brand according to BCG proprietary panel;  
 Note: Refers to spend across all brand's categories incl. beauty, excl. hospitality | Size of each bubble corresponds to brand revenues in 2024  
 Source: Analyst reports; Company annual reports; BCG analysis; BCG-Altagamma True-Luxury Global Consumer Insight Survey June '25 (7K respondents in 10 countries and regions)

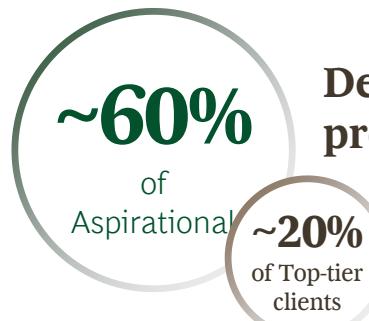
# 2026 outlook still cautious for the Aspirational consumer, while Top-tier clients amplify their spend in luxury

Aspirational consumers remain exposed to macroeconomic volatility...



## Feel financially vulnerable

*"My husband is in real estate. I'm in finance. But I don't think we're affected enough that we need to cut back on spendings yet."* – Chinese VIC, 36 y.o.

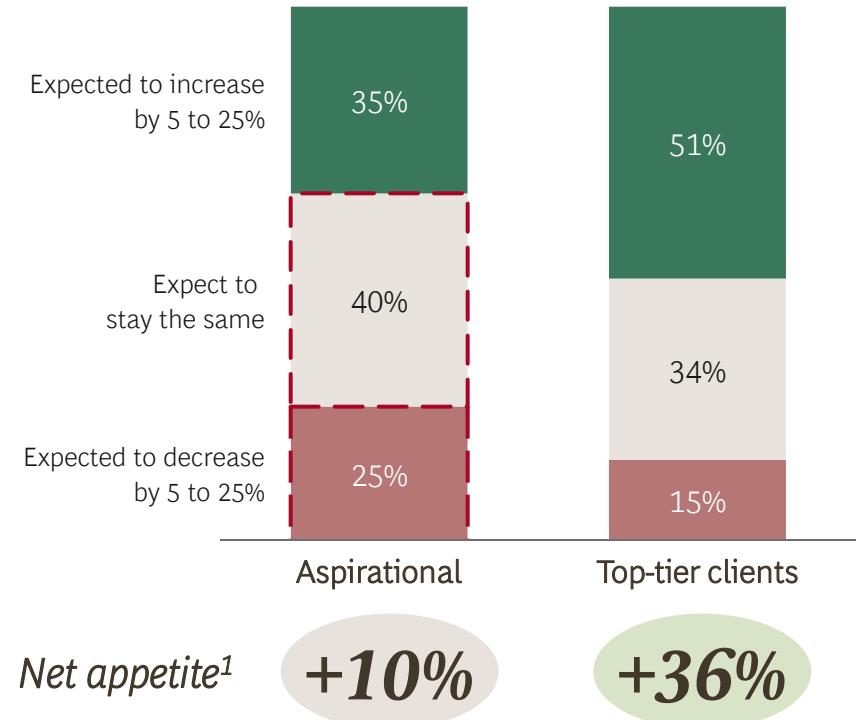


## Declare to feel worried about macro pressures like tariffs

*"Not to be rude, I make enough money that the tariffs don't really hinder me"* - USA VIC, male 42 y.o.

...with 65% expected to spend the same or reduce their spend, while Top-tier clients spend more

*Estimated change in luxury spending over the next 18 months*



1. Calculated by subtracting the percentage of consumers who expect their luxury spending to increase from those who expect it to decrease  
Source: BCG-Altagamma True-Luxury Global Consumer Insight Survey June '25 (7K respondents in 10 countries and regions), VIC Interviews, CEO interviews, CA interviews

The way forward starts at the core, with top-tier luxury clients at the barycenter



### *Who are they?*

They build on a strong underlying base of HNWIs, with 900K+ individuals growing ca. 10% a year and with increasing wealth, even in new geographies

### *What do they enjoy?*

Personal Luxury is the common denominator across top luxury spenders – but engagement spans far wider, with a health-as-wealth mindset on categories such as wellness/beauty

Leveraging Altrata's Wealth-X database with  
>150k HNW profiles across 70 economies



### *What do they dislike?*

What they want is simple: **connection, intimacy, excellence, recognition**. What they get? A luxury that still feels too noisy, too crowded, too industrialized

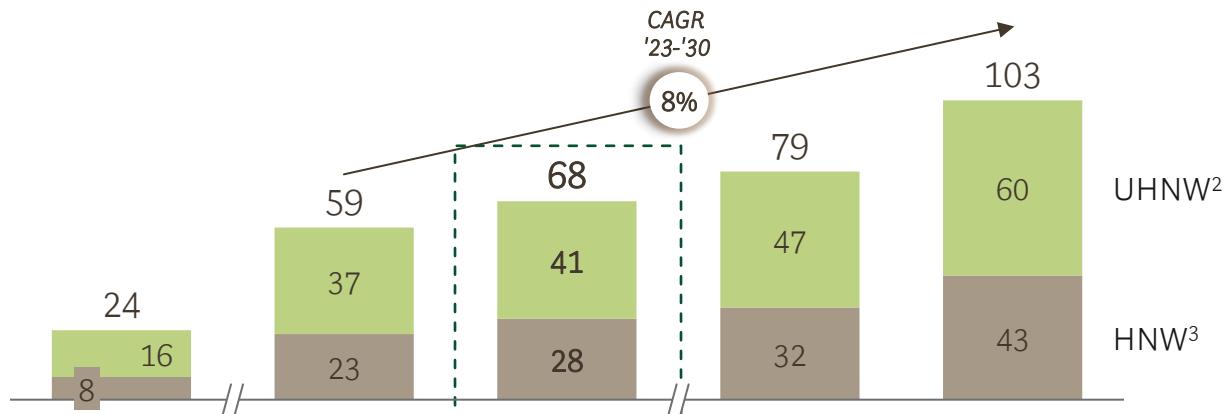
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*Who are they?*

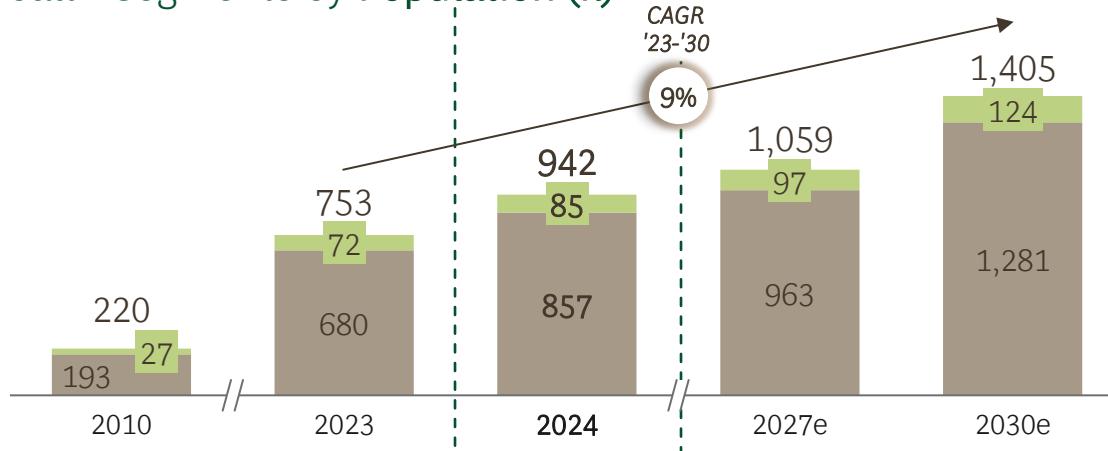


# Who are they? 900K+ individuals that grow year after year...

Wealth Segments by Total Financial Wealth (T€)<sup>1</sup>



Wealth Segments by Population (k)



1. Including cash and deposits: bond, equities & investment fund shares; life insurance and pensions and other assets; 2. Wealth > 100M€; 3. Wealth 20-100M€  
Note: Sums may not add up due to rounding; Source: BCG Global Wealth Report 2025, BCG analysis

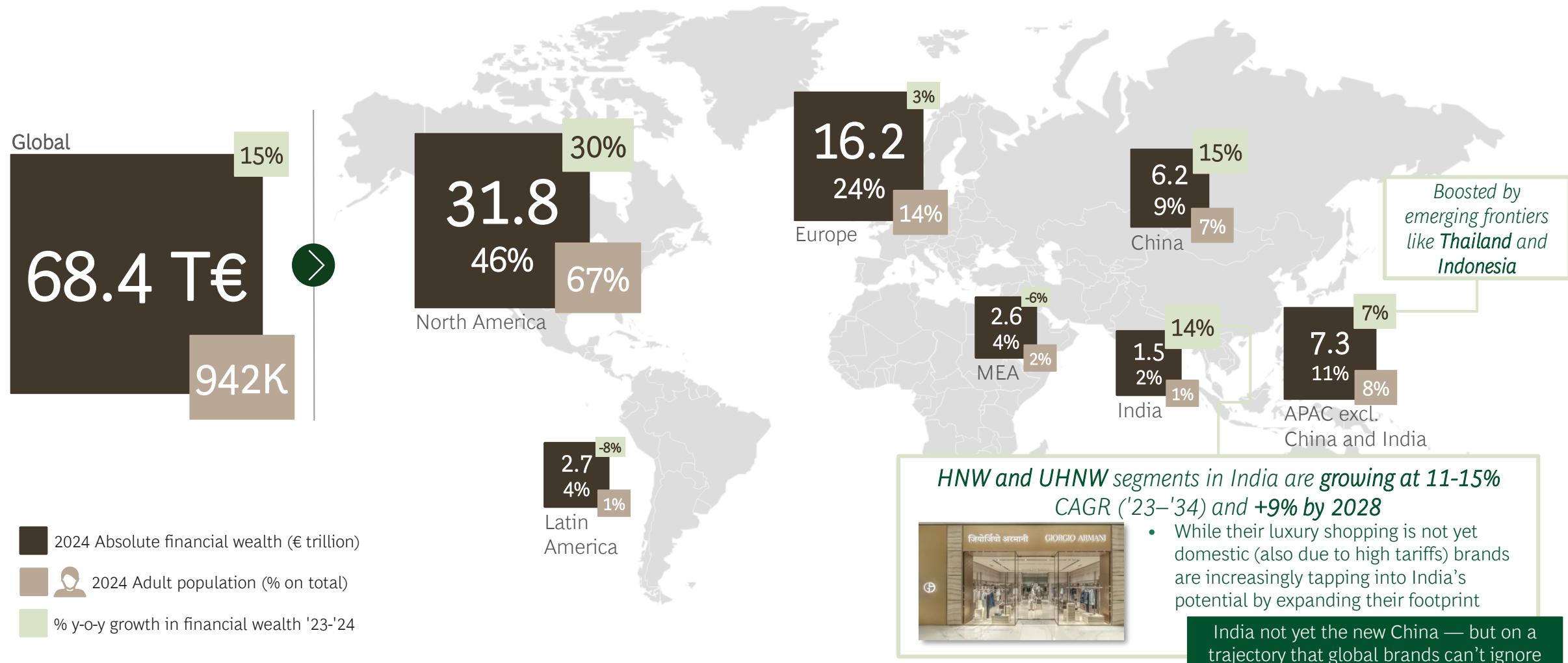
## Implication for luxury brands

*They are more than what you track*

*Identifying, recruiting and segmenting these clients is a continuous effort.*

*How to go beyond Client Advisors' "gut feeling"?*

# Where are they? Nearly half of global HNWI wealth is held in North America, followed by Europe and APAC



Note: HNWIs: Financial Wealth >20M€; Based on a variable currency methodology that captures the impact of exchange rate fluctuations  
Source: BCG Global Wealth Report 2025—BCG Global Wealth Market Sizing



*What do they  
enjoy?*



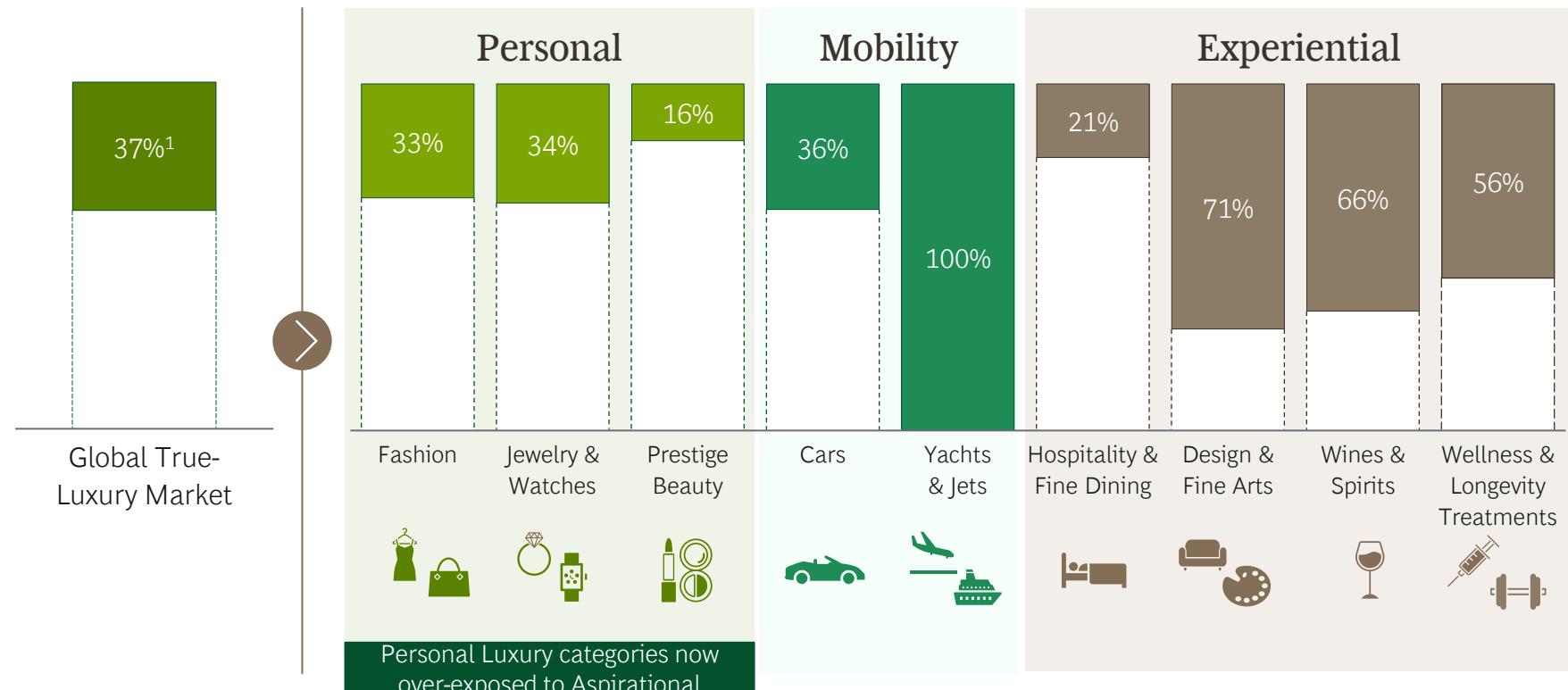
# Want to find them?

Beyond yachts (of course!), they love design, wines, cars and wellness

Leveraging Altrata's Wealth-X database with  
>150k HNW profiles across 70 economies



Share of Top-tier clients consumers spend in total market value by category, 2024 (%)



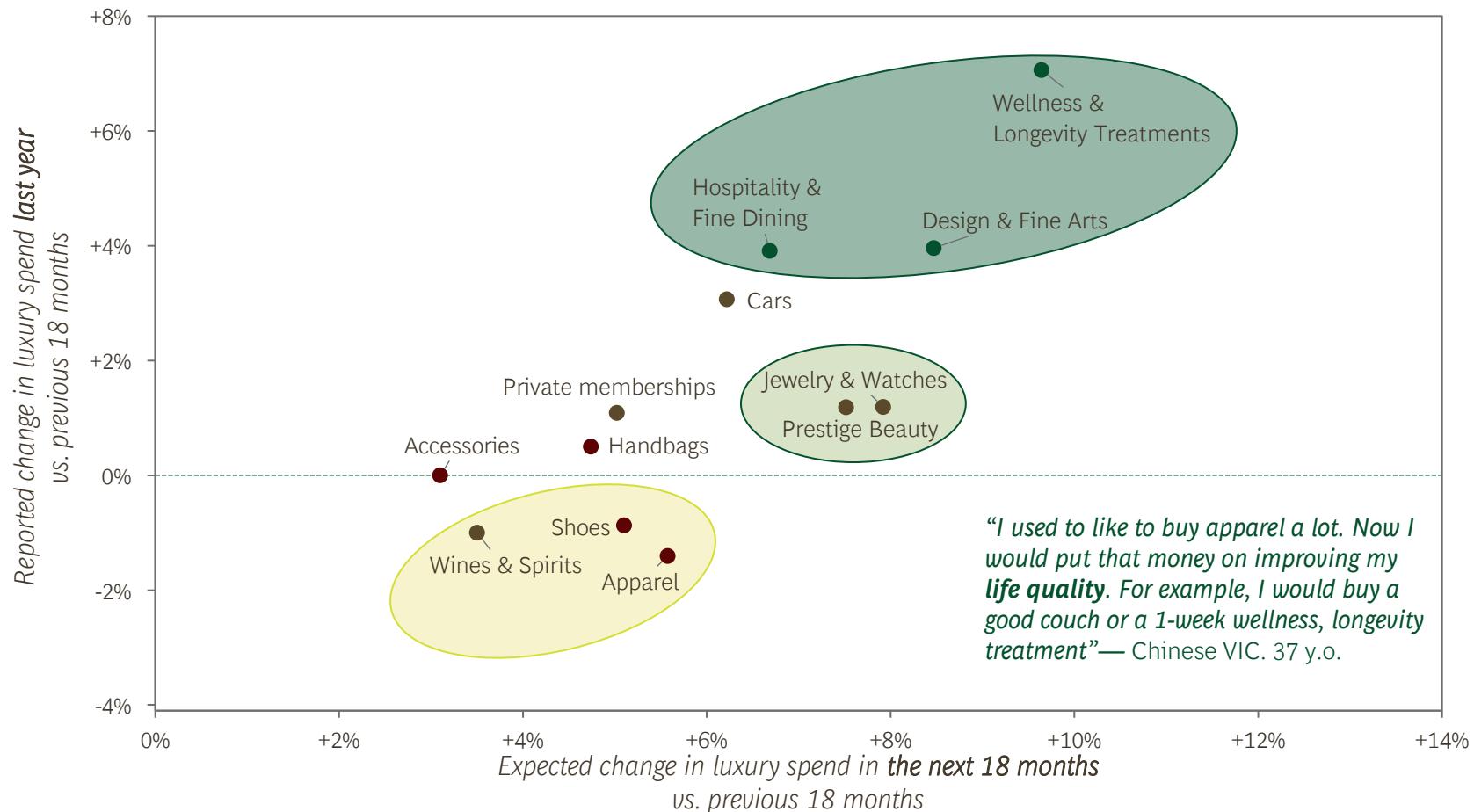
1. Including mobility and wellness/longevity vs 23% excluding them  
Source: Altrata – 2025; BCG Fashion & Luxury Market Model as of June 2025; BCG Analysis

*Implication for luxury brands*

*To catch these clients, you need to expand*

*How to connect to these not-so-adjacent categories? Is this a brand extension or an ecosystem play?*

# Looking forward: health-as-wealth mindset



**Living well, spending more**  
Wellness & Longevity Treatments boom (+8% past, +10% future) together with design & fine arts (+4%, +8%) as health-as-wealth mindset surges

**Bright spots in luxury**  
Jewelry & Watches and Prestige Beauty shine with steady past and future growth

**From pause to recovery**  
Shoes, apparel and wines decelerated in past 18 months, but expected to enjoy higher spend on the horizon

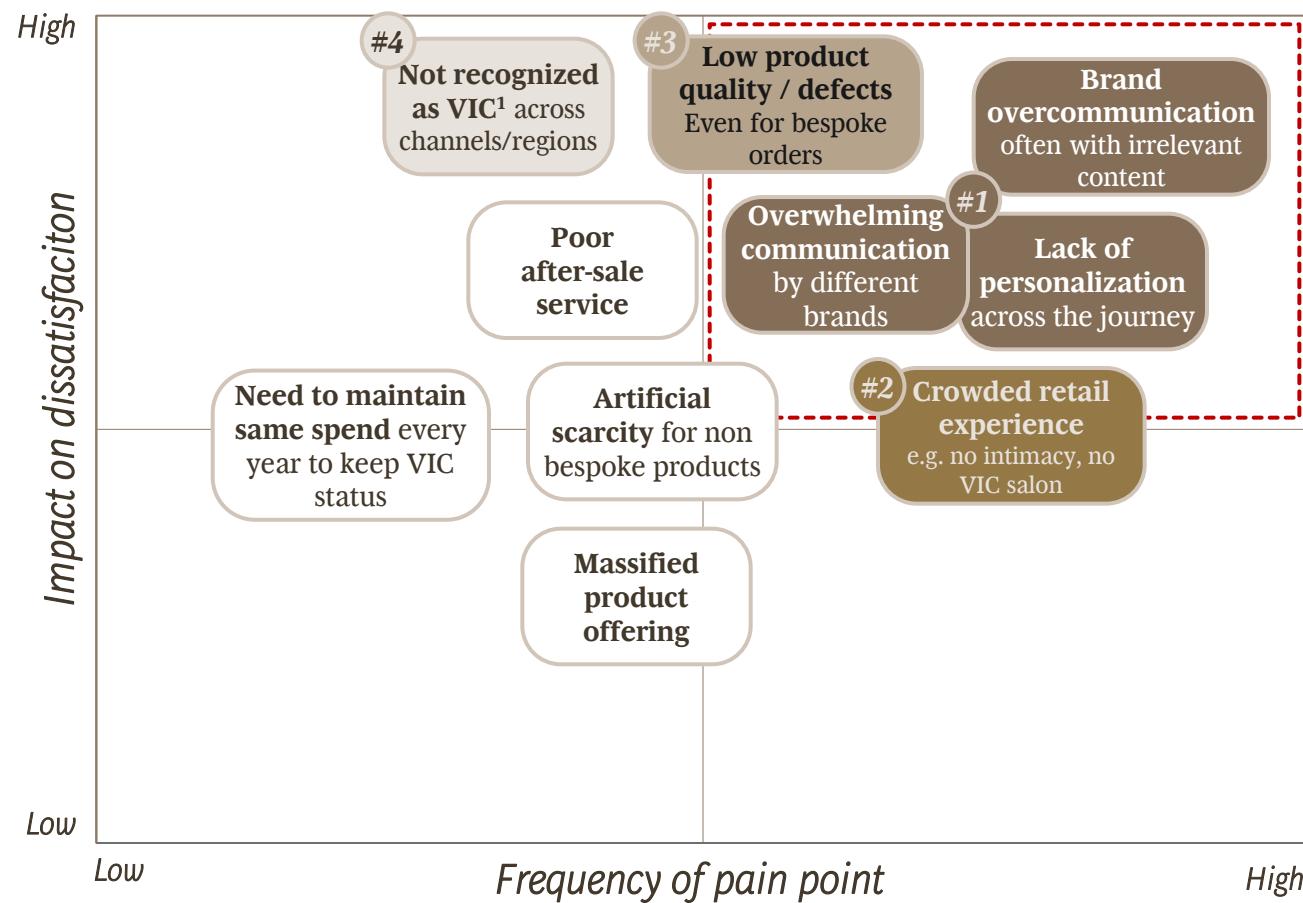


*What do they  
dislike?*



# Top-tier clients shared where brands are still falling short, and four clear gaps are still emerging

Mapping of top-tier clients pain points



1. Very Important Customer

Source: BCG-Altagamma True-Luxury Global Consumer Insight Survey June '25 (7K respondents in 10 countries and regions), VIC Interviews, CEO interviews, CA interviews

## Four main pain points

- #1 **Overcommunication, no personalization**
- #2 **Crowded, standardized retail experience**
- #3 **Lower product quality and defects**
- #4 **Lack of top-tier status recognition**

# What do top-tier clients want?

A luxury that goes back to the core:  
connection, intimacy, excellence and recognition

# What do they get instead?

A luxury that still feels *too noisy, too crowded, too industrialized* –  
to capture the Aspirational consumers rather than the top-tier clients

#1

## 1:1 Connection

*"I engage with 57 brands in different categories, and I receive 40-60 outreaches a month, in a way that doesn't feel personal most of times. I can't stand it anymore"*

#2

## Intimacy

*"I love going to the boutique, but I need more intimacy: luxury-associated experiential formats must be exclusive, and I need my space - luxury cannot be crowded"*

#3

## Product Excellence

*"Now that everything is transparent, how a product is made defines its value; sometimes I feel I am not getting the right quality"*

#4

## Recognition

*"I typically shop at 9 brands on average, but I am recognized a Very Important Client only by 2 brands"*

## Too much overcommunication, too little Clienteling

**60%** feel overwhelmed by excessive marketing and under-targeted communication

## Too much crowd, too little intimacy

**80%** of Top-tier clients would prefer a dedicated, intimate in-store space

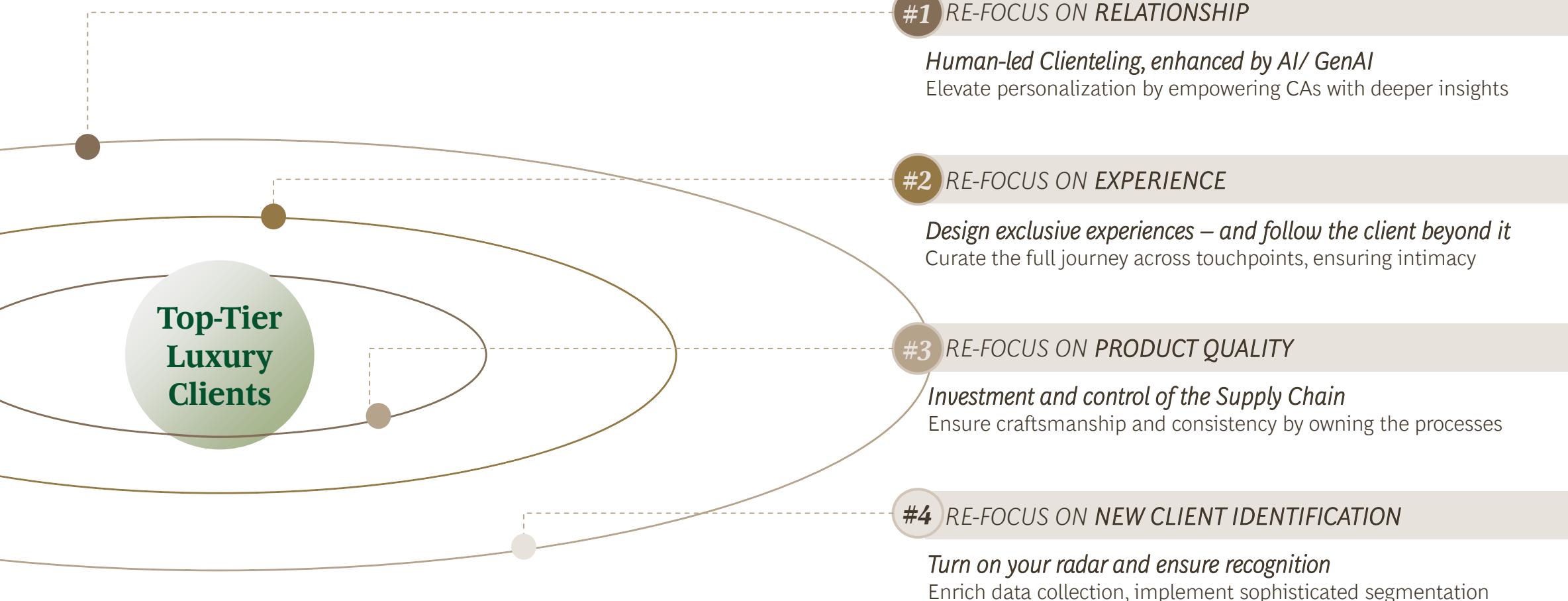
## Too much volume, too little value

**89%** value luxury products for their craftsmanship and quality, but feel they are not getting it

## Too limited focus, many missed opportunities

**70%** of potential Very Important Clients are not correctly identified by brands because of their segmentation/CRM

# The way forward: RE-FOCUS on the core



# Altagamma & BCG Team for the 11th edition of the study



**Stefania  
Lazzaroni**  
*Altagamma General  
Manager*



**Filippo  
Bianchi**  
*BCG Managing  
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& Senior Partner*



**Guia  
Ricci**  
*BCG Managing  
Director  
& Partner*



**Beatrice  
Lemucchi**  
*BCG Managing  
Director  
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**Stefano  
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**Lucia  
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**Javier  
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*Thank  
you.*

