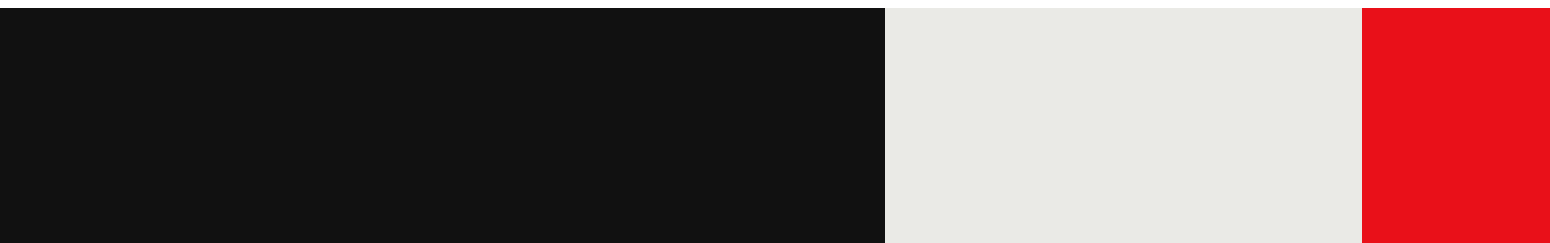



US consumers gravitate toward online channels to buy luxury goods

Article

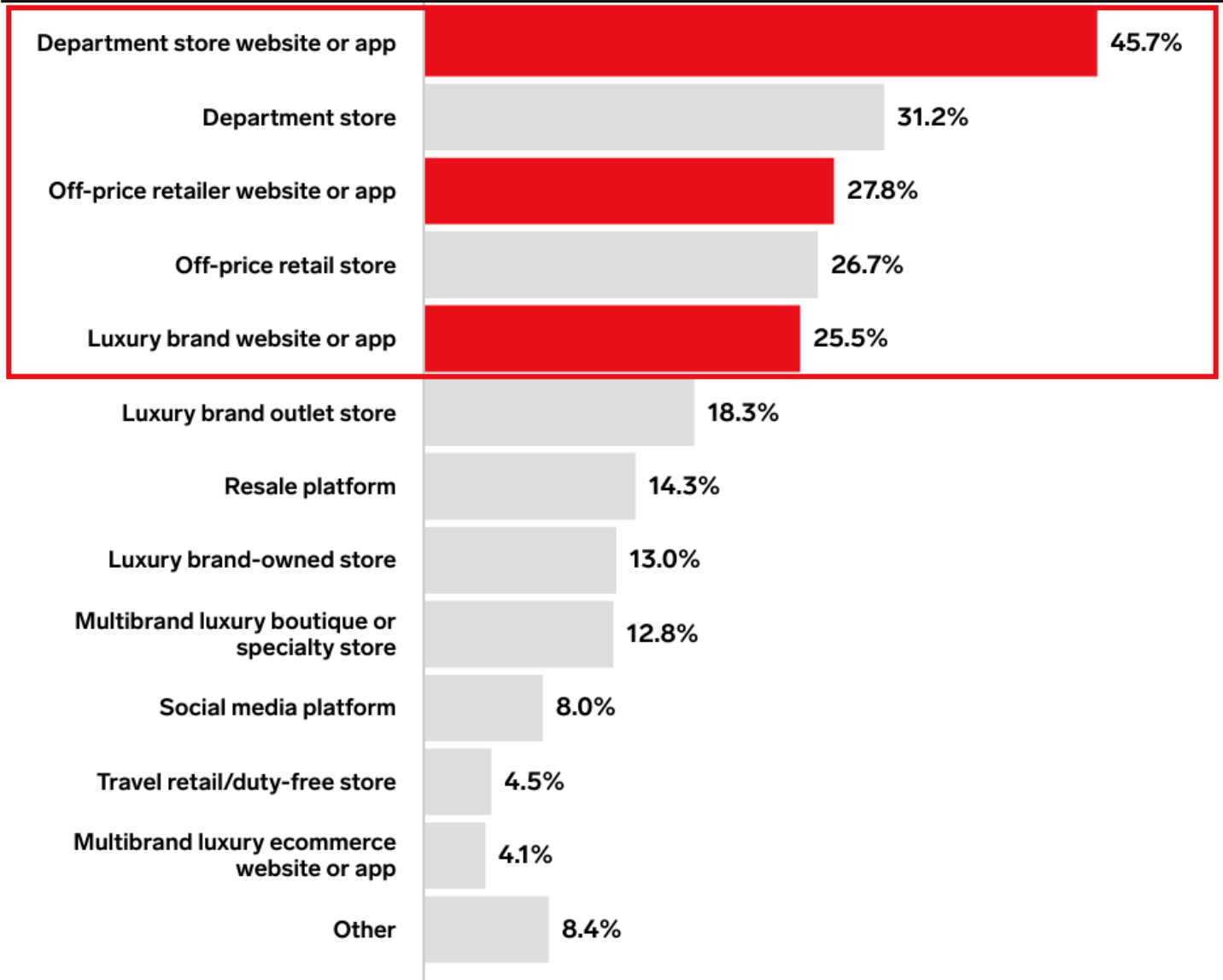


Key stat: Worldwide personal luxury sales will grow from \$415.45 billion in 2023 to half a trillion in 2027. The two largest markets—the US and China—will grow their share to account for 50.6% of total luxury sales by then.

- **Department store websites and apps lead.** Respondents to our July 2023 survey conducted by Bizrate Insights for Insider Intelligence were more likely to have made an online purchase than an offline one at department stores, off-price retailers, and brand-owned stores—the top three types of retailers for personal luxury goods. Nearly half (45.7%) reported making a purchase from department store websites or apps (the top channel), compared with less than a third (31.2%) for physical department stores. Ecommerce had a significant lead over brick-and-mortar for luxury brand-owned stores (25.5% versus 13.0%), and it was slightly ahead of stores for off-price retailers (27.8% versus 26.7%).

Among the Top 5 Luxury Retail Experiences, Online Channels Dominate in the US

% of respondents, July 2023



Note: respondents were asked, "Which of the following channels have you used to purchase personal luxury goods in the past 12 months?"

Source: "The Insider Intelligence Luxury Goods Flash Survey" conducted by Bizrate Insights, July 2023

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- **Deals and convenience drive US luxury ecommerce.** Per our survey, “online discounts, deals, and offers” was the top reason cited for choosing to make a luxury purchase online (32.0%), followed by convenience (25.8%) and the ability to compare prices (14.0%).

Deals Are the No. 1 Reason US Luxury Consumers Shop Online Rather Than in Stores

% of respondents, July 2023

Online discounts/deals/offers

32.0%

Convenience

25.8%

Ability to compare prices

14.0%

Better selection/product availability online

12.9%

Customer service

6.3%

Note: top 5 responses; respondents were asked, "Which factor is most important when deciding whether to purchase personal luxury goods online instead of in a store?"

Source: "The Insider Intelligence Luxury Goods Flash Survey" conducted by Bizrate Insights, July 2023

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- **What it means for luxury marketers.** When consumer budgets face greater constraints, discretionary purchases in categories like luxury goods are among the first to go. But interest and demand remain for these products at lower prices, and online channels draw deal-seeking luxury buyers. Luxury retailers should focus store-related marketing on drawing higher-spending consumers, and tailor online initiatives to encourage broader participation in luxury buying in ways that still maintain a level of exclusivity around top-tier product categories. Areas with strong ecommerce potential include beauty ecommerce resale and rental, off-price, and limited-edition collaborations with non-luxury brands.

Report by Sky Canaves Oct 09, 2023

Luxury Ecommerce 2023

