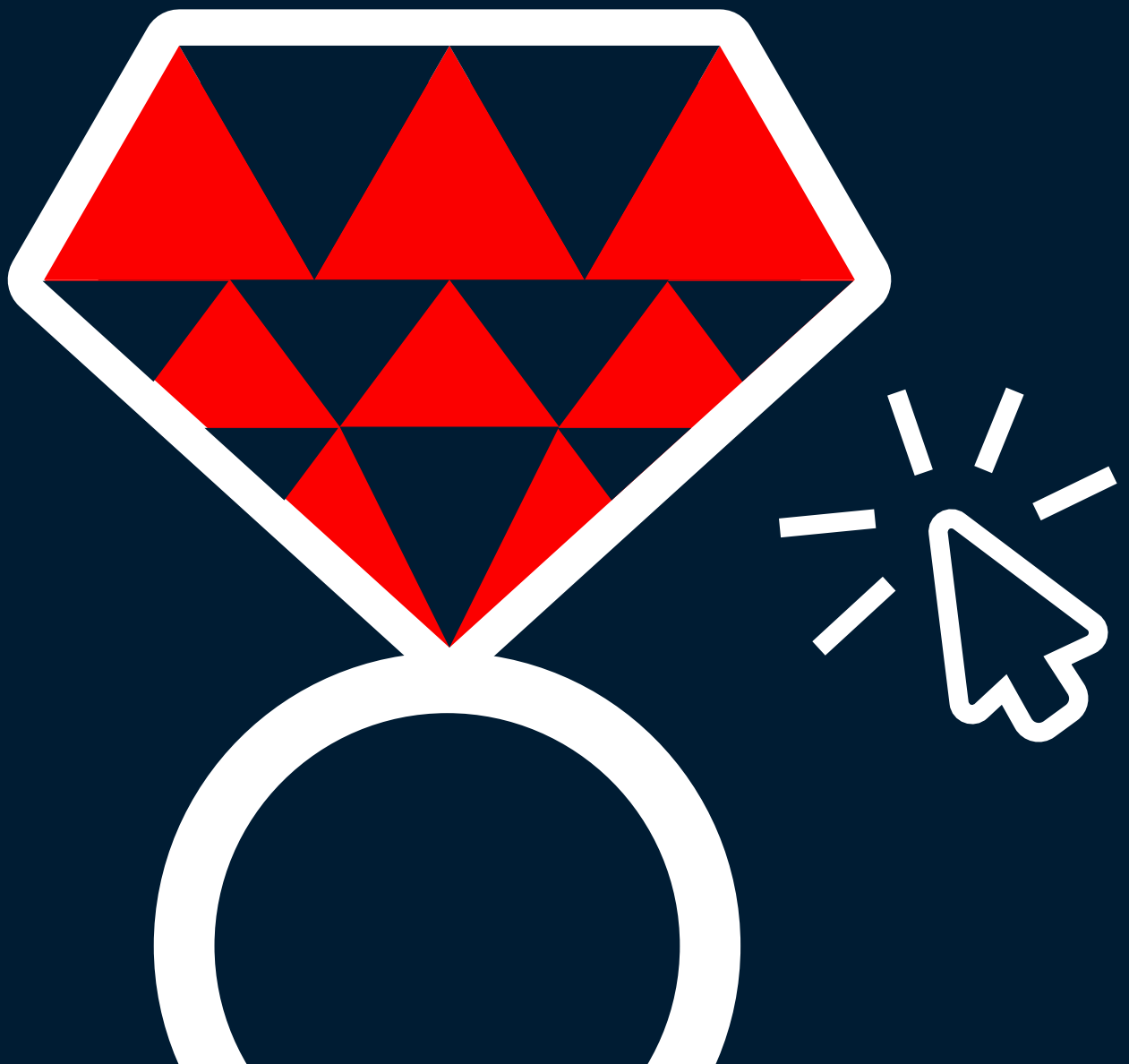


HAVAS Market
**REDEFINING
LUXURY**
in the Digital Marketplace



INTRODUCTION

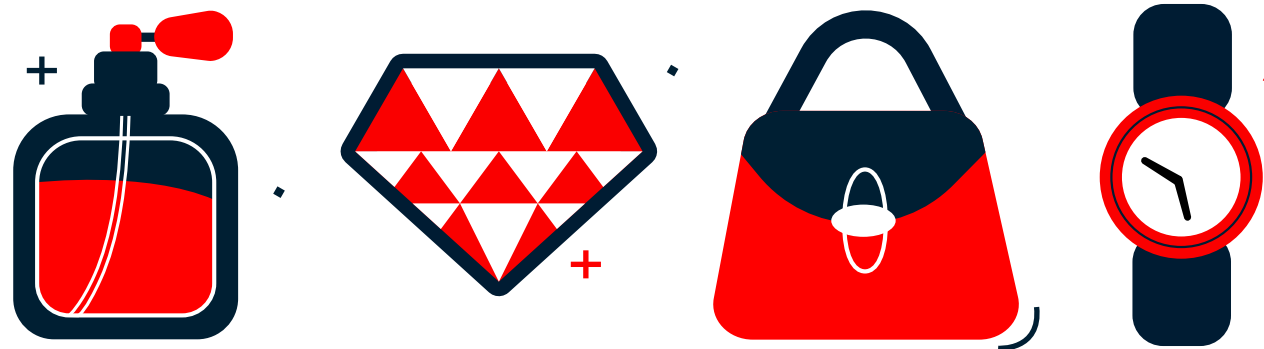
Luxury conjures images of exclusive showrooms and dedicated sales assistance, but, in recent years, Luxury eCommerce has undergone explosive growth that is redefining how consumers discover and obtain high-end goods. With an estimated [30% of personal luxury sales anticipated to take place online by 2025](#), Luxury eCommerce has evolved into a vital sales channel that luxury brands must embrace.

This growth in Luxury eCommerce comes amidst a larger boom in the luxury market, with younger, tech savvy consumers increasingly driving purchases. China is a dominant force in this growth, [comprising an estimated 22-24% of the world's luxury consumption in 2023](#), and increased luxury demand in Europe and North America, alongside growing markets in South America, Middle East and Africa, [contribute to a global luxury goods market is anticipated to grow from \\$284 billion in 2023 to \\$392 billion by 2030](#).



While multi-channel presence was historically seen as a threat to a luxury brand's image among affluent consumers, as new demographics become luxury consumers, brands must identify new ways to engage effectively online while protecting their exclusive brand image.

To navigate the luxury eCommerce landscape, which is rapidly evolving alongside shifting consumer preferences and technological developments, Havas Market has put together a guide to the luxury eCommerce landscape. Whether a luxury brand is entering the eCommerce space for the first time, or is established in this space, we invite you to discover the trends that brands are embracing, challenges to successfully navigating this transition, and brands and platforms that are leading the charge in the new frontier for luxury.



HAVAS Market

KEY TRENDS SHAPING THE LUXURY ECOMMERCE LANDSCAPE

1. LUXURY BRANDS ARE EMBRACING DIGITAL AND TAKING TALENT IN-HOUSE

With [Millennials and Gen Z consumers comprising over 40% of all luxury spending](#), luxury brands are in an arms race to build their digital capabilities and become sophisticated in an area they might have traditionally ignored.

Notable examples of brands with success in this sector include Louis Vuitton, Dior, and Gucci, who leverage the latest industry trends to connect with their customers across various offline and online touchpoints. Talent acquisition plays a significant role in this acceleration, as the luxury market now demands a robust digital presence, once the domain of eCommerce distributors. It requires experts across eCommerce, user experience, analytics, and marketing to craft a premium online experience.

2. EVOLVING CONSUMER BEHAVIOR DRIVES OMNICHANNEL EXCELLENCE

Luxury consumers increasingly seek convenience and a broader product selection online. Brands are reevaluating their wholesale strategies, introducing e-concessions (partnerships between luxury brands and online retailers), and managing supply delays. As the shift from physical stores to online shopping continues, brands recognize the need for a comprehensive product view.

Moreover, they acknowledge that channels no longer exist in isolation; each channel represents a customer touchpoint interconnected in the broader customer journey. [With a consumer's online experience influencing at least 40% of all luxury purchases, seamlessly integrating online and offline experiences is crucial](#). Customers expect consistency and continuity across all touchpoints, whether they're browsing a website, visiting a store, or engaging on social media, and brands must be "omnipresent" to engage with customers wherever they choose to interact.

3. AI AND DATA ANALYTICS ACCELERATE BUSINESS GROWTH

While still in its nascency, AI is already playing a pivotal role in success for luxury eCommerce. [Burberry, a pioneer in digital innovation, uses AI chatbots and interactive apps to provide a tailored shopping experience, blurring](#)



HAVAS Market

[the lines between digital convenience and personal touch.](#)

Personalization, predictive analytics, and inventory management all benefit from AI-driven insights. Many luxury groups are either acquiring or building tech ecosystems to accelerate business growth. By leveraging AI, luxury brands can enhance customer experiences, optimize stock, and drive sales.

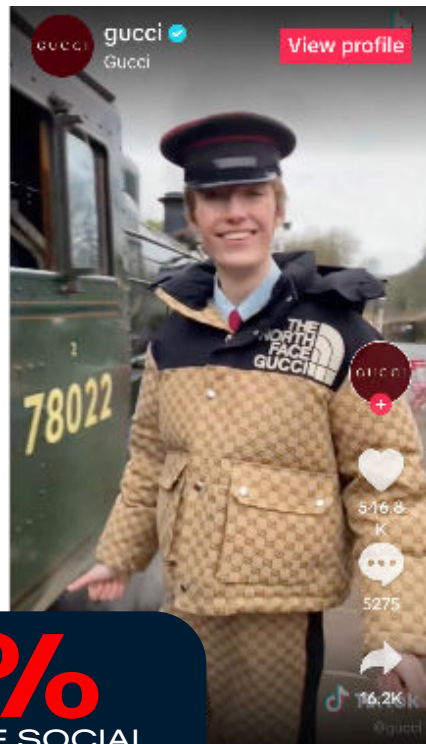
4. AR AND VR BREAK DOWN BARRIERS BETWEEN VIRTUAL AND PHYSICAL

Beyond aesthetic product images, AR and VR offer immersive advertising experiences. Brands can showcase products virtually, allowing customers to visualize them in real-world contexts. This technology breaks down purchasing barriers by bringing the product closer to the customer —building a more intimate, active participation in the legacy and craftsmanship of the brand. [72% of UK luxury fashion consumers say it's important that brands provide AR solutions as part of their shopping experiences.](#)



5. SOCIAL COMMERCE AND INFLUENCER MARKETING BRING LUXURY TO NEW DEMOGRAPHICS

With [Havas Media Network and Snap's research finding that 44% of the "Next Gen" Millennial and Gen Z audiences use social to evaluate purchases](#), even brands that were hesitant to embrace social media are realizing platforms and influencers' power to build communities. For example, for the Exquisite Gucci show in Milan, Gucci teamed up with Francis Bourgeois, a popular, young TikToker known for his love of trains and engaging content. This collaboration struck a chord with Gen Z audiences, garnering millions of likes and enthusiastic responses for the campaign.



44%
OF NEXT GEN USE SOCIAL
TO EVALUATE PURCHASES

HAVAS Market

CHALLENGES FOR LUXURY ECOMMERCE BRANDS

While luxury brands are thriving by embracing digital transformation, customer-centric strategies, and innovative technologies, these opportunities are coupled with unique challenges for luxury brands in the eCommerce Landscape:

Maintaining Exclusivity and Brand Image

Luxury brands have traditionally relied on limited distribution channels and high-end retail experiences (in-person) to create an aura of exclusivity. In the digital landscape, preserving this exclusivity while catering to a broader online audience is a delicate balance. The challenge is to ensure that the online shopping experience aligns with the brand's image of luxury, personalized service, and exclusivity. Finding the right partner to manage the brand's Direct to Consumer (DTC) platforms, which control this image, should be thoughtfully decided.



Replicating the Offline Experience

Luxury consumers expect a seamless transition from offline to online. However, replicating the tactile, sensory aspect of browsing through a high-end store –in which the brand's high-quality material, aesthetic, and vision can be more readily experienced– is no easy feat. Brands must invest in high-quality photography, detailed product descriptions, and immersive visuals to evoke the same emotions and perceptions online as they do in-store.



Personalization and Customer Journey

Luxury eCommerce needs to tailor the customer journey for each prospective buyer. Personalization fosters deeper emotional ties between the customer and the brand, which is especially important in the luxury sphere. It enhances engagement and drives conversions. Balancing personalization with maintaining the brand's identity and exclusivity is critical and can be accomplished by leveraging AI and first-party data.

Engaging Storytelling

Luxury brands thrive on narratives. Communicating stories about craftsmanship, product quality, the company's history and heritage, and the brand's values is essential in the digital space. For example, showcasing the creation process in an authentic-to-brand location, highlighting brand origins in family traditions, and sharing endorsements from renowned and credible celebrities are all methods to effectively tell the story of the brand.

HAVAS Market



Payment Methods

Luxury shoppers expect secure payment options. Brands must offer seamless, trustworthy payment gateways. Striking a balance between convenience and security is crucial to building trust with online customers.

Delivery Experiences

Luxury customers anticipate top-level service in exchange for the high price they pay, including timely delivery, premium packaging, and hassle-free returns. Brands must meet these demands to keep up with their high-end brand experience.

LUXURY BRANDS IN THE DIGITAL SPOTLIGHT

Successfully leveraging digital platforms and maintaining exclusivity and personalization through eCommerce comes with its challenges, but traditional brands and newcomers alike are successfully walking the “digital red carpet.” Here are two inspiring examples of how luxury brands are leaving their mark in the online world:

DIOR KHAITE

1. Dior, the storied French multinational luxury fashion house with over 70 years of haute couture leadership, has emerged as the world’s most popular luxury brand online, surpassing even Gucci. Their success can be attributed to their meticulously designed website and innovative digital initiatives. Dior seamlessly blends aesthetics, user experience, and brand storytelling to engage a discerning online audience.

2. Khaite, luxury retailer and Shopify Plus merchant, is a relative newcomer, founded in 2016 and achieving viral, celebrity success in the past years. Khaite stands out for its exceptional website design, with a focus on aesthetics, minimalism, and a streamlined user experience sets them apart from competitors and establishes them as a favorite among consumers. Khaite’s commitment to visual elegance resonates with fashion-forward consumers seeking a seamless online shopping journey.

LEADING PLATFORMS IN THE LUXURY ECOMMERCE SPACE

Most luxury brands sell from their own website, but many also advertise their products on digital marketplaces or web-based platforms specifically created for the luxury market segment. These platforms play a significant role in shaping the luxury eCommerce landscape, with each site tailored to meet the demands of this segment through top-notch AI algorithms, UX design, and a worldwide product selection.

However, each player has a slightly different approach to resonating with consumers, and luxury brands should be educated on what each marketplace has to offer:



Net-A-Porter (NAP): Known for its curated selection of high-end fashion, beauty, and accessories, NAP continues to attract discerning shoppers. Their seamless user experience and personalized recommendations set them apart.

MatchesFashion: This platform offers a carefully curated collection of luxury clothing, accessories, and lifestyle products. Their commitment to sustainability and unique collaborations with designers especially resonate with conscious consumers.

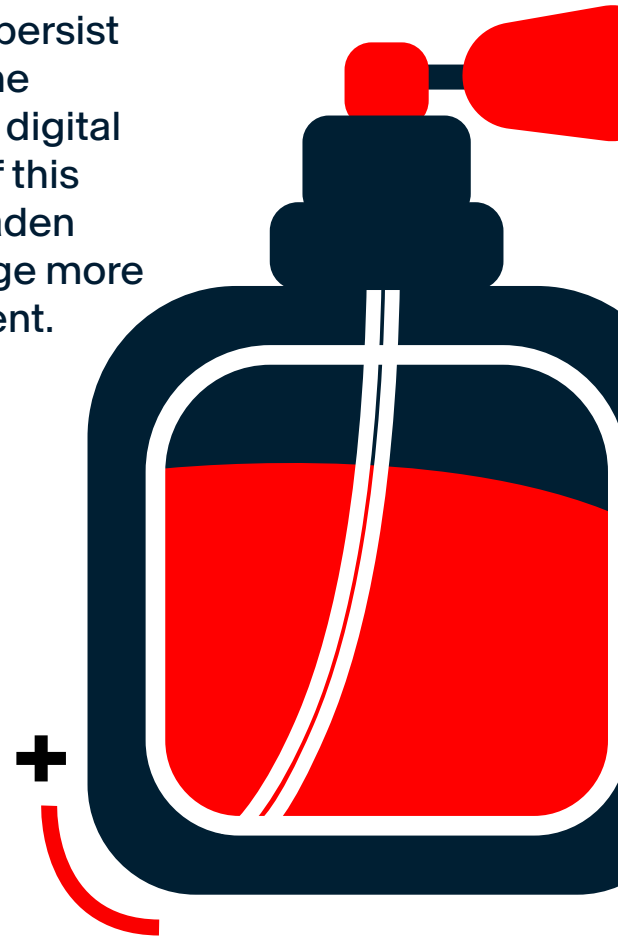
Mytheresa: Catering to fashion-forward luxury shoppers, Mytheresa boasts a clean website design, exclusive collaborations, and an extensive range of designer pieces. Their mobile app ensures a seamless shopping experience.

24S: As part of the LVMH group, 24S focuses on luxury fashion and beauty. Their selection includes both established and emerging designers. Personalized recommendations and strong editorial content enhance the customer journey.

Moda Operandi: Known for its unique pre-order model, Moda Operandi allows customers to shop directly from the runway. Exclusive trunk shows and access to designer collections make it a favorite among luxury enthusiasts.

UNLOCKING LUXURY: HAVAS MARKET'S GUIDE TO OPULENT ECOMMERCE

In this dynamic landscape, luxury brands must persist at adapting, innovating, and redefining the online shopping experience to stand out in a crowded digital world. Despite the intricacies and challenges of this space, the opportunity for luxury brands to broaden their market, catalyze business growth, and forge more profound consumer connections remains evident.



THANKS FOR READING!

For any questions on this piece or to learn more about Havas Market please reach out to victoria.ducournau@havasmarket.es

