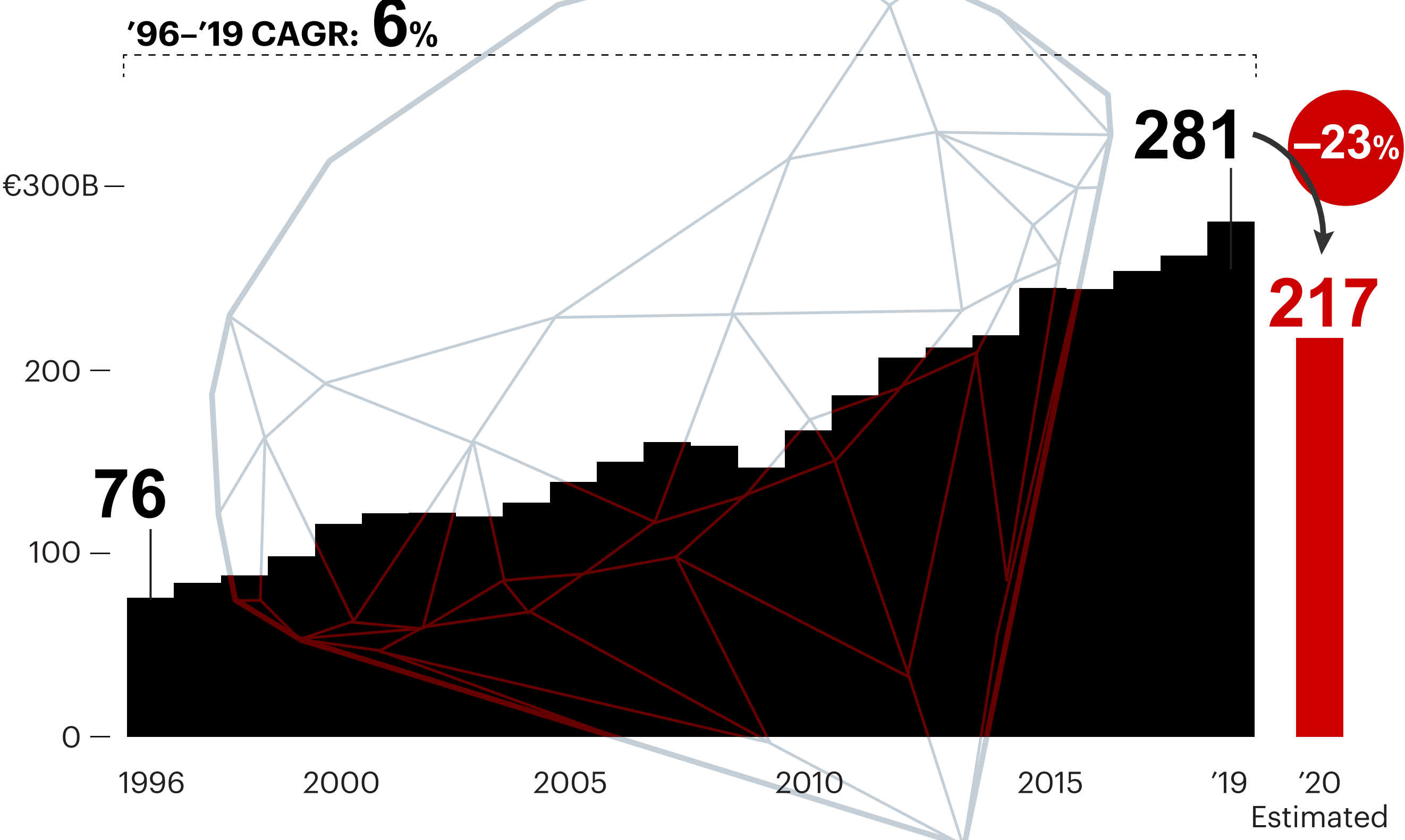


# Pandemic Spurs a Transformation of the Luxury Market

With sales down significantly in 2020, luxury retailers are reinventing themselves to survive.

## Covid-19 hit the luxury market hard

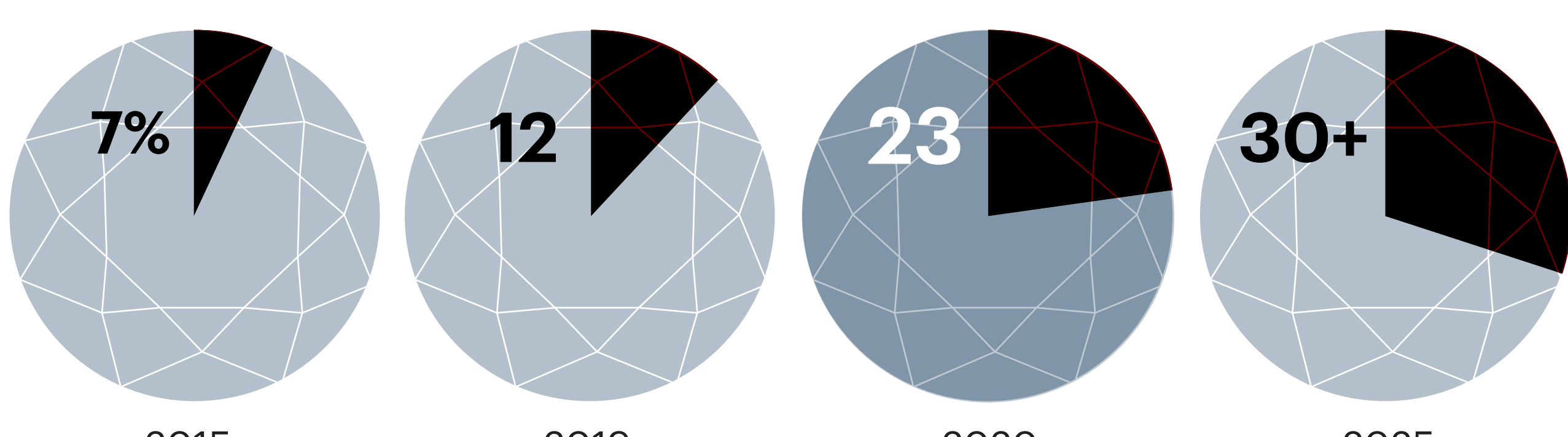
The core personal luxury goods market fell by **23%** in 2020, to **€217B** worldwide.



That's the first drop since 2009 and the largest recorded since we have been tracking the industry.

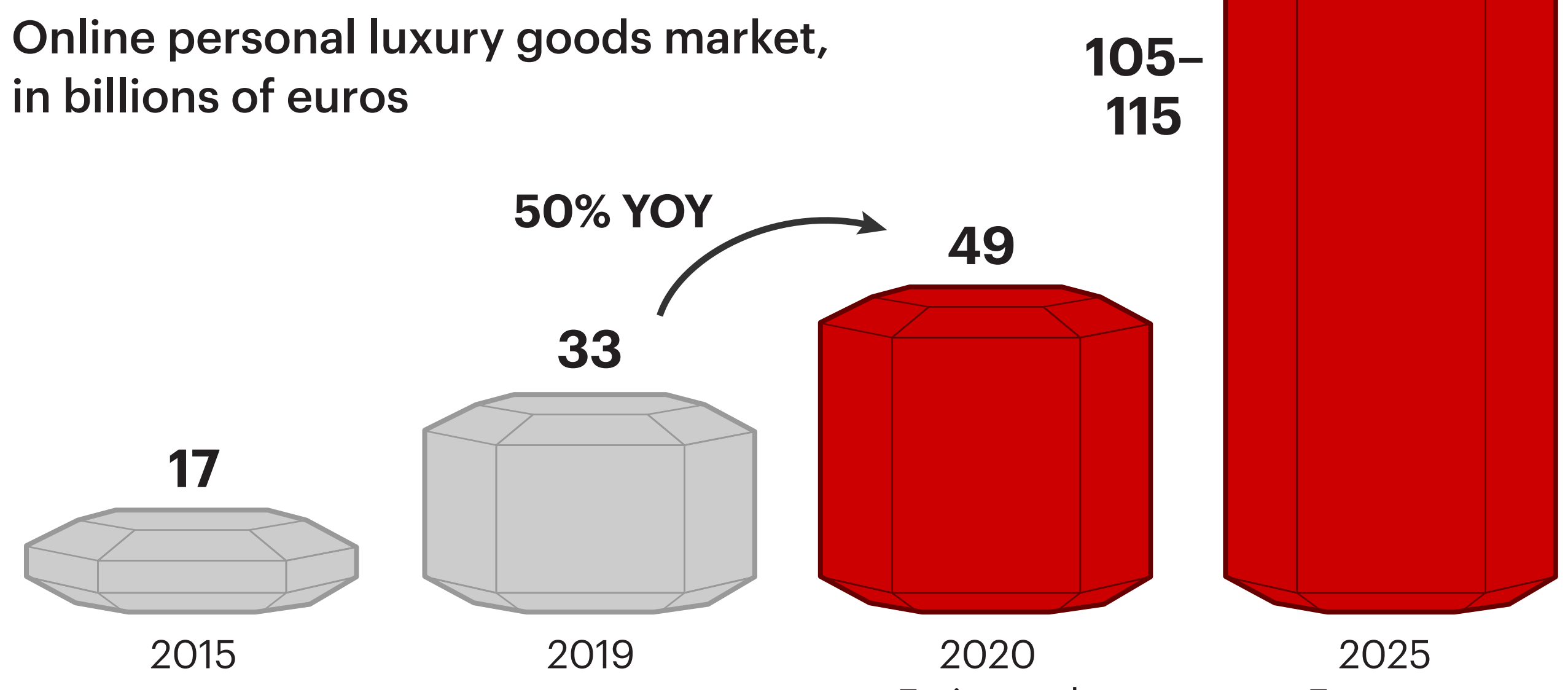
## Despite the downturn, online luxury shopping soared

Digital doubled its share of the market to **23%** in 2020, up from **12%** in 2019



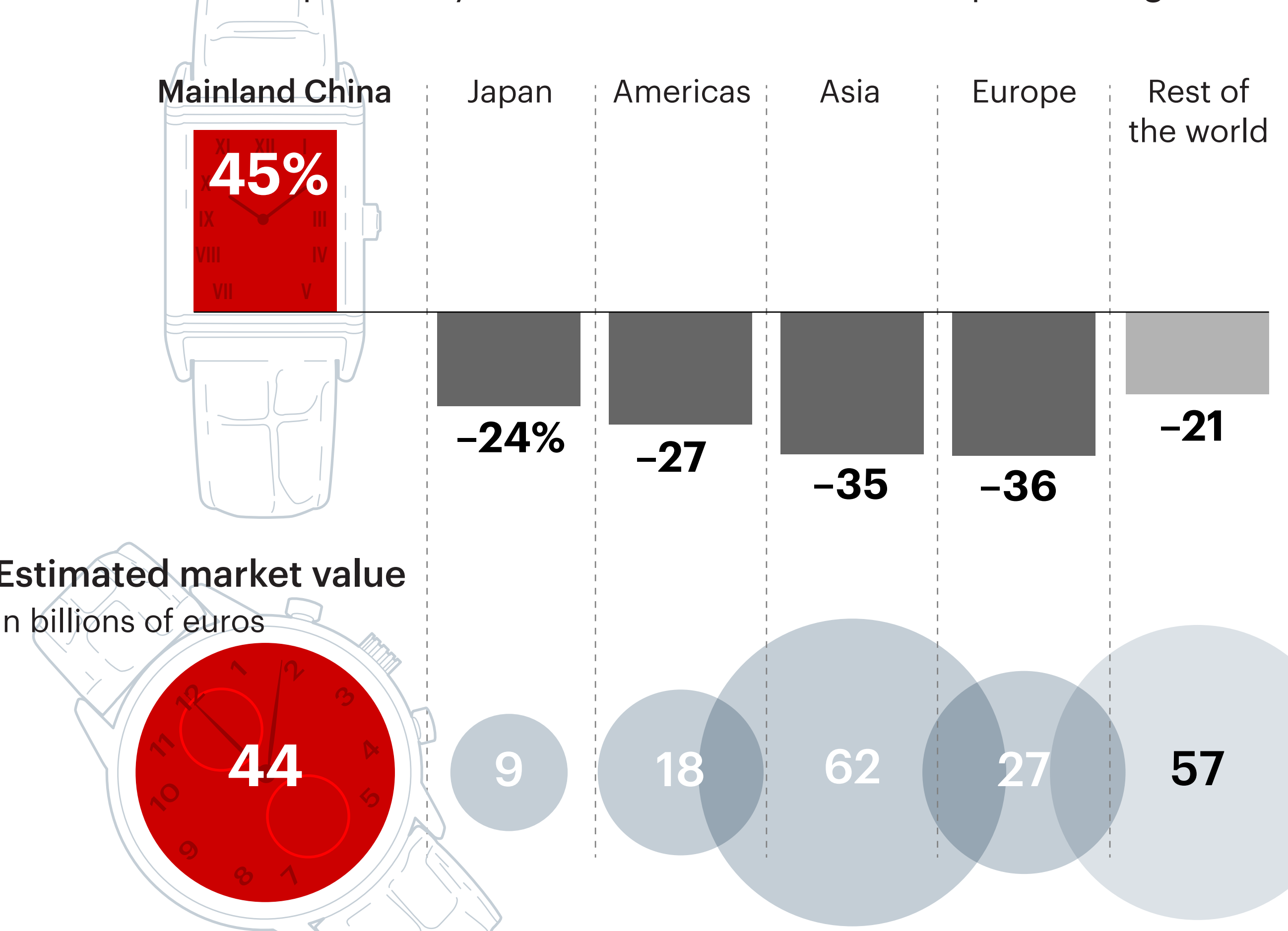
We expect it to exceed **30% by 2025**, when online will be the largest channel for luxury purchases.

Online personal luxury goods market, in billions of euros



## Good signs in China

China, the **only region globally** to see an increase in sales, **grew by 45%** to reach **€44B**, spurred by an accelerated shift to local purchasing.

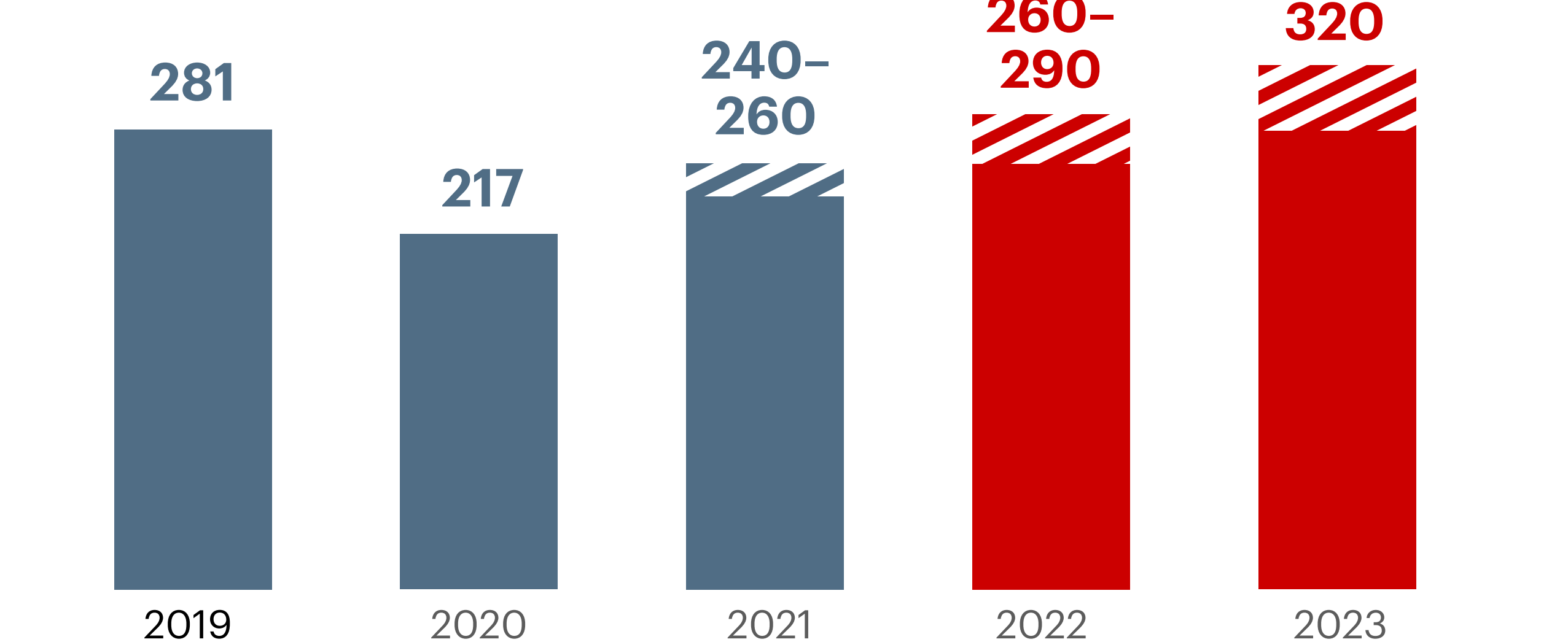


By 2025, we expect Chinese consumers to make up **nearly half** of the global personal luxury good market.

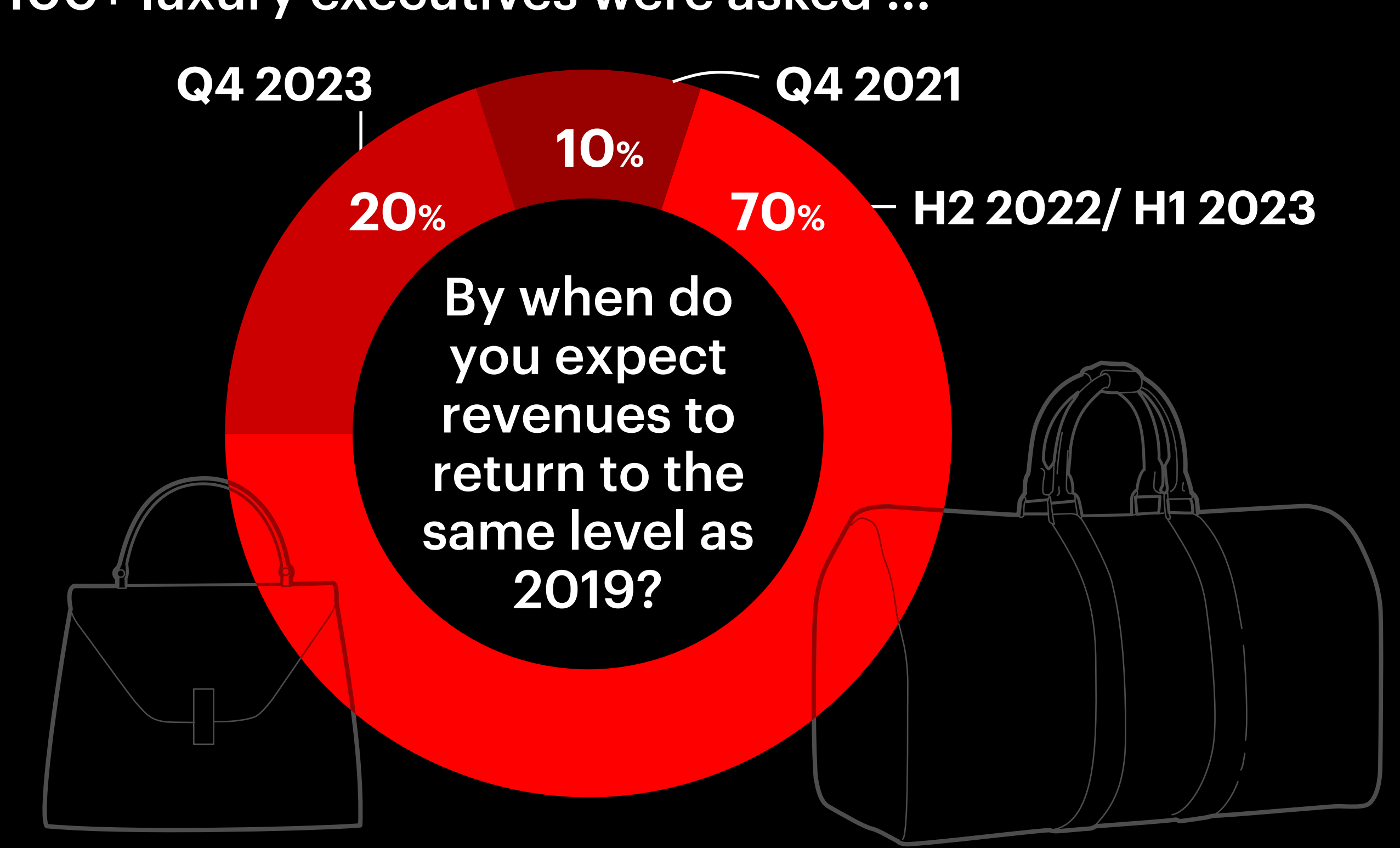
## Tracking the recovery

Bain expects the recovery to gather pace over the next three years, with the market **returning to 2019 levels by the end of 2022 or early 2023**.

Market value, in billions of euros



## 100+ luxury executives were asked ...



## Covid-19 has sped five key trends in the industry

### The shift toward local purchases

With the large drop in tourism, more purchases are being made locally, a trend we expect to remain postpandemic

### The rise of Gen Z

Younger consumers in 2020 were more resilient than older generations and are poised to spark the rebound

### The dominance of digital

In 2020, online sales skyrocketed at a pace equivalent to five years of growth. By 2025, it will consist of 1/3 of total market value

### The evolving nature of the store

Retail networks will need to be redesigned around the customer—especially the ergonomics, location and purpose of stores

### The changing role of brands

Brands will exert more control over wholesale channels and shift from being “producers” to “broadcasters” amid increased appetite for accessibility