



The State
of Fashion:
**Face to Face
With Luxury
Clients**

BOF

McKinsey
& Company

ACKNOWLEDGEMENTS

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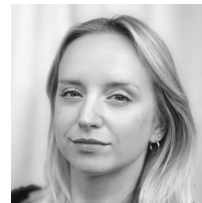
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EXECUTIVE SUMMARY

Face to Face With Luxury Clients

After a prolonged slowdown, luxury is gradually returning to growth, led by the US and China. Drawing on a survey of more than 2,000 clients and dozens of interviews across both markets, *The Business of Fashion* and McKinsey & Company find a base of customers with increasingly distinct local preferences that nonetheless share an overarching desire for emotional connection.

After years of struggling to reignite sales, the luxury industry is projected to slowly pull out of its prolonged slump in 2026. Overall growth will likely remain muted, expanding at an annual rate of 4 to 6 percent through 2030, a slower pace than the high single-digit increases of previous periods.

Much of the sector's growth will be driven by the world's two most important markets: the United States and China. Valued at around \$130 billion, the US is the world's largest luxury market, projected to grow by as much as 5 percent annually through 2030. China's \$60 billion high-end market, meanwhile, is expected to recover and outpace other major regions, expanding by as much as 6 percent a year.

Rekindling growth will not come easily for many brands. Since emerging from the pandemic, and the winding down of the spending frenzy that followed, luxury clients have realigned their priorities. They

have become more discerning about the brands and products they are willing to buy. Growth in experiences like travel is overtaking product purchases, while inflation has dampened appetite for fashion, including handbags. Price hikes from leading fashion brands during boom times — often without corresponding product innovation — turned off clients across the spectrum, particularly at the aspirational level.

As the post-pandemic euphoria began to fade, brands sought to insulate their businesses from choppy trading conditions by focusing attention on VIC clients. They bulked up on products at the very high end and carved out space for expansive private salons in flagship stores in prestigious shopping districts. But as they focused on clients most immune from economic headwinds, many brands lost track of lower-tier clients and failed to give them a reason to visit stores. These customers, a critical base for the sector, ended up turning away in droves.

For the latest report in our “State of Fashion” series, we thought it was a good opportunity to get to know these clients better. We conducted a rigorous survey of more than 2,000 clients across spending tiers in both the US and China. We held in-depth interviews with customers and executives. This allowed us to cut through widespread assumptions and get to the values and priorities shaping clients' purchasing decisions across markets and segments.

We discovered key values that clients in China and the US have in common. For both markets — where building desirability has become more tricky — emotional connection has emerged as the leading driver of luxury purchases. As clients become more selective, they are most drawn to brands that resonate personally and reflect their tastes and values. Heritage and brand history, meanwhile, are playing a less important role.

But there is plenty that also sets these two markets apart. While clients in China look to brands more as a means of external expression, their counterparts in the US are more interested in self-reward, gravitating most to brands that share their values.

Drilling down to the shopping experience, physical stores play a strong role in motivating all ranges of clients in China — especially at the entry-level, highlighting the central role of retail when it comes to reaching aspirational clients.

For US clients, poor retail experiences are proving to be a major pain point, with pushy sales tactics and long queues turning off clients — highlighting a critical area for improvement.

The rising use of AI and resale channels to shop for luxury products is a trend we uncovered in both markets. More customers in the US are looking to AI for inspiration than in China, where entry-level clients are most engaged with AI across the shopping journey, from discovery to deciding on a purchase. Secondhand channels are also playing an increasingly important role, for higher-spending clients in the US in particular, motivating shoppers with the “thrill of the hunt” as much as bargains.

Here are four strategic priorities from our research decoding these shifts in luxury client preferences, key for executives as they navigate a “new-normal” era of slower growth:

1. Make brand meaning a top-line growth driver

Quality and craftsmanship are now baseline expectations, not differentiators. Allocate

leadership attention, KPIs and investment to emotion-driven storytelling, cultural positioning and building community with the same rigour applied to product and campaign development. In the US, connect products to identity and self-reward. In China, build long-term trust and emotional resonance rather than rely on scarcity to justify full-price purchasing.

2. Extend brand experiences beyond top-tier clients

Incremental spend is flowing to travel, wellness and brand-hosted moments — areas where interest is rising across all tiers of clients. Design recurring and scalable formats (memberships, cultural series, lifestyle partnerships) that give aspirational and established luxury clients a reason to engage between purchases. Draw on the store, the creative director and tailored services as relationship tools.

3. Shift the exclusivity approach from restricting access to rewarding loyalty

Artificial supply constraint can create urgency, but exclusivity has to feel earned to be effective. In the US, prioritise early access, insider drops and loyalty rewards — earned privileges like private previews and tailored brand experiences — that serve to deepen engagement over time, especially with younger clients. In China, double down on bespoke services and high-touch advisory, which is especially important for Gen X who have strong spending power in China.

4. Take ownership of brand narratives mediated by AI and resale channels

Around half of luxury clients that use AI rely on it to

explore luxury brands and understand product differences. As much as 59 percent of established luxury clients regularly purchase pre-owned products. By the time clients enter a boutique, their preferences have already been shaped. AI search and resale platforms are strategic brand assets to actively manage — what products surface, how products are authenticated and how the story of a product is told — or accept the role of third parties in defining their relevance.

These shifts are already reshaping markets, setting the terms for the decade ahead. The industry’s future will no longer be defined by a single, global luxury client, but rather the ability of brands to navigate increasingly different expectations across markets. Meanwhile, the window between earning a client’s loyalty and losing it has compressed from years to months. Brands set up to lead in this environment will be those that can answer this fundamental question: Beyond the products you make, what makes the relationship with your brand irreplaceable?

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METHOD AND ANALYSIS FRAMEWORK

We studied luxury clients across categories and spend brackets in the US and China

Categories in focus

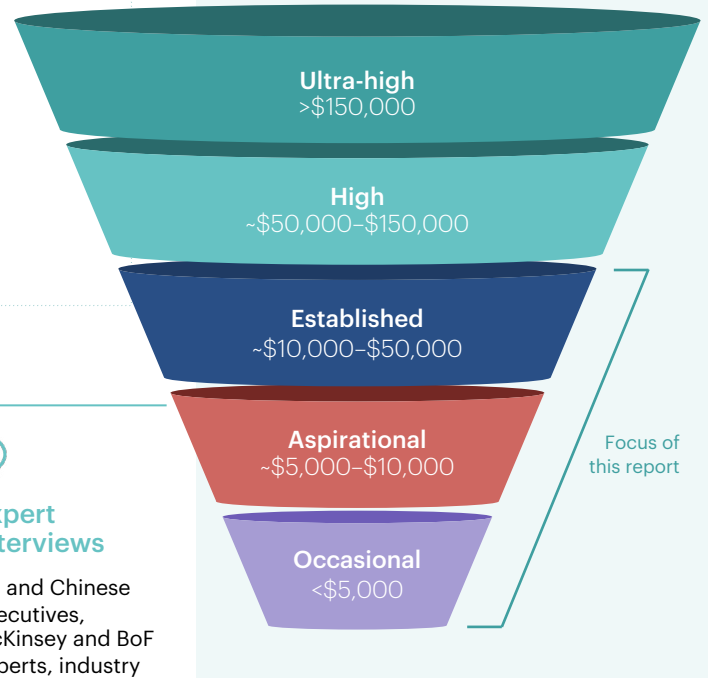
PERSONAL LUXURY GOODS

Apparel and footwear
Leather goods
Watches
Jewellery

ADJACENCIES

Prestige and luxury beauty
Wellness
Hotels and fine dining

Luxury client tiers by illustrative annual spend across luxury goods categories, USD



Research methods



US and China customer surveys

~2,000 respondents across demographics, occasional to established



Customer interviews

In-depth qualitative customer interviews, aspirational to ultra-high



Market modelling

Based on Euromonitor absolute values at constant exchange rates, combined with industry reports, equity analyst forecasts, McKinsey market models and expert interviews



Expert interviews

US and Chinese executives, McKinsey and BoF experts, industry analysts

Market Outlook



LOEWE

GIVENCHY



Alexander McQUEEN



BALENCIAGA



Customers walk in front of luxury brand billboards in China. Zhang Peng/Getty Images.

Luxury's future will be shaped by scale in the US and a gradual recovery in China

The US and China remain the two most important markets for understanding the future of the luxury market in a slower-growth world. Together, they combine scale with spending power: China carries the potential for renewed momentum, while the US has substantial and relatively stable demand.

The US is the world's largest single luxury market, worth around \$130 billion, with annual growth forecast at 3 to 5 percent through 2030.

China is reemerging as a potential growth story. After a period of stalled demand, signs of improvement are returning in the domestic market, with forecasts of 4 to 6 percent annual growth through 2030.

But the headline numbers tell only part of the story. The luxury market in both countries is becoming more polarised, with some brands returning to growth while others decelerate.

That makes these two markets and their populations especially important to read closely. Their influence reaches well beyond their domestic markets: Travelling Americans and Chinese also shape luxury demand in major destinations around the world, from Europe to Japan.



Casa Loewe flagship store in Shanghai, China. Bruna Santos/Unsplash.

		US	China
2022-2025 CAGR, %	Real GDP growth	2.6	5.1
	CPI inflation growth	3.3	0.2
	Personal disposable income growth	3.4	5.0
2025-2030 CAGR, %	Real GDP growth	2.5	4.2
	CPI inflation growth	2.4	1.6
	Personal disposable income growth	2.5	3.8

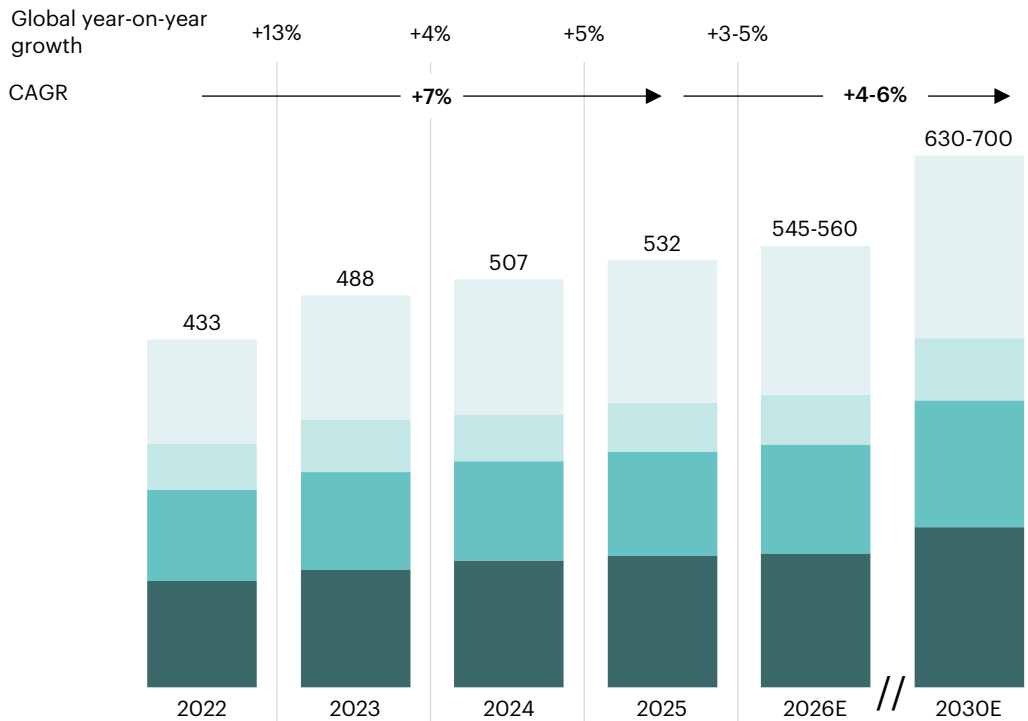
Source: Oxford Economics, May 2026

The global luxury market is expected to grow between 4%-6%, with China regaining momentum

CAGR by region, 2025-2030E

RoW	4-6%
Mainland China	4-6%
US	3-5%
Europe	2-4%

Global luxury market by region, 2022-2030E, USD (billion)



Note: Market data reflects retail sales within each specified region, excluding tourist spend abroad and travel retail. Includes luxury apparel and footwear, leather goods, watches, jewellery, beauty (prestige and luxury beauty), hotels and fine dining

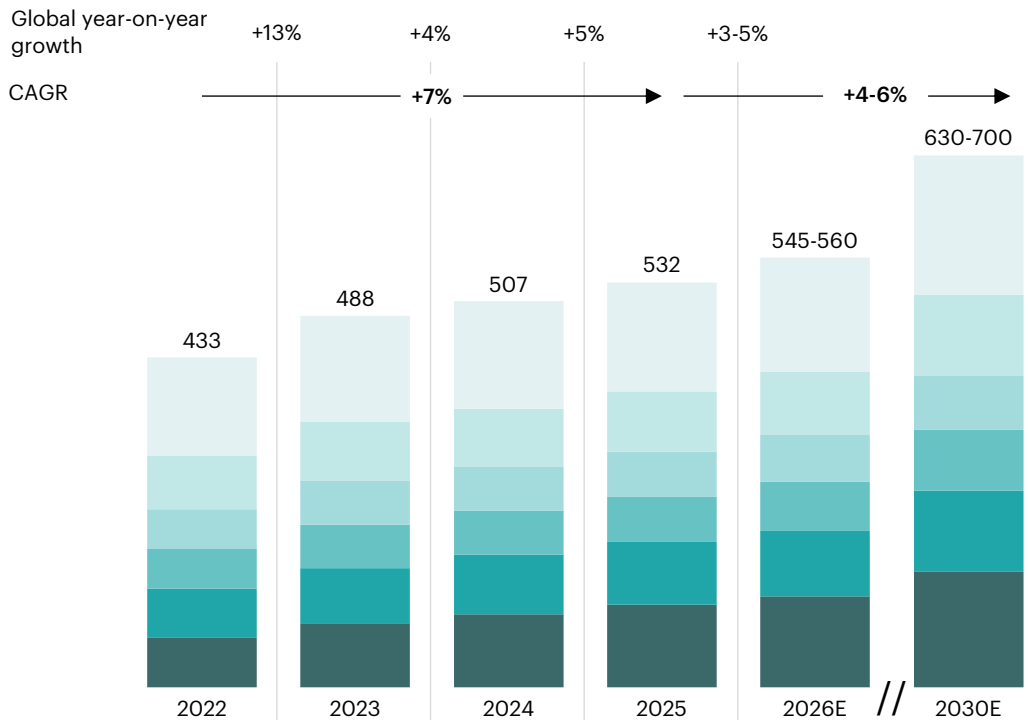
Source: McKinsey Luxury Model, McKinsey Global Fashion Index, McKinsey Beauty Model, McKinsey Global Institute, Euromonitor, analyst reports, company results, expert interviews. Data predates the recent disruptions in the Middle East; potential impacts are not reflected in this analysis

Luxury hotels and fine dining will continue to grow faster than personal luxury goods

CAGR by category, 2025-2030E

Apparel and footwear	3-5%
Leather goods	5-7%
Watches	3-5%
Jewellery	5-7%
Beauty	4-6%
Hotels and fine dining	6-8%

Global luxury market by category, 2022-2030E, USD (billion)

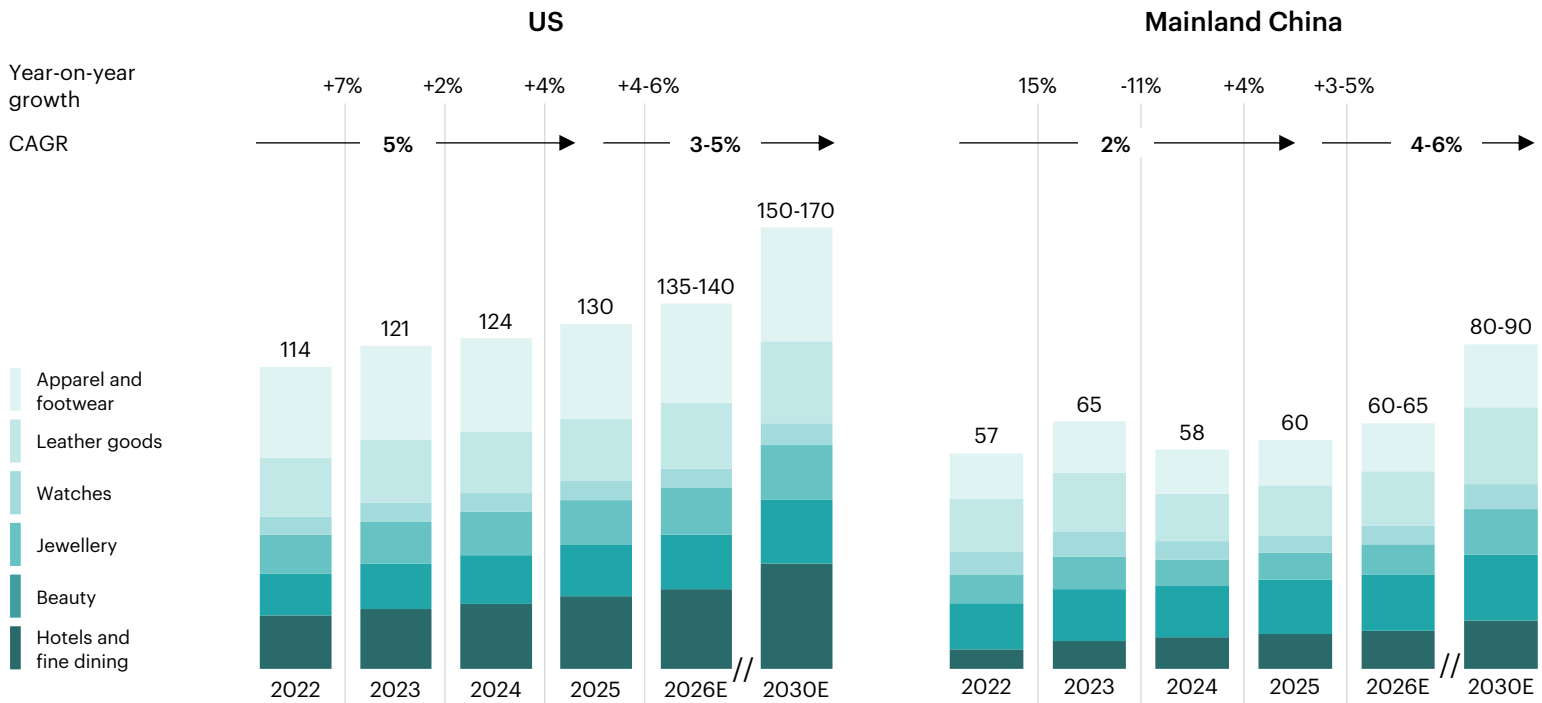


Note: Includes luxury apparel and footwear, leather goods, watches, jewellery, beauty (prestige and luxury beauty), hotels and fine dining

Source: McKinsey Luxury Model, McKinsey Global Fashion Index, McKinsey Beauty Model, McKinsey Global Institute, Euromonitor, analyst reports, company results, expert interviews. Data predates the recent disruptions in the Middle East; potential impacts are not reflected in this analysis

In the US, hotels and fine dining will drive luxury growth, while jewellery will lead growth in China

US and China luxury markets by category, 2022-2030E,
USD (billion)

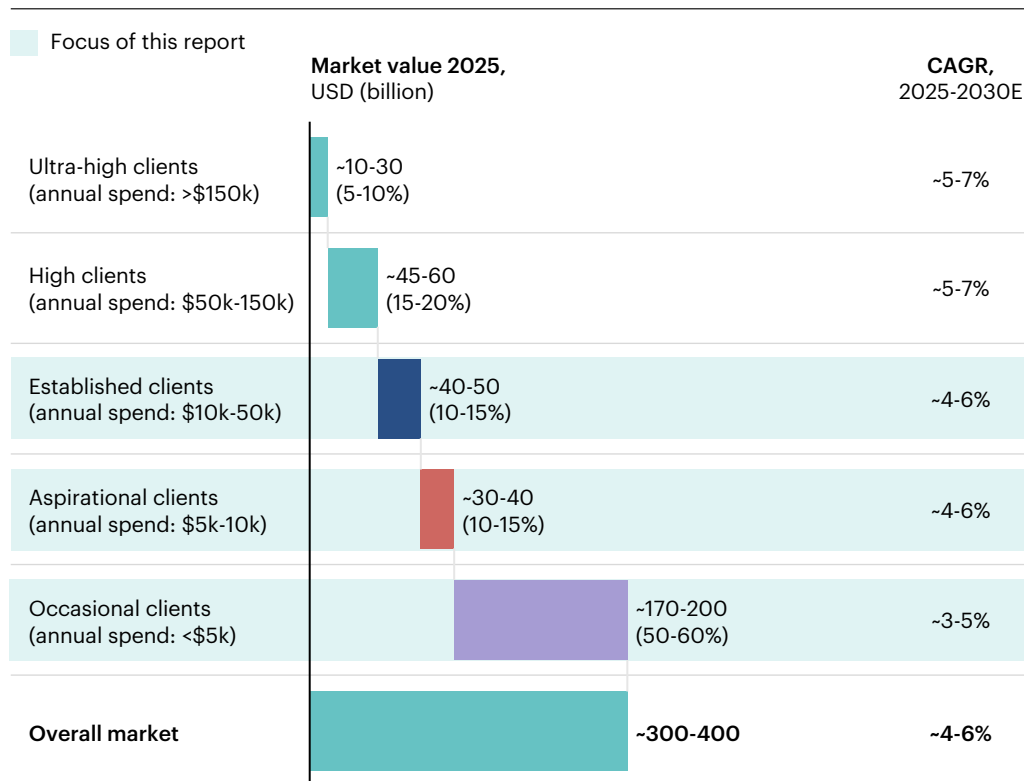


Note: Market data reflects retail sales within each specified region, excluding tourist spend abroad and travel retail. Includes luxury apparel and footwear, leather goods, watches, jewellery, beauty (prestige and luxury beauty), hotels and fine dining

Source: McKinsey Luxury Model, McKinsey Global Fashion Index, McKinsey Beauty Model, McKinsey Global Institute, Euromonitor, analyst reports, company results, expert interviews. Data predates the recent disruptions in the Middle East; potential impacts are not reflected in this analysis

The luxury sector must recapture demand from established and aspirational clients

Global luxury personal goods market by client segment



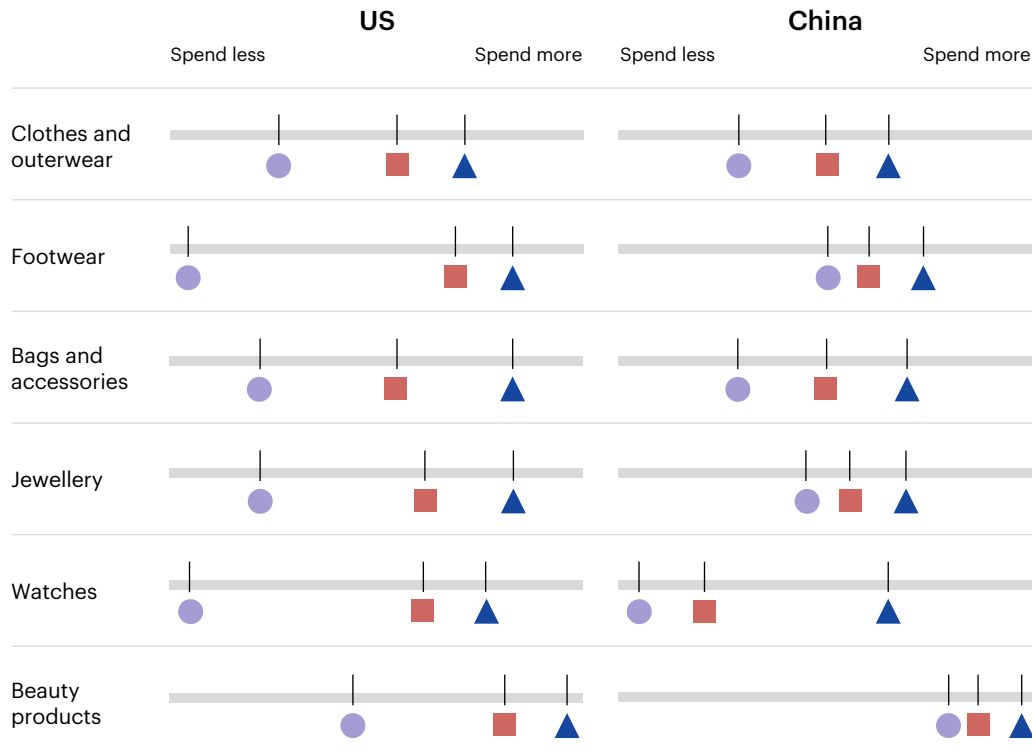
Note: Client segments based on annual spend on personal luxury goods
 Source: McKinsey State of Luxury analysis based on The State of Fashion: Luxury 2025, Euromonitor, expert interviews, industry reports, press search

- Wealth polarisation is reshaping areas of future opportunity for the sector.
- Growth is concentrating upmarket, with clients at the high and ultra-high levels, though fewer in number, forecast to grow faster than the rest of the market.
- Established and aspirational clients form the critical middle representing around \$70-90 billion, a meaningful pool of potential growth.
- The critical middle range of clients is under pressure as many luxury brands leaned into the post-pandemic spending boom by focusing too much on ultra-wealthy clients and on expanding margins.
- Years of price hikes, rapid scaling of products and store networks as well as a weaker offer of entry-level products have eroded perceived value and turned off shoppers by the millions.
- Lower GDP growth, inflation and job insecurity are also weighing on appetite for discretionary spending.
- The sector's most pressing challenge is to draw in shoppers at the established and aspirational level — to give them a reason to invest in luxury and believe in its worth.

Established luxury clients show stronger spend intent than their lower-spending counterparts

Expected change to future spend in the next 2-3 years by category and client tier

● Occasional clients ■ Aspirational clients ▲ Established clients



Source: BoF-McKinsey Luxury Client Survey 2026 US and China

In both the US and China, future spending intent rises with affluence. Higher-spending clients are more willing to expand luxury purchases across categories in the years ahead.

Beauty attracts the strongest intent to increase spend across markets and tiers, with particularly strong momentum in China. Beauty's lower price point and repeat purchase cycle keep occasional and aspirational clients engaged.

Intent to spend on footwear is higher than for bags among aspirational clients in the US and across all tiers in China, showing the potential for shoes to become a new, accessible "it" item for clients to buy into a brand's universe.

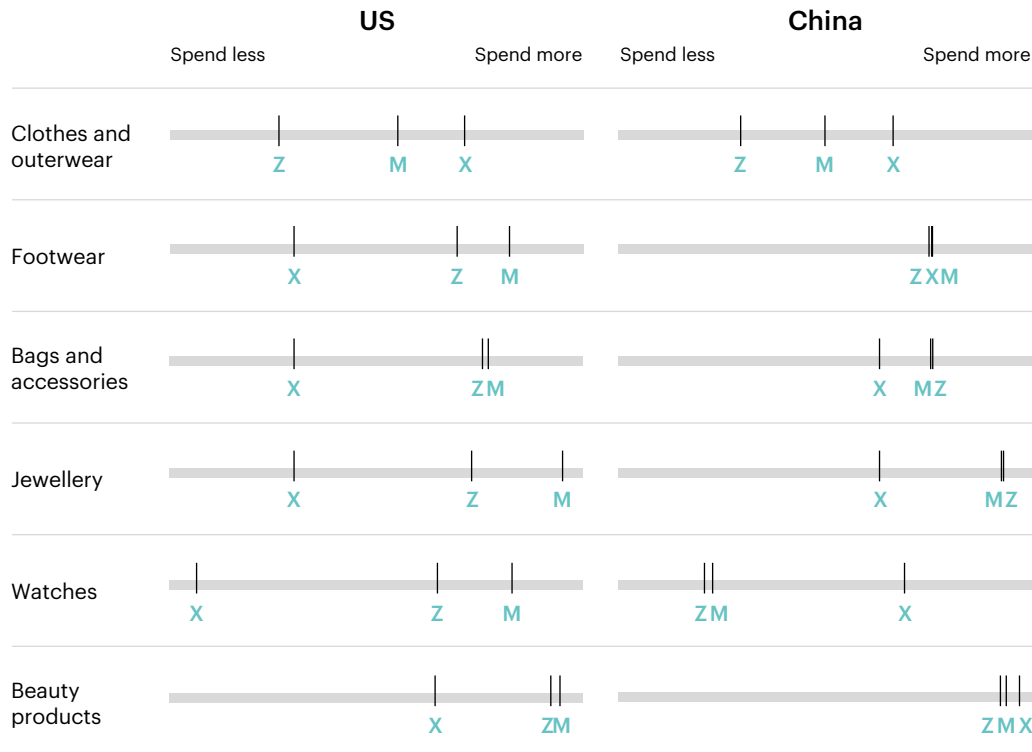
China shows stronger intent to spend across more categories and tiers, particularly footwear, bags, jewellery and beauty, suggesting a rebound in discretionary demand and renewed confidence.

In the US, intent to spend is more polarised. Established clients plan to increase spend across categories, while occasional clients remain considerably more cautious and plan to pull back.

China shows strong cross-generational spend intent, while appetite in the US skews younger

Expected change to future spend in the next 2-3 years by category and generation

Z Gen Z (1997–2012) M Millennials (1981–1996) X Gen X (1965–1980)



In the US and China, younger consumers show the strongest intent to spend in categories that are visible, expressive and easier to access, such as beauty, footwear and bags.

Beauty is the clearest cross-generational opportunity, with strong intent to spend across both markets and all age groups.

In the US, Gen X clients appear more cautious, with weaker intent to spend across several categories.

China's Gen X has strong intent to spend in categories like beauty, footwear and watches.

Younger clients in China show a limited appetite for watches, where the economic outlook has been less certain for younger consumers.

Source: BoF-McKinsey Luxury Client Survey 2026 US and China

CHANEL: How to Reengineer an *Iconic* Brand

Chanel's president of fashion, **Bruno Pavlovsky**, explains how the French megabrand has reignited customer excitement and sales growth since onboarding a new artistic director last year.

BY ROBERT WILLIAMS

In the space of just a few seasons — since 41-year-old design whiz Matthieu Blazy staged his debut show at Paris' Grand Palais in October 2025 — luxury stalwart Chanel has become one of fashion's hottest brands.

Much of the luxury sector remains mired in a multi-year downturn. After a post-Covid fashion binge, customers have pulled back and shifted spend to other categories amid unjustified price hikes. Chanel was hardly spared such criticisms, and yet its time in the doldrums was brief: Sales rose 2 percent last year after sliding in 2024.

Momentum accelerated to a high-single-digit growth rate in the first

months of 2026 as excitement for Blazy's refreshed vision took hold, the brand said in May.

Bruno Pavlovsky, president of Chanel's fashion division since 2004 and a key player in its turnaround, carefully orchestrated Blazy's onboarding as well as the successful rollout of his debut collection to stores.

Here, Pavlovsky explains how the French couture giant has restored customer excitement — and sales momentum — by carefully balancing continuity and reinvention.

The response to Matthieu Blazy's first collections for Chanel has

leaned very positive. How did the brand work with him to restore momentum at Chanel?

Matthieu took nearly a year to establish his point of view, his vision for the brand. He entered Chanel through the essentials, because he was interested in Mademoiselle Chanel and her legacy. His first steps have been very anchored in the brand, and that anchoring gives him the freedom to go where he wants to go.

It is difficult to move on from Karl Lagerfeld; it's 35 years of a genius everyone looked up to. Then Virginie [Viard]'s work was very interesting because she took what Karl was doing

and feminised it, made it less of a costume.

The most important thing is continuity, but that this continuity be represented in a way that prepares for the future. What Matthieu has done well, clearly, is to propose a mix of things that already existed and new things, creating real continuity while embodying what we want to become. On our end, we knew Chanel had reached the end of a cycle and needed to restart. But it couldn't be restarted any time, any way. The planets had to align. If we had done this in 2020 or 2021 there wouldn't have been the same response.

I wouldn't say what we've done is perfect because I don't like that term, but in any case it's been effective, precise and at the level of our clients' expectations as well as our own.

What has the impact been so far in stores?

It's still early days, but the debut collection has generated real interest. Clients who know and love Chanel have come back to stores, and often bought. I hope progressively there will be more new clients, too, because it is always in a brand's interest to renew its client base.

The brand has returned to solid growth. That does not mean huge growth; we are not seeking huge growth. It's never a very great sign when there are queues at boutiques — the next phase after queues is always no queues. We want to arrive at something that is well managed and anticipated.

But we see growth across all product lines, with ready-to-wear accelerating. And the acceleration in ready-to-wear is clearly the Matthieu effect. For leather goods, the work done on the Sac 25 — our campaigns with Dua Lipa, Jenny and Margot Robbie — also helped restore a positive dynamic.

“We are not seeking huge growth. It's never a very great sign when there are queues at boutiques — the next phase after queues is always no queues. We want to arrive at something that is well managed and anticipated.”



Chanel SS26 runway. Anne-Christine Poujoulat/Getty Images.

People have been increasingly critical of luxury prices, particularly Chanel's. Has price perception improved since revamping the collections?

Some people had grown a bit weary of Chanel, and price became their argument.

Chanel has not lowered prices. There has been no change to the quality. The work has been done under the same conditions, by the same suppliers, with the same seriousness. And yet price feels less present in the discussion. Price perception is tied to interest — and Matthieu's arrival has restored interest and meaning across categories.

Matthieu Blazy's sophomore show — Métiers d'Art in December — was staged in New York. Why did Chanel want to take its new vision to the United States so soon?

New York is important to Chanel's history; Matthieu loves New York. It was primarily an artistic choice. It was also about going straight to the essential. After his debut show at the Grand Palais — because he had to take on the Grand Palais — New York felt like the logical second city.

The US luxury market has been more resilient than other regions in recent years. Is that still true for Chanel?

The American economy has held up well. There was concern at one point about the US dollar weakening against the euro, which made our prices higher, but the increase was well absorbed.

Wealth is very decentralised in the US. How does Chanel connect with customers across this vast country?

Wealth is decentralised but pockets are nonetheless well-identified. [After New York] there are three main zones: California, Texas and Florida. In each of those regions we have initiatives underway.

What do customers expect from a Chanel boutique today?

A store has to do many things at once. We have clients who come three times in a week and others who visit once a year. They want to look around and discover; they also want privacy and discretion.

Since 2023, luxury brands have been struggling to revive

demand in China. How is Chanel performing in this market?

China has been experiencing real difficulties: in real estate, in the economy generally. But Chanel has been very resilient. Engagement with our biggest clients has remained the same. The number of big clients remained the same.

Our obsession in China — like in every country — has been to lead with ready-to-wear and let handbags accompany the silhouette. We did not open dedicated accessories stores like our competitors. Leather goods is the category that has suffered most, and we were far less dependent.

We do have some one-time clients who have yet to return, but we see encouraging signs. We opened a shoe boutique at IFC Hong Kong, which is doing very well. Shoes are a good way of recruiting clients into the brand, and since Matthieu's arrival the shoes are edgier and sharper than what we were doing before.

Many brands have refreshed their image and collections over the past year. But few have seen that translate to store traffic yet. How do you explain Chanel's success in go-to-market?

There has always been a considerable distance between the clients who come to the boutique and the clients — or rather fans — online. Chanel, the brand, never stopped generating interest. Matthieu's arrival has reinforced that interest. He has perfectly integrated the heritage of Mademoiselle Chanel, of Karl. But his work also makes space for more freedom, more audacity in an intelligent way.

His pieces are at times unexpected, but meet the expectation of our clients. I find the success of some of his edgier, more striking designs quite promising — there is an audience for that new energy.

There are a lot of smiles at Chanel at the moment — a lot of energy, and that is priceless.

This interview has been edited and condensed.

The State of Fashion: Face to Face With Luxury Clients

	01. Desirability	02. Exclusivity	03. Moments	04. Discovery
	<p>What makes luxury worth striving for</p> <p>The era of buying luxury mainly for status and visibility is giving way to something more personal, centred on identity, connection and self-expression. Emotion is central to brand desire across the US and China, but its expression diverges sharply between markets.</p>	<p>What makes luxury feel special</p> <p>As luxury clients grow more sceptical of manufactured scarcity, “if-you-know-you-know” recognition from other insiders is growing in importance. While exclusivity is more closely linked to product in the US, service remains paramount in China.</p>	<p>How luxury is experienced</p> <p>Luxury value is increasingly measured through access, moments and memories linked to a brand. In China, the store and high-touch service are key; in the US, clients prioritise travel, culture, lifestyle and personal memory-making.</p>	<p>How luxury is found</p> <p>Clients are using AI to find, compare and discover products, while resale is turning luxury into something to track, hunt and curate over time — even in the nascent resale market in China. As discovery moves beyond brand-owned channels, brands should work to shape client relations before, during and after purchase.</p>
In both markets	<p>#1</p> <p>driver of desirability is emotional connection</p>	<p>>60%</p> <p>say challenger luxury brands feel exclusive, a higher share than legacy brands</p>	<p>~30%</p> <p>would prioritise travel when they have additional money to spend</p>	<p>#1</p> <p>client who shops pre-owned luxury the most is the higher-spending established client</p>
In the US	<p>68%</p> <p>say challenger luxury brands best represent who they are</p>	<p>~40%</p> <p>cite early access to collections and limited-edition drops as key drivers of exclusivity</p>	<p>45%</p> <p>are most interested in wellness-related experiences</p>	<p>~1/2</p> <p>clients say they shop pre-owned luxury for the thrill of the hunt</p>
In China	<p>~45%</p> <p>say they are willing to pay full-price for quality</p>	<p>#1</p> <p>driver of exclusivity is bespoke services</p>	<p>#1</p> <p>source of inspiration when shopping luxury is the physical store</p>	<p>~60%</p> <p>of clients who use AI for luxury shopping do so primarily to explore products</p>

01. Desirability

What makes luxury worth striving for

The era of buying luxury mainly for status and visibility is giving way to something more personal, centred on identity, connection and self-expression. Emotion is central to brand desire across the US and China, but its expression diverges sharply between markets.

FROM

Luxury is a vehicle for overt status signalling and securing external validation



TO

Luxury is defined by the feeling it creates and the sense of identity it constructs

KEY INSIGHTS

In both markets

Clients are increasingly drawn to brands that feel personally meaningful and reflect their identity

#1 driver of desirability is emotional connection

In the US

Clients are gravitating towards challenger brands over heritage houses, with clients more likely to say these brands reflect who they are

68% say challenger luxury brands best represent their identity

In China

Quality and craftsmanship play a key role in triggering full-price purchasing, while scarcity matters less than in the US

~45% say they are willing to pay full-price for quality

In both the US and China, emotional connection sits at the heart of brand desirability today

Top 10 luxury brand desirability drivers by market

US	China
1 Emotional connection	1 Emotional connection
2 Shared values (e.g. trust, purpose)	2 Logo / recognition
3 Buzz / hype	3 Shopping experience
4 Creativity / innovation	4 Buzz / hype
5 Shopping experience	5 Exclusivity (e.g. has waitlists, approvals)
6 Trend / style	6 Trend / style
7 Exclusivity (e.g. has waitlists, approvals)	7 Creativity / innovation
8 Logo / recognition	8 Shared values (e.g. trust, purpose)
9 Craftsmanship	9 Iconic / heritage
10 Iconic / heritage	10 Craftsmanship

Source: BoF-McKinsey Luxury Client Survey 2026 US and China

As luxury's reset makes desirability harder to build, emotional connection is emerging as the clearest place to start. In both the US and China, it ranks as the top driver of brand desirability, ahead of more traditional markers such as craft, heritage and trends.

In a market where customers are more selective, desire increasingly depends on whether a brand feels personally meaningful, reflecting a client's taste, values, aspirations or identity. This is lifting categories like jewellery that are associated with identity, emotion and self-expression.

In the US, desirability is also increasingly tied to a brand's purpose, creativity and cultural relevance, suggesting that brands will be evaluated not only on what they sell, but for what they stand for culturally.

In China, desirability is more closely linked to recognition and the shopping experience itself. Consumers place much greater emphasis on visibility and high-touch service, reflecting the continued role of luxury as a social tool.

Buzz / hype

is ranked as the top desirability driver by **Gen Z in China**, while in the US it matters more to **Millennials**

Exclusivity

is the #2 driver for **Gen X in China**, while it ranks #10 for the same cohort in the US

Shared values

is the #2 driver for **Gen Z in China**, but is less important to all other cohorts

Brand desire is rooted in self-reward in the US and external expression in China

Emotional connection is important universally for the luxury sector, but its expression varies in different markets.

In the US, emotional drivers are more closely tied to self-reward, with clients gravitating toward brands that reflect their personal identity and lifestyle. This is especially true for occasional luxury clients, which should influence the positioning of entry-level products.

In China, emotional drivers are more about external expression, with confidence-building emerging as important motivation for purchases by occasional and aspirational clients. Here luxury products help customers feel socially validated.

In both markets, brand history plays a weaker role; heritage alone is not enough to create brand desire.

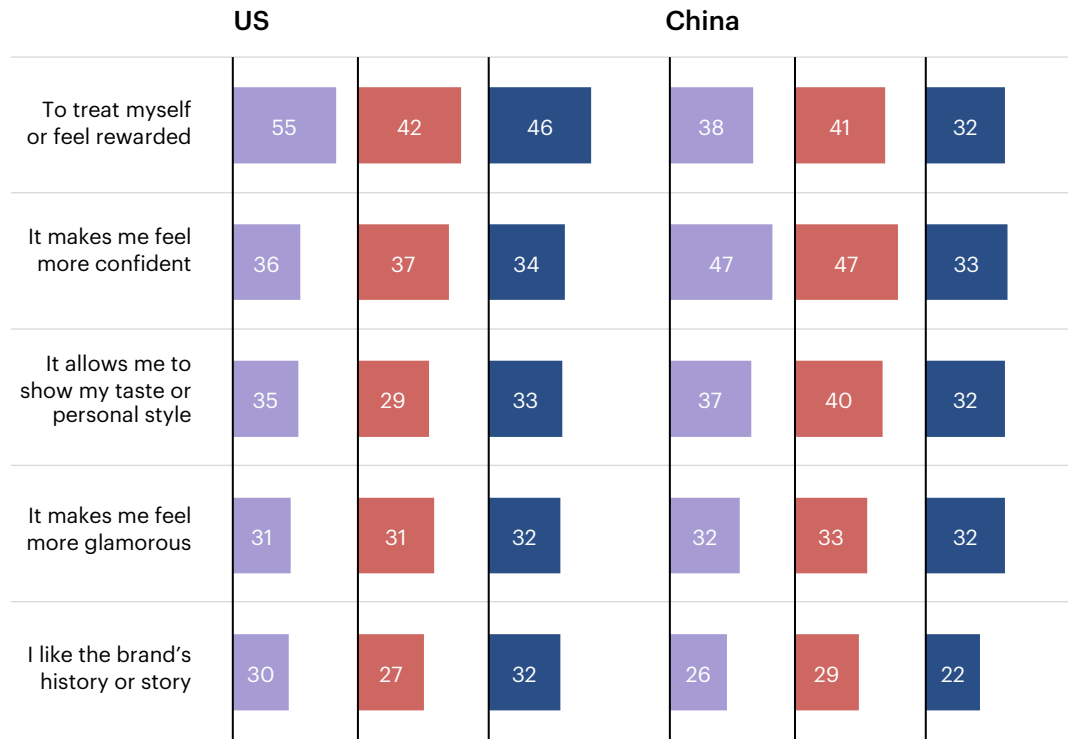
“I spend more on things that give me emotional value... In the past two years, jewellery has become a bigger part of my luxury spend.”

ESTABLISHED LUXURY CLIENT, CHINA



Reasons why clients shop from a luxury brand by client tier, % of respondents

Occasional Aspirational Established



Source: BoF-McKinsey Luxury Client Survey 2026 US and China

Brands are working harder to generate the emotional pull that makes luxury desirable

- Price increases and retail expansion were once enough to buoy sales but now brands have to work harder to build desirability.
- The challenge is to create demand without overexposing a brand — to make it feel culturally relevant and emotionally charged, while preserving the allure that makes it aspirational.
- Brands must treat desirability less as a creative halo and more as something to measure and protect.
- The question of what builds desirability has become more urgent. Before, luxury served as external validation, to signal success or status.
- Today, clients are increasingly drawn to brands that feel personally meaningful, that help them express individual taste and identity.
- Recognition and social signalling still matter. But luxury clients also want purchases that feel personal, distinctive and worth choosing for themselves.

“Luxury once functioned as a status symbol for me. But now, I think it has become more of a vehicle for lifestyle and self-expression.”

ESTABLISHED LUXURY CLIENT, CHINA



Songmont SS26 Lattice Collection (above, top right).
Songmont.

“Everything’s available everywhere, so I gravitate towards uniqueness... I certainly don’t love it when I walk out and I’m in the same Chanel blazer that costs \$11,000... you don’t want to have the same stuff as everybody else.”

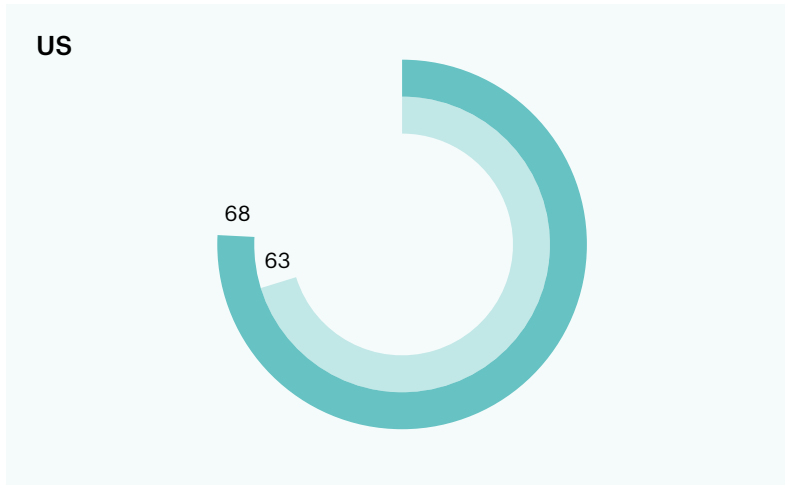
ULTRA-HIGH LUXURY CLIENT, US



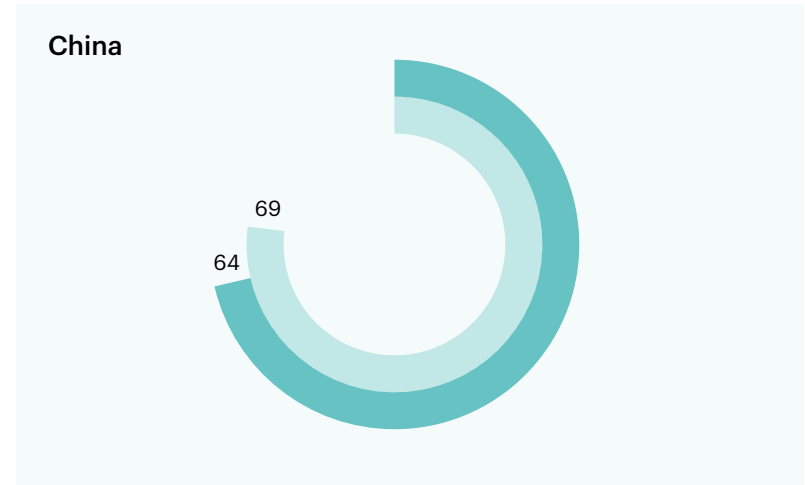
Challenger brands are gaining emotional ground in the US, while established houses win in China

Luxury clients who say challenger or legacy brands reflect their identity, % of respondents

Challenger brands^a Legacy brands^b



In the US, this is creating momentum for challenger brands — smaller, independent brands without established heritage but rich in cultural relevance. A bigger number of US clients say these brands reflect their identity more than legacy brands. This reflects a broader shift in aspiration. Clients are increasingly drawn to items that signal uniqueness, not just status, and are discovering alternatives to luxury giants through social media and resale culture.



In China, legacy brands, both global and local, continue to resonate more strongly because recognition still carries significant emotional weight. Trust, visibility and cultural authority remain central to how luxury signals confidence and belonging — even when that signal is quieter, more insider-coded or less logo-led than in the past.

a. Challenger brands are smaller or earlier-stage players spanning price points from entry-level to ultra-luxury, growing fast and/or with primarily regional relevance, such as The Row, Icicle, Lemaire, Laopu Gold
 b. Legacy brands are large, globally established players with strong histories and market presence, spanning price points from entry-level to ultra-luxury, such as Dior, Ralph Lauren, Cartier and Chow Tai Fook
 Source: BoF-McKinsey Luxury Client Survey 2026 US and China

Chinese brands are gaining an edge with culturally distinctive storytelling

Chinese luxury consumers, particularly younger ones, are increasingly gravitating towards home-grown brands that tell authentic, culturally specific stories — a movement known as *Guochao*. Local labels are drawing clients with an offer of distinct designs, high-quality manufacturing and Chinese narratives. For luxury leaders, *Guochao* signals a critical market shift and shows that Western brands can no longer rely solely on Eurocentric heritage to win in China.



Laopu Gold jewellery in store. CFOTO/Getty Images.

LAOPU GOLD: COMBINING TRADITION AND EXCLUSIVITY

Laopu Gold, which brings elements of Chinese culture to contemporary jewellery designs, has recently emerged as one of China's most prestigious brands. Founded in 2009, the jeweller's rise and reputation as China's "Hermès of gold," reflects growing interest from Chinese luxury clients in local, home-grown brands. The brand has also been boosted by the popularity in China of gold as an investment.

As other jewellery brands like Chow Tai Fook and Lao Feng Xiang developed thousands of stores, Laopu Gold scaled up through a tightly controlled network of around 40 boutiques. Stores resemble cultural museums more than traditional jewellery stores, displaying Chinese art and Buddha figures and featuring private viewing rooms.

Sales associates are highly trained with expertise spanning handicraft techniques and the gold market. Laopu also differentiates itself commercially, raising prices just a few times a year rather than linking them to daily fluctuations in gold prices, a common practice for Chinese jewellers.

After initially targeting high-net-worth clients exclusively, Laopu expanded its focus to clients

in the middle range through influencer partnerships and strong visibility on RedNote, where in-store experiences became part of the brand's social currency.

Laopu continuously refreshes its offer with modern interpretations of Chinese designs, adding techniques and materials, like cloisonné and enamel, to create a steady pipeline of products meant to maintain their exclusive aura over time. At the same time, a core of four to five collections account for half of sales. Company sales have more than doubled each year since 2023 to reach 27 billion RMB (\$3.98 billion).

The jeweller's soaring popularity, while also supported by rising gold prices, shows how controlled pricing and retail experience, as well as local relevance, is resonating with Chinese clients for whom traditional Western luxury codes alone are often no longer enough. European luxury executives have taken notice, including LVMH chief executive Bernard Arnault, who visited a Laopu Gold store on a trip to China in 2025.



A luxury client tries on a necklace in a Laopu Gold store in Shanghai. VCG/Getty Images.

Desirability leads to full-price purchasing — while scarcity plays a smaller-than-expected role

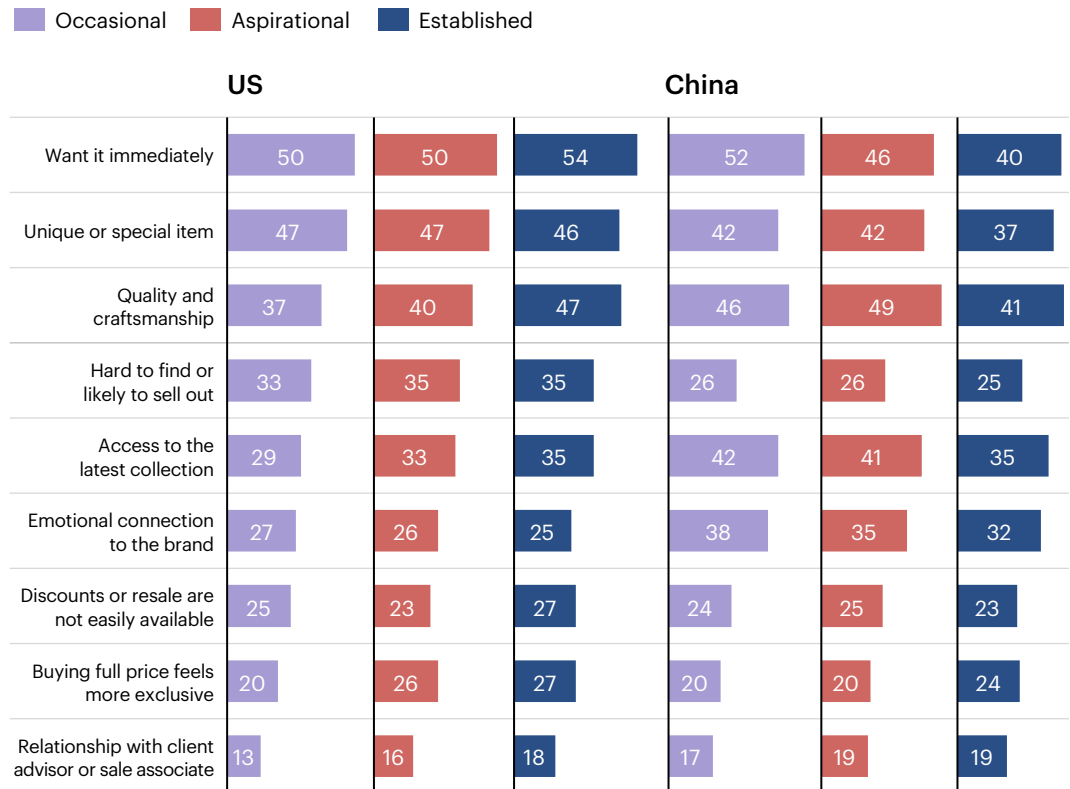
Luxury clients are willing to pay full price when a product feels worth having immediately, underscoring the role of desirability in driving full-price sales. Around 50 percent of those surveyed in the US and China say they would pay full price for a luxury product if they wanted the item right away.

Scarcity plays a smaller role in generating desire than previously thought, cited by around just a third of US clients and one quarter of Chinese clients as a driver of full-price purchasing. Customers are more likely to justify paying full price because of product uniqueness and quality. Clienteling is a weak full-price driver in both markets, even among higher-tier Chinese clients.

In the US, the more affluent the client, the more access to new collections matters — the opposite trend to China. The emphasis on quality and craft also rises with affluence in the US.

In China, scarcity matters even less than in the US and equally among different client tiers. On the other hand, emotional connection plays a larger role than in the US, particularly among aspirational clients.

Drivers of full-price luxury purchases,
% of respondents



Source: BoF-McKinsey Luxury Client Survey 2026 US and China

Executive Priorities

IN BOTH MARKETS

Move beyond “quality justifies the price”

- Craftsmanship is now the baseline expectation, not the differentiator.
- Shift messaging from what the product is to what the customer becomes through owning it.

Balance desire and access

- “I want it now” is the strongest trigger for full-price purchasing, but scarcity should amplify desire rather than block it.
- Reduce friction across retail, clienteling and digital touchpoints to capitalise on emotional momentum, while preserving enough selectivity to keep products feeling special.

Treat brand meaning as a top-line driver

- Assign ownership, KPIs (e.g. brand sentiment) and investment to emotion-driven brand storytelling, cultural positioning and community, with the same rigour used for product and campaign launches.

US

Make self-reward easier to justify

- American clients want luxury that feels personal — and consider this a reason to spend.
- Communicate emotional outcomes (“this reflects who I am” or “this fits my life”) to link products to identity, lifestyle and shared values.

Create faster refresh cycles for core products

- Emotional relevance now moves faster than product cycles.
- Heritage brands should continuously refresh the meaning, styling and cultural framing of hero products, outside of seasonal launches.

CHINA

Redefine status from visibility to insider recognition

- In China, status is becoming more subtle.
- Clients increasingly value products, experiences and brand access that signal taste to the right people, not just visibility to the widest audience.

Build full-price purchasing through trust

- Established luxury clients in China increasingly pay full price because they trust the brand deeply — not because they fear missing out.
- Shift from scarcity-driven selling towards building long-term client relations.

JESSICA MCCORMACK: How a *Challenger* Is Seizing the Jewellery Opportunity

The London-based independent jewellery label, which sells high-end pieces for everyday wear, has boosted sales by leveraging jewellery as a means of self expression. Chief executive **Leonie Brantberg** details the brand's strategy and expansion plans.

BY MIMOSA SPENCER

Since Jessica McCormack founded her namesake brand in 2008, jewellery has become one of the luxury sector's most dynamic product categories, fuelled by the rise of self-gifting and the perceived "investment value" of necklaces and bracelets compared to handbags.

The daughter of an auctioneer who went on to work for an auction house herself, McCormack was influenced by her exposure to antique jewellery during a stint at Sotheby's. She built the brand in London, selling high-end pieces, often with diamonds, meant for more casual, everyday wearing. Her

contemporary designs carry the influence of Victorian techniques and bestsellers include the adjustable Ball N Chain necklace.

Jessica McCormack's expansion from a niche player to bona fide challenger to established historic jewellery house kicked off with the addition of new stores. McCormack opened her first flagship in 2013 in a six-storey townhouse in London's Mayfair that was decorated with antiques and housed a workshop in the basement. The brand's footprint eventually scaled up to include a store on Sloane Street, a concession at Harrods and, in 2025, its first

international store on Madison Avenue in New York City.

Now, the company is pushing further into the US market with a new store in California's South Coast Plaza to be followed by a Rodeo Drive boutique in Los Angeles in 2027.

Sales have grown fast, up 60 percent last year to reach around \$80 million, making it one of the top-performing assets of investor Lingotto Horizon. Chief executive officer Leonie Brantberg discusses the rise of jewellery, wearing diamonds more casually, building an independent brand and expansion plans.

How do independent jewellers fit in this market dominated by the big historic houses?

We are doing something a bit different – there's always a client who doesn't want the thing that everybody else has.

Because of the high barriers to entry, there are fewer competitors. If I don't want to buy a big, obvious brand in fashion, I've got a thousand more independent designers that I can buy from that are cool and can make me look different in every corner of the world. It's a little bit less crowded in our sector.

While it's okay that I get the same sneakers as everybody else, or the same bag — in fact, I'm trying to get the same bag, because it's value signalling — it's not okay that I have the same engagement ring as everybody else. You want something more personal.

Independent jewellers can offer that.

What is the brand's approach to international expansion? Why the US?

Last year we opened a store on Madison Avenue in New York, and we've got two more on the West Coast. Jessica built a very strong following in the US. Last year, we signed Zoë Kravitz as our brand ambassador. Having that American base, American visibility, it made sense to go that way.

It is not a surprise for UK brands to go to America first, that's a well-trodden path. But we had a very organic following in the US from visible clients. A big barrier for a brand like ours is how you get visibility when [European heritage houses] have the best marketing budget. We wanted to play to our strengths.

We're going to test and learn. We're a family office backed by people who

have owned luxury brands for many, many years. We can expand at the pace that suits the brand and keeps the energy and creativity at the heart without diluting it.

What can you tell me about the US market? What's more popular there?

The US consumer is incredibly optimistic at the ultra-high-net-worth end, and very resilient, very bold in their choices.

In the US, not only is the consumer inherently different, but we're new. What sells there is the core stuff that Jessica's [UK] clients already bought 10 years ago but now are attracting great interest in the US.

How are you engaging with clients at these different stages of development and in different markets?

On the brand level, it's all one voice, it's consistency about who we are, Jessica's aesthetic, the aesthetic of our brand ambassador — that's all very, very consistent.

The key is client advisors on the ground. They are the ones who know their clients.



Zoë Kravitz wearing Jessica McCormack's "Orbit" collection. Jessica McCormack.



Jessica McCormack Madison Avenue townhouse. Jessica McCormack.

“Jessica makes diamonds a lot less serious than everybody else makes them, without removing the gravitas of the quality and the craftsmanship.”

Being independent, we can give them more empowerment. You know the brand guidelines, serve them in the way that you want to. If there’s a collection that you think they’ll love, go for it. If there’s a collection that isn’t really for them, don’t just reach out to them because it’s a box ticking exercise. Make sure that you know all about them, that you care about them and take care of them.

Let’s say it’s a guy. I know, through getting to know him, when his wife’s birthday is. And, by the way, it is incredibly useful if I give him 10 suggestions six weeks ahead of what to buy his wife.

What is the role of culture and craftsmanship?

One of our shareholders is a prolific art collector and all our stores are filled with art. Jessica is the daughter of a collector and collecting art and objects is part of her world. That’s a strong tie to culture.

As for craftsmanship, we have a beautiful workshop in Mayfair with British craftspeople including goldsmiths. The workshop is underneath the store. People can see how the jewellery is made. They want a different size or polishing, they can go downstairs and talk to the craftsmen. That’s a pretty engaging way of creating connection.

We love events. We’ve done a few brand parties because the community is so strong. They’re women who are buying this jewellery for themselves, who are cool, who are bold, who are doing interesting things and love getting together.

Jessica makes diamonds a lot less serious than everybody else makes them, without removing the gravitas of the quality and the craftsmanship.

This interview has been edited and condensed.

02. Exclusivity

What makes luxury feel special

As luxury clients grow more sceptical of manufactured scarcity, “if-you-know-you-know” recognition from other insiders is growing in importance. While exclusivity is more closely linked to product in the US, service remains paramount in China.

FROM

Luxury is about getting what others can't, before everyone else



TO

Luxury is truly exclusive when the right people recognise it, and others don't

KEY INSIGHTS

In both markets

Clients increasingly define exclusivity by whether something feels meaningful, harder to replicate and recognised by the “right” people

>60% say challenger brands feel exclusive, a higher share than legacy brands

In the US

Exclusivity comes from privileged proximity, associating it with insider access to products and experiences

~45% cite early product access and limited-edition drops as drivers of exclusivity

In China

Exclusivity is shaped as much by the purchase experience as by the product itself, with clients appreciating elevated and private services

#1 driver of exclusivity is bespoke services

Luxury clients are sceptical of artificial scarcity and care more about selective recognition

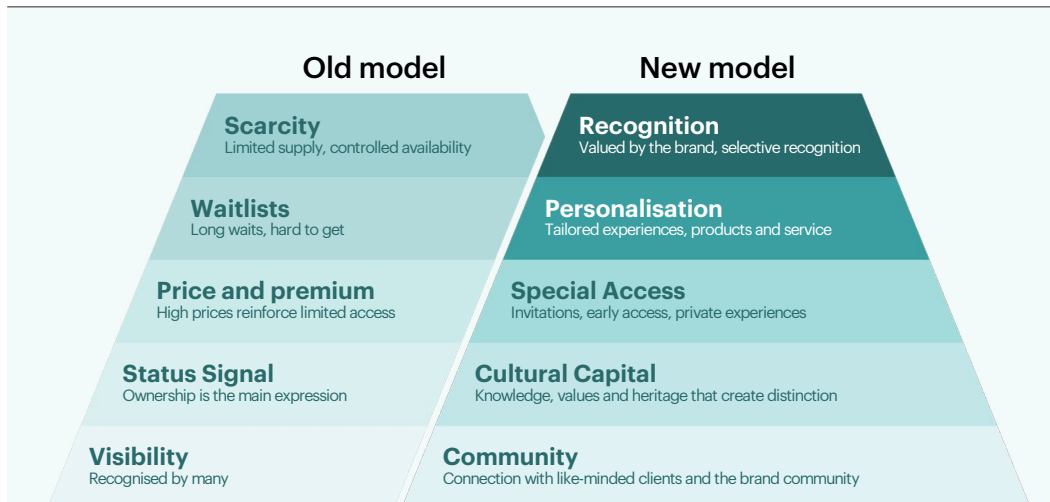
- For decades, luxury exclusivity was largely built on scarcity and owning what others could not access. But always-on marketing, increased supply and fast-moving trends have reshaped the sector.
- While exclusivity still comes from more people aspiring to own a luxury product than can access it, customers are becoming increasingly sceptical of manufactured scarcity, especially when the product or brand is not supported by values like quality and cultural relevance. This can make scarcity feel like a strategy rather than an intrinsic value.
- Exclusivity is becoming less about how difficult a product is to buy, and more about being worth choosing.
- Across both markets, clients increasingly define exclusivity by whether something feels meaningful, harder to replicate and recognised by the “right” people rather than everyone.

“If some brands over-manufacture scarcity, consumers can also become quite annoyed. They may feel, if it is always like this, I can just buy another brand. It depends on the brand’s original positioning.”

HIGH LUXURY CLIENT, CHINA



The shift in how exclusivity is created in the luxury sector



Clients in the US associate exclusivity with insider access to products and experiences

In the US, exclusivity is increasingly driven by insider access to luxury brands, or in other words a sense of privileged proximity. The top factor that US clients say makes a luxury brand feel exclusive is early access to new collections, followed by personalised service and limited-edition collections. This access matters most to lower-spending clients.

As affluence rises, recognition and loyalty metrics matter more. For example, established luxury clients value VIP memberships, loyalty programs and private lounges more than their lower-spending counterparts. For these customers, exclusivity is tied to being known, recognised and rewarded.

“I’m more interested in these iconic long-lasting things that come out more rarely.”

ULTRA-HIGH LUXURY CLIENT, US



Factors that make a luxury brand feel exclusive by client tier,
% of respondents

US	Occasional	Aspirational	Established
Early access to new collections	41	38	36
Personalised customer service	40	35	35
Limited-edition collections, or products in limited supply	38	34	38
VIP membership or loyalty programs	31	34	39
Exclusive access to products (e.g. waitlists, limited drops)	31	32	34
A strong brand community	30	31	32
Private shopping appointments	22	19	26
Exclusive locations or spaces (e.g. private lounges, pop-ups)	20	24	28
Custom or bespoke services	15	21	22

Source: BoF-McKinsey Luxury Client Survey 2026 US and China

In China, exclusivity is defined by bespoke and elevated service

In China, exclusivity is shaped as much by the purchase experience as by the product itself.

Bespoke services, private appointments and personalised customer service rank among the strongest drivers of exclusivity across client tiers. Contrasting with the US, exclusivity is less about access and more about unique treatment, making high-touch service a critical differentiator in luxury.

Chinese occasional and aspirational clients rate exclusivity cues higher than established clients, suggesting these may matter more for recruiting less entrenched luxury clients.

In contrast with the US, interest in loyalty programmes declines with affluence. They lose relevance at the higher end of the market, where appetite for bespoke service is stronger.

“If the sales associate genuinely has a strong understanding of the brand, that becomes an added benefit for me.”

ESTABLISHED LUXURY CLIENT, CHINA



Factors that make a luxury brand feel exclusive by client tier, % of respondents

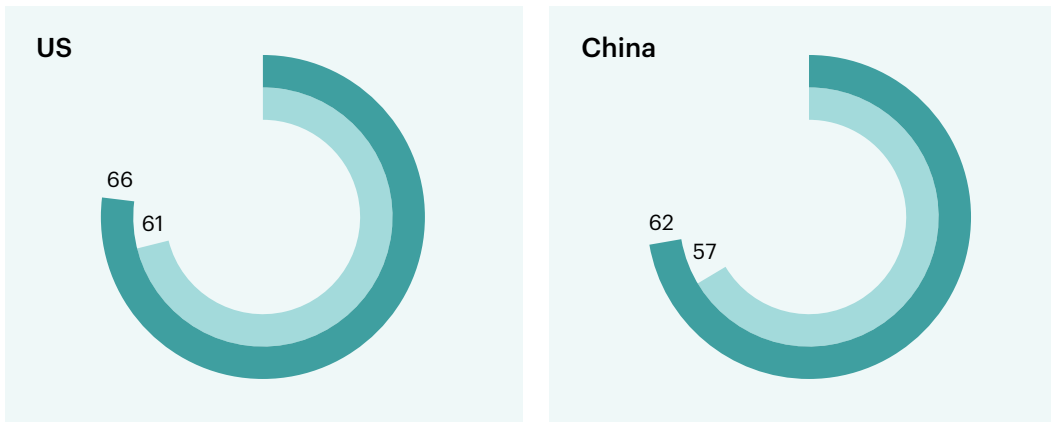
China	Occasional	Aspirational	Established
Custom or bespoke services	35	37	29
Limited-edition collections, or products in limited supply	32	36	29
Private shopping appointments	35	31	29
Personalised customer service	32	36	26
VIP membership or loyalty programs	35	30	22
Exclusive access to products (e.g. waitlists, limited drops)	29	29	23
Early access to new collections	28	28	21
Exclusive locations or spaces (e.g. private lounges, pop-ups)	27	24	21
A strong brand community	25	22	21

Source: BoF-McKinsey Luxury Client Survey 2026 US and China

Exclusivity is no longer reserved to legacy brands — or heritage alone

Luxury clients who say challenger or legacy brands feel exclusive, % of respondents

■ Challenger brands ■ Legacy brands



- In both the US and China, challenger brands are more likely than established houses to be seen as “for the select few,” suggesting clients increasingly associate exclusivity with originality, cultural specificity and a brand world that feels less saturated than megabrands.
- This points to a more coded form of status. For some high-spending clients, exclusivity is not about being recognised by everyone, but by the right people — those who understand the signal. In that context, a smaller, sharper brand can feel more exclusive than a heritage house with global scale.
- For established luxury brands, the challenge is not just to protect access, but to keep heritage feeling rare, current and culturally precise.

“Something loved by the mass public will definitely be seen by a small group of people as tasteless. And something that a small group sees as tasteful will definitely not be understood by that many people... Sometimes I deliberately avoid viral items and classic pieces, because that proves most consumers of the brand already own them.”

HIGH LUXURY CLIENT, CHINA



Source: BoF-McKinsey Luxury Client Survey 2026 US and China

Brands with a sharper point of view are cutting through the saturated luxury market

THE ROW



The Row Soft Margaux bag. Moritz Scholz/Getty Images.

- Sales of The Row's high quality but understated fashion have grown with the rise in popularity of quiet luxury.
- The label's discreet \$5,000 Margaux handbags, \$8,000 cashmere coats and \$500 T-shirts in neutral tones are strongly recognised by fashion insiders.
- A Chinese luxury client surveyed for this report described wearing the brand as a form of "low-key showing off."
- Founded in 2006 by Ashley Olsen and Mary-Kate Olsen, the brand has backing from high-profile investors including the Bettencourt-Meyers family investment arm Thétys and the Wertheimer brothers, owner of Chanel.

POLÈNE



Polène Numéro Neuf bag. Christian Vierig/Getty Images.

- Polène is challenging established European luxury houses with an offer of handbags in the €260 to €620 range (\$302 to \$720).
- The brand's contemporary, minimalist designs are a hit with aspirational clients who were priced out by traditional luxury labels that do not offer handbags under \$1,000.
- The French upstart maintains tight control of its distribution, selling products like its popular Cyme tote bags through its own stores, with no promotions or discounts.
- Founded in 2016, Polène has financial backing from L Catterton.

COACH



"In My Tabby" campaign featuring Camila Mendes. Coach.

- Coach is growing sales and outpacing rivals, thanks to a sharpened focus on younger clients.
- Starting at just below \$300 for small handbags like the Brooklyn bag, prices are aimed at drawing young clients making their first handbag purchase.
- The brand has pulled back from discounting and outlet stores as it focuses on full-price sales.
- The Tabby bag has been a bestseller since its 2019 launch, renewed over the years with additions like the Pillow Tabby, a quilted version.
- Coach's leading style is the Tabby, but it accounts for just 10 percent of sales.

Executive Priorities

IN BOTH MARKETS

Maximise entry points into the brand universe

- Luxury clients increasingly associate exclusivity with being immersed in the brand's world.
- Invest in creating opportunities for private access, participation and tailored service.

Design exclusivity that feels earned not engineered

- Artificial scarcity risks making clients more sceptical.
- Instead of using access as a blunt reward for spend, build access models around genuine relationship depth such as product engagement and loyalty over time, so exclusivity feels like recognition, not restriction.

US

Use access to deepen engagement

- Prioritise early drops, exclusive products, loyalty rewards and sales advisor-led previews to make clients feel special and "one of the few."

Carefully monitor exposure

- Luxury clients increasingly avoid products that feel too visible.
- Manage cultural saturation as carefully as physical distribution, particularly across social media and resale.

CHINA

Double down on high-touch service

- Use tailored product edits, appointment-led retail and advisor relationships to turn shopping experiences into special moments of recognition.

Build exclusivity around insider recognition

- In China, status is becoming more subtle.
- Clients increasingly value products, experiences and brand access that signal taste to the right people, not just visibility to the widest audience.

URBAN JÜRGENSEN: Introducing Elite Watchmaking to *New Audiences*

Chief executive **Alex Rosenfield** explains how the historic, ultra-high-end watchmaker is engaging lifestyle customers and the next generation of ‘gearheads’ with a Timothée Chalamet tie-up and a fresh approach to community building while bypassing traditional retail.

BY MIMOSA SPENCER

Historic Danish watch company Urban Jürgensen, which was relaunched in 2025 and positioned at the top end of the market, is mainly a collector’s brand.

Chief executive Alex Rosenfield sees potential to broaden its appeal. To that end, Timothée Chalamet took a minority stake in the company this year and will be involved with a push to engage younger, lifestyle clients.

Urban Jürgensen was reborn in 2021 when the Rosenfield family led a group of investors that acquired and poured \$25 million into the brand. Veteran watchmaker Kari

Voutilainen, who had worked at the watchmaker in the 1980s, led revival efforts.

Founded by a Switzerland-trained watchmaker from Denmark, it had served the Danish Royal Court in the Eighteenth Century and was the Danish navy’s clockmaker but had gone dormant for decades and previous attempts at revival had met with little success.

Today, timepieces, which include the three-handed UJ2 model and UJ3 model featuring a perpetual calendar, are priced between \$140,000 and \$500,000. Made in the watchmaker’s

workshops in Biel, Switzerland, they are sold directly to clients, on a first-come, first-serve basis, bypassing traditional retail channels.

Rosenfield explains why he thinks independent watchmakers should move beyond traditional communication focused on the technical details of a timepiece and engage with people through an emphasis on lifestyle and a fresh approach to community building.

Who are your main clients?

Eighty percent are very, very serious traditional watch collectors. But 20

percent are people who’ve bought Patek Philippe and Audemars Piguet and Rolex. They haven’t delved deeply into the world of watches, but they want things that are exceptional.

We’re working to build that group. They are often not spoken to by the watch world. There’s a lot happening here that will interest them.

Can you talk about your tie-up with Timothée Chalamet?

He is very much the customer we want to speak to — he had mostly been exposed to Cartier and big brands. We explained our history,

how we were relaunching, the way we were doing things very methodically and slowly with focus on craft, on creativity. He wanted to be part of it.

We have a 10-year development plan. He wants to help us make things and bring his ideas of how to communicate, especially with younger people. How do we take independent watchmaking to a Gen Z audience and help them understand the through-lines of craft and creativity? It is natural for him.

With big brands like Rolex, Patek Philippe and Audemars Piguet increasingly dominating a polarised watch market, where do independent watchmakers fit in?

What we are trying to do and what most independents have not done — while the big brands have — is tell a story. Not just to the gearheads, but to lifestyle customers, people who care about beautiful things, about fashion, the objects they're surrounded with and what they wear.

The world of independent watchmaking can often be inadvertently verboten. There's so much about engineering and precision and mechanics — we

shouldn't need to prove that the watch keeps time.

What matters is how you spend time. No matter how much you love watches, your day is not about your watch.

How do you define luxury today?

Luxury is living beautifully, having the time to enjoy the things you love to do, less about enforced rules and more about spaces and objects that bring joy.

Three brands have defined modern luxury in a special way. Ralph Lauren did the best job at world building and creating a universe that you wanted to step into. They had ads in the 1980s and 90s where there were no clothes at all. A picture of a boat with no clothes told you more about Ralph Lauren's clothes than any product picture.

Hermès does craft incredibly well and explains its universe without feeling stuffy and does it with joy, while also having this focus on craftsmanship.

The Row has taken modern luxury and said, 'What does it look like to live in a beautiful world today?' Their Instagram feed, especially at the beginning, was as much about the

“The industry has been captured by the use of scarcity to sell products. We hate the idea. Urban Jürgensens are slow to get because they're slow to make.”



Urban Jürgensen UJ-2 watch. Urban Jürgensen.



Timothée Chalamet for Urban Jürgensen. Urban Jürgensen.

glass you were drinking wine out of as it was about the clothes or painting on your wall or which chair you bought.

Are you seeing new generations of watch nerds emerging? What are they looking for?

We have collectors from their late 20s to their early 80s. Different people connect to different aspects of what we're doing.

Our idea is, what if you talk about the craftsmanship, the history, the universe of luxury? How do different things within that world touch different people? We've done this campaign 'Time Well Spent.' We take somebody we think is interesting, doing something we like. The first one was [artist] James Turrell.

None of the people we were speaking about have been paid. They each receive a watch for being part of 'Time Well Spent,' so they only do it if they like what we're doing and are passionate about it.

How are you engaging with clients?

We try to have a very personal interactive relationship with clients and collectors. We're also doing

dinners and events, getting people together. It creates an emotional connection. It's getting out of this idea of sales and into the idea of community building.

What are your retail channels?

We're inside Pace Gallery [in New York]. We meet with collectors here. We have our atelier in Biel, Switzerland, where the watches are made, and are opening an office, watchmaking atelier, showroom in Geneva within the next year. There's a lot of event-based interaction. It's all direct-to-clients.

A lot of the industry has been captured by the use of scarcity to sell products. We hate the idea. Urban Jürgensens are slow to get because they're slow to make and they're rare. I would hate the idea of somebody leveraging that to sell somebody something they don't like. Our sales structure is to be candid, give people honest estimates of when things will be done, communicate if there's a delay.

This interview has been edited and condensed.

03. Moments

How is luxury experienced

Luxury value is increasingly measured through access, moments and memories linked to a brand. In China, the store and high-touch service are key; in the US, clients prioritise travel, culture, lifestyle and personal memory-making.

FROM

Luxury is about ownership; the product is the value



TO

The service, the moment and the memory of luxury is what endures

KEY INSIGHTS

In both markets

Clients are seeking experiences that create lasting memories, with travel being seen as the ultimate luxury experience

~30% would prioritise travel when they have additional money to spend

In the US

Clients are most interested in lifestyle experiences, such as destination travel and wellbeing-related activities

45% are most interested in wellness-related experiences

In China

The store remains a powerful platform for luxury engagement across all client tiers

#1 source of inspiration when shopping luxury is the physical store

Luxury value is increasingly measured in moments and memories, not possessions

- As prices rise, attention fragments and more categories and brands compete for spend, customers are becoming increasingly selective about what feels worth investing in.
- Luxury clients are questioning purchases that feel too trend-driven, overexposed or unlikely to hold long-term value.
- Instead, they increasingly seek luxury experiences that create lasting memories, emotional connection and a sense of belonging – whether that is shopping when travelling, participating in brand-hosted events or even choosing to redirect spend away from luxury goods altogether.
- Luxury is becoming defined more by how brands make them feel. The experience associated with a brand or product can be seen as just as valuable as the product itself.
- Physical retail, brand experiences and travel are growing in importance as emotional touchpoints for luxury brands to shape loyalty and long-term engagement.



Ritz-Carlton Reserve in Ubud, Bali. The Ritz-Carlton.

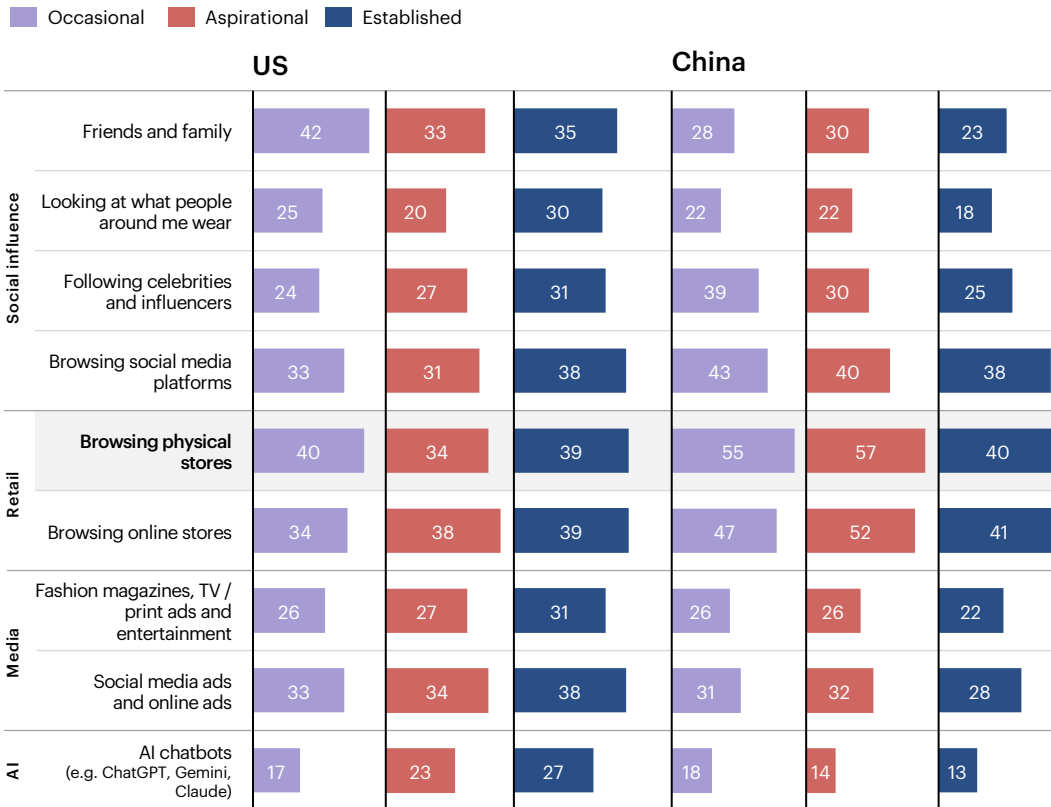
“I recently was in Montecito, California travelling with friends and we went shopping... and I ended up buying a bag sort of on a whim, but a bag I’ve wanted for a long time. I decided I’m going to buy it now because then I’ll always associate it with this trip and have the memory connected and I love that. If I am splurging... I’d rather spend my money connected to a memory with my girlfriends.”

ULTRA-HIGH LUXURY CLIENT, US



The store remains a powerful stage for luxury engagement, especially in China

Sources of inspiration when shopping for luxury, % of respondents



Source: BoF-McKinsey Luxury Client Survey 2026 US and China

The store remains one of the central places for brands to bring inspiration into experience. Retail space is a stage for signalling quality, positioning and cultural relevance – in a manner that would be difficult to replicate through digital channels.

This is especially true in China, where physical stores strongly over-index as a source of inspiration and are especially important to aspirational and occasional clients. This reinforces the store’s role to capture demand from new customers.

In the US, inspiration is more distributed. Stores remain important, but online retail, AI and friends and family all also play a meaningful role.

“The sales associate recommended styles that suited my temperament and appearance, and even when there was no stock, she took off the jewellery she was wearing and let me try it on. A salesperson like that is also a storyteller of the brand’s culture.”

ASPIRATIONAL CLIENT, CHINA



Physical retail should increasingly blend commerce, culture and community

Luxury brands are increasingly using physical spaces to deliver experiences that blend retail, hospitality, culture and entertainment.

Rather than functioning purely as transactional environments, stores are evolving into destinations designed to deepen emotional connection, increase dwell time and create social participation around the brand.

This is particularly important in China, where clients increasingly value immersive and educational luxury experiences that combine discovery with cultural storytelling.

“Brands like Tiffany and Bulgari have held gemstone exhibitions in recent years, where they show coloured gemstone pieces from different periods and someone walks me through them. That allows me to learn more about the culture behind them. Those are the aspects I think are different from the luxury events I have experienced before.”

ESTABLISHED LUXURY CLIENT, CHINA



LOUIS VUITTON

- Louis Vuitton’s sprawling boat-shaped flagship, “The Louis,” opened in Shanghai in June 2025.
- It has become a popular destination in the city, generating foot traffic.
- Inside is an exhibit of historic trunks from the French luggage maker, a rooftop café and retail space — fashioned as a museum gift store — with ready-to-wear for men and women as well as leather goods.
- LVMH executives have flagged the example as a sign of interest from Chinese shoppers in fresh approaches to retail.



The retail experience can make or break brand perception, where expectations rise with affluence

As luxury clients place greater importance on experience, the quality of the shopping journey itself becomes a significant differentiator — particularly among higher spending tiers.

In both markets, clients describe store associates as capable of elevating or damaging the overall perception of the brand. They increasingly act as a curator of the brand relationship, not simply a salesperson.

In China, the shopping experience ranks as the second most-important driver of luxury desirability perceptions for established luxury clients, making the retail experience even more critical to get right.

In the US, poor in-store experiences emerge as a major pain point. Clients describe boutiques as overly transactional, citing pushy sales tactics, long queues and “barriers to entry” that actively push them towards online or resale channels.

Ranked importance of the retail experience in creating brand desirability by client tier

	US	China
Occasional	5th	7th
Aspirational	5th	5th
Established	4th	2nd

Source: BoF-McKinsey Luxury Client Survey 2026 US and China

“It sometimes feels like sales associates assume you will buy as soon as you walk in. They’ve lost the art of the soft sell, and that pressure puts me off.”

HIGH LUXURY CLIENT, US



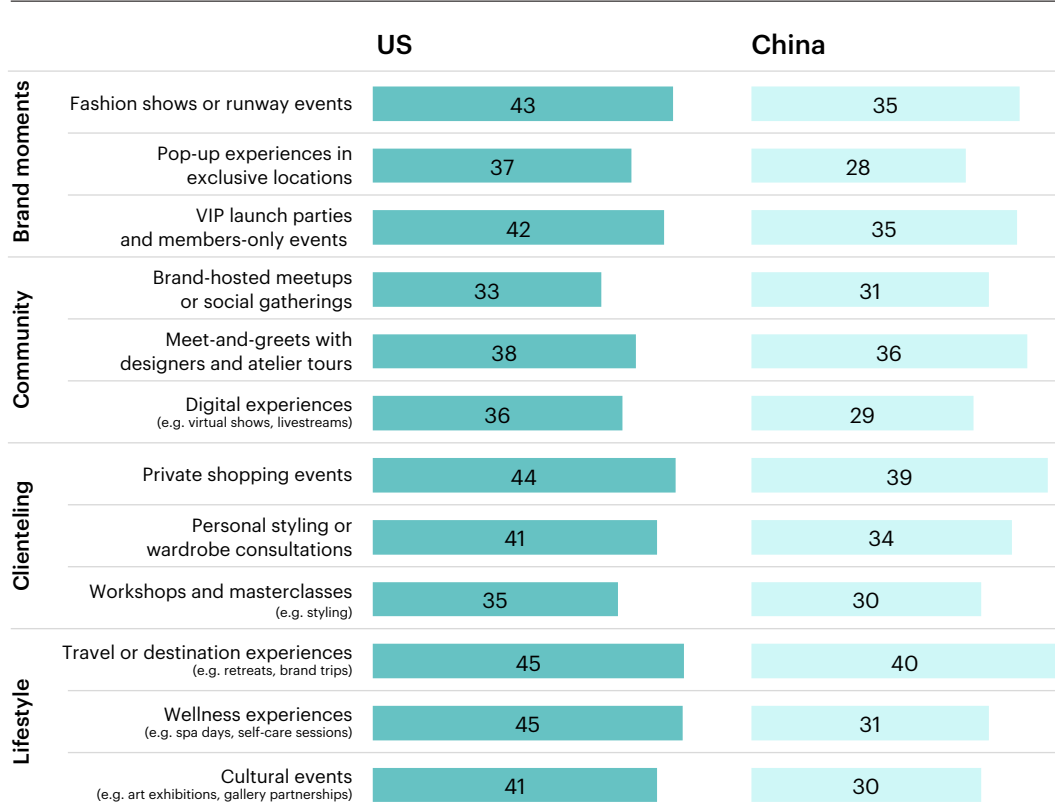
“Most stores now are pushing simpler or more trend-driven items that sell quickly, but when it comes to recommending what truly belongs to the brand’s cultural heritage and ‘brand memory,’ I think they are doing far too little.”

ASPIRATIONAL CLIENT, CHINA



Clients in the US and China have distinct preferences for brand experiences

Luxury client interest in brand-provided experiences, % of respondents



Source: BoF-McKinsey Luxury Client Survey 2026 US and China

Travel and destination experiences are the most desirable formats in both the US and China, suggesting that clients increasingly associate luxury with immersion, memory-making and lifestyle integration. Interest in brand-hosted social gatherings also rises meaningfully with affluence, rising to 40 percent and 36 percent for established clients in the US and China, respectively.

In the US, customers show the most interest in lifestyle-related experiences, such as wellness and cultural events. Experiences increasingly function as a way to reinforce identity and care for oneself. Cultural events are most popular with higher-spending established clients, with 50 percent of this group expressing interest in attending them.

In China, after travel, experiential luxury is more strongly tied to service and relationship-building. Interest in private shopping and VIP events is strong and rises sharply with affluence — reflecting growing expectations around personalised service, convenience and high-touch clienteling.

Experiences that extend the brand's personality enable clients to engage deeply in its universe

Luxury experiences are increasingly valued not as standalone marketing activations, but as an extension of the luxury relationship itself.

Cultural participation can act as a gateway for aspirational consumers in particular. For younger and aspirational audiences, participation itself becomes a form of luxury engagement — allowing clients to experience the brand's world, values, and cultural positioning before purchase.

As a result, brands increasingly compete by creating culturally resonant moments that clients want to be part of.

“I find it really fascinating to learn about how the brand started, the heritage, what they're known for, the craftsmanship, the things that you wouldn't necessarily know or experience in a store. I will always opt into an experience or an opportunity to learn about a brand.”

ESTABLISHED LUXURY CLIENT, US



FORMULA 1



F1 Italian Grand Prix trophy in 2025. NurPhoto/Getty Images.

- LVMH's 10-year partnership with Formula 1 offers a unique platform at the intersection of sport, entertainment and hospitality.
- Across Louis Vuitton, Moët Hennessy and TAG Heuer, the partnership creates opportunities to host exclusive experiences throughout the F1 calendar. The tie-up also boosts the visibility of the brand with its bespoke, monogrammed trophy trunks placed at the centre of some of sport's most globally viewed moments.
- Other brands are also getting involved. Gucci will be title partner of the Alpine Formula 1 racing team starting in 2027.

ORIENT EXPRESS CORINTHIAN



The Orient Express Corinthian in Monaco. Mark Sutton/Getty Images.

- The largest sailing ship in the world, the Orient Express Corinthian, is operated by Orient Express, illustrating the expansion of the brand from its roots as a luxury train operator.
- Jointly owned by hospitality group Accor and LVMH, the sailing yacht has 54 suites for 110 guests.
- Online services include food by Michelin-starred chefs.
- A sister ship, the Orient Express Olympian, is planned to launch in 2027, also catering to clients at the very high end.

But when customers have disposable income to spend, they are choosing to travel above all else

When discretionary income increases, clients consistently prioritise luxury travel across all client tiers, making it the dominant experiential category that replaces product as the primary indulgence. Clients highlight how service details, pre-empted needs and personalisation all create a luxury experience while travelling.

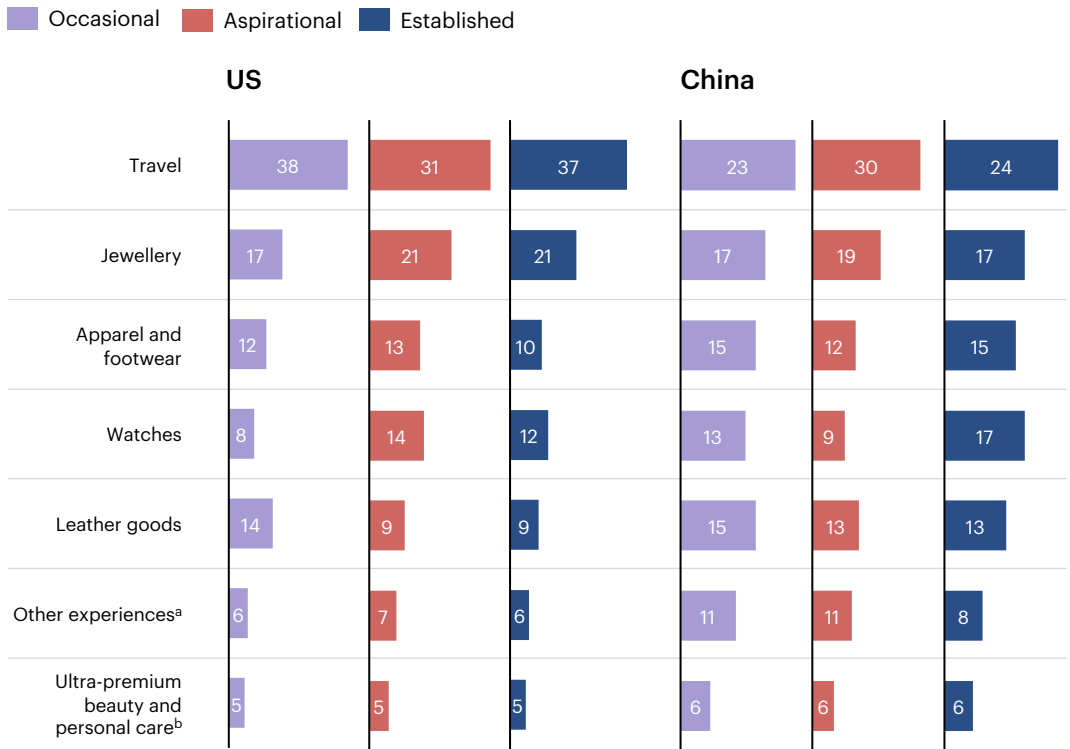
Jewellery is the strongest product-based alternative to experiences, confirming its role as an iconic, investment-like product category.

“Luxury to me is more about the luxury of time, freedom, lifestyle and quality of travel. I don’t think one specific material luxury item can satisfy my vanity or give me the thrill of consumption.”

HIGH LUXURY CLIENT, CHINA



Spending preference for an additional \$5,000 of disposable income, % of respondents



a. Fine-dining experiences, cooking/food and drink experiences, and outdoor leisure

b. Beauty products, spa and wellness treatments and experiences, simple and advanced beauty treatments, spiritual experiences (e.g. meditation, reiki, osteopath), exercise, training, alternative therapies and health optimisation (e.g. biohacking, nutrition services)

Source: BoF-McKinsey Luxury Client Survey 2026 US and China

Executive Priorities

IN BOTH MARKETS

Capitalise on the desire to travel

- Travel is a priority focus for discretionary spend.
- Meet clients in those moments with retail, services and activations, when clients are already primed to spend on memory and self-reward.

Extend the brand into lifestyle ecosystems

- Partner with hotels, wellness brands, private clubs, restaurants and cultural institutions to embed the brand within clients' broader lifestyle and identity.

Build experiences around product meaning

- Events and retail moments should not be generic hospitality.
- Anchor them in product stories relating to craft, provenance, styling or collectability.

US

Create recurring participation models

- Shift from one-off brand activations towards ongoing ones.
- Create communities, memberships, wellness programmes and cultural series that keep clients emotionally engaged between purchases.

Own milestone moments before competitors do

- Build services and curated experiences around emotionally significant life moments (travel, weddings, career milestones, birthdays, motherhood) where customers are most willing to form long-term brand attachment.

CHINA

Make the boutique the centre of the brand experience ecosystem

- Stores should function as immersive brand theatres where storytelling, bespoke service and relationship-building matter as much as conversion.

Redesign store success metrics around relationship quality, not immediate sales

- Reduce pressure-selling dynamics and empower sales associates to focus on repeat visits, emotional trust and long-term loyalty rather than same-day transaction value.

ICICLE: Capturing *Interest* in Chinese Brands

Executive president, **Louise Xu**, explains how the Shanghai-based quiet luxury label is tapping rising interest in Chinese brands, the differences between Chinese and Western consumers and the logic behind a novel retail concept that includes a garden, art gallery and restaurant.

BY MIMOSA SPENCER

When Ye Shouzeng and Shawna Tao launched ICICLE in Shanghai in 1997, the couple's decision to focus on a quiet luxury aesthetic rendered in natural materials wasn't an obvious one. At the time, Chinese luxury shoppers were gravitating towards international labels with prominent logos.

Today, quiet luxury is a key pillar of the fashion market and Chinese clients are increasingly embracing home-grown labels as national pride grows. That's been good news for ICICLE and demand for its minimalist designs in cashmere, silk and linen, including its bestselling

double-faced cashmere coats and wool and silk trench coats.

The company is vertically integrated, upstream and downstream: It runs two production sites — an ultra-modern, automated factory in Shanghai, and another, crafts-based facility outside the city — and operates 200 stores in over 100 Chinese cities. But it also has a footprint in Europe with a design studio and four stores in Paris.

An investment from Kering in Icicle parent company ICCF group, announced in April 2026, came with an agreement to share expertise on

the Chinese market with the French luxury group. ICICLE, meanwhile, will draw on Kering's experience to expand abroad and extend its product offer.

Two years ago, the brand opened a sprawling complex built in Shanghai's Xuhui district, featuring a garden, restaurant, art gallery and retail space, where it hosts cocktail parties and art exhibits for clients.

ICICLE executive president Louise Xu explains the brand's strategy, what's driving interest in Chinese brands and the differences between Chinese and Western consumers.

What is the brand's approach to retail and flagship stores?

ICICLE recently created a new concept called ICCF Garden, a place where you can get a sense of the brand. It's not just stores for our collections for women and men, there's also a restaurant, an art gallery and a café. We hold many events and the experience is not limited to the store but also continues online. The omnichannel approach works very well in Shanghai.

We plan several new similar openings in the coming years — in big cities in China to begin with, and then abroad, starting with Europe.

There is less and less traffic in Chinese shopping malls today, because e-commerce is so well developed. This is also why we wanted to create a physical space, a special experience for clients.

This garden site allows us to express our universe. It's not just a product, it's also an aesthetic — our artistic direction, our curation.

Is there rising interest from Chinese clients in home-grown labels?

When ICICLE was founded in the 1990s, there was a tendency among luxury shoppers to look outwards for social status. Today, people are looking for quality and values. Younger generations are more interested in the environment. There is also more cultural pride than before, when luxury brands were international and seen as superior. Now there is more confidence in Chinese brands, and more of them have proven capabilities when it comes to design and production.

Before, logos were a badge of someone's social status. Today, people are more discreet; they are looking more closely at materials. People are proud to have a Chinese brand, but you also have to offer the

same quality as the big international brands.

How important is the role of culture and craftsmanship for engaging with shoppers?

The role of art and culture is very important for luxury. So is craftsmanship — it shows a human touch in the product itself. One of our key products is a two-sided cashmere coat, finished by hand by top-quality artisans.

We also work with artisans in different regions, bringing ancient techniques into a more contemporary world. For example, we offer silk from a specific region in China where vegetable dyes are used. It's a popular product, because it's a real mix of artisanal know-how with our aesthetic.

We also work with art, organising exhibits between Paris and Shanghai, inviting European artists to exhibit in our Shanghai site and Chinese and Japanese artists at our George V flagship in Paris.

Last year we sponsored a Chinese collection at the Louvre and have a long-term partnership with the museum of Shanghai. Each year the museum opens its archives for a capsule collection.



ICICLE autumn 2026 show. ICICLE.



ICICLE ICCF garden in Shanghai. ICICLE.

How do you create collections and what is the role of fashion shows?

We always aim to create collections that will last over time, with a focus on high-end fabrics for discreet elegance. Our studios in Shanghai and Paris are run by our creative director, French designer Benedicte Laloux. This structure is based on exchange between our design teams — a cultural dialogue between the East and West.

From the creation of the brand, quality has been extremely important,

and this is why we have built a vertical supply chain. Ninety percent of our clothing is produced in our own factories. Our Shanghai factory is probably one of the most modern fashion factories in the world. We hosted a livestream fashion show of one of the collections there. We think it's important to be transparent and let our client know what kind of environment the clothing was produced in.

How would you say Chinese and Western consumers are similar? How are they different?

Both are looking for the highest-quality solutions. Today, more and more clients want an item of clothing that they can wear in the long term — they're looking for timeless designs.

Chinese shoppers are very open to discovery, so it's quite easy to create ties with them. They are fast moving and also very active digitally.

European shoppers are lucky to have so much choice. They are quite demanding and often take time to get to know a brand, to understand the values of a brand.

“We wanted to create a physical space, a special experience for clients. This garden site allows us to express our universe. It's not just a product, it's also an aesthetic.”

This interview has been edited and condensed.

04. Discovery

How is luxury engaged with

Clients are using AI to find, compare and discover products, while resale is turning luxury into something to track, hunt and curate over time — even in the nascent resale market in China. As discovery moves beyond brand-owned channels, brands should work to shape client relations before, during and after purchase.

FROM

Clients passively consume luxury through linear transactions



TO

Shopping luxury is an intentional curation process, where AI can act as an advisor and the secondary market offers the thrill of discovery

KEY INSIGHTS

In both markets

Established luxury consumers are the most frequent resale shoppers, appreciating access to archival or hard-to-find pieces

#1 client who shops pre-owned luxury the most is the higher-spending established client

In the US

Resale shopping is emotionally driven, with clients rating the thrill of the hunt equally as important as resale's lower prices

~1/2 clients say they shop pre-owned luxury for the thrill of the hunt

In China

AI use is more exploration-led and functional, particularly for understanding product quality and specifications

~60% of clients who use AI for luxury shopping do so to explore products

AI and resale are redirecting the luxury customer journey

Customer touchpoints are increasingly handled by forces outside of a brand’s direct control – from social media algorithms and AI search to resale platforms and peer-to-peer marketplaces. Discovery can begin with an AI prompt, a resale search, a creator recommendation or an algorithmic feed.

As a result, luxury behaviour is becoming more fluid, more fragmented and harder to influence through traditional brand channels alone. This is changing how luxury relationships are formed and maintained. Two shifts stand out:

- **AI is reshaping how customers discover, compare and navigate luxury,** even for a category built on high-touch service and emotional connection.
- **Resale is moving beyond its traditional role as a discount channel.** Increasingly, it has become a source of access, discovery and cultural validation. Engagement with pre-owned luxury rises with affluence in both the US and China, challenging the assumption that it is mainly for lower-spending clients.

Use of AI for luxury shopping inspiration,
% of respondents

■ Occasional ■ Aspirational ■ Established

US



China



Source: BoF-McKinsey Luxury Client Survey 2026 US and China

L'OREAL GROUP

- As consumers use AI tools more to discover and evaluate products, L'Oréal is investing heavily in content and data infrastructure to boost visibility in AI-driven environments.
- Through its generative AI platform “CREAITECH,” the group can rapidly generate, adapt and distribute product content across e-commerce and social media channels.
- L'Oréal’s investments reflect a broader shift from managing search results to managing AI-mediated discovery, ensuring brand content and product information can be understood, cited and recommended by AI assistants.

“In China, people already use tools like Doubao almost as if it were Baidu. Whatever the issue is, they want to open it and ask... For example, I'll tell it ‘I already have several Hermès bags, help me think about what bag I could buy next.’

It will make suggestions based on what I already own, and it will tell me where to buy it... And because it knows my height, weight, skin tone and face shape, it can give me a colour coordination plan.”

ASPIRATIONAL CLIENT, CHINA



Aspirational customers use AI most broadly throughout the shopping journey

How AI is used for shopping luxury by market and client segment, % of respondents who use AI for luxury shopping

	Inspiration and discovery			Exploration			Evaluation and comparison			Decision		
	Discovering new products; getting outfit ideas / styling advice; identifying a brand that offers a specific item			Understanding product differences (materials, quality); getting recommendations tailored to preferences			Comparing prices; comparing reviews; narrowing down options			Finding specific products more quickly, reducing browsing across multiple websites		
	US	China	Both	US	China	Both	US	China	Both	US	China	Both
Occasional	52	47	49	45	52	49	44	38	41	51	46	48
Aspirational	46	52	48	47	63	53	41	49	44	49	57	52
Established	46	45	46	53	56	54	45	41	44	51	30	44

In both the US and China, luxury clients use AI most frequently at the exploration stage to understand product differences and receive personalised recommendations.

AI is especially valuable for aspirational clients, helping bridge the knowledge gap and navigate luxury more confidently. This customer group is most likely to use AI for decision making when shopping for luxury products.

In the US, established luxury clients use AI for exploration the most, followed by decision making, suggesting even higher-spenders are using AI to navigate shopping luxury brands.

In China, AI use is more exploration-led, used to understand product quality and specifications, particularly among aspirational clients.

68% of Gen X in China who use AI for shopping luxury do so for exploration, but only 18% do so for decision making

51% of Millennials in the US and China who use AI for shopping luxury use it for decision making, more so than other cohorts

Note: Reflects customers who use AI while shopping luxury only
Source: BoF-McKinsey Luxury Client Survey 2026 US and China

Appetite to use AI is strongest in categories requiring comparison and product knowledge

How AI is used for shopping luxury by product category in the US and China, % of respondents

	Inspiration and discovery	Exploration	Evaluation and comparison	Decision
	Discovering new products; getting outfit ideas / styling advice; identifying a brand that offers a specific item	Understanding product differences (materials, quality); getting recommendations tailored to preferences	Comparing prices; comparing reviews; narrowing down options	Finding specific products more quickly, reducing browsing across multiple websites
Clothes and outerwear	47	54	36	54
Footwear	44	45	46	39
Bags and accessories	45	53	43	54
Jewellery	55	52	45	42
Watches	48	57	44	49

Note: Reflects customers who use AI while shopping luxury only
 Source: BoF-McKinsey Luxury Client Survey 2026 US and China

AI use is widespread across luxury categories and is influencing all parts of the customer journey.

Customers use AI most frequently at the exploration stage of shopping for luxury across most categories, to understand product differences and get tailored recommendations.

AI exploration is strongest in categories like watches, in which complexity and product knowledge matter most.

Customers use AI for making decisions in categories like clothes, bags and accessories the most. When choices are vast, AI is playing a role in helping customers make their final selection.

When it comes to shopping resale, established luxury clients are the most active

Across both markets, established luxury clients are the most frequent resale shoppers, challenging the perception that resale is primarily driven by budget-conscious shoppers.

For higher-tier clients, resale has become an extension of luxury participation, enabling access to rare, archived and hard-to-find pieces beyond traditional retail channels.

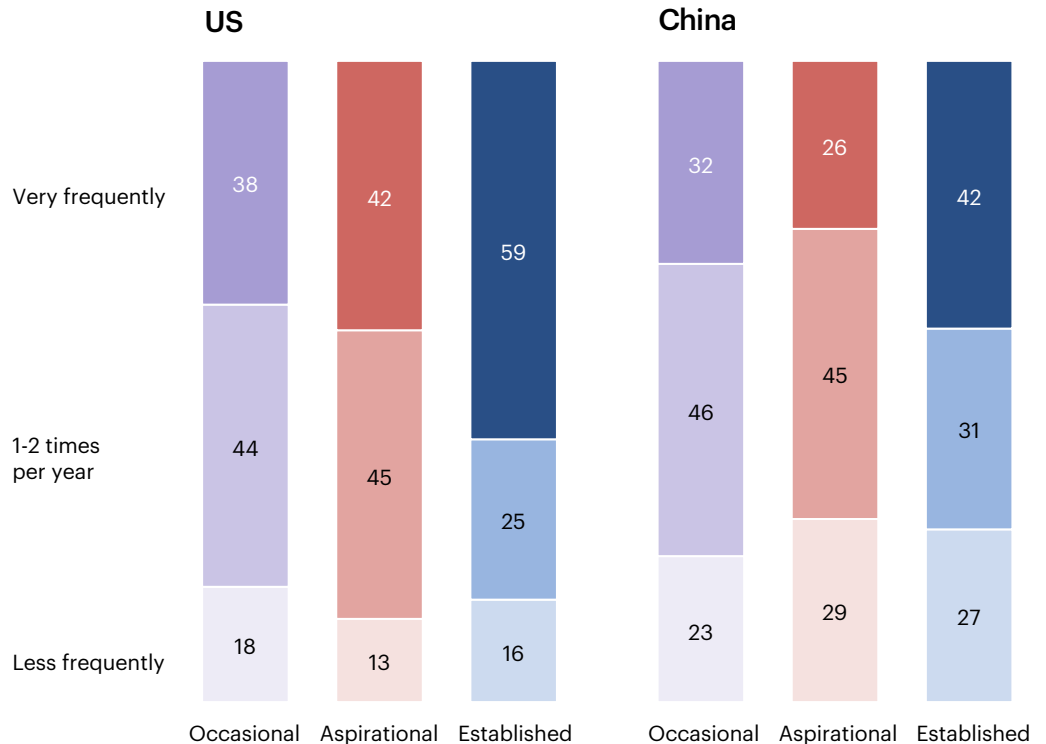
Rather than replacing luxury shopping in the primary market, resale increasingly complements it, supporting ongoing discovery, collection-building and engagement with brands over time.

“The people who are enthusiastic about secondhand are actually those who have worked for a few years and become more rational, as well as some boutique VICs. They frequently sell off some brand-new quota items, or trade in idle things from home in order to get a style they really want.”

ASPIRATIONAL CLIENT, CHINA



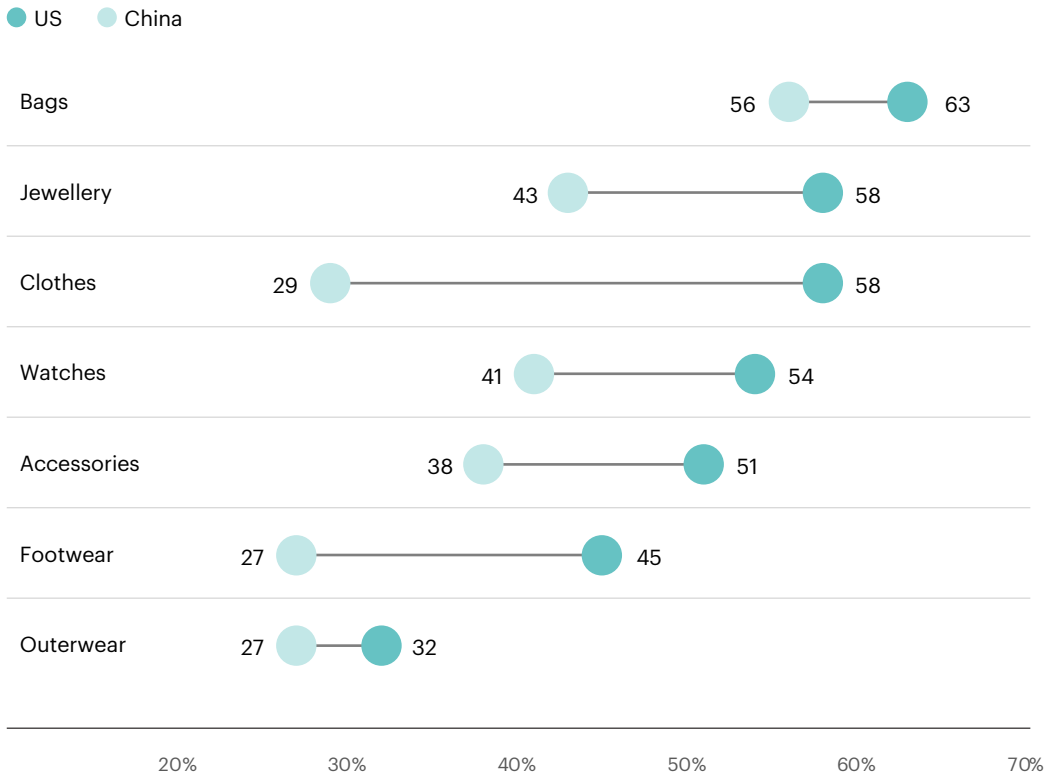
Frequency of buying luxury fashion products on resale, % of respondents



Source: BoF-McKinsey Luxury Client Survey 2026 US and China

Resale demand is anchored in iconic and collectible categories across markets

Interest in buying pre-owned luxury categories, % of respondents



Source: BoF-McKinsey Luxury Client Survey 2026 US and China

Luxury categories that are seen as carrying enduring value, like bags and jewellery, are popular for luxury clients to buy pre-owned. These categories benefit from strong collectability, recognisability and long product lifecycles, which make them well suited to the resale market.

For established luxury clients, buying pre-owned watches and jewellery is especially popular. This reinforces resale’s role as a channel for acquiring investment-like and hard-to-access pieces.

Compared to the US, resale demand in China is more concentrated around investment-like categories, while there is much less engagement around clothes, outerwear and footwear.

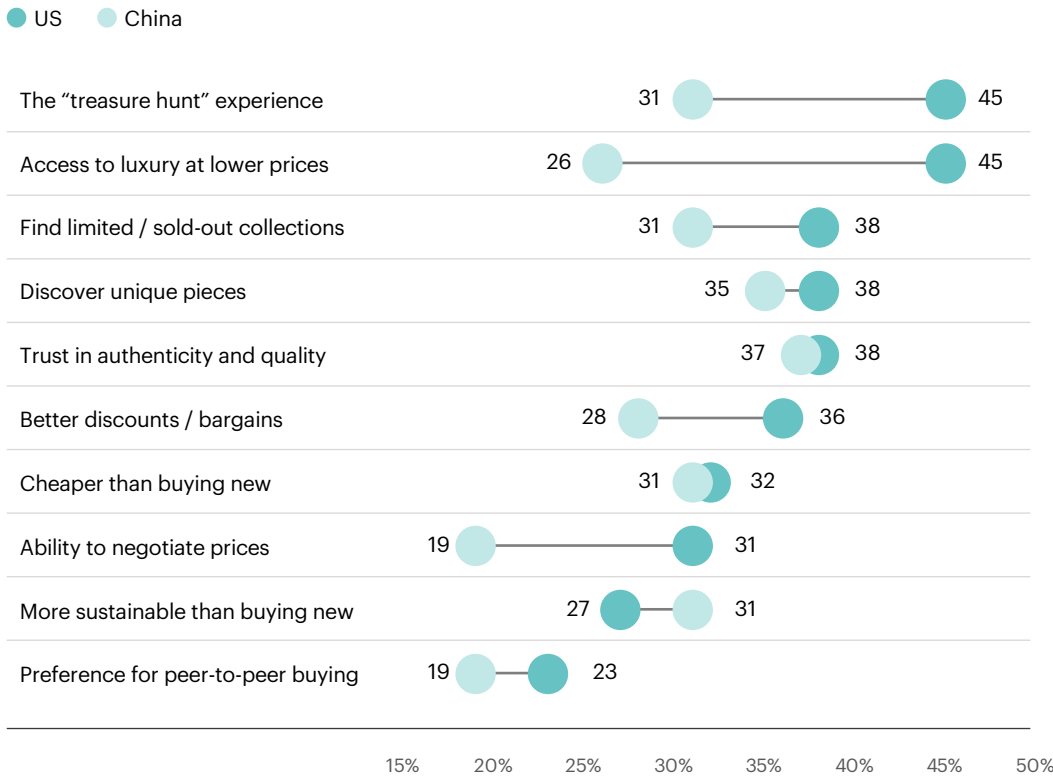
“I really like buying something that has a real story behind it or it feels like it’s really a historic, iconic brand. A Kelly bag, that was as chic in 1990 as it is today, I think that will stand the test of time.”

HIGH LUXURY CLIENT, US



Appetite for resale is driven by the thrill of the hunt and emotional payoff — not just price

Top drivers of luxury resale purchases, % of respondents



Source: BoF-McKinsey Luxury Client Survey 2026 US and China

Luxury resale is increasingly driven by discovery and emotional reward, not just affordability.

Across both markets, clients engage with resale markets to access unique, sold-out or hard-to-find pieces, with the “thrill of the hunt” emerging as a key emotional driver that is as important, if not more important, than lower prices.

In the US, resale is more emotionally driven, with the “treasure hunt” experience at the centre. Key motivation also comes from trust in authenticity and finding unique pieces.

In China, where the resale market is less mature, trust in authenticity and quality is the most important, followed by access to limited or differentiated products. Here resale is used more selectively as a trusted route into luxury.

“I love the thrill of the hunt. I want to be able to say I got a good deal. Also I shop a lot, so I prefer to say to friends ‘I got this on The RealReal.’ It sounds better to say I managed to get it on resale and didn’t spend so much money.”

HIGH LUXURY CLIENT, US



Executive Priorities

IN BOTH MARKETS

Treat resale as a brand-building channel, not a secondary market risk

- Resale increasingly determines which products become culturally iconic, collectible and investment-worthy — particularly for bags, jewellery and watches.
- Brands that ignore resale surrender control of long-term value perception.

Treat AI interfaces as the next storefronts

- Actively structure content, reviews and metadata for AI visibility — LLMs increasingly influence how consumers compare brands, validate quality, discover products and interpret reputation.

US

Use resale intelligence to identify future icons before the market does

- Monitor which products overperform in resale, sustain value or attract collectors.
- This can inform design, merchandising and long-term brand building.

Compete for algorithmic relevance as aggressively as for cultural relevance

- As AI becomes a primary means of discovery, brands need to boost their share of recommendations.
- Invest in structured product information, authoritative content and trusted reviews that influence how algorithms rank, compare and recommend products.

CHINA

Solve trust deficits before scaling resale and AI discovery

- In China, the luxury resale market is nascent, meaning participation is more trust-led than thrill-led.
- This makes authentication, verified partnerships, provenance and controlled distribution essential to maintaining brand credibility.

Use AI to deepen client confidence, not reduce human interaction

- AI plays a more functional role in helping consumers understand quality, specifications and product differences, making it most valuable when paired with high-touch advisory and trusted service.

The Business of Fashion



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