

How Vulnerable is Luxury To a Cold Climate ?

Contributed by Euromonitor International
Monday, 15 December 2008

Author: Melanie Perez

Date published: 3 Dec 2008

Euromonitor's latest strategy briefing looks at the evolving luxury market and examines its potential for future growth. Turbulent economic times put a damper on most consumer spending, and while the luxury goods market may see sales drop, the appeal of luxury will remain.

According to Euromonitor International latest strategy briefing, "How Vulnerable is Luxury to a Cold Climate?" the drivers for luxury have not changed, but the items signifying luxury constantly are evolving.

This dynamic, paired with increased wealth and the desire to spend on must-have luxury goods, is contributing to growth in both luxury goods and experiences.

In its most basic definition, luxury refers to "non-essential" goods. "Luxury has always been a relative concept, but there is no doubt that luxury has gone more mass market in recent years," says Gina Westbrook, Research Manager at Euromonitor International. "To date luxury sales have remained resilient, but much of that moving forward will involve a complex combination of trading up and trading down," she adds.

The report reviews four segments of luxury marketing:

True luxury: for the ultra rich "fast cars, jets, haute couture etc. When money is no object, exclusivity may be more important than price

Traditional luxury: fragrances, fashion and jewelry, premium spirits and champagne

Modern luxury living: the latest trends offering status and appeal such as travel, luxury technology, tech trinkets, online luxury, experience and services and time

Life's little luxuries: often repositioned as small treats in sectors where luxury ranges have been developed for the mass market.

For further information, please contact:

Melanie Perez, Public Relations Executive, Euromonitor International

Tel: 312.922.1115 ext 8332 melanie.perez@euromonitorintl.com

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