

WHITEPAPER: GLOBAL HNWY OUTLOOK 2025

CONFIDENCE, CAUTION, AND THE FUTURE OF LUXURY CONSUMPTION

Executive Summary

As the global economy weathers continued uncertainty, luxury brands are facing a new era—one marked by both cautious optimism and unprecedented shifts in consumer behavior. The **Global HNWY Outlook 2025**, presented by **Agility Research & Strategy** in collaboration with **Global Blue**, brings together insights from C-suite executives and affluent consumers across key markets to shed light on what lies ahead for **luxury in 2025**.

The message is clear: **growth opportunities** exist—but they demand a different kind of playbook. Affluent and high-net-worth individuals (HNWIs) are evolving. Their expectations are higher, their behaviors more nuanced, and their loyalty harder to win.



The Agility Approach: Executive Perspectives Meet Consumer Sentiment

To decode the luxury consumer in 2025, we combined:

- *Interviews with **50 senior executives** from top-tier luxury brands across Greater China, Japan, Southeast Asia, UAE, Europe, and the US*
- *Proprietary data from **LuxeTalk™**, Agility's global community of affluent and high-net-worth individuals*
- *Market intelligence from **Global Blue**, including insights on Tax-Free shopping trends and international retail behavior*

This multi-pronged methodology allows us to compare what brand leaders believe with how consumers are actually behaving.

1. Introduction: A Changing Tide for Luxury

The luxury market, long considered resilient, is now navigating a landscape marked by inflationary pressures, geopolitical tensions, shifting consumer values, and now protectionist tariffs leading to price increases. While brands have adapted well over the past few years, the cracks are starting to show—particularly in markets like China, where consumer confidence is under strain.

According to Bain & Company's latest Luxury Goods Worldwide Market Study, the global luxury market reached approximately €1.5 trillion in 2023, with personal luxury goods alone growing to over €362 billion. But this growth was uneven. While the US and Japan showed resilience, Greater China struggled due to ongoing macroeconomic uncertainty, reduced consumer confidence, and changing consumption patterns.

Yet, there's a silver lining. Across the board, there is still a strong desire for luxury—just not in the ways brands may be used to delivering it. Affluent consumers are prioritizing meaningful experiences, purpose-driven purchases, and value beyond price.

2. Sentiment Check: A Reality Check for Luxury Leaders

Let's get real. Optimism has cooled.

According to our **Luxury leaders 2025** study, in 2023, over 80% of executives were upbeat about the year ahead. Fast forward to 2025, and only **41%** expect improvement over 2024. Confidence is still present, but it's more tempered, more cautious. And in **China**? A quarter of executives anticipate a weaker year.

Key stats:

- **56%** of executives are concerned about 2025
- Only **18%** express excitement about growth
- **3%** expect significant disruption



What's driving this shift? Consumers are **trading down**—even in luxury. They're more selective, more value-conscious, and more interested in brands that speak to their personal values.

According to TrendLens™, Agility Research & Strategy's leading study on the global affluent and HNW consumer, over **60%** of luxury consumers globally expressed growing interest in sustainability, and **45%** said they would switch brands if another offered more alignment with their values. This is a clear indicator that luxury is no longer immune to larger cultural and economic pressures.

A bright spot is the impending wealth transfer that will happen in the next 10 years. According to **WealthLens™**, Agility's leading wealth study, between 1/3 and 1/2 of the current young affluent generation in major markets expect a substantial wealth transfer from the older silver generation.

3. Bright Spot: The Rise of Experiential Luxury



If there's one trend that stands out, it's this: luxury is no longer just about products. It's about **moments**.

In our **Luxury leaders 2025** study, a full **74%** of executives flagged **experiential luxury** as a key area of growth. That's not just a buzzword. We're talking real investments:

- Prada opened a chic café at ION Orchard in Singapore
- Louis Vuitton transformed retail into culture with its Bangkok museum
- Six Senses and Mandarin Oriental expanded spa and wellness offerings, blurring the lines between hospitality and holistic living

Consumers today crave immersive, emotionally resonant experiences. A handbag may still impress, but a story they can live through? That's what sticks.

This aligns with a broader trend reported by Virtuoso and American Express Travel, where high-net-worth travelers increasingly seek exclusive, private, and wellness-focused journeys—over **70%** saying they are willing to spend more for unique experiences.

4. HNWI Travel Intentions: Up, Up, and Away (Mostly)

Travel is back. In fact, it never left for some. Our LuxeTalk™ data shows:

- 95% of Indian HNWIs plan to travel internationally in the next 12 months
- 92% of Singaporean HNWIs say the same
- Americans and Indians are planning more domestic travel, too

Meanwhile, Chinese and Japanese HNWIs remain more cautious. The recovery isn't uniform, but it's solid—and rising demand spans airlines, hotels, cruises, and curated getaways.

According to the World Travel & Tourism Council, global luxury travel is set to grow by 7% CAGR through 2030, outpacing the broader travel industry. This resurgence is partly driven by pent-up demand, strong savings from earlier in the pandemic, and a desire for personal enrichment post-COVID.

For luxury brands, this is a cue to rethink travel retail, concierge partnerships, and how their footprint aligns with affluent consumers on the move.



5. Tax-Free Shopping: Resilient but Reshaped

Global Blue's insights paint a compelling picture:

- Singapore's Tax-Free market grew +7% in 2024 to €1.6bn, though still 10% below 2019 levels
- International shopper arrivals increased +17%, but average spend per shopper dropped 8% to €2,015

The big twist? Chinese travelers are back, but they're not spending like before. Why? As **Jacques Stern, Global Blue CEO**, explained, two key forces are shaping this trend:

1. Japan has stolen the spotlight, thanks to a weaker yen, with HNWI shoppers across the region spending there while traveling
2. Travelers are trading retail for experiences (again, that theme)

It's no longer about shopping bags, but shared **memories** and **cultural immersion**. Retailers will need to up their game—think personalization, storytelling, and curated in-store journeys.

Interestingly, Japan's Ministry of Land, Infrastructure, Transport and Tourism noted a **45%** surge in tourist shopping tax refunds in 2024, driven largely by Southeast Asian and Chinese HNWIs. Exchange rates matter—but so do perception and emotional resonance.



6. 2025 Strategic Takeaways for Luxury Brands

We'll cut to the chase. If you want to win in 2025, here's what needs to happen:

- Shift from products to purpose. What do you stand for?
- Create moments, not just transactions. Make your retail spaces unforgettable.
- Invest in new markets. India is rising. So are younger HNWIs.
- Build omnichannel experiences. Travel, digital, and physical retail must work in harmony.
- Understand the caution. Consumers are still spending, but they're thinking twice. Be the brand they think yes to.

And let's not forget sustainability. According to Bain, 73% of Gen Z HNWIs say they actively seek out **sustainable luxury brands**. That's your future customer base.

Conclusion: From Resilience to Reinvention

The road ahead for luxury brands is not without bumps, but it's rich with possibility. By understanding the evolving mindset of the affluent consumer—and being bold enough to change alongside them—brands can turn cautious optimism into real opportunity.

*As **Amrita Banta, Managing Director of Agility Research & Strategy**, put it:*

"Luxury in 2025 isn't just about what you sell, but how you connect. To thrive, brands must become fluent in the new language of affluence."

ABOUT AGILITY RESEARCH & STRATEGY

Agility Research & Strategy is a leading insights and consulting firm focused on affluent and HNW consumers. Through proprietary tools like LuxeTalk™ and TrendLens™, we decode behavior and deliver actionable strategies for global luxury brands.

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The **TrendLens™** reports cover key trends in lifestyles and the behaviors, mindsets, lifestyles, and purchasing motivations of global affluent and high-net-worth individual across 30 markets.

China | Japan South Korea | India
Indonesia | Malaysia | Thailand
United Kingdom | France | Italy | USA
Australia | GCC | Saudi Arabia

The **WealthLens™** reports cover key trends in high-net-worth individuals' financial needs and behavior, exploring their insurance, banking and wealth management needs across more than 30 global markets.

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