

## MARKETING

# Share of US consumers opting for luxury hotel stays climbing: report

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Burgeoning consumer groups are set to take over in the coming years. Image credit: Finn Partners

By ZACH JAMES

The prestige space will witness many changes in the next several years according to global marketing firm Finn Partners.

**The Luxury Playbook 2024**, the organization's first-ever market snapshot, is now live published with support from London-based market research firm Mintel, it outlines the developing trends expected to transform the industry. Finn Partners anticipates that by 2030, millennials and Gen Z will gain substantial buying power and that Chinese clientele's luxury consumption share will expand greatly, among other insights.

"In the report, we outline three main calls-to-action, informed by insights and experiences from our clients, as well as our research and intelligence that we carried out in partnership with Mintel," said Joy Livera, senior research and insights manager at **Finn Partners**, London.

"First, brands increasingly need to diversify their lifestyle relevance, expanding their appeal from expert product creators to trusted lifestyle curators," Ms. Livera said. "Second, brands increasingly need to balance commerce with culture, creating opportunities for new emotional connections and continued curiosity.

"Finally, when it comes to values, brands should look to do good internally while being aspirational externally."

For the report, Finn Partners sourced all data from Mintel's releases with publication dates ranging between 2021 and 2024, as well as figures and predictions from global consulting firm Bain & Company. Generative AI was also used during the research process.

## Up next

By 2030, millennials will make up half of luxury's client base, with Gen Z representing up to 30 percent of the market. At that same point, Gen Alpha, or those born between 2010 and 2024, will heighten their high-end purchases, comprising less than 5 percent of the total consumer base.

Regionally, the share of Chinese luxury consumers is predicted to more than double current levels, a figure Finn Partners attributes to Bain & Company's findings. The country will account for two in every five luxury shoppers worldwide by 2030, up from roughly one in every five as of 2022.

"The main factor is the continued growth of middle and high-income consumers [in China], which, according to Bain, will double by 2030 from their 2022 levels," said Gregory Cole, report author and senior partner, luxury EMEA at Finn Partners, London.

"Disposable income, particularly beyond the top-tier cities, is also rising."



*The industry is set to see widespread changes in the next several years. Image credit: Finn Partners*

Desires differ slightly by home nation. Of European survey respondents, 64 percent expressed a preference for experiences over products, while four of every five Chinese consumers stated they would "pay a premium" for items with sustainability claims.

The marketing firm additionally suggests that introducing lifestyle offerings is the next frontier for brand development for prestige labels.

Finn Partners identifies hospitality, food and beverage, wellness and the digitalization of in-person offerings as particular areas of opportunity for maisons to better ingratiate themselves with growing and existing consumer groups, as demand and usage within the spotlighted sectors spreads.



*Demand in the prestige space is shifting toward high-end experiences. Image credit: WGSN*

"For decades, diversification has been an important tool in growing luxury brand equity from unexpected crossovers that signal a brand's personality to new offerings that showcase excellence in design, craftsmanship or service, said Mr. Cole, in the report.

"But with ever-younger luxury consumers and growing global competition, diversification has now become an unmissable opportunity for luxury brands to stay relevant and expand their appeal from expert product creators to trusted lifestyle curators."

### **New beginnings**

Expert predictions throughout this first-edition report coincide with recent findings on regional and global HNWI counts, which are set to rise substantially in 2024 ([see story](#)).

According to The Luxury Playbook 2024, six out of every 10 Chinese consumers expect luxury goods to incorporate elements of their culture, a request the industry has been attempting to accommodate with seasonal drops as of late ([see story](#)).

"China continues to lead the growth of luxury store openings, accounting for 41 percent of global store openings in 2023, according to Savills," Finn Partners' Mr. Cole said.

"It's important to bear in mind the market is also becoming more competitive, with more local players emerging, and consumer

tastes diversifying across product segments and experiences.”



*The advertising enterprise is expanding its operational capabilities. Image credit: FINN Partners*

The release coincides with Finn Partners’ official entrance into the high-end landscape, as it introduced its Finn Luxe division earlier this month.

Built upon the firm’s existing foundation of premium and prestige clients, the company will now offer specialized marketing expertise for the global luxury market.

“Finn Luxe offers unmatched depth and breadth of experience in luxury, enabling us to deliver truly bespoke solutions tailored to each client’s unique needs,” Mr. Cole said.

“Our luxury sector expertise, combined with our global footprint, allows us to develop innovative, creative and culturally sensitive communication strategies that help brands build resilience and grow during these transformative times.”

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