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Almost all online luxury purchases are delivered through standard B2C services': DHL

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DHL's whitepaper focuses on the personal luxury goods industry. Image credit: DHL

By EMILY IRIS DEGN

Delivery company DHL is digging into the trends and challenges that the high-end personal goods industry faces.

[The Logistics of Luxury: Unveiling Luxury Supply Chain Opportunities for Success](#) reveals the sector's personal goods market revenue will hit \$418.93 billion by 2028. The DHL whitepaper's findings outline strategies that could help brands navigate shifting consumer behavior and technological advancements in the midst of steady growth.

"The global luxury market's robust growth underscores the critical importance of luxury logistics," said Katja Busch, chief commercial officer and head of customer solutions and innovation at [DHL](#), in a statement.

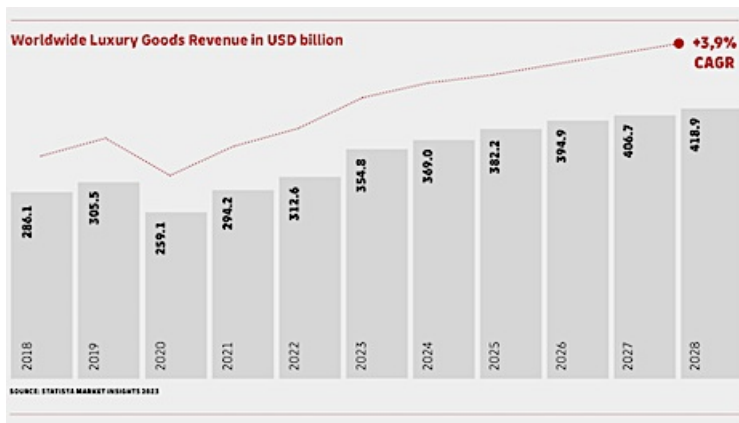
"The global luxury goods market reached \$355 billion in 2023 and is projected to grow to \$418.93 billion by 2028," Ms. Busch said. "As this market expands, luxury goods logistics goes beyond mere transportation; it's about seamlessly blending premium products with impeccable delivery standards."

For the report, findings from the DHL Global Connectedness Report 2024, which measures international movements in trade, capital, information and people from 2001 to 2023, are referenced. Supplementary data is drawn from online research company Statista.

One to four

DHL's research focuses on personal goods, including designer watches, jewelry, fashion, fragrances and cosmetics.

Investigating the impact of current customer tendencies on supply chain and organizational strategies, the report also looks into the entire luxury value chain's standards. The market is surging, and this demand is putting specific pressures on operations.



The market is growing steadily every year, making it vital that brands are setting themselves up for success. Image credit: DHL

Five ways are covered that give businesses a game plan for adapting to an ever-changing landscape. With logistical issues in mind, the heart of the release, the first four areas needing companies' attention are supply chain visibility, security, premium delivery and fulfillment centers.

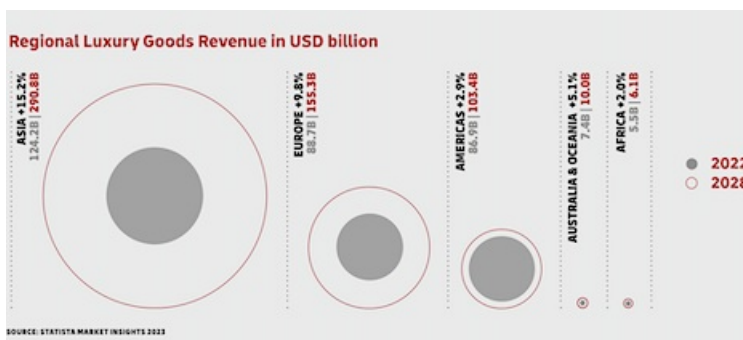
Each of these could boost customer care and service.

The first point could be improved with new digital technology tools such as serialization and radio-frequency identification. A supply chain control tower is also suggested, which uses the cloud to analyze business metrics, data and events, and compare the intelligence with information about infrastructure and processes in place.

These features could also up security, which is the second point outlined in the whitepaper.

Challenges are mounting for brands, which increasingly face both in-person theft ([see story](#)) and attacks in cyberspace ([see story](#)). This is a particularly important branch of revenue, as 20 percent of all personal luxury purchases are expected to take place digitally by 2025.

Horological houses are especially weathering storms such as these as timepieces are targeted more often ([see story](#)). The value of stolen and missing watches has already reached \$1.6 billion ([see story](#)).



As it stands now, Asia-Pacific is the region with the largest demand for luxury. Image credit: DHL

DHL states that outside of the above, companies are battling insider threats and ecommerce fraud. As a solution, the report pitches enhanced packaging, client education, simplifying the claims processing procedure, thorough investigations and applying the latest technology.

Premium delivery is also framed as a way to not only increase security but satisfy customers by mimicking the in-store experience. Flexible delivery scheduling, personalization and streamlined returns can reinforce brand identity.

Fulfillment centers that are transformed into omnichannel processing sites could help labels manage growth and meet demand. Incorporating recommerce, circular processing and sustainable practices could ensure that maisons are complying with regulations.

"The dynamics of global supply chains are perpetually in flux, especially for luxury goods originating from key European markets like Italy, France and Switzerland," said Mirella Muller-Wuellenweber, sector president of e-retail and fashion customer solutions and innovation at DHL, in a statement.

"To navigate these changes, brands must understand their market profiles, whether mature or emerging, and tailor their supply

chain strategies accordingly.”

Succeeding with sustainability

Sustainability, the fifth of the key concepts outlined in the whitepaper, is said to improve aspects of the other four areas of business.

For example, using green aviation fuel for airfreight transportation could keep luxury goods safe ([see story](#)). According to DHL, touting environmentally sound logistics is vital as it can keep the company aligned with evolving legislation and in the good graces of customers.



Adopting secondhand fashion or other circular solutions could diversify revenue streams and up efficiency. Image credit: DHL

Demand is there, as 65 percent of consumers value maisons that are ecofriendly, per the report. Additionally, 78 percent of consumers say that they would pay more for a product if it was traceable.

The shoppers who are “most drawn to buying sustainable luxury” are those with a high income. As for age groups, Gen Z and millennials are the most frequent spenders on items in the category.

To stay competitive and relevant, the whitepaper also calls for carbon reduction, circular supply chain practices and the use of green technology.

Over 90 percent of indirect emissions are Scope 3 or occur within the value chain through transportation, supply and product usage. Though many have set net-zero targets for 2050, others are eyeing 2030 in light of recommendations given by the Science Based Targets initiative, a corporate climate action organization.

Should these deadlines be met, DHL emphasizes that the benefits transcend legal needs. Upholding a good reputation could be on the horizon as audiences actively seek out sustainable luxury leaders.