

Luxury gifts show resilience amid global disruption, says Euromonitor Intl

Fflur Roberts, Head of Luxury Goods at Euromonitor International, said that despite the global disruption, latest data shows that the luxury market overall continues to display resilience.



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“Recent growth is being fuelled by the ongoing need for luxury experiences, lifestyle, and hospitality. Traditional gifts such as luxury jewellery, timepieces and other personal luxury goods will continue to drive sales during this year’s celebration, with innovation and creativity driving the evolution of luxury offerings in response to changing consumer preferences and aspirations.”

“But we also predict that luxury gifting will shift further towards experiential and lifestyle offerings, increasingly at the expense of traditional material gifts. Indeed, to celebrate this year’s Valentine’s Day we expect more consumers to invest in unique experiences such as fine dining, spa visits and wellness treatments, as well as luxury travel, and other exclusive

events.”

Roberts revealed interest in luxury wellness had reached an all-time high, and wellness-themed luxury gifts would be significant for Valentine’s Day, as more people prioritise self-care and wellbeing.

Spending on wellness tourism is set to exceed pre-pandemic level this year and will reach close to \$150bn by 2028.



Luxury brand sales on the increase despite shaky economy

Theresa Terblanche 11 Jan 2024



Online sales expected to be up this Valentine’s Day

Bob Hoyer, industry manager for retail and e-commerce at Euromonitor International, said that although it had eased a bit from the lofty heights of 2022, inflation remained high in many of the world’s most important retail markets in February 2023.

“With high prices contributing to the ongoing cost-of-living crisis, many consumers rationed their spending during the Valentine’s Day holiday in 2023. Towards the end of 2023, however, as inflation has continued to ease, consumer confidence has started to pick back up, especially in North America and Europe.

“With consumers feeling a bit more positive about the economy, the Valentine’s Day holiday in 2024 is expected to be a more encouraging one for retailers than the previous year.”

Chocolate forever popular and a favourite for self-love with consumers

Carl Quash III, head of packaged foods and snacks at Euromonitor International, said that gone are the days when Valentine’s Day was meant only for couples. Today, more than half of Americans are either single, divorced, or widowed and globally that figure is 53%. In the future it’s expected to stay that way meaning more opportunities for self-love/self-treating or even non-romantic treat sharing.

Hershey’s, Lindt and Reese’s are the big three in the seasonal chocolate market and combined they account for around 20% of global sales.

“I’m seeing interesting responses to the Valentine’s Day innovations this year. Namely, the Reese’s heart-shaped chocolates - which consumers have been cheekily buzzing about online that the shape resembles something entirely different. I’ve also seen smaller packs from premium chocolate brand Ghirardelli - really executing on relevant dimensions of affordability and healthy treating, yet still keeping indulgence intact.”

“The challenges with cocoa and sugar supplies and costs are expected to contribute to seasonal chocolate price growth

and thus sales in the years to come. In 2024, we're expecting global seasonal chocolate prices to grow around 3.5%.”

Wine and spirits still popular for special occasions but not with younger people

Matthew Barry, food and beverage insight manager at Euromonitor International, said the big question was whether consumers were going to make Valentine’s Day something still worth splurging on given their tight budgets.

“Wine still has a romance about it. Red wine, with its positioning as ideal to accompany fancy meals and, sparkling wine, linked to celebrations, are especially important since they are not only given as gifts but also consumed on the day itself.

“But wine’s appeal is weakening with the younger generation, many of whom do not drink or prefer ready to drink (RTDs) and spirits. They are also in fewer long-term relationships serious enough to require doing something big on Valentine’s Day. Consumers are still buying something special for the day but for friends, family members and pets.”

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