

YOUNG MONEY

/ Gen Yers and Zers are flexing their spending power

Visions of opulence might once have featured old men sporting expensive watches and puffing on cigars, or women wearing mink coats and large jewels – but that’s no longer the case. As Gen Yers and Zers begin to come into their own financially and flex their spending power, their expectations are redefining the luxury sector.

Contemporary luxury is increasingly young at heart. With members of Gens Y and Z set to account for **45% of the personal luxury goods market** by 2025, young money is making its presence felt in the sector – and even the most traditional brands are having to adapt to accommodate the values and expectations of these shoppers. Industry stalwarts like *Vogue* and *Prada* have taken bold steps to win over these younger consumers, many of whom **prize displays of ethical values** as opposed to out-and-out bling. Realising how crucial it is to court these conscious shoppers, some luxury brands have begun to subvert the usual codes of the sector – whether that’s by **recycling gold**, **normalizing weed**, or actively embracing **imperfection**.

Young luxury shoppers aren’t just a force to be reckoned with in the West. China, which is projected to account for **70% of luxury growth** up until the mid-2020s, is witnessing a similar shift. The nation’s affluent youths are transforming the luxury sector as they use their purchasing power to **manage new class identities**, express themselves **through fashion**, and even **break gender boundaries**.

All over the world, the Gen Y and Z push for more sustainable, diverse, and **digitally-led** luxury is skewing how people think about status. In keeping with this shift, upstart sensations such as **Rihanna’s Fenty Beauty** are taking the place of the luxury idols of the past, while heritage brands like **Balmain** are pivoting in order to meet young shoppers in the middle.



Gen Yers and Zers are set to account for **45%** of the luxury goods market by 2025

PMX Agency, 2017

/ MUST READS

1. How are young luxury shoppers buying online?
2. *Vogue*: a revamped icon for diverse and digital readers
3. How women are driving China’s luxury market

“Younger customers often seek out brands that offer both online and in-store experiences that go beyond the physical product – brand story, ethical issues, sustainable practices, etc.”

Rohaizatul Azhar, lecturer at LASALLE College of the Arts

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A SECTOR SNAPSHOT OF LUXURY

How have lab-grown gemstones gained some sparkle among Gen Yers? What's led high-brow fashion brands to adopt supposedly low-brow culture? Why are some HNWIs opting to avoid five-star resorts while on holiday? And how are modern members' clubs being democratised?



THE LATEST INSIGHTS ON LUXURY

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