

Europe Luxury Fashion Market - Focused Insights 2025-2030

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Report description:

The Europe luxury fashion market is expected to grow at a CAGR of 2.16% from 2024 to 2030.

RECENT VENDOR ACTIVITIES

- In April 2024, Dolce&Gabbana showcased its new Dolce&Gabbana Casa collection at Milan Design Week, paying tribute to Italian craftsmanship. The event highlighted three exclusive installations and introduced two new collections developed in collaboration with Luxury Living Group. These efforts emphasize the brand's commitment to blending luxury fashion with interior design, enhancing its lifestyle appeal. Dolce&Gabbana Casa strengthens the brand's position in the market by diversifying its offerings and tapping into the growing luxury home decor segment. As home design continues to trend in luxury markets, other fashion players should consider expanding into lifestyle products, creating exclusive collaborations that elevate their brand's appeal in both fashion and home design. This diversification into lifestyle segments may also increase consumer brand loyalty.

- In March 2024, HUGO launched its new brand line, HUGO BLUE, centered around denim and self-expression, with a focus on youth culture. The event, held in Berlin, attracted around 1,000 guests and featured immersive product installations, streetwear staples, and a focus on denim essentials. HUGO BLUE's innovative approach to blending fashion with entertainment included interactive customization and an integrated experience with Snapchat, showcasing the brand's adaptability to digital and gaming platforms. This launch reflects a clear shift towards engaging younger audiences through digital and interactive experiences. Market players should recognize the growing importance of digital and experiential marketing strategies, particularly for younger generations. Brands could benefit from integrating gaming platforms, social media, and customization into their launch strategies to connect with the youth-driven luxury market.

KEY TAKEAWAYS

- By Product Type: The apparel segment holds the largest market share of over 30%, driven by the younger demographic, including affluent Millennials and Gen Z.

- By End Users: The women end-user segment shows the highest growth of 2.42% as luxury brands have long catered to the

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unique preferences and style needs of female consumers.

-□By Generation: The Gen X segment holds the largest market share as they value quality, practicality, and timelessness, making them loyal customers of established luxury brands such as Chanel, Louis Vuitton, and Gucci.

-□By Distribution: The wholesale sector dominates the Europe luxury fashion market share. This growth is largely driven by the wholesale model allows luxury brands to target a wider demographic by tapping into established retail networks.

-□By Sales Channel: The online channel segment demonstrates the highest growth, driven by efforts to maintain the premium feel of luxury. Online platforms focus on delivering a high-end customer experience through services such as free shipping, personalized recommendations, gift wrapping, and hassle-free returns.

-□By Geography: Italy dominates and holds the largest market share as it has a rich tradition of luxury fashion, renowned globally for its exceptional craftsmanship and attention to detail.

-□Growth Factor: The European luxury fashion market is set to grow due to growing high net-worth individuals and increasing acceptance by millennials and generation Z.

MARKET TRENDS & DRIVERS

Leveraging Augmented Reality

Augmented Reality (AR) is transforming the luxury fashion industry by allowing consumers to virtually try on products and visualize them in their environments, enhancing the online shopping experience. Brands like Gucci and Burberry have integrated AR into their apps, letting customers see how items like sneakers and handbags look on them in real-time, which reduces return rates and boosts customer satisfaction. This innovative use of technology helps luxury brands offer a more personalized and engaging shopping experience. AR also allows luxury brands to create virtual fashion shows and events, giving customers a front-row seat to exclusive collections without leaving their homes. Dior's virtual fashion shows, for example, create an immersive experience that deepens the connection between the brand and its audience. By adopting AR, luxury brands not only enhance the shopping experience but also position themselves as leaders in innovation. Ultimately, AR helps luxury brands differentiate themselves in a competitive market by offering unique, interactive experiences that go beyond traditional shopping. This technology-driven approach strengthens brand loyalty and appeals to tech-savvy consumers looking for more than just a product purchase.

Ensuring Quality In The Growing Luxury Resale Market

The luxury resale market in Europe is witnessing remarkable growth, driven by rising consumer interest in pre-owned luxury goods. To sustain this growth and maintain customer trust, ensuring the authenticity and quality of products has become a critical focus for brands and resale platforms. Advanced authentication technologies, such as AI-based verification and blockchain solutions, are being implemented to prevent counterfeit goods from entering the market. Platforms like Vestiaire Collective and The RealReal have gained popularity by providing rigorous quality checks, offering buyers confidence in the legitimacy of their purchases. Luxury brands are also stepping into the resale space with their certified pre-owned (CPO) programs, allowing them to manage the resale of their products directly while upholding their high standards. Furthermore, many brands use detailed inspection processes to refurbish and restore items to near-original condition before reselling them. This emphasis on quality not only strengthens consumer trust but also supports sustainability goals, as customers become more inclined to invest in pre-owned goods that retain their value and integrity over time.

Growing High Net Worth Individuals

The steady rise in the number of high-net-worth individuals (HNWIs) across Europe has been a significant growth driver for the luxury fashion market. Countries like Switzerland, Germany, and the United Kingdom are witnessing an expansion of their affluent populations due to stable economies, strong financial sectors, and favorable investment opportunities. HNWIs are known for their

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preference for exclusivity, superior craftsmanship, and products that signify status and wealth, making them an essential demographic for luxury brands. To cater to this segment, brands such as Hermes and Louis Vuitton are launching limited-edition collections and offering bespoke services like custom tailoring and private consultations. Furthermore, ultra-high net worth individuals (UHNWIs), who possess significantly greater purchasing power, are driving demand for one-of-a-kind pieces, such as diamond-encrusted accessories and couture gowns. Luxury fashion houses are also investing in exclusive events, such as private fashion shows and personalized fittings, to strengthen their appeal to this elite group. The increasing concentration of wealth in Europe, coupled with the desire for premium, distinctive products, ensures a thriving market for luxury fashion brands targeting affluent consumers.

INDUSTRY RESTRAINTS

Economic Uncertainty

Economic uncertainty continues to pose a significant challenge for the Europe luxury fashion market, affecting consumer spending patterns and market dynamics. Factors such as inflation, fluctuating exchange rates, and geopolitical instability, including ongoing concerns over Brexit and conflicts in Eastern Europe, have disrupted economic stability in the region. These uncertainties lead to cautious spending, with many consumers prioritizing essential goods over luxury purchases. Additionally, a weaker economic outlook often impacts middle-income consumers aspiring to enter the luxury market, resulting in reduced demand for entry-level luxury items. To navigate this challenge, many brands are focusing on diversifying their customer base and expanding into emerging markets outside Europe to offset declining sales in domestic markets.

SEGMENTATION INSIGHTS

INSIGHTS BY PRODUCT TYPE

The Europe luxury fashion market by product type is segmented into apparel, leather goods, watches, footwear, jewelry, and others. Luxury apparel in Europe is experiencing strong demand, primarily driven by younger demographics, including affluent Millennials and Gen Z consumers. This generation's preference for unique, high-quality, and fashion-forward designs aligns closely with offerings from iconic European brands such as Gucci, Dior, Prada, and Chanel. The rise of social media platforms, influencer culture, and collaborations with celebrities has further fueled the demand for luxury apparel, particularly in fashion-centric cities like Paris, Milan, and London. Europe remains the global epicenter of luxury fashion, with countries like France and Italy leading the industry. Prestigious events like Paris Fashion Week and Milan Fashion Week play a vital role in showcasing innovative designs, drawing significant attention and revenue to luxury apparel. These events also enhance consumer engagement, strengthen brand positioning, and serve as a catalyst for international buyers to invest in European luxury fashion.

INSIGHTS BY END USERS

The European luxury fashion market by end-users is categorized into women, men, and children. The women segment shows significant growth, with the fastest-growing CAGR of 2.42% during the forecast period. Luxury brands have long catered to the unique preferences and style needs of female consumers, offering an extensive range of high-end products, including apparel, accessories, footwear, and jewelry. This segment primarily targets affluent women who value exclusivity, quality, and expert craftsmanship in their fashion choices. In Europe, women's luxury fashion is heavily influenced by seasonal trends, cultural shifts, and celebrity endorsements. To meet these evolving preferences, luxury brands release new collections regularly, keeping pace with the dynamic tastes of female consumers who continuously seek the latest styles. This trend is particularly pronounced in high-end apparel, where women's fashion is celebrated for its frequent reinventions and bold experimentation with colors, cuts, and styles, making it a cornerstone of the luxury market.

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INSIGHTS BY GENERATION

The Europe luxury fashion market by generation is segmented into Gen X, millennials & Gen Z, baby boomers & silent gen. The Gen X accounted for the largest market share. This generation values quality, practicality, and timelessness, making them loyal customers of established luxury brands like Chanel, Louis Vuitton, and Gucci. Gen X consumers are drawn to products that symbolize status and success, often favoring heritage brands known for their craftsmanship and durability. Their purchasing decisions are primarily influenced by a desire for longevity, investing in high-quality, versatile pieces such as classic leather bags, formal wear, and premium footwear. Unlike younger generations, Gen X is less influenced by fast fashion trends, focusing instead on timeless designs and the enduring appeal of luxury products. This preference reinforces their position as a key segment in the luxury fashion market.

INSIGHTS BY DISTRIBUTION CHANNEL

Based on the distribution channel, the wholesale segment holds the largest share of the Europe luxury fashion market. Wholesale remains a vital distribution channel for luxury fashion brands, particularly for reaching diverse market segments across Europe. Collaborations with high-end department stores, multi-brand boutiques, and luxury fashion retailers enable brands to extend their presence beyond their flagship stores. Renowned establishments such as Harrods, Printemps, and Le Bon Marche curate exclusive selections of luxury products, providing customers with access to a broad range of high-end fashion in a single location. For brands without standalone stores in certain European regions, wholesale partnerships offer a valuable opportunity to connect with affluent customers. These retailers are uniquely positioned to introduce luxury fashion to new audiences while upholding the impeccable standards expected in the luxury market.

INSIGHTS BY SALES CHANNEL

Based on the sales channel, the online sales channel segment shows prominent growth, with the fastest-growing CAGR during the forecast period. Luxury brands are increasingly adopting direct-to-consumer (DTC) models through their online platforms. Companies like Louis Vuitton, Gucci, and Prada have developed sophisticated websites and mobile applications to provide a seamless shopping experience that mirrors the personalized services found in their physical stores. These platforms offer features such as virtual consultations, online exclusives, and product customizations, blending convenience with exclusivity. To uphold the premium feel of luxury, online platforms prioritize delivering a high-end customer experience. This includes complimentary shipping, personalized recommendations, gift wrapping, and hassle-free returns. Luxury brands are committed to replicating the exceptional service of their brick-and-mortar stores, ensuring online shoppers feel immersed in an exclusive, high-end retail environment. Luxury e-commerce platforms such as Farfetch, Net-a-Porter, and Mytheresa have emerged as key players, providing consumers with an extensive range of high-end fashion products from multiple luxury brands. For European customers, this channel provides the convenience of shopping from home while maintaining access to exclusive, premium collections.

GEOGRAPHICAL ANALYSIS

Italy dominates and holds the largest share of the Europe luxury fashion market. Italy boasts a rich tradition in luxury fashion, earning global recognition for its exceptional craftsmanship and meticulous attention to detail. Cities like Milan and Florence are renowned as global fashion capitals, home to flagship stores, workshops, and ateliers of iconic brands such as Gucci, Prada, and Valentino. Many leading Italian luxury brands are part of global luxury conglomerates, including Kering (Gucci) and LVMH (Fendi). These partnerships ensure sustained investments in marketing, innovation, and global expansion, further solidifying Italy's pivotal role in the luxury fashion ecosystem. Italian luxury fashion is particularly distinguished in leather goods, including handbags, shoes, and belts. Brands like Salvatore Ferragamo and Bottega Veneta are celebrated for their exceptional leather craftsmanship, with their premium products commanding high prices in global markets.

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COMPETITIVE LANDSCAPE

The Europe luxury fashion market report consists of exclusive data on 36 vendors. The market has a significant number of large players and several small players. In the European luxury fashion market, Burberry, Dolce & Gabbana, Hugo Boss, and LVMH each have strong positions but face significant competition. Burberry competes with brands like Prada and Gucci, balancing its British heritage with modern innovation. Dolce & Gabbana, known for its bold Italian style, rivals Versace and Gucci but needs to appeal to younger consumers. Hugo Boss focuses on tailored elegance, competing with Montblanc and Ralph Lauren while expanding into casual wear. LVMH, with its vast portfolio including Louis Vuitton and Dior, dominates the market through exclusivity and craftsmanship, outpacing competitors with its global reach and diverse offerings.

Key Vendors

- [] PVH
- [] Ralph Lauren
- [] HUGO BOSS
- [] LVMH
- [] Hermes
- [] Burberry
- [] Capri Holdings
- [] Chanel
- [] Kering
- [] PRADA Group
- [] The Estee Lauder Companies
- [] Moncler

Other Prominent Vendors

- [] Balmain
- [] Canali
- [] Cesare Attolini
- [] Max Mara
- [] Diesel
- [] OSKLEN
- [] Inditex
- [] Isabel Marant
- [] Lanvin Group
- [] Roberto Cavalli
- [] Salvatore Ferragamo
- [] Valentino
- [] Dolce & Gabbana
- [] Giorgio Armani
- [] The Row
- [] Marni
- [] Chloe
- [] Sandro
- [] The Swatch Group
- [] Zegna

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- Christian Louboutin
- Rick Owens
- Acne Studios
- Paul Smith

SEGMENTATION & FORECASTS

- By Product Type
 - o□Apparel
 - o□Leather Goods
 - o□Watches
 - o□Footwear
 - o□Jewellery
 - o□Others
- By End-Users
 - o□Women
 - o□Men
 - o□Children
- By Generation
 - o□Gen X
 - o□Millennials & Gen Z
 - o□Baby Boomer & Silent Gen
- By Distribution Channels
 - o□Retail
 - o□Wholesale
- By Sales Channels
 - o□Online
 - o□Mono Brand Stores
 - o□Specialty Stores
 - o□Departmental Stores
 - o□Off-Price Stores
 - o□Airports
- By Geography
 - o□Italy
 - o□France
 - o□UK
 - o□Germany
 - o□Spain
 - o□Netherlands

KEY QUESTIONS ANSWERED:

- 1.□Who are the key players in the Europe luxury fashion market?
- 2.□How big is the Europe luxury fashion market?
- 3.□Which generation provides more business opportunities in the Europe luxury fashion market?
- 4.□Which product type has the largest share in the Europe luxury fashion market?
- 5.□What are the latest trends in the Europe luxury fashion market?

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