



Luxury Spend in Europe

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How can we define luxury?

EXPERIENTIAL LUXURY

Food and wine
Fine dining
Hotel and exclusive vacations

PERSONAL LUXURY

Footwear
Accessories
Leather goods
Beauty
Jewellery (branded and unbranded)
Watches

Source: BCG Altagamma – July 2023.

Continued growth across Luxury Travel and Experiences

External sources confirm continued growth in Luxury Travel and Experiences, driven by wealthy, younger consumers and a need for experiences.



Willingness to travel to far-flung locations for a '**once in a lifetime experience**'; Europe emerged as the top wellness trips destination.

Source: Virtuoso Luxe Report 2024, The global wellness economy



67% Millennials and Gen Z respondents (compared to 58% of all generational groups) are interested in travelling for sporting events.

Source: Global Travel Trends Report 2024



62% Ultra High Net Worth Individual's (UHNWI's) in Europe plan to spend more on luxury lodging and unique travel experiences like luxury cruises.

Source: Deloitte – European Business Magazine



By 2027, online sales are estimated to account for **1/6th** of the total spend in Europe.

Source: Statista Luxury eCommerce in Europe report

American Express Luxury Spend Trends

Scope and definitions – American Express Luxury Spend Trends

What

Luxury Travel and Experiences

- Premium Airlines
- Premium Lodging
- Fine Dining

Luxury Products

- Luxury Fashion
- Jewellery

When, who, where

Time Period

- Current: Mar'23-Feb'24
- Previous: Mar'22-Feb'23

Customers

Global AXP Cardmembers

Spend Countries



UK



France



Italy



Germany



Spain

Sources

Internal

- American Express Closed Loop Data
- American Express 2023/ 2024 Global Travel Trends Report
- Research conducted by Opinium on behalf of AXP
- American Express 2024 Lodging Council Report

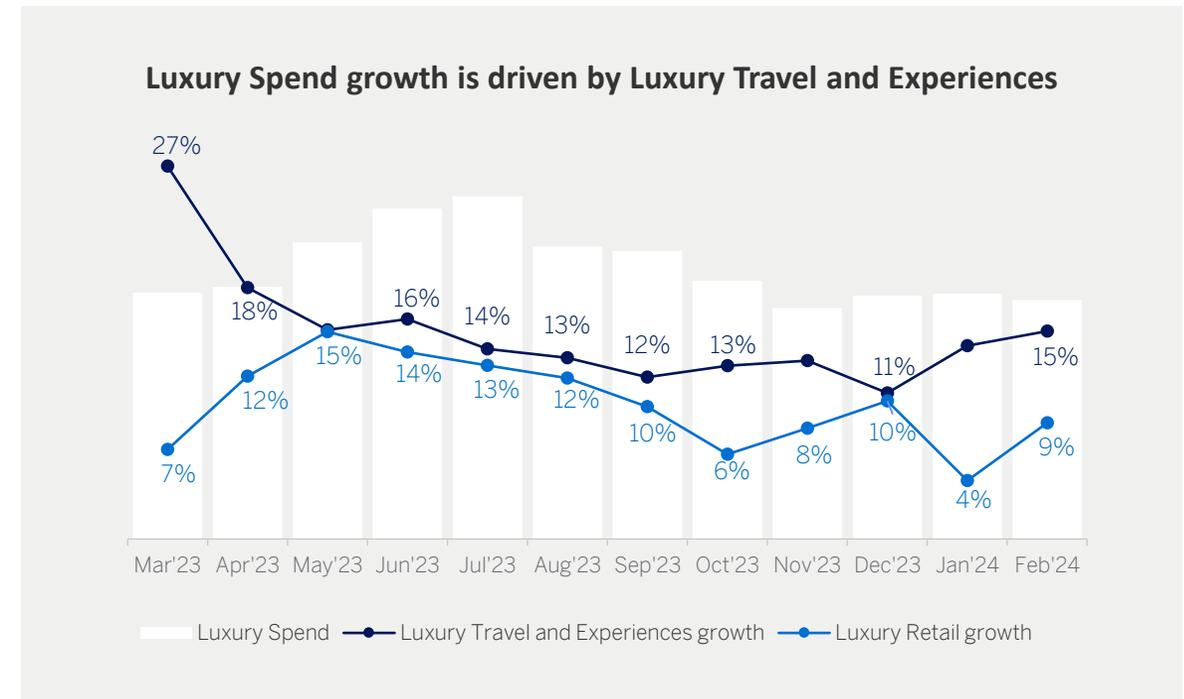
External

- Navigating toward a new normal: 2023 [Deloitte]
- Bleisure Travel: A Pandemic Silver Lining [Travelpulse]

Definitions of Luxury industries:

Premium Airline: Business and First Class, Premium Lodging: ATV > \$800, Fine Dining: ATV > \$350, Luxury Fashion: ATV > \$500, Jewellery: ATV > \$1,300

Luxury spend in Europe continues to grow, recently fuelled by Luxury Travel



Time Period: Mar'23-Feb'24 vs Mar'22-Feb'23. Spend Countries: UK, France, Italy, Germany and Spain.

Travel and Experiences: Airline, Lodging and Dining. Retail: Fashion and Jewellery.

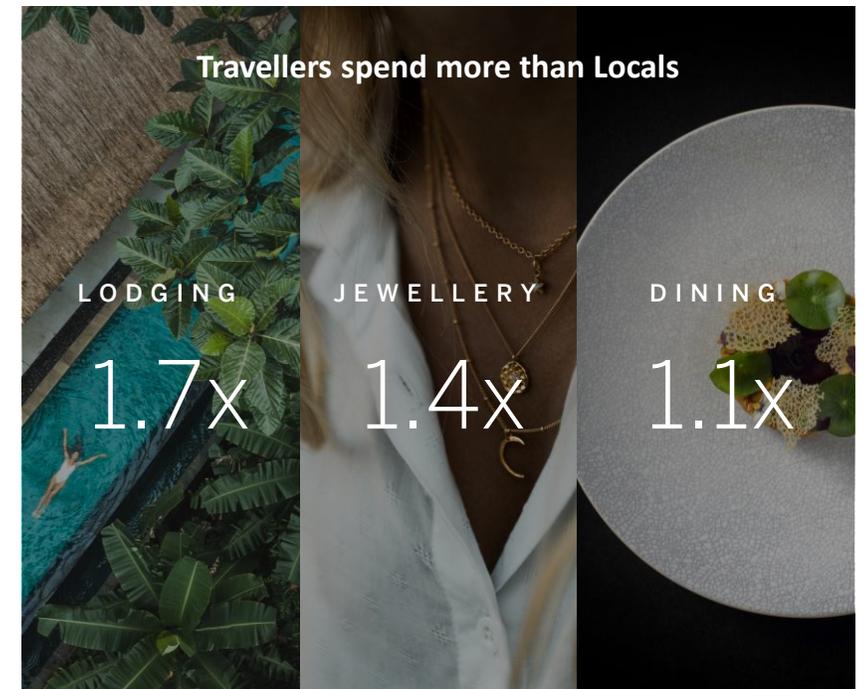
1. Global Travel Trends Report – 2024.

2. Defined as Luxury Spend out of total Luxury and non-Luxury Spend.

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2/3rd of Luxury Spend in Europe comes from Travellers showing stronger growth compared to Locals



Time Period: Current: Mar'23-Feb'24 | Previous: Mar'22-Feb'23.

Industries: Lodging, Fashion, Jewellery and Dining (excluding Airline). Countries: UK, France, Italy, Germany and Spain.

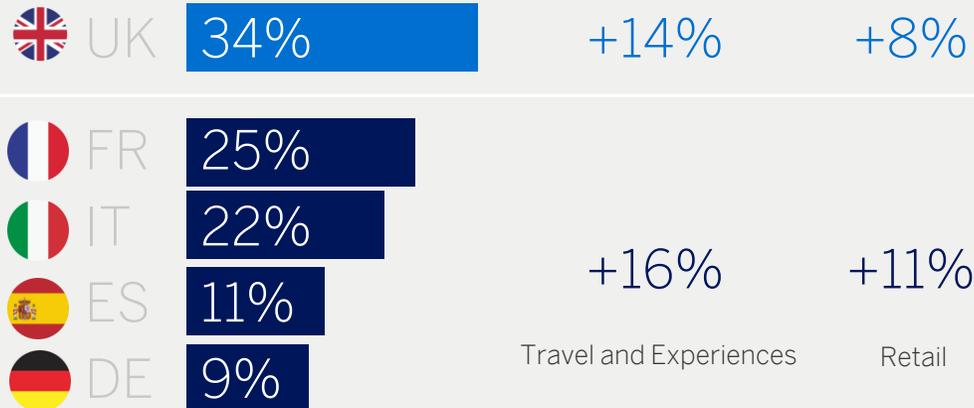
Travellers: Cardmembers that belong to a different country from the country where the transaction takes place. Local: Cardmembers that belong to the same country where the transaction takes place.

UK witnessed a slower Spend, driven by a lower Traveller Spend Share

UK is the largest market, yet shows lower growth than European average

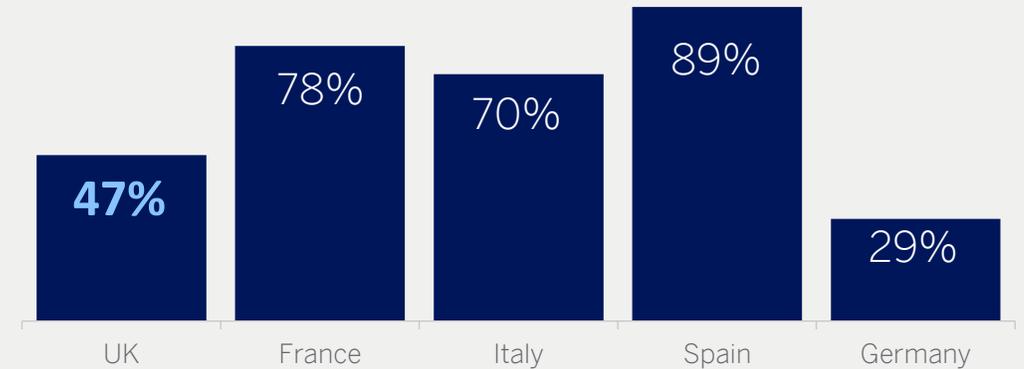
Luxury Spend Distribution¹

Year on Year Spend growth



UK market has a 47% Traveller Spend Share, lower than European average

Traveller Spend Share²

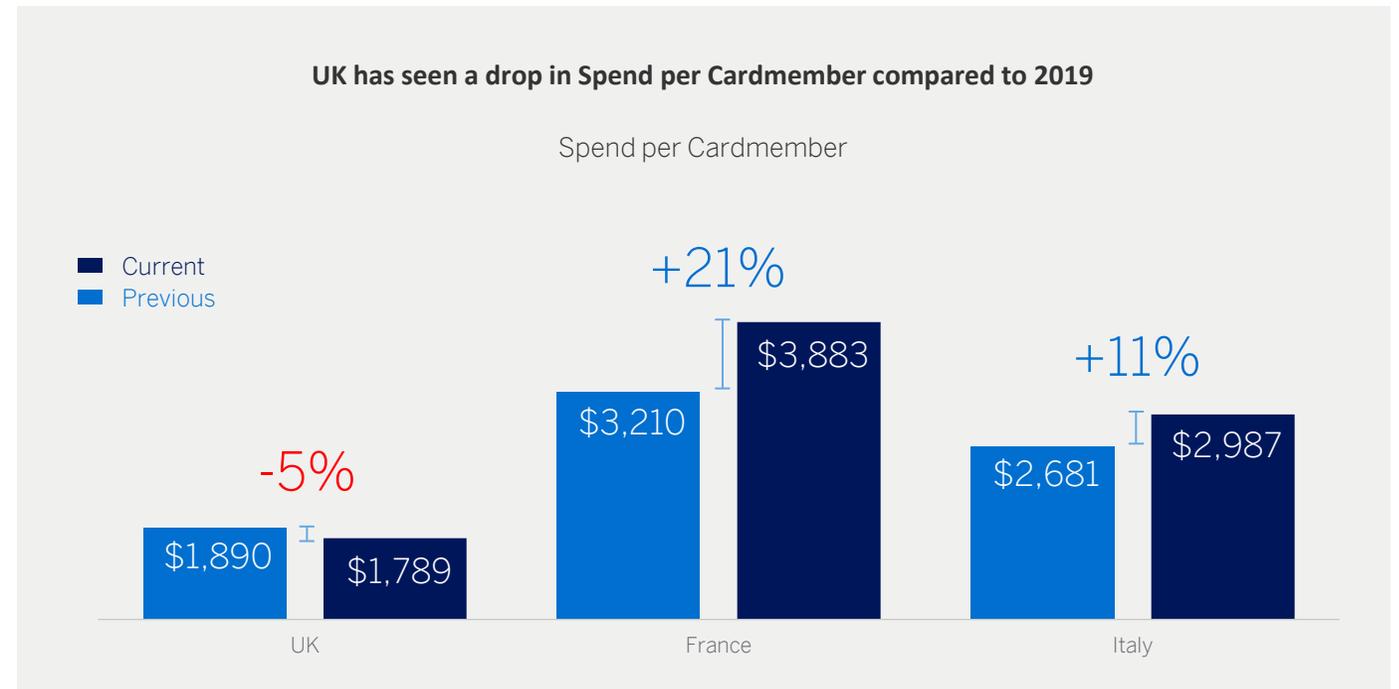
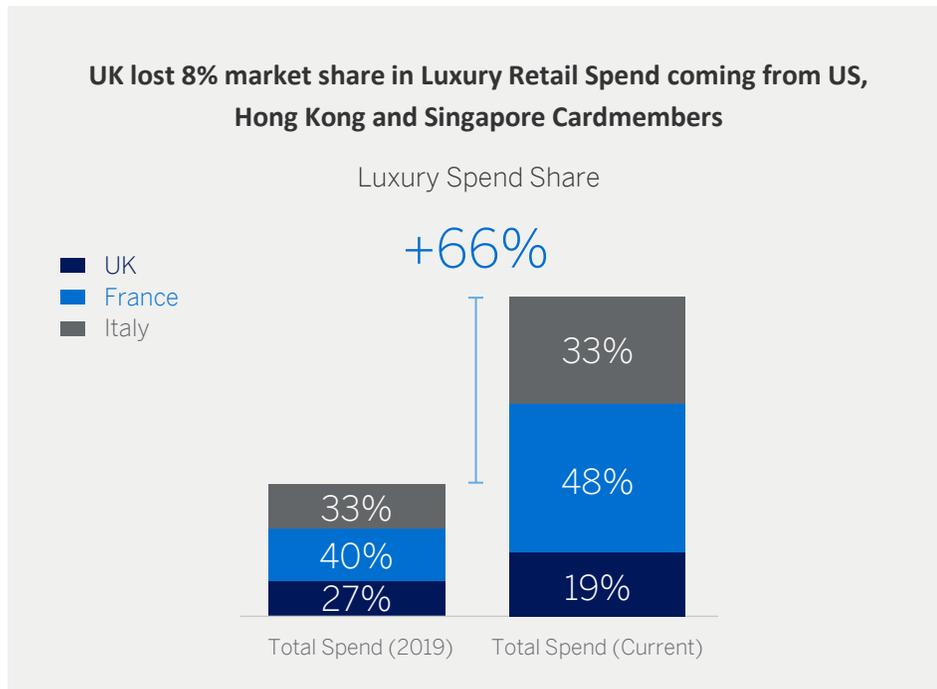


Time Period: Current: Mar'23-Feb'24 | Previous: Mar'22-Feb'23.

1. Defined as overall Luxury Spend Distribution across 5 countries adding up to 100%.

2. Industries; Travel and Experiences: Lodging and Dining. Retail: Fashion and Jewellery.

Lower Spend growth in Luxury Retail in the UK vs France and Italy coming from non-European Travellers



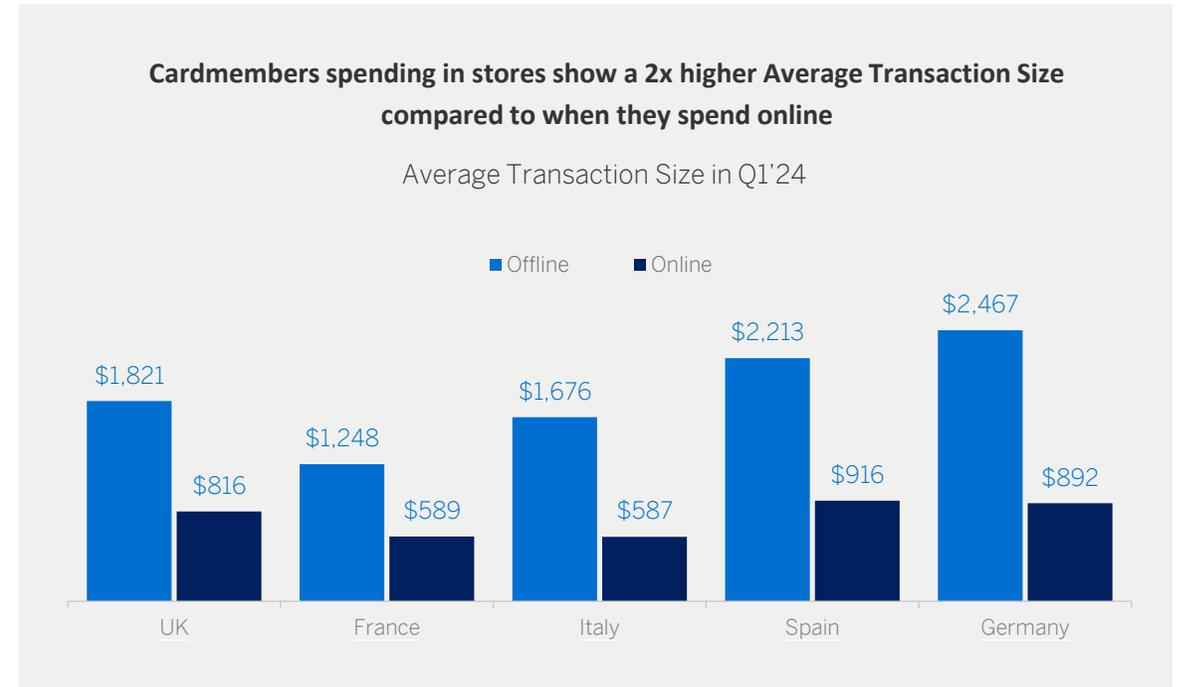
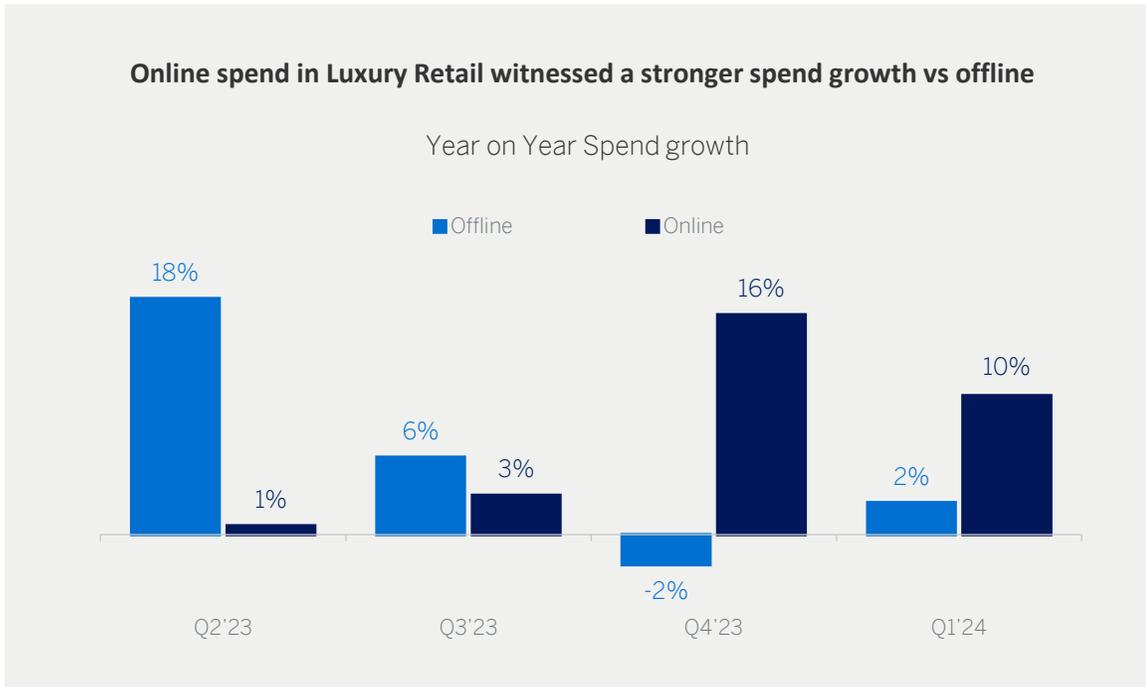
Time Period: Current: Jun'22-Jul'23 | Previous: FY'19

This analysis is conducted across US, Hong Kong and Singapore Consumer and Small Business Cardmembers spending at Luxury Fashion and Jewellery retailers in the UK, France and Italy.

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Online spend in Luxury Retail is driving recent spend growth, while Average Transaction Sizes are higher for offline purchases



Gen Z and Millennials are driving Luxury Spend growth, which is expected to continue

Gen Z and Millennials Spend growth is +9% vs other generations

	Gen Z and Millennials (Age: 22-42)	Gen X (Age: 43-58)	Baby Boomers and other (Age: 59-76+)
Current Spend Share	30%	41%	28%
Year on Year Spend growth	+20%	+14%	+9%

Gen Z & Millennials are expected to continue to drive growth as they seek out for new experiences

Young (Millennials and Gen Z) are worth **~€210B** of personal Luxury market in '22 and are expected to almost double by 2026¹

86% Gen Z and Millennials open to venturing out of comfort zone and try new foods while travelling²

64% Gen Z and Millennials likely to take a staycation in UK³

Time Period: Current: Mar'23-Feb'24 | Previous: Mar'22-Feb'23.

1. BC Altgamma True Luxury Global Consumer Insights 2023.

2. Amex Global travel trends report 2024.

3. Research conducted by Opinium. Sample of 2,000 UK adults (18+). Results were weighted to be nationally representative. Fieldwork took place 14-16 June 2023.

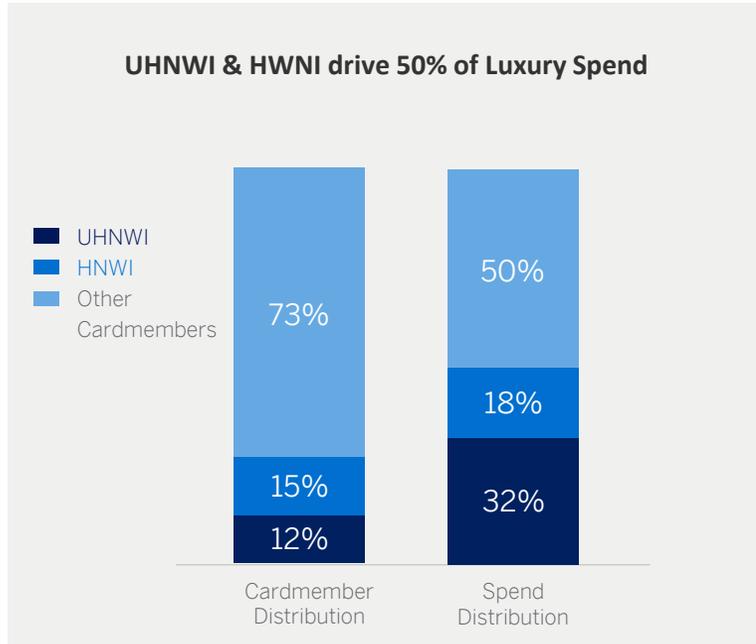
Staycation as defined by Collins Dictionary is 'a holiday that you spend in your own home or your own country, relaxing and enjoying leisure activities there. www.collinsdictionary.com/dictionary/english/staycation.

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UHNWIs spend significantly more compared to other customers and are likely to drive further growth

UHNWI = Ultra High Net Worth Individuals
HNWI = High Net Worth Individuals



UHNWIs spend 3-4x compared to other Cardmembers

Luxury Spend – Avg Spend per Cardmember

Top Industries	UHNWI	HNWI	Other Cardmembers
Lodging	\$8.0K	\$3.6K	\$2.0K
Jewellery	\$21K	\$11K	\$6.5K
Fashion	\$5.4K	\$2.8K	\$1.8K
Dining	\$3.1K	\$1.4K	\$0.9K

Time Period; Current: Mar’23-Feb’24 | Previous: Mar’22-Feb’23.

Only US Consumer Cardmembers are considered for analysis. Cardmembers with income >\$1M are considered UHNWI’s and Cardmembers with income >\$0.5M are considered as HNWI’s.

1. europeanbusinessmagazine.com/travel/almost-two-thirds-of-europes-high-net-worth-individuals-intend-to-spend-more.

2. www.linkedin.com/pulse/focus-luxury-tourism-trends-uhnwis-argiros-dristas.

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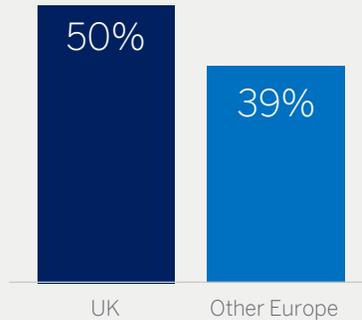
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Customers prefer to fly premium cabin class to UK; Ultra Luxury Experiences and Wellness are gaining popularity

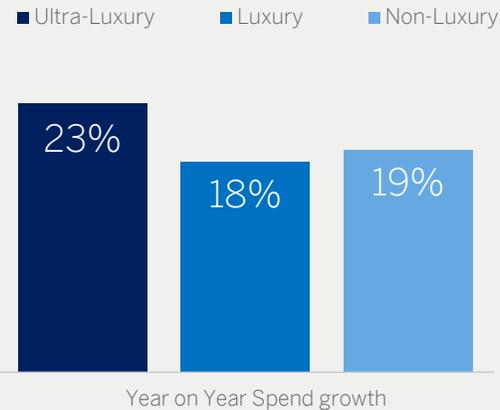
UHNWI = Ultra High Net Worth Individuals
HNWI = High Net Worth Individuals

More Customers prefer to fly premium while travelling to UK

Spend Share – Premium Cabin class for long haul flights¹



Ultra-Luxury Lodging witnessed highest Spend growth²



Experiences and Wellness are witnessing increase in popularity

43% of overall respondents selected hotels based on **spa and wellness** amenities³

74% of respondents care about **creating an experience** than cost³

89% people planned to add **personal vacation time** on their business trips in 2022⁴

1. Flights originating outside EMEA are considered as long-haul flights. Premium Cabin Spend Share out of total airline spend (all cabins) to destinations UK and Other Europe (France, Italy, Germany and Spain). Premium Airlines – Bookings in Business or First Class.

2. Luxury Lodging ATV >\$800; Ultra-Luxury Lodging ATV > \$3000; Defined as Luxury Spend out of total Luxury and non-Luxury Spend.

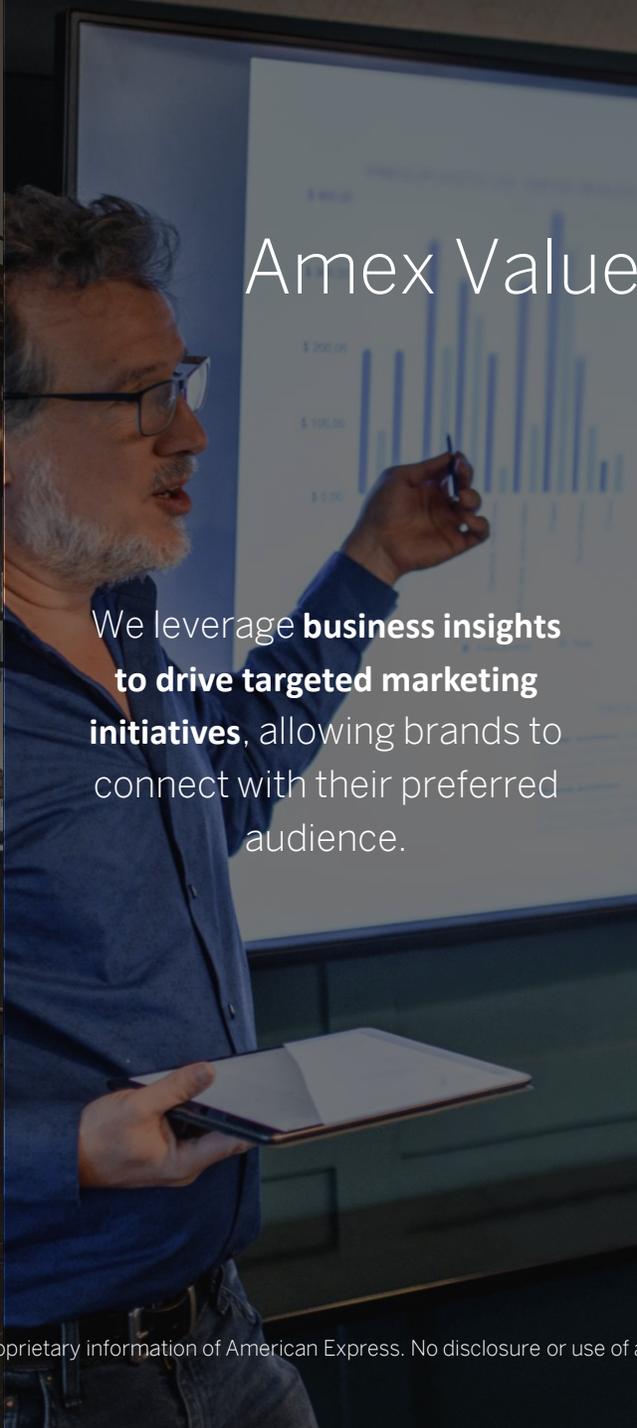
3. American Express Travel's 2023 Global Travel Trends Report.

4. www.travelpulse.com/voices/opinions/bleisure-travel-a-pandemic-silver-lining.

In summary

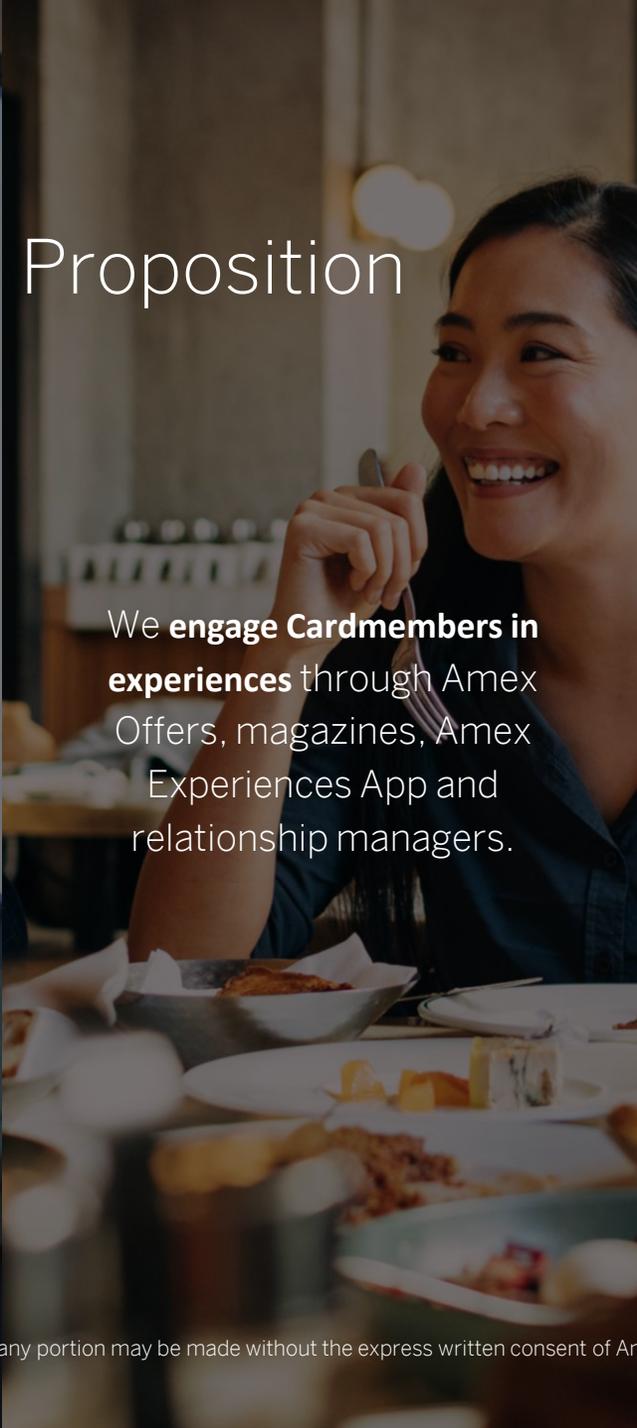
- Luxury Spend in Europe continues to grow **fuelled by travellers** who spend more at destination.
- New trends are emerging with **online** growth and high spenders **Gen Z and Millennials**.
- **Ultra High Net Worth Individuals** grow fast and spend on high-end Luxury Experiences.
- They all seek **new experiences** in major trips, sport events, wellness or simply at home on staycation.

Amex Value Proposition

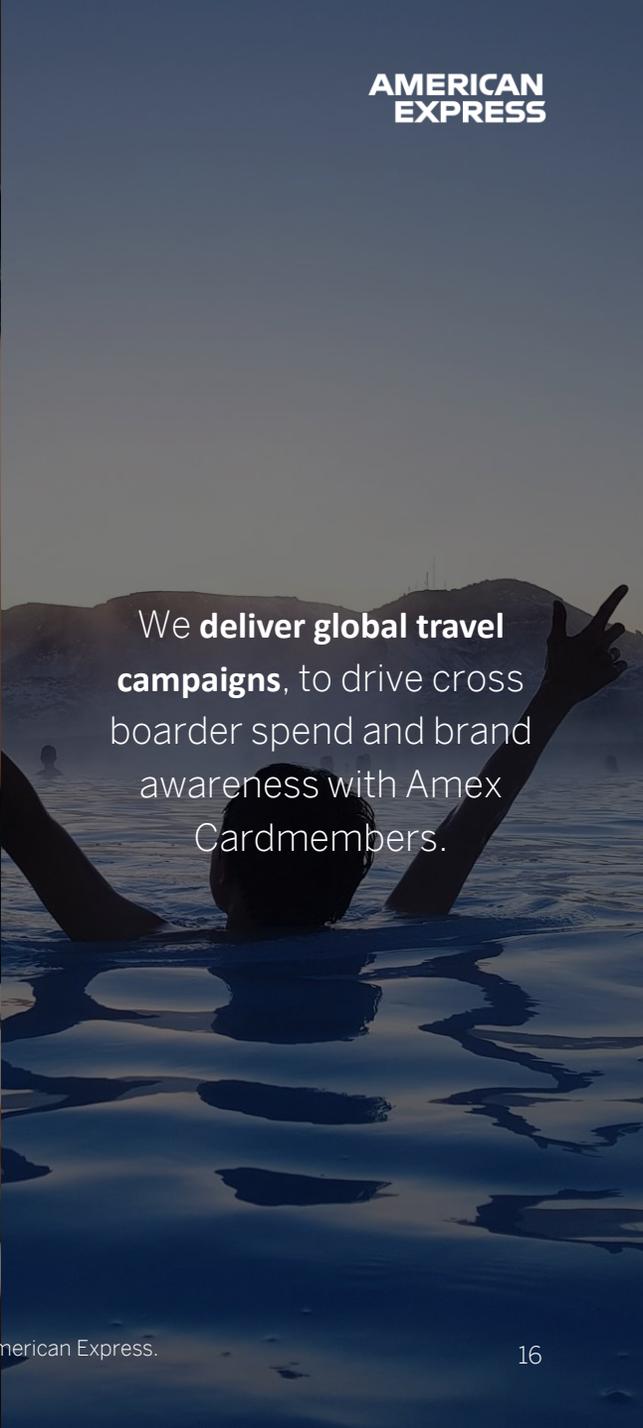


Centurion Lounges and travel experiences are highly important to Centurion and Platinum Cardmembers globally.

We leverage **business insights to drive targeted marketing initiatives**, allowing brands to connect with their preferred audience.



We **engage Cardmembers in experiences** through Amex Offers, magazines, Amex Experiences App and relationship managers.



We **deliver global travel campaigns**, to drive cross boarder spend and brand awareness with Amex Cardmembers.