



Saks Luxury Pulse Reveals Growing Economic Optimism Among Luxury Consumers

Survey reinforces Saks' confidence in strategy to provide highly personalized shopping experiences

NEW YORK, February 29, 2024 - Saks, the premier luxury ecommerce platform, has unveiled insights from its latest *Saks Luxury Pulse* survey fielded in January, finding that luxury consumer optimism towards the economy and their personal finances is growing. Despite this positive trend in optimism, these sentiments are not yet translating to plans to spend on luxury and haven't changed the consumers' interest in promotions. The *Saks Luxury Pulse* also confirmed that luxury consumers find value in personalization and they are likely to engage in activities that will enhance their shopping experience by making it more individualized.

With these insights into luxury consumers' sentiments towards the economy, personal finances and luxury spending, as well as key components of the luxury shopping experience, such as personalization, Saks continues to leverage the *Saks Luxury Pulse* to uphold its position as the leading expert on the luxury consumer.

Positive trends in optimism about the economy and personal finances support Saks' expectation that, although there is unlikely to be a significant change in luxury consumer behavior in the near term, luxury spending may increase in the second half of 2024.

- Luxury consumer optimism about the economy grew to 48%, an increase of 12 percentage points from the prior survey fielded in October 2023, and the highest level since the *Saks Luxury Pulse* started reporting on this question in April 2023.
- 57% of luxury consumers said they feel calm about the economy, an increase of 7 percentage points compared to the prior survey.
- When it comes to their personal finances, 70% of luxury consumers feel both optimistic (an increase of 6 percentage points compared to the prior survey) and calm (up 3 percentage points to the prior survey).
- The largest increase in overall optimism was among respondents with an income of \$200k or more, with a 14 percentage point increase in optimism about the economy and an 8 percentage point increase in optimism about their personal finances compared to the prior survey.
- Millennial respondents are the most optimistic generation about their personal finances.

"At Saks, we believe that luxury is a long game, and in order to win the luxury consumer over time, we must maintain our deep understanding of their changing behaviors, while offering them relevant and personalized shopping experiences," said Marc Metrick, CEO, Saks. "Luxury is a sentiment-based business, so we're pleased to see that attitudes toward the economy are improving, particularly as consumers have grown used to the dynamic macro environment. With that, we anticipate these positive sentiments will translate to an improvement in luxury spending in the back half of 2024."

In the *Saks Luxury Pulse*, 57% of luxury consumers said they are planning to spend the same or more on luxury in the next three months compared to the prior three months, consistent with the prior survey. However, this time last year, 62% said they planned to spend the same or more on luxury.

- 59% of Millennial respondents said they are planning to spend the same or more on luxury, 5 percentage points more than respondents of the Baby Boomer/Silent Generations and 1 percentage point more than Gen X respondents.
- When shopping for luxury fashion, 24% of respondents said they are inclined to pay full price rather than wait as long as needed for the item they like to be on sale, down 2 percentage points from the prior survey.
- When asked what they would need in order to increase their spending on luxury in the next three months, the top answer was an enticing sale or promotional event (55%), followed by an increase in income (43%).
- When it comes to travel, 72% of luxury consumers have started to plan or already planned their next trip, a 3 percentage point increase from the prior survey. Of those, the majority (70%) are planning to buy luxury in preparation for their trip.
- More than one-third of luxury consumers (36%) indicated that they are planning to spend more on travel in the next three months compared to the last three months, an increase of 9 percentage points compared to the prior survey, but down 7 percentage points year over year.

When shopping online for luxury fashion, 70% of luxury consumers say that they find value in personalization and are likely to engage in activities that enhance it.

- The luxury consumer finds the most value in personalized content and recommendations providing exclusive access to limited stock products, rewards and offers.
- The majority of luxury consumers (93%) are likely to engage in activities that will further enhance their shopping experience through personalization, with the top three activities being creating an account, generating a wishlist and answering questions about their shopping preferences.

Emily Essner, Chief Marketing Officer, Saks, added, “Our mission to understand the luxury consumer through the *Saks Luxury Pulse* is closely tied to our personalization strategy. Both are geared towards a common goal of delivering highly relevant, personalized recommendations and shopping experiences that resonate with our customers, based on their preferences and sentiments. The latest survey insights demonstrate that our strategy is working and the luxury consumer is finding value in their experience, and we look forward to further advancing our personalization efforts for their benefit.”

ABOUT THE SAKS LUXURY PULSE

The *Saks Luxury Pulse* is a quarterly online survey of luxury consumers’ attitudes towards shopping, spending and fashion trends. It is based on responses from 3,211 U.S.-based luxury consumers over age 18 and was fielded between January 10-16, 2024.

ABOUT SAKS

Saks is the premier luxury ecommerce platform in North America. Driven by a mission to help customers express themselves through relevant and inspiring style, we serve as a destination to explore and discover the latest from established and emerging designers. Our expertly curated assortment features sought-after names in women’s, men’s and kids fashion, as well as beauty, home and lifestyle merchandise. Through the Saks website and app, we provide access to professional stylists, inspiring editorial content and interactive events. Our differentiated approach seamlessly combines elevated online experiences with in-person services through an exclusive partnership with the Saks Fifth Avenue stores.

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MEDIA CONTACT

sakspress@saks.com