



# Luxury Benchmark Report 2024

# Welcome to Assembly Europe's Luxury Benchmark Report 2024

Welcome to the latest edition of the Luxury Benchmark Report by Assembly. We are pleased to present our third issue, delving into the dynamic and ever-evolving digital media sphere through the lens of luxury. Since our last issue, we have witnessed a number of changes, especially in the use of AI in digital marketing and how luxury brands are investing to make the most of the increased performance in-platform AIs can offer.

At Assembly we're proud to have built a centre of excellence for luxury, super luxury, prestige, and premium retail brands. The category is at the very intersection of some of the most complex decisions in today's media landscape. They require the smarts of performance expertise: pace, the ability to react to trends in real-time, agility and a forward-thinking approach to digital and retail. They also demand a focus on brand building, consumer experience and brand safety. Bringing these two things together as brand performance is exactly what Assembly does for the clients we work with.

From this experience, we're uniquely placed to offer an insight into how we can expect luxury brands to perform.

This report was conceived to give performance marketers insight into the world you are operating in today and the clear, actionable insight needed to navigate tomorrow.

If you want to find out more, please get in touch. We hope to find the change that fuels your growth.

Thanks



**Matt Adams**  
CEO, Assembly Europe



# The Luxury Benchmarks

In the first half of 2024 (H1), the luxury fashion sector saw moderate growth compared to previous post-pandemic rebounds. Overall, the luxury market is expected to grow by around 3-5% in 2024, a slight decrease from the 5-7% growth in 2023. Inflation in the European area reached 2.6% by May 2024, reflecting a steady increase from the beginning of the year, which, coupled with a 1.2% decline in disposable income for mid-range consumers, has directly impacted luxury purchases in these regions.

Despite these headwinds, certain luxury brands outperformed. For instance, Moncler posted an 8.2% YoY revenue increase.

While Europe and the UK may recover more slowly than APAC markets, expected GDP growth of 0.8% in the UK and 1.1% in the Eurozone by Q3 should provide some relief to the luxury sector.

Assembly proprietary data shows the significant impact this is having on digital media performance. Increased investment into digital platforms while brands look for shorter

term results has meant CPMs have increased by 8% YoY due to higher competition, especially on premium digital platforms. However, this rise has not deterred brands from maintaining a balance between performance and brand spend.

There is a growing interconnectedness between these two areas. Over 45% of luxury brands report that they are integrating performance and brand strategies more tightly than ever, using cross-channel insights to optimise both. This shift is helping brands to drive short-term sales while simultaneously building long-term brand equity. Data from Assembly brands indicates that brands with a balanced focus saw a 12% higher return on ad spend (ROAS) compared to those prioritising one strategy over the other. It means that brands who adopted multi-format approaches within platforms to tell end-to-end stories, drove a higher overall return than those who just looked at one or the other.

As media costs continue to rise, this holistic approach is proving essential for maximising marketing efficiency.





KEY TREND 1

# Performance-driven shifts in 2024

Figure 1 shows the overall distribution of digital channel investment across benchmarked Assembly clients. Despite H1 2024 seeing only minor shifts in digital spend distribution, significant changes are taking place within individual channels. In H1 2024, digital ad spend grew by 5% YoY across EMEA.

With increasing economic pressures, brands are prioritising shorter-term performance gains over long-term brand-building investments. This alongside the changing nature of buying models has meant that the desire for platform-based AI solutions has increased across most brands. Experimentation, advanced measurement, and incrementality are becoming increasingly part of the everyday for brands to push for performance gains.

YouTube / Online Video is now taking up 78% of display budgets, whilst overall spend is 9% higher YoY. This reflects the importance of visual storytelling and immersive experiences in reaching affluent consumers. Paid social is also gaining momentum, as 59% of luxury shoppers say that social media, especially influencer-led content, has influenced their purchase decisions.

MEDIA SPEND DISTRIBUTION

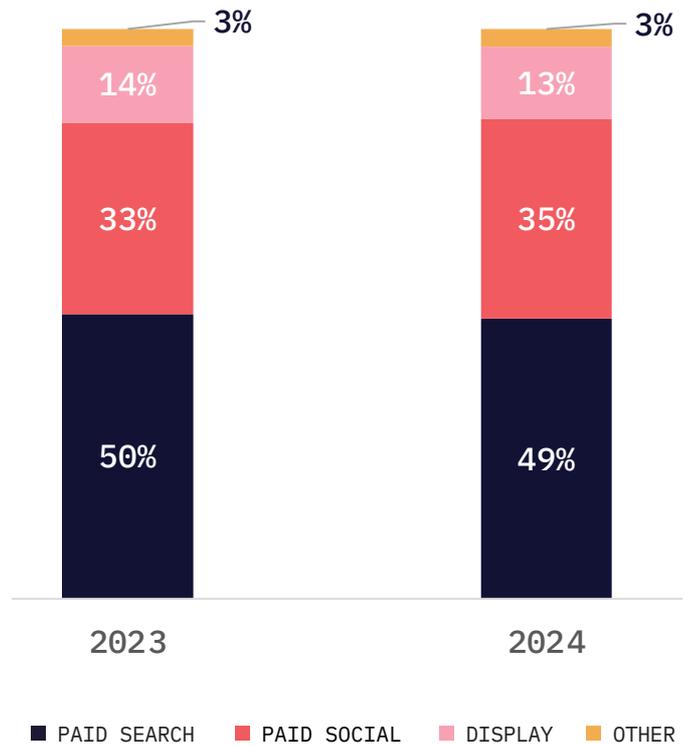


Figure 1  
Source: Assembly data, H1 2024 vs H1 2023





KEY TREND 2

# AI boosts efficiency in Paid Search

Figure 2 shows the differences in paid search performance from H1 2024 compared to 2023. Clicks and impressions have increased by over 70%. AI is transforming paid search. As a result, there have been significant changes in how Assembly brands are investing within the channel and what is driving performance. Performance Max campaigns are gaining traction, with impressions up 72% YoY, driving lower-cost clicks by 52%, and cutting CPCs by 19%. Revenue is seeing an impressive 217% YoY growth as a result. Investment in generic search terms is up 36% as brands look to diversify their approaches and reach a new type of consumer.

Despite Performance Max's rise, traditional Shopping campaigns still hold value for luxury brands, offering precise control over spend and targeting. 28% of luxury ad spend is still allocated here, with brands using a mix of AI-powered tools and manual strategies for maximum impact.

For luxury brands, balancing AI tools like Performance Max with traditional methods is key. AI delivers efficiency and scale, while manual strategies ensure precision. Blending human expertise with AI is unlocking new opportunities and driving future growth in the PPC space.

PAID SEARCH

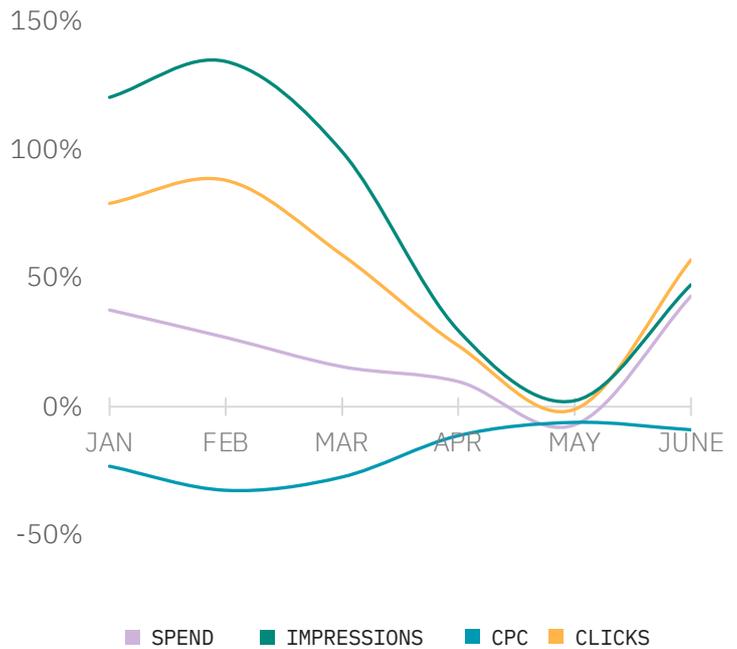
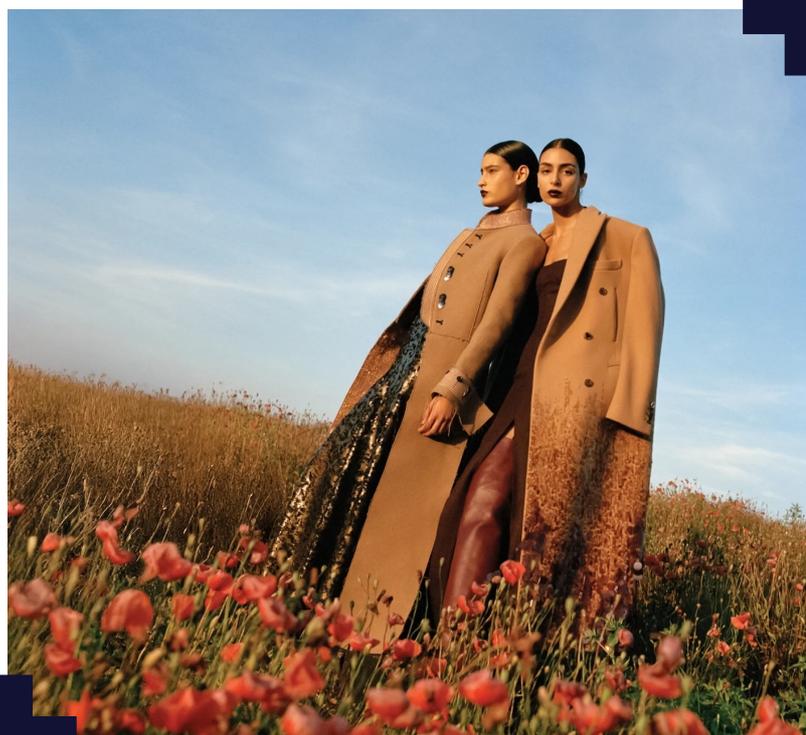
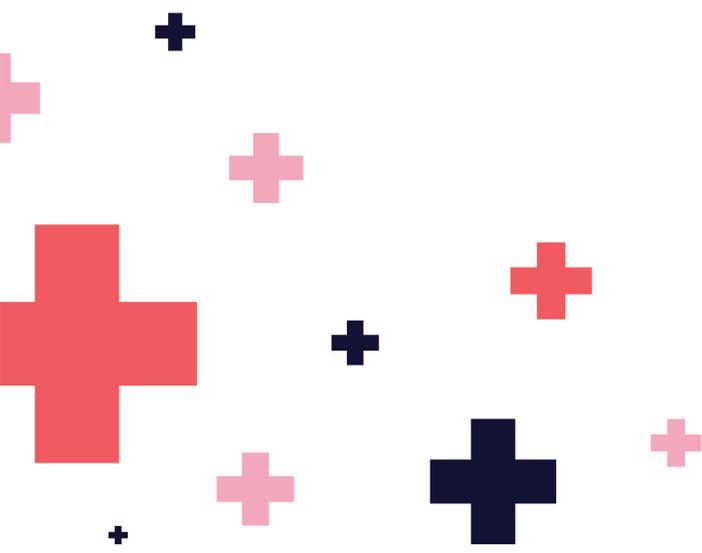


Figure 2  
Source: Assembly data, 2024 vs 2023





## KEY TREND 3

# Social shopping continues to increase

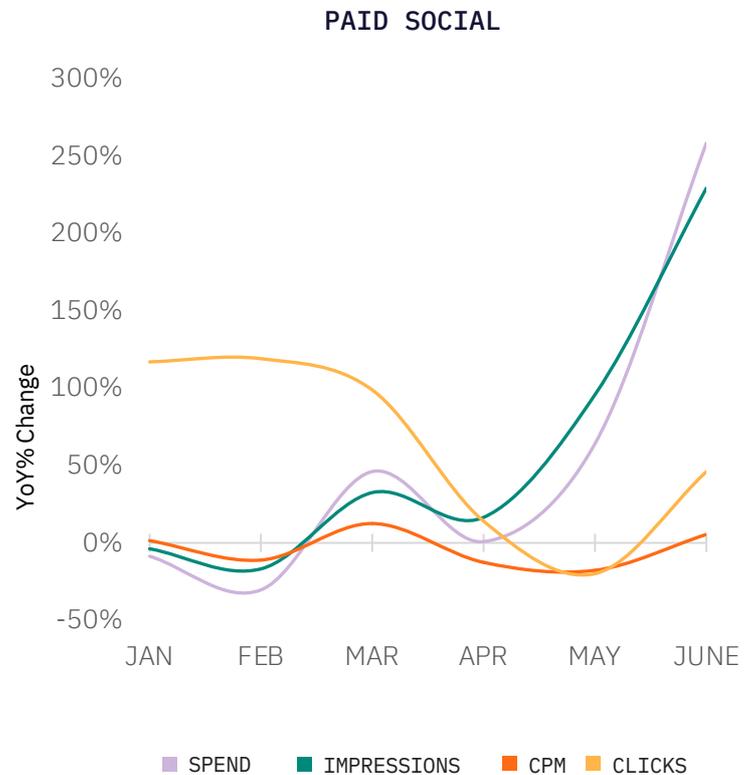
Figure 3 shows combined paid social performance. Paid social costs have increased for the first time, but brands continue to spend with investment from Assembly brands up 30%.

Key developments, such as Instagram Reels expanding to Facebook, TikTok's in-app search ads, and Pinterest's Spotlight takeovers, have opened up new ad opportunities, helping brands reduce CPM pressure and target consumers more effectively. For Assembly brands, Meta remains dominant with performance-driven spending resulting in a 30% boost in revenue and over 100% transaction growth.

TikTok continues to be more important through the funnel, with a 400% surge in ad spend, solidifying its position as a key platform for driving sales and conversions. However, platforms like Snapchat and Pinterest have seen a decline as budgets shift towards more impactful options like TikTok and Meta.

Consumer behaviour on social platforms continues to evolve. 78% of luxury shoppers now engage with brands through social media before making purchase decisions, reflecting the shift in the role of platforms like Instagram, TikTok, and YouTube from purely discovery tools to conversion channels.

Younger demographics are increasingly using TikTok and Instagram for search, with 49% of Gen Z using these platforms as their primary search engines, moving away from traditional methods like Google. This shift has prompted brands to prioritise social-first strategies, integrating shoppable content directly into their posts to meet consumers where they browse and buy.



**Figure 3**  
Source: Assembly data, 2024 vs 2023

We have also noticed that consumer searches are also becoming more visual, with a 72% increase in visual search activity on platforms like Pinterest and Instagram. Video-first content is now the dominant format, as 62% of users say they prefer video over text for discovering products.

With platforms like Meta and TikTok leading the charge, brands are consolidating their budgets on fewer, more dynamic channels. To succeed, marketers must remain agile, leveraging AI for smarter bidding, visual search, and personalised targeting while ensuring a consistent message across all digital touchpoints.



KEY TREND 4

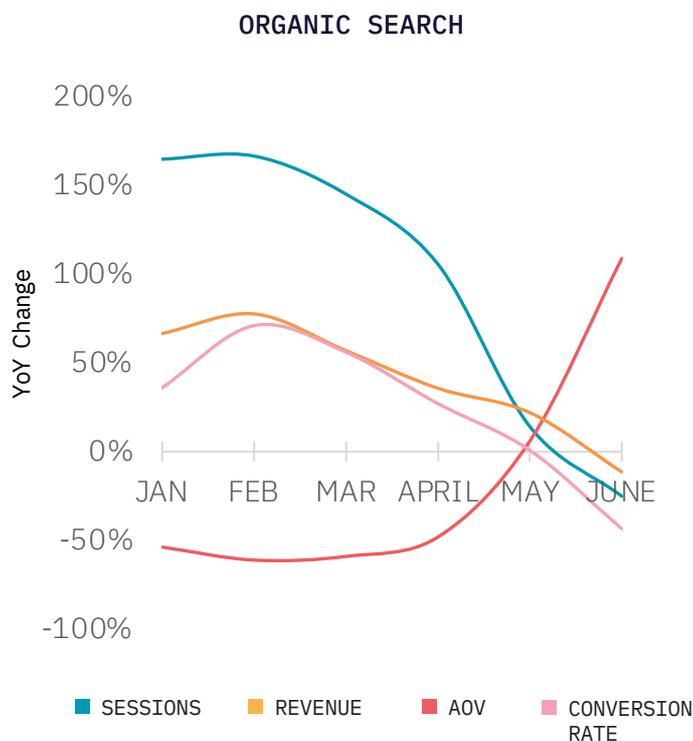
# Consumers spending more time in the research phase

Figure 4 and 5 show the data from Assembly clients around the impact of direct and organic traffic. The clear spikes in Q2 sessions show the direct impact of traffic because of brands launching SS collections.

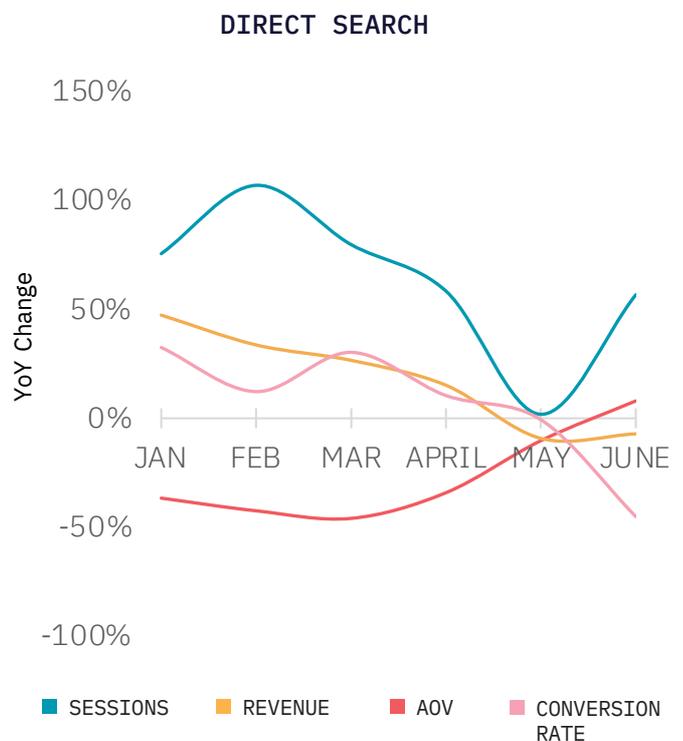
Luxury brands observed a 40% YoY rise in direct and organic traffic, as consumers increasingly visited branded websites to research collections.

Average Order Value (AOV) has risen by 5% YoY largely driven by price increases but has an inverse impact on conversion rates (CVR). As Google’s Search Generative Experience gains traction, organic click-through rates (CTR) for branded queries have decreased by 2-3% across luxury e-commerce brands.

The luxury consumer is increasingly looking for hybrid shopping experiences, blending digital research with in-store purchases, which has also shifted revenue away from purely online channels. Optimising sites for early stages of engagement will remain important. As consumer behaviour continues to change, understanding of the contribution of direct sales to the overall media mix beyond solely focusing on the last click.



**Figure 4**  
Source: Assembly data, 2024 vs 2023



**Figure 5**  
Source: Assembly data, 2024 vs 2023

# Key Take-Aways

## Luxury Trends Report

### 01 Lead with AI, not follow

AI is transforming marketing with platforms like Google and Meta rolling out advanced AI tools that push efficiency and precision to new levels. Google's Performance Max campaigns are just one example, allowing brands to reach audiences across all Google properties, but it doesn't stop there. Google's Search Generative Experience (SGE) is reshaping how users interact with search results by providing more detailed, conversational answers directly on the SERP. This means luxury brands must offer top-tier organic content to capture user attention earlier in the purchase journey.

Similarly, Meta is doubling down on AI with tools like Meta Advantage+, which automates ad creation, targeting, and placement across Facebook and

Instagram. Advantage+ Shopping Campaigns have been shown to streamline the creation of ecommerce ads whilst Meta is testing AI-powered creative tools that help brands produce personalised, high-quality visuals that adapt to the user's preferences, ensuring a premium look even as content scales.

These tools are powerful, but luxury brands must ensure that AI is enhancing their narrative, not diluting it. AI needs to be a creative partner, guided by strong brand inputs and premium storytelling. Brands that provide clear creative direction, coupled with high-quality data, will be the ones to succeed, using AI to not only drive performance but to elevate their luxury image. The key is to maintain control over the brand's identity while leveraging AI for scale and precision.



## 02 Master the balancing act through the right balance of short- and long-term measurement

While performance marketing offers immediate returns, luxury brands must balance short-term sales with long-term brand equity. Performance channels like paid search and social ads are critical, but over-reliance on these can dilute a brand's premium image if not carefully managed. Luxury thrives on building emotional connections and consumer loyalty, which require consistent investment in brand-building activities. To optimise both sides, brands should employ holistic measurement tools like Media Mix Modelling (MMM) and balance that with rapid MMM to get optimisation reads within channels. These provide insights into the true impact of both performance and brand channels. This balance allows brands to achieve short-term sales goals while still nurturing long-term brand growth through storytelling and emotional engagement.



## 03 Regional tailoring in EMEA is no longer optional — It's crucial for growth

Get a 20% advantage over competition, when you have a deeper understanding of local markets, local behaviour and culture. The luxury market in EMEA is highly diverse, with varying consumer behaviours and expectations across countries. This means the way people search, how they look for and engage with brands is totally different from region to region.

In Southern Europe, consumers are returning to physical stores, valuing the in-person luxury experience, while in Northern Europe, online channels remain more dominant, particularly in countries like the UK and Germany.

For instance, in France, younger consumers are social search first, whereas in Italy, the focus is still on the in-store experience.

Brands must adapt to these regional preferences by creating localised marketing strategies that reflect not only cultural nuances but also differences in digital engagement.

For example, localised influencer campaigns can have a significant impact on driving sales in Southern Europe, where consumers rely on trusted figures for recommendations. In Northern Europe, investment in digital-first strategies with a focus on visual storytelling and seamless ecommerce experiences will yield better results.

Brands that adopt region-specific content and focus on local market insights will be better positioned to capture demand and drive growth in this fragmented but vital luxury market.





# For more **Information**

We'd love to talk about how we can accelerate growth for your brand. Please get in touch with our team at Assembly Europe.

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