The Luxury Market 2026

Worldwide, MENA & UAE — A CFO-Grade Outlook for Creative Studios, Brand Experience Agencies, Marketing & PR Firms Serving Luxury Clients

VALUEX PARTNERS ADVISORY RESEARCH

MAY 2026

VALUEX

Executive Summary

The Global Luxury Wallet: Fewer Clients, Bigger Tickets

€1.44T

Luxury Ecosystem

2025 total spend, broadly flat YoY

€358B

Personal Luxury Goods

–2% in 2025; +3–5% expected 2026

330M

Active Consumers

Down from 400M in 2022

$8.5–9B

UAE Luxury Goods

2025–26; ~+9% CAGR through 2030

> The global luxury wallet is shrinking by client count but rising by ticket size. Agencies that pivot from "campaigns" to "experiences, clienteling and AI-driven content".

Global Market

The Global Luxury Market in 2026

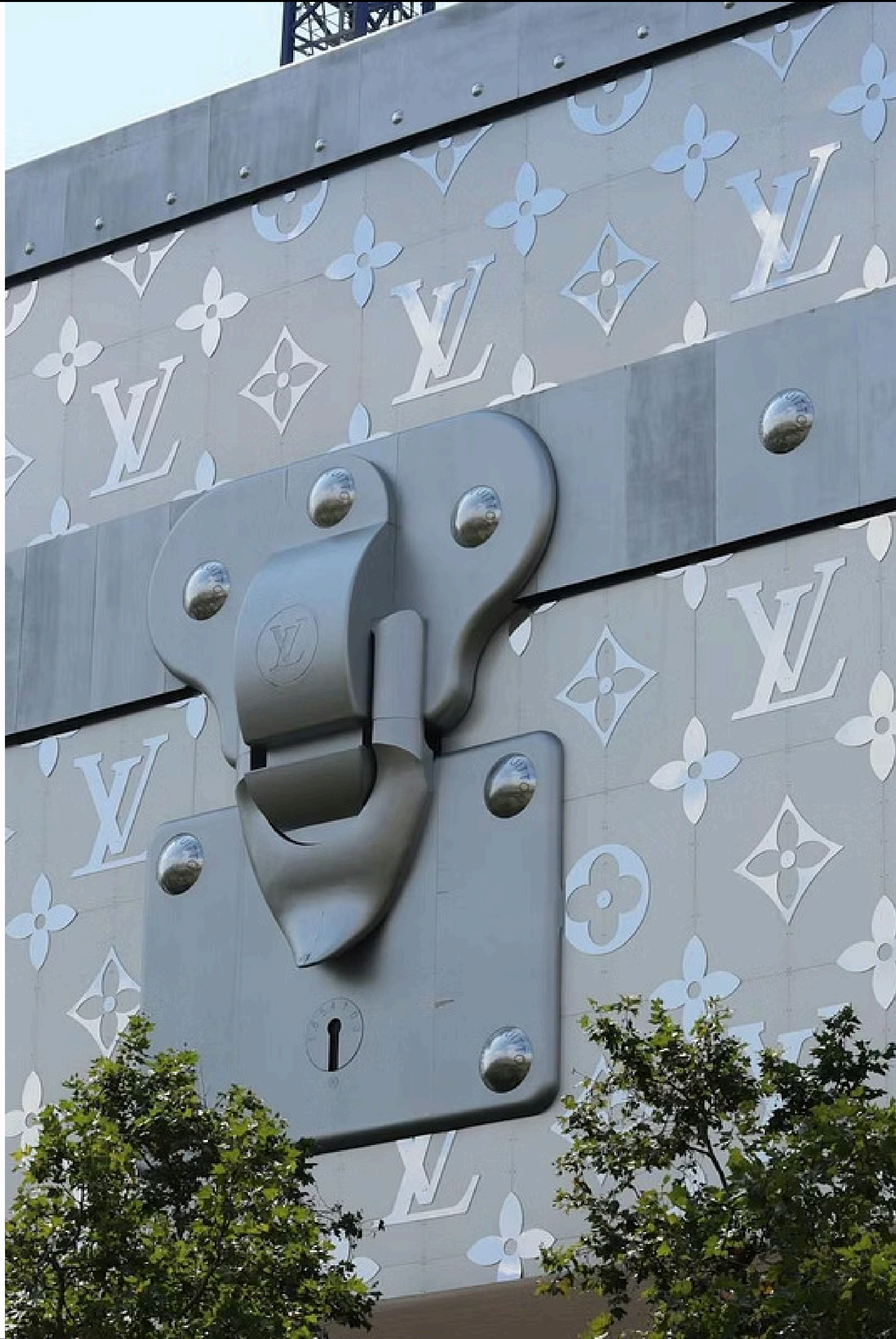
The Consumer Reset

The luxury client base shrank from ~400M consumers in 2022 to ~330M in 2025 — a 17% contraction. The top ~2% of clients now drive **35–45% of revenue** at most maisons. Campaign reach metrics are decreasingly relevant; clienteling depth and event ROI are taking their place.

Segment Outlook 2026

- **Personal luxury goods:** €358B; +3–5% expected
- **Luxury hospitality:** ~€310B; +6–8%
- **Luxury experiences & wellness:** ~€105B; +8–10%
- **Fine wines & spirits:** ~€95B; flat to +2%
- **Yachts & private jets:** ~€55B; +4–6%

Experiential segments continue to outperform goods. The Middle East has entered the top-3 most strategically important growth geographies for the first time (Deloitte 2026).



Macro & Consumer Behaviour

HNWI Migration, China & the Experience Tilt

HNWI Migration at Record High

~142,000 HNWIs relocated globally in 2025 (Henley & Partners). The UAE was the world's **#1 net recipient for the fourth consecutive year**, with +9,800 net HNWI inflows. UHNWIs (>$30M net worth) grew ~4% globally and are forecast to grow another 5% by end-2026.

China: From Headwind to Selective Tailwind

Mainland China personal luxury contracted –3% to –5% in 2025, but Bain's January 2026 report signalled early-cycle recovery. Japan, Korea and Southeast Asia captured significant Chinese wallet share via FX advantages. Brands are recalibrating store networks and reducing lower-tier city exposure.

Experience Over Object

McKinsey estimates luxury hospitality spend will reach **$390B by 2028** (+33% vs. 2023). Agility Research finds **70% of luxury leaders** identify experiential luxury as the #1 trend reshaping the sector. The only structurally growing segments are tied to experience.

MENA & UAE Deep-Dive

The Gulf: The World's Most Liquid Luxury Hub

MENA Outpaces the World

While global personal luxury contracted 2% in 2024–25, the GCC posted **+6% growth**, reaching $12.8B (Chalhoub Group). Chalhoub forecasts the broader Middle East growing at **~8% per year — roughly 3× the global rate**. By 2027, GCC personal luxury is expected to reach ~$15B.

Saudi Arabia is the fastest-growing major luxury market globally: IMARC sizes it at $10.1B in 2024, projected to reach **$23.3B by 2033** (9.7% CAGR). Vision 2030 has unlocked Riyadh Fashion Week, PIF resort openings, and $81B in tourism spend in 2025 alone.

UAE Key Metrics 2026

- **UAE luxury goods:** $8.98B; 5.7% CAGR to $11.9B by 2031
- **Dubai visitors 2025:** 19.59M — third consecutive record year
- **UAE digital ad spend:** $2.64B; +15.2% CAGR since 2020
- **Dubai Duty Free 2025:** $2.4B — on track for record year
- **UAE HNWI net inflow:** +9,800 — #1 globally, 4th year running

The luxury world is expanding strongly across Paris, Dubai, and Riyadh, creating exciting new opportunities for brands and agencies alike.

Marketing Budgets

Where Luxury Brands Spend — and What's Available in the Gulf

Luxury groups report marketing inconsistently. The table below normalises to **communication & marketing expense as % of revenue**, with estimated GCC and UAE allocations for agency TAM sizing.

Group / Brand	FY24 Revenue	Mktg & Comms	% Rev	Est. GCC Budget	Est. UAE Budget
LVMH	$91.5B	~$10.8–11.9B	~12%	$48–61M	$26–36M
L'Oréal Luxe	$16.8B	~$5.1B	~30%	$19M	$12M
Estée Lauder	$15.6B	~$3.8B	~24%	$15M	$9M
Chanel	$18.7B	~$2.3B	~12%	$15M	$9M
Richemont	$23.1B	~$2.3B	~9.7%	$17–20M	$10–12M
Hermès	$16.4B	$688M	~4.2%	$4–5M	$3M
Kering	$18.6B	~$1.5–1.7B	~8–9%	$8–9M	$5–6M

These estimates are derived from our proprietary forecast tools, drawing on published financial statements and adjusted for regional uncertainty, brand focus, inflation, risk beta, and broader micro-economic indicators.

Channel Mix & Spend Patterns

Where the Money Is Moving: 2024 → 2026

Budget Shift by Channel

Channel	2024	2026E	Trend
Experiential & private events	14%	20–22%	▲ Up sharply
Clienteling & CRM	8%	12–14%	▲ Up sharply
Retail theatre / flagship	12%	14–16%	▲ Up
Brand content & film (AI)	11%	13–14%	▲ Up
Influencer & creator	9%	10–11%	▲ Slight up
Digital performance	17%	14–15%	▼ Down
Print, OOH & traditional	14%	9–10%	▼ Down sharply

French vs. American Brand Patterns

French maisons (LVMH, Kering, Richemont, Hermès, Chanel) account for an estimated **55–65% of all luxury agency briefs in the Gulf**. They favour craft, restraint, long-term AOR partnerships, private white-glove events and retail theatre.

American luxury (Estée Lauder, Coach, Michael Kors) is under-indexed in MENA today — but investing in regional growth. They respond to measurable performance, speed-to-market and proven ROI. A meaningful new-business pool for agencies that can land the first chair.

MENA Activation Landscape

The Gulf Activation Calendar & What's Working

🏆 LV × Formula 1

Trophy Trunks at each GP, hospitality in Bahrain & Abu Dhabi. Estimated 2025 deal value **$50–80M annually** with material brand-lift in the Gulf.

💎 Cartier "Journey of Wonders"

300 unique high-jewellery pieces across an immersive 3-day private event in UAE (Feb 2025). Pure clienteling theatre — **$3–5M activation budget** end-to-end.

⌚ Dubai Watch Week 2025

Relocated to expanded Burj Park venue, free public access, 50+ watchmakers. The most efficient single-touchpoint event for hard-luxury watches in the Gulf.

🤖 Chalhoub AI Clienteling

Multi-year deployment across **600+ stores and 14 markets**, partnering with maisons on shared data and unified clienteling. Sets the regional template.

⚠ What is NOT working: generic Ramadan campaigns lifted from European masterbrand work; mega-influencer one-off posts; pop-ups without a clienteling pipeline.

Agency Implications

Risks, Opportunities & The Five Moves for 2026

Five Moves Agency CEOs Must Make

1. **Rebuild your service map** around five pillars: Experiential, Retail Theatre, Clienteling/CRM, Brand Content (AI-enabled), Sponsorship & Cultural Strategy.
2. **Open or strengthen GCC.** Region is growing at ~10% — your competitive set will be there within 12 months. Going late costs share.
3. **Productise AI-augmented content.** Deliver more content per dollar without diluting craft. Sell it to maisons as a margin-protection tool.
4. **Move pricing from FTE-time to outcomes.** Mix retainers, fixed-scope experiential fees and success-linked components.
5. **Build a private-client experience practice.** The private-trip / yacht / desert / heritage-route model is the single highest-margin line in the agency P&L.

Key Risks to Manage

Geopolitical Volatility

LVMH, Richemont and Kering have noted Gulf softness during peak conflict windows. Base case: +6–9% UAE growth; downside: +2–4%.

AI Margin Pressure

Content velocity rising 30–50% YoY while budgets are flat. Agencies that solve AI-assisted production will take share; those that don't will see margin erosion.

Client Concentration

Many luxury-focused agencies have 40–60% of revenue with 2–3 maisons. Diversification is a structural priority.

ValueX Partners

How We Help Agency CEOs Win in the 2026 Luxury Market

ValueX Partners is a CFO-grade advisory firm sitting between strategy consulting and corporate finance — translating market intelligence into commercial decisions for creative studios, brand experience agencies and marketing/PR firms serving luxury maisons in the GCC and globally.

Market & TAM Mapping

We size the actual marketing budget each luxury client holds in the GCC and UAE from first principles — so you pitch with precision, not guesswork. Output: client-by-client budget map and share-of-wallet plan.

Service-Line Redesign & Pricing

We re-shape service maps away from declining lines (print PR, mass digital) toward growing ones (experiential, clienteling, AI content) and restructure pricing — retainers, fixed-fees, performance components — to protect **35–45% gross margin**.

GCC Entry & M&A Readiness

We model the cost and timeline of Region entry, evaluate JV vs. office vs. acquisition pathways, and position agencies for holding-company sale or partnership — financials, narrative, governance and process.

> 2026 is the year the luxury client base reshapes. Agencies that re-platform now — to experience, clienteling and AI-augmented content, with a real GCC footprint — will own the next five years. Those that wait will spend 2027 catching up to a much harder market.

Get in Touch

We look forward to connecting with you and exploring how ValueX Advisory Partners can support your strategic objectives.

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