

Experiential Luxury: How Emotions and Experiences Are Reshaping Luxury Industry

1. The Origins

Kapferer & Bastien (2012) defined the luxury product as a whole comprising a good, accompanied by a service. Contrary to consumer goods industries, based on the transactional value of the item sold, luxury distinguishes itself by conceiving a product as “an holistic experience” (Kapferer & Bastien, 2012). The authors recognized the immersive character of the luxury experience, engaging all senses and creating an involving and emotional memory for the client. The luxury product, therefore, does not simply satisfy the basic need entailed, but it brings an emotional resonance to the client (Kapferer & Bastien, 2012). This multi-sensory and emotional character is reflected in the retail experience of luxury industry (Kapferer & Bastien, 2012), in which a certain sense of prestige is conveyed by overall ambience of boutiques, including not only the furniture and design, but also careful choice of the music and even more attentive selection of perfumes. An example in this sense is provided by the use of Cire Trudon candles in French luxury boutiques. Cire Trudon is a French luxury candle producer, renowned for being the original provider of Louis XIV court in the XVII century. The smell evokes a precise atmosphere, increasing the sense of exclusivity and high status.

As theorized by Kapferer & Bastien (2012), experience is an inner and essential characteristic of luxury. Nonetheless, the last years have seen the raise of an increasing relevance of experiential luxury, as a new way to create a connection between consumers and brands, that is personal, symbolic and memorable, and goes beyond the usual ceremonials and ambiances typical of luxury retailing.

In their comprehensive review of experience in luxury, Gupta et al. (2022) identified relevant implications of this trend raised in the industry, starting from the need to provide emotions to drive brand love and loyalty. The authors identified a consistent raise of literature contribution to this topic and, therefore, an increasing relevance of this trend in a period marked by the emergence of new technologies, used by companies to create immersive brand experiences (Gupta et al., 2022). The impact of Covid 19 Pandemic has also been notable as it consistently reshaped consumption patterns (Gupta et al., 2022). As a matter of fact, if experiential luxury arose from the necessity to foster emotional attachment, the social distress and physical isolation brought by the Pandemic provided a fertile ground for consumers to find psychological fulfilment in brand experiences beyond the mere material consumption.

The various forms of experiential luxury includes events, museums, café and restaurants, but also digital experiences, that can involve the clients and create memorable atmospheres and bonding with the brand.

This paper aims at investigating the future perspectives, challenges, threats and opportunities of experiential luxury, with consistent practical implications and recommendations to foster emotional connection and loyalty of luxury consumers.

2. Future Perspectives

Bain and Company (2023) identified a need for the future of luxury brands to concentrate on the origin of luxury, by means of quality, creativity and storytelling around products, creating meaningful and pleasant experiences that increase emotional connection with the clients. This resonates with the fact that luxury experiences kept a “faster-than-average growth” in 2023 (Bain and Company, 2023, executive summary), in contrast with a decrease in market for personal luxury goods (Bain and Company, 2023), acknowledging a shift in consumption from transactional goods to events that bring feelings and create memories in the clients’ mind. As a result, even to foster growth of personal goods, the urgency to create “immersive, personalized” experiences is emphasized to bring clients in boutiques (Bain and Company, 2023, Distribution trends: outlets won over full-price store).

Atkinson & Kang (2022) defined characteristics and values connected to a new phase of luxury consumption, especially for younger generations. The authors recognized a certain democratization and a wider accessibility of luxury goods compared to the past, diluting the sense of exclusivity that those were bringing to clients (Atkinson & Kang, 2022). As a result, younger generations seek experiences, to express their status and identity (Weinberger et al., 2017). Atkinson & Kang (2022) described how the young generations of clients seeks for labels that align with their values, bringing them “personal fulfilment” (p.389). In this sense, personalized services and experiences are relevant for self-expression (Atkinson & Kang, 2022). We can therefore derive the relevance of experiential and personalized luxury among younger generations and in future outlook of the industry, as a mean to cope with a general loss of exclusivity of luxury consumption.

Following the same research path, Siepmann et al. (2021) conducted a study about the consumption of luxury experiences and sharing of those moments on social media, and they acknowledged experiences as “alternative status symbols” (p.462) to luxury goods. In line with Atkinson & Kang (2022), the role recognized by the authors designate a future for luxury

experiences, that is reshaping consumption. As a consequence, offering personalized luxury experiences can further elevate perceived status by providing clients with something highly exclusive and tailored to their individual tastes and personality. The feeling of an extremely exclusive service will also benefit the brands offering it, as it will foster the bond of consumers with the label.

3. Challenges and Recommendations

As mentioned above, different types of experiential luxury can be identified. The most evident form is represented by events. Although widespread in luxury industry, this form of engagement of clients entails various challenges. The first one concerns exclusivity and authenticity of the experience. As a matter of fact, the more an event is replicated by the company in various locations, the more it becomes accessible to a larger clients' audience, losing the exclusive character, proper of luxury experiences, and the personalization, nowadays required by consumers. Furthermore, it can be difficult to adapt the event to the different cultures, risking to lose relevance for consumers. It is also difficult to measure the return on investment of events. As a result, to cope with these challenges, events should be restricted to top clients, to avoid exclusivity dilution and engage high-spender consumers. In this sense, CRM platforms are useful in event management to classify clients data, identify loyal customers and VICs and send tailored invitations (Vadim, 2022). At the same time, CRM platforms are used to measure engagement, providing a consistent quantification of the return on investment.

A distinct manifestation of experiential luxury is represented by brand museums. De Boissieu and Chaney (2024) acknowledge the function of brand museums to foster brand heritage and they highlight the importance of a mythic dimension to be explored by consumers through this kind of interaction with the brand. This characteristic results in being essential to create compelling storytelling about the brand. Contrary to events that should be restricted to loyal clients, brand museums should be opened to anybody, including prospects, as they are conceived to nurture the dream about the label. This space should therefore be effective in creating an emotional engagement, both for passionate consumers and potential ones, keeping a certain cultural relevance. As a matter of fact, brand museums could be perceived as a simplistic marketing practices with a pure commercial intent. To avoid this adverse effect, companies should focus on the cultural relevance of their brand's storytelling. This should be done enhancing not only the aesthetic dimension of the place through the location and design,

but also the authenticity of the storytelling, and employing a pedagogical tone of voice aimed at clearly explained the company history and products (De Boissieu and Chaney, 2024).

Experiential luxury has recently taken the form of gastronomy experiences, in which brands merge know-how from different sectors to create “synergistic long-term relationships” (Kim et al., 2024, p. 199). Kim et al. (2024) confirmed the relevance for luxury clients of compelling experiences, especially through the expansion in food and beverage industry. Even though these experiences increase customers’ loyalty and retention (Kim et al., 2024, p. 199), this kind of expansion comprehends challenges. Luxury companies are called to maintain consistency across the sectors, as the quality of food, service and the overall ambiance of the place should reflect the prestige, quality and exclusivity of their brand. In order to be relevant for consumers passionate about the brand, the cafés and restaurants need to resonate with the brand identity, with clear references to the verbal and non-verbal DNA. It is the case, for example of the Dior’s cafés and beach clubs around the world, whose design and furniture recall popular brand patterns such as the Cannage or the Toile de Jouy.

Digital experiences are also hitting the luxury industries, as new forms of immersive and engaging interactions with brands. Many brands introduced Augmented Reality in their usual marketing practices, melting online and offline dimensions to re-design real landscapes and scenes with brand’s symbols, creating surreal images that foster the brand storytelling (Bearson, 2024). To reply even better to need to connect with clients in the digital dimensions, luxury brands started employing Virtual Reality modalities, with the aims of creating immersive digital experiences. The use of Virtual Reality appeared effective in engaging younger generations, achieving higher visibility and engagement (Navarro, 2025). However, companies also face challenges with the use of Augmented and Virtual Reality as they could undermine the authenticity perception of the brand, essential characteristics of luxury. As a consequence, if those tools have been effective in fostering the interaction with younger generations, companies should bear in mind that digital experiences cannot create the same emotional engagement as physical ones.

As explained above, luxury experiences are progressively reshaping the way consumers interact with luxury brand, seeking personalized, immersive and touching occurrences that become memorable. These can take different forms, in synergy with other industries, such as food and beverage one, using digital spaces, or creating physical spaces to widespread knowledge about brand heritage.

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