

Luxury's Leadership Reset: From Prestige to Performance



The luxury industry has faced increasing pressures in recent years: changing consumer tastes, macroeconomic headwinds and inflationary threats that have led some consumers to cut back on spending. According to [research about the luxury sector](#) by Bain & Company and Italian luxury trade organization Fondazione Altagamma, global luxury spending declined in 2024 and 2025, with a slight recovery in sight for 2026. As consumer spending stagnates, an industry that thrives on emotion, charisma and charm is in search of a little bit of pragmatism.

60%

of luxury CEOs were internally promoted to their position

What do the industry's pressures mean for the industry's leaders going forward? What is the profile of today's industry CEO, and what leadership traits are needed for future CEOs? To answer these questions and more, we recently spoke with more than a half-dozen industry observers, including management consultants, private equity investors and journalists. Combining these perspectives with our own expertise as advisers to boards and C-suites in retail as well as our own data on industry leadership, we look at the top industry trends and what they mean for leaders now and going forward.

The forces transforming luxury... and how leaders are adapting

For all of today's uncertainty, industry insiders remain generally positive about the luxury industry's ability to endure. Luxury addresses a need as old as humanity itself, providing a way to express oneself and stand out in the world. One interviewee noted the huge assortments of luxury items found by archeologists within millennia-old Egyptian tombs. Luxury was, is and always will be a source of meaning.

While that idea has long fueled the industry's growth and optimism for the future, it has become clear in the past several years that the formula for the luxury goods market that worked until the recent past is no longer sufficient for the future. A few distinct and interrelated trends have left the market in an uncertain position — with major implications for industry leaders.



Luxury has always counted on recruitment from within; this has produced exceptional depth and mastery, but has not built systematically also diverse and novel breadth.”

LUISA DELGADO
BOARD CHAIR, SWAROVSKI

Pricing vs. innovation

Much of the industry's recent growth is tied to price increases that have boosted margins on existing products. With more consumers now feeling the pinch from inflation and economic uncertainty, that approach may have reached its limit. Pushing pricing further risks alienating customers, notes Francesco Pascalizi, partner and co-head of consumer for Permira, a private equity firm.

Future growth will depend on innovation. Indeed, the rising prices not only point to consumers' feelings of being squeezed for extra money, but also belie the growing recognition that future growth will be driven by innovative new products, not by simply tinkering with old formulas.

“You need a culture that allows for taking risks rather than continuing to swim in a sea of sameness,” said Erwan Rambourg, equity analyst and author of [*Future Luxe: What's Ahead for the Business of Luxury*](#). “There has been commentary recently criticizing luxury brands for all having the same logos and same types of products. I think it shows that what really counts today is to have a voice that is completely different.”

The luxury “experience”

The idea that people will sweat out long lines or haughty treatment just to get the hottest product is slipping away, especially among Gen Z buyers, whose purchasing power will grow exponentially over the next decade.

With this in mind, most observers agree that luxury's product-centric approach must give way to a model that also innovates in terms of how brands connect with the luxury consumers themselves. One example of this is [Louis Vuitton Visionary Journeys Shanghai](#), an immersive experience aboard a luxury boat called "The Louis" that features an exclusive retail and dining experience. "The transaction is just a souvenir from a luxury experience," said Helen Brocklebank, CEO of Walpole, a UK luxury sector trade organization. "Experience is the new luxury."

Geopolitics and macroeconomics

Volatility in both international politics and the global economy is having a major impact on luxury. For one, a more uncertain economy has people tightening their spending, especially in comparison to the immediate post-COVID years, and in particular when it comes to aspirational customers in the middle class. Luxury by its very definition involves items that you don't need, and when the economy cools off, people naturally pull back. An end result is a more polarized market, one where a greater share of the market is held by a smaller group of high-net-worth consumers.

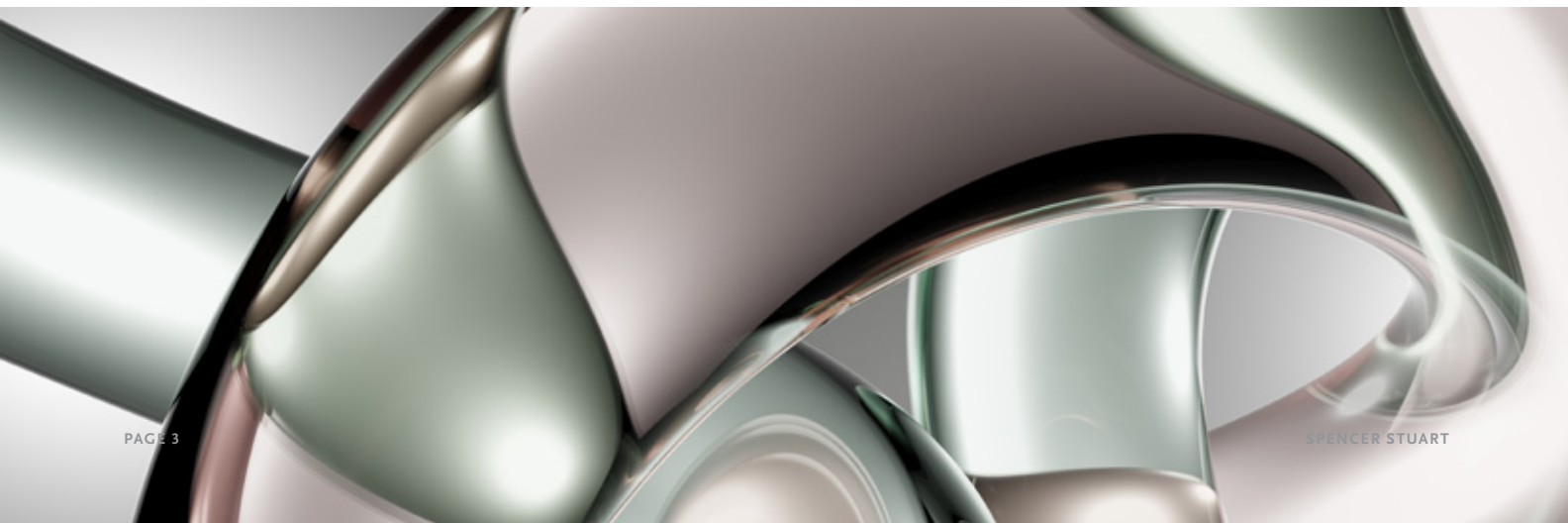
Meanwhile, geopolitical tensions are also impacting consumer confidence. Several interviewees cited pressures in China — which makes up about one-third of the world's luxury market, and where [J.P. Morgan estimates flat growth for 2026](#) — as a key issue for the future of this industry.

"Luxury, in the industrial form we know today, is a global sector that can better flourish when people can travel and experience different markets — which means to be in a moment of relative political stability, peace, multilateralism, and widespread optimism and confidence," said Stefania Lazzaroni, CEO of Altagamma, an Italian luxury industry trade organization. "That's not quite what we are witnessing in these past two years."



The transaction is just a souvenir from a luxury experience. Experience is the new luxury."

HELEN BROCKLEBANK
CEO, WALPOLE



What is the profile of today's luxury leader?

Luxury has been traditionally led by long-tenured leaders who were hired from within, and Spencer Stuart data on leadership in the luxury industry finds that this remains largely the case. Looking at 107 luxury companies, we found that CEOs are overwhelmingly white (93%) and male (79%). The average luxury CEO has spent 70% of his career working in the luxury sector, and 60% were promoted into the position from within the company. Furthermore, among CEOs of luxury brands within large luxury conglomerates, almost 80% were promoted from within their current group, suggesting little outside experience.¹

7 yrs

Average tenure of
luxury CEOs

20%

of CEOs were hired in
the last 12 months

93%

of luxury CEOs
are white

79%

of luxury CEOs
are male

50%

of luxury CEOs are
first-time CEOs

70%

of luxury CEOs spent
most of their career
in luxury

But as the industry grapples with less certainty, insularity coupled with an unbridled belief in its strength could breed a complacency that exacerbates the issues bubbling at the surface and limits the industry's access to new ideas and fresh solutions.

There are some signs that recent pressures are changing the status quo. Spencer Stuart data about CEO turnover in this sector finds that 20% of luxury companies hired a new CEO in the 12 months prior to March 2026. However, of the new CEOs who were hired externally, only one-quarter came from outside the luxury sector.

As luxury companies look to the future, they will increasingly need to stock their C-suites with talent from the outside.

¹ Spencer Stuart examined top leadership at 107 companies in the luxury sector, using proprietary industry data coupled with external validation. The sample captured the diversity of business models, ownership models and subsectors that shape industry dynamics today.

"Luxury has always counted on recruitment from within," said Luisa Delgado, an experienced luxury industry board director who currently serves as board chair for Swarovski. "This has produced exceptional depth and mastery, but also has not built systematically diverse and novel breadth."

The luxury industry leader of the future

The luxury industry's future hinges on a fresh approach to the future, to a new leadership formula that is less cloistered, more customer-focused and better attuned to changing consumer trends, global fragmentation and generational shifts. This could be a major shift in an industry that has traditionally had long-tenured leaders who were hired from within, and been less accepting of outside ideas and perspectives.

As luxury companies look to the future, it will be important to define how leadership in the industry is changing and the capabilities leaders will need to do that. The luxury leader of the future — at the CEO level and within the C-suite — will be someone who can align creativity and commerce and embrace empathy, listening and empowerment, all while keeping an eye on the bottom line.

So what does the industry's future leadership profile look like? Our discussions yielded several common traits:

Emotional intelligence

Luxury has a fairly potent pop-culture leadership stereotype: cold, egocentric and arrogant. Several of our interviewees cited similar traits, and a general sense that leaders with empathy and an ability to motivate are undervalued by luxury company boards.

As the luxury industry grows more complex and consumer dollars are harder to win, leaders with an understanding of human psychology and consumer behavior will have a leg up.

"You have to understand the psychological reasons behind people's decision making," said Claudia D'Arpizio, a senior partner at Bain & Company, where she is leader of the firm's luxury goods vertical and Italy chair. "This is about human beings, and deeply understanding them. It's not just why a consumer might pick a yellow or red item, but why people make the decisions they make and how they respond to trends."

Additionally, in today's global market there is a need for leaders who can gracefully manage different cultures and markets.

"Future leaders must combine strategic vision with deep cultural sensitivity," said Stefania Lazzaroni. "They need to understand creativity and craftsmanship as strategic assets, while also mastering global complexity, sustainability, digital transformation and stakeholder management."



Agility

A more human approach can help CEOs in this industry address their biggest issues by leading with empowerment rather than fear. The end goal is to ensure the organizational agility necessary to meet the demands of a changing market.

This industry's tendency to lean on old playbooks led to some of the concerns outlined above. The type of dynamic leader needed for this era will invest in building an organization that can change effectively and quickly.

Claudia D'Arpizio highlighted a significant untapped opportunity for luxury firms: building the organizational agility that has become a defining competitive advantage across industries. "Managing a company with agility is a core capability that is actually missing in luxury," she said. "Technology — including AI — is already transforming how leading companies approach strategic planning and organizational effectiveness. Luxury has every reason, and every resource, to lead on this frontier."



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STEFANIA LAZZARONI
CEO, ALTAGAMMA

Storytelling

The luxury CEO of the future must be a compelling narrative builder — someone who can bridge heritage and innovation, connect with multiple generations and articulate a brand vision that goes beyond product.

This is a place where a high level of emotional intelligence will play a big role.

"Today's CEO has to be able to build a narrative that catches the eye and meets the taste of different generations," said Francesco Pascalizi. "They have to be good storytellers, because the product-based stories are tough. That model where consumers just line up to own a specific handbag is passé. Luxury retailers have to become something different, something warmer, more welcoming, more interesting, especially for a new generation."



Luxury will always trade in emotion, but the next era will reward brands that pair that magic with discipline. The most successful leaders will rebuild trust by matching price with innovation, and ensuring that the luxury experience matches the products they're selling.

For boards and CEOs, the mandate is clear: Protect the brand's story while modernizing how the business runs, including looking beyond industry boundaries for the next generation of leaders. In a tighter, more demanding market, heritage alone won't be enough.



**WE WISH TO THANK THE INDUSTRY EXPERTS WHO SPOKE
WITH US FOR THIS PIECE:**

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CEO, Walpole | » Stefania Lazzaroni
CEO, Altagamma |
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Senior Partner, Global Head of
Fashion & Luxury and Italy Chair,
Bain & Company | » Francesco Pascalizi
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Board Chair, Swarovski | » Erwan Rambourg
Equity Analyst and Author, <i>Future Luxe:
What's Ahead for the Business of Luxury</i> |



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