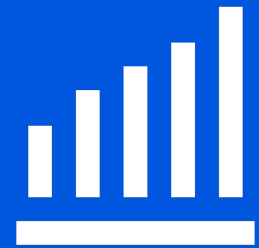


# AP Economic Insight



## Decoding Asian luxury consumers

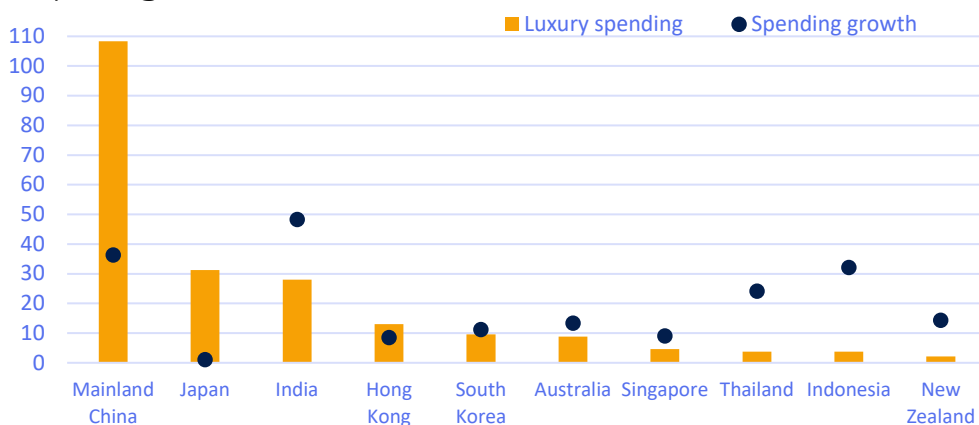
Affluent consumers represent a relatively small portion of the global population, but their impact on spending is disproportionately large—accounting for an estimated one of every four dollars spent in 2024.<sup>1</sup> These consumers are also more likely to make cross-border purchases, engage with premium brands, and remain loyal if their expectations are met. Asia Pacific stands out as a particularly dynamic market in this regard. With rapid rises in consumer incomes across key economies, the region has seen a substantial expansion in both the volume and diversity of luxury purchases.

By 2030, the number of affluent households (those earning over \$200,000\* per year) in Asia Pacific is expected to increase at an 8 percent compounded annual growth rate—the fastest pace of any region.<sup>2</sup>

However, this growth story is layered with complexity, with different economic factors and consumer preferences across the region creating opportunities, as well as challenges for businesses looking to capture this market. **Based on an analysis of Visa’s anonymized transaction data, we found that Asia Pacific’s luxury market is set for rapid expansion over the next five years**, driven by emerging affluent consumers and ‘aspirational’ buyers whose spending is highly elastic and shaped by cultural differences. To reach these consumers, merchants will likely be most successful when tailoring their promotions to reflect those differences. Collaboration across the luxury ecosystem to create bundled offerings will also help merchants to meet a variety of country-specific preferences as the market rapidly evolves.

Figure 1: Mainland China and Japan will remain Asia’s largest luxury markets in 2030, while India will grow the fastest

Domestic luxury spending in 2030 (\$ billion); percentage change in spending in 2023-30



Source: Visa Business and Economic Insights analysis of data from VisaNet and Statista

Simon Baptist

Principal Asia Pacific Economist  
[sbaptist@visa.com](mailto:sbaptist@visa.com)

Barsali Bhattacharyya

Asia Pacific Economist  
[barbhatt@visa.com](mailto:barbhatt@visa.com)

Tetiana Yukhymenko

Data Scientist  
[tyukhyme@visa.com](mailto:tyukhyme@visa.com)

### Key Points:

- Emerging affluent consumers offer the biggest opportunity in Asia, making entry-level luxury offerings crucial
- Culture also plays a role, with individualistic societies like Australia and New Zealand more likely to splurge as income rises

### Asia’s top five luxury markets in 2030

Mainland China: \$108 bn

Japan: \$31 bn

India: \$28 bn

Hong Kong: \$13 bn

South Korea: \$10 bn

\* Note. Unless otherwise mentioned, all \$ values in this report refer to the U.S. dollar.



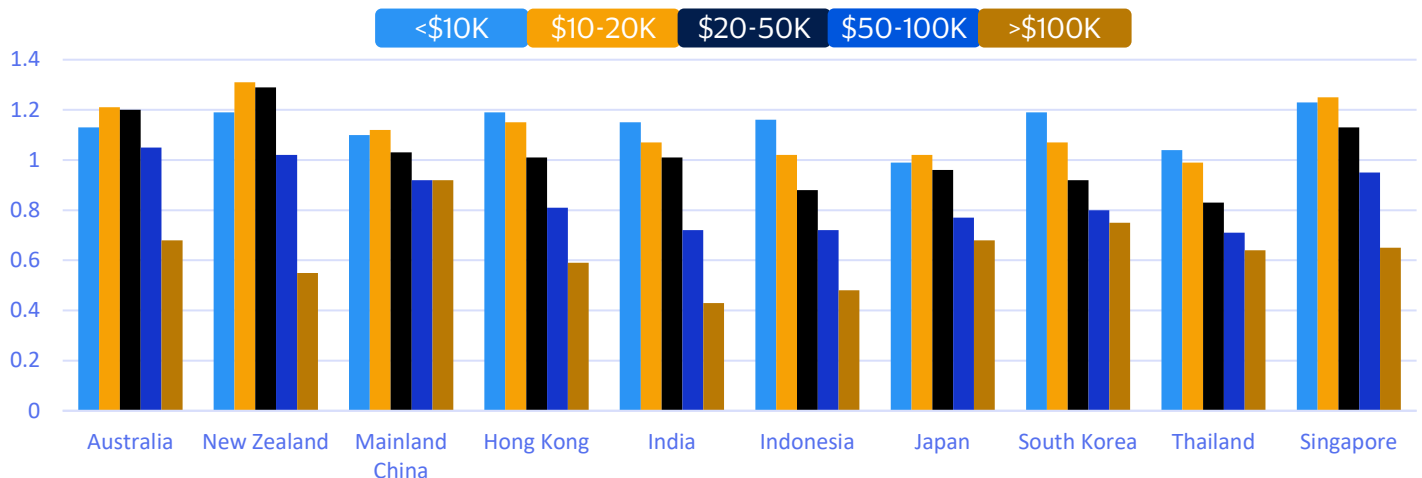
# Asia’s luxury boom puts Mainland China, India in pole position

We have applied elasticity-driven spending growth to projected income increases to estimate luxury spending in 2030 across key Asian markets. (Fig. 1) Our analysis suggests that Mainland China and Japan will together account for about 65 percent of the region’s total luxury spend over the next five years. **Mainland China will continue to be the driving force and the region’s biggest market, worth \$108 billion. Despite being Asia’s second-largest luxury market, worth about \$31 billion in 2030, Japan will see the slowest pace of growth in spending, underlining the market’s maturity.** We expect Singapore and Hong Kong to also grow in single digits, while other markets with established luxury consumer bases —Australia, New Zealand and Singapore—will see growth rates below 15 percent. Outside of Mainland China, we expect luxury spending growth to be driven by developing Asian markets of India, Indonesia and Thailand, even though the three countries will together account for just over 16 percent of the region’s total spend. **At about 48 percent, India will see the fastest growth in spending by 2030,** helped by a rapid increase in the number of affluent households. Indonesia and Thailand are set for over 24 percent growth, also reflecting an increasing appetite among consumers for premium experiences and goods.

However, capturing the attention and wallets of this diverse range of consumers is no easy task. In general, luxury is considered to have elastic demand, meaning demand rises sharply as income grows (and vice-versa). However, our analysis shows that this broad characterization hides an important subtlety—it varies substantially across income bands. Moreover, it can be affected by variables, ranging from soft and more subjective factors, like consumer confidence and cultural values to data-driven triggers like exchange rates. For instance, some markets show a faster increase in luxury spending with growing affluence, while others are more conservative. For issuers and merchants targeting affluent Asian consumers, it is important to understand these nuances to identify the right opportunities.

Figure 2: Not all wallets stretch alike

Elasticity of luxury spending (percent) by overall spend levels



Source: Visa Business and Economic Insights analysis of VisaNet data

## Aspirational buyers pose the biggest opportunity

Leveraging anonymized Visa transaction data, our analysis of affluent consumers’ purchasing behaviors revealed an interesting trend: As people get wealthier, luxury spending keeps climbing—but the rate of increase slows. (see Figure 2)

- Aspirational buyers (those spending less than \$20,000 annually) display high elasticity—an increase in total spending leads to a greater-than-proportional jump in luxury consumption. For example, for consumers spending under \$10,000 annually in Australia, a 1 percent rise in overall card spending translates into 1.1 percent rise in luxury spending. In Singapore, the same consumer group is likely to increase their luxury spend by 1.2 percent, meaning that an entry-level buyer in Singapore will be more inclined to buy a luxury item, if they have extra money. (See related report from Visa Business and Economic Insights, [“Luxury shopping is no longer just for the affluent.”](#))
- On the other hand, affluent consumers (those spending over \$100,000 annually) exhibit much lower elasticity. The same 1 percent increase in total spend generates only about 0.6 percent increase in luxury spend among this group in both countries.

For businesses, the emerging affluent or aspirational consumer will therefore be the biggest growth driver. While they may have lower budgets, they will have a high aptitude to spend on luxury and could be valuable future customers as their incomes rise further. Having good entry-level options can help brands build loyalty with these future big spenders. However, it is helpful to remember that aspirational consumers are more likely to be affected by economic headwinds compared with the ultra-affluent.

## Beyond income, culture also determines propensity to spend

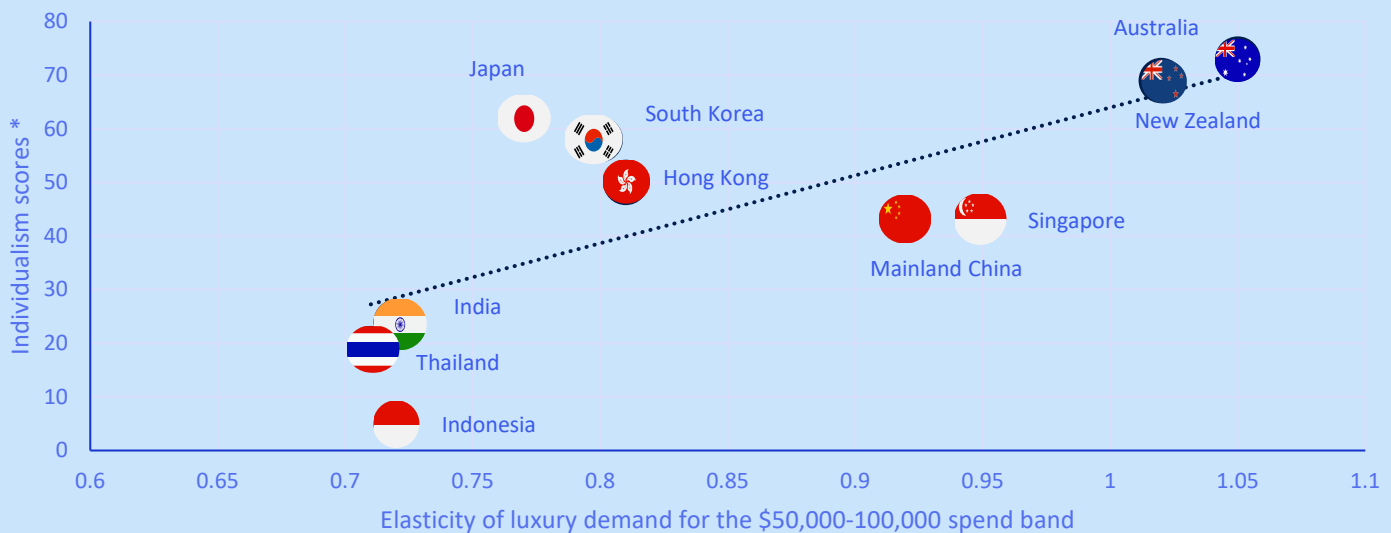
While income is a primary driver of luxury spend across Asia Pacific, the precise threshold at which the rate of increase in spending, relative to income, slows differs by market. For example, in Australia, elasticity starts falling beyond the \$50,000 spend level, while for Thailand it is at the \$10,000 level, reflecting the former’s likely strong social incentives for display of wealth. (Figure 2)

Cultural influences play a big role in this. When we compare the enthusiasm to spend extra income on luxury with a measure of individualistic<sup>3</sup> versus collectivist tendencies in a society, we find that societies where personal autonomy and self-expression are prized tend to see a greater rise in luxury spending as incomes increase. For example, Australia and New Zealand have the highest individualism scores (over 60) and also the highest luxury spend elasticity (above 1). (see Figure 3) This suggests a strong preference among consumers for personal indulgence. When catering to such groups, marketing strategies need to focus on exclusivity, status and the aspirational nature of luxury ownership.

Conversely, in collectivist societies, where social harmony and group approval are emphasized, luxury spending is more restrained and often motivated by community standing rather than personal enjoyment. For example, India and Indonesia have low scores for individualism as well as luxury spend elasticity. These consumers tend to be more conservative, even as disposable incomes grow. Here, businesses may need to offer targeted aspirational marketing and options that are more understated or designed for enjoyment in private settings.

Interestingly, Singapore and Mainland China have lower individualism scores than South Korea and Japan, but higher luxury spend elasticities. **This suggests strong aspirational tendencies among consumers in Singapore and Mainland China, who are more likely to splurge on luxuries if their incomes rise.**

Figure 3: Culture can shape the luxury spending curve  
Strong sense of individualism can tip the scale on luxury purchases



Source: Visa Business and Economic Insights analysis of VisaNet and The Culture Factor Group, "Individualistic Countries"

\*Higher scores indicate a greater degree of individualism

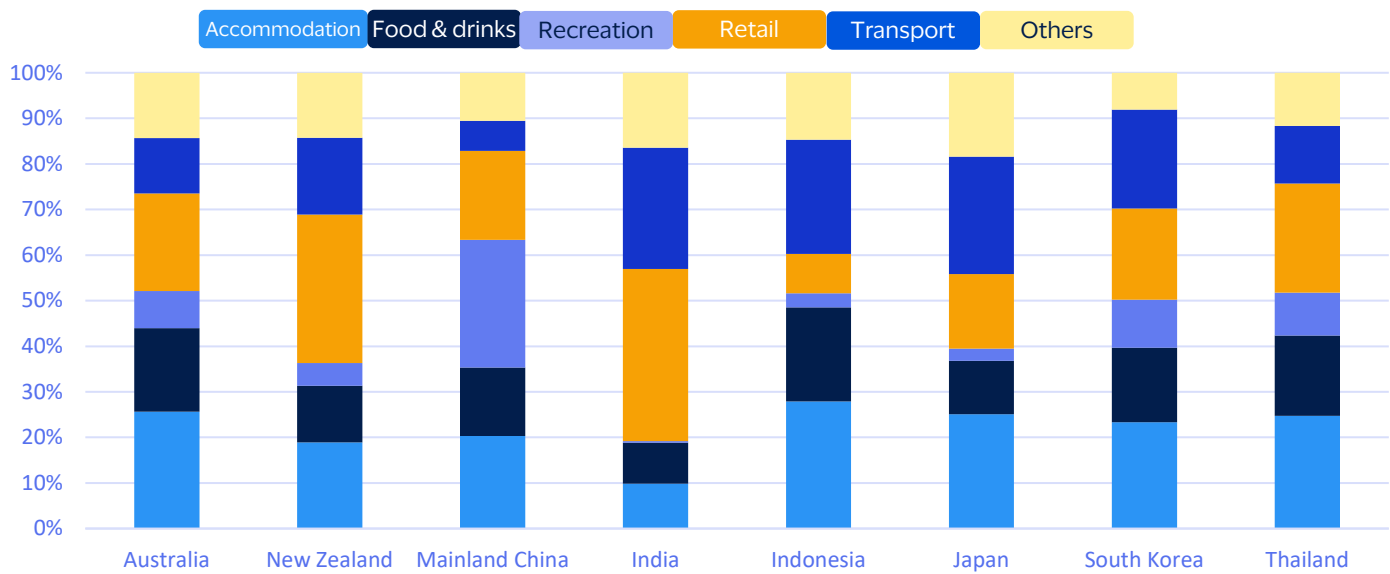
## Australians spend on hotels, Chinese on experiences

Another interesting trend that comes up in our research is that wealthier consumers (such as those in Australia, Japan and New Zealand) prefer to shop in person when buying luxury items overseas. This suggests that they are not only looking for exclusive products, but also a memorable experience. Ensuring high-quality, attentive service to these consumers will be a good way to win their loyalty and business.

Given that affluent consumers are increasingly responsible for a large share of travel spending, it is worth considering what Asians are buying when travelling internationally. Mature markets like Australia and Japan see luxury spending as a substantial proportion of total payment volume, with categories like travel, retail goods and entertainment serving as key drivers.

Our analysis of VisaNet data on outbound spend by Asian travelers shows that Indonesians, Australians and Japanese allocate the largest proportion of their travel spend to lodging compared with other countries, with high-end accommodation providers uniquely positioned to cater to their needs. Chinese consumers, who were once big on shopping while travelling, now tend to splurge on cultural and sports experiences as well as recreational activities instead. On the other hand, travelers from India still shop when abroad, presenting opportunities for travel and retail partners to collaborate on their offerings as the luxury market continues to evolve.

**Figure 4: Where Asian tourists swipe and spend abroad**  
 Spending on Visa cards by outbound tourists in 2024 (percent)



Source: Visa Business and Economic Insights analysis of VisaNet

As Asia Pacific’s luxury market continues to grow, cultural nuances and income elasticity will redefine consumer engagement. Market growth will not be uniform: aspirational segments in emerging economies will drive volume, while mature markets will require differentiated strategies to sustain share. Entry-level luxury offerings, experiences that resonate locally and cross-sector collaborations can help brands build loyalty among future big spenders. As competition intensifies, those who combine data-driven insights with tailored propositions will be best positioned to capture the region’s next wave of luxury demand.

## Accessibility notes

**Fig. 1:** The chart compares projected domestic luxury spending in 2030 across 10 Asia-Pacific markets, expressed in billions of U.S. dollars, alongside percentage growth from 2023 to 2030. Mainland China shows the highest projected spending at \$108 bil., followed by Japan at \$31 bil., and India at \$28 bil., Hong Kong at \$13 bil., South Korea at \$10 bil., Australia at \$9 bil., Singapore at \$5 bil., Thailand at \$4 bil., Indonesia at \$4 bil., and New Zealand at \$2 bil. Growth rates vary significantly, with India leading at 48 percent, Mainland China at 36 percent, and Indonesia at 32 percent. Thailand records 24 percent growth, while Australia and New Zealand show moderate increases of 13 and 14 percent. South Korea, Singapore, and Hong Kong range between 8.5 and 11.2 percent, and Japan shows the slowest growth at just over 1 percent.

**Fig. 2:** The column chart displays elasticity of luxury spending, defined as the percentage change in luxury spending for a 1 percent change in overall spending, across five income bands for 10 countries. For consumers spending under \$10,000 annually, elasticity values are highest, ranging from 0.99 in Japan to 1.23 in Singapore. In the \$10,000 to \$20,000 band, elasticity remains strong, with New Zealand at 1.31 and Singapore at 1.25, while Thailand is lowest at 0.99. For the \$20,000 to \$50,000 band, elasticity declines, ranging from 0.83 in Thailand to 1.29 in New Zealand. At \$50,000 to \$100,000, values fall further, between 0.71 in Thailand and 1.05 in Australia. For those spending over \$100,000 annually, elasticity is lowest, from 0.43 in India to 0.92 in Mainland China.

**Fig. 3:** The scatter chart compares luxury spending elasticity at the \$50,000 to \$100,000 spend level with individualism scores for 10 countries. Elasticity values range from 0.7 in Thailand to just over 1 in Australia, with Singapore at 0.95 and Mainland China at 0.92. Individualism scores, where higher numbers indicate greater individualism, range from 73 in Australia and 69 in New Zealand to 5 in Indonesia.

**Fig. 4:** A column chart shows the percentage share of Visa card spending by outbound tourists in 2024 across six categories for eight countries. Accommodation accounts for the largest share in Indonesia, Australia and Japan, at 27.92, 25.63 and 25.09 respectively. Retail spending is highest in India and New Zealand at 37.78 and 32.59 respectively. Food and beverage services peak in Indonesia and Australia at 20.62 and 18.32 respectively. Recreation, culture, and sport spending is most significant in Mainland China at about 28 percent. Transportation spending is highest in India and Japan at 26.63 and 25.75 respectively; other categories account for smaller shares.

## Footnotes

1. Visa Business and Economic Insights. (July 2025) [Affluent consumers set to drive global travel amid slowing world economy](https://usa.visa.com/partner-with-us/visa-consulting-analytics/economic-insights/affluent-consumers-set-to-drive-global-travel-amid-slowing-world-economy.html). Available at <https://usa.visa.com/partner-with-us/visa-consulting-analytics/economic-insights/affluent-consumers-set-to-drive-global-travel-amid-slowing-world-economy.html>
2. Same as above
3. @copyright [The Culture Factor Group. Individualistic Countries](https://www.theculturefactor.com). <https://www.theculturefactor.com>

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This report may contain forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are generally identified by words such as “outlook”, “forecast”, “projected”, “could”, “expects”, “will” and other similar expressions. Examples of such forward-looking statements include, but are not limited to, statements we make about Visa’s business, economic outlooks, population expansion and analyses. All statements other than statements of historical fact could be forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond our control and are difficult to predict. We describe risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, any of these forward-looking statements in our filings with the SEC. Except as required by law, we do not intend to update or revise any forward-looking statements as a result of new information, future events or otherwise.

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## Visa Business and Economic Insights Team

Wayne Best, Chief Economist  
[wbest@visa.com](mailto:wbest@visa.com)

Bruce Cundiff, Vice President,  
Consumer Insights  
[bcundiff@visa.com](mailto:bcundiff@visa.com)

Simon Baptist, Principal  
Asia Pacific Economist  
[sbaptist@visa.com](mailto:sbaptist@visa.com)

Mohamed Bardastani, Principal  
CEMEA Economist  
[mbardast@visa.com](mailto:mbardast@visa.com)

Michael Brown, Principal U.S.  
Economist  
[michael.brown@visa.com](mailto:michael.brown@visa.com)

Adolfo Laurenti, Principal  
European Economist  
[laurenta@visa.com](mailto:laurenta@visa.com)

Richard Lung, Principal Global  
Economist  
[rlung@visa.com](mailto:rlung@visa.com)

Dulguun Batbold, Senior Global  
Economist  
[dbatbold@visa.com](mailto:dbatbold@visa.com)

Weiwen Ng, Senior Global  
Economist  
[weiweng@visa.com](mailto:weiweng@visa.com)

Joel Virgen Rojano, Senior LAC  
Economist  
[jvirgenr@visa.com](mailto:jvirgenr@visa.com)

Jennifer Doettling, Director,  
Content and Editorial  
[jdoettli@visa.com](mailto:jdoettli@visa.com)

Michael Nevski, Director,  
Consumer Insights  
[mnevski@visa.com](mailto:mnevski@visa.com)

Minakshi Barman,  
Asia Pacific Economist  
[mbarman@visa.com](mailto:mbarman@visa.com)

Barsali Bhattacharyya,  
Asia Pacific Economist  
[barbhatt@visa.com](mailto:barbhatt@visa.com)

Travis Clark, U.S. Economist  
[wiclark@visa.com](mailto:wiclark@visa.com)

Hannah Heeran, European  
Economist  
[heeranh@visa.com](mailto:heeranh@visa.com)

Sean Windle, U.S. Economist  
[swindle@visa.com](mailto:swindle@visa.com)

Ashton Sein  
Associate U.S. Economist  
[asein@visa.com](mailto:asein@visa.com)

Jen Petosky, Analyst,  
Content and Editorial  
[jepetosk@visa.com](mailto:jepetosk@visa.com)

Juliana Tang, Project Coordinator  
[jultang@visa.com](mailto:jultang@visa.com)

For more information, please visit us at [Visa.com/EconomicInsights](https://www.visa.com/EconomicInsights)  
or [VisaEconomicInsights@visa.com](mailto:VisaEconomicInsights@visa.com).