

EVENTS/CAUSES

British luxury brands travel to China for face-time with ultra-affluent

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Chinese tourists are important for the London Luxury Quarter

By SARAH JONES

Fortnum & Mason and Selfridges are among the retailers and brands participating in the upcoming "London Luxury. By Appointment" event.

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Organized by the London Luxury Quarter, VisitBritain and British Airways, the event will bring together brands and ultra-high-net-worth individuals in Shanghai and Chengdu to make one-on-one connections with Chinese consumers in their home country. Wealthy Chinese consumers are important to British luxury brands, and forging this relationship in China will help make them more likely to shop with the participants when visiting London.

"I don't think it is a coincidence that this event comes after the UK announced an initiative to make Britain the most welcoming destination in Europe for Chinese visitors by 2020," said Gustavo Gomez, director of research and methodology at [Envirosell](#), New York.

"The Chinese consumer, and especially the wealthy Chinese consumer is a very desired target for many shopping districts," he said. "There are about 3 million 'millionaires' in China and luxury brands understand that this group of Chinese travelers have an appetite for high-quality luxury goods."

"Chinese tourists spend more than the average global traveler, and these UK brands want a share of that spending."

Mr. Gomez is not affiliated with London Luxury, but agreed to comment as an industry expert.

The **London Luxury Quarter** was unable to comment before press deadline.

Reaching out

London Luxury. By Appointment will take place Sept. 17-19 at the Langham Xintiadi and from Sept. 24-26 at the St. Regis Chengdu, which is opening Sept. 4.



Exterior of the Langham Xintiadi

Only those who are invited may attend, allowing the event planners to ensure that the audience is a good fit for the brands involved.

During the event, guests will be able to meet artisans, craftsmen, chefs and consultants from a number of brands across sectors, including watchmakers, retailers, fashion houses and restaurants. These include Bremont Watches, footwear brand John Lobb, tailor Gieves & Hawkes, automaker Jaguar and family perfumer Floris London.



Bremont Jaguar watch

The daytime workshops and appointments will wrap up each night with a cocktail reception.

For a number of these participants, this is the first time they have had personal interaction with Chinese consumers in their home country.

The London Luxury Quarter is a region of the former British city with high-end retail, comprising both Bond Street and avenues in Mayfair, Piccadilly and St. James’.



Gieves & Hawkes Saville Row store interior

Chinese tourists are important to this shopping district, so providing these one-on-one experiences may help to ensure that attendees visit these stores the next time they are in London. In a branded statement, the London Luxury Quarter chairman Mark Henderson explained that the district has seen “amazing growth in Chinese visitors in the past two years.”

Robin Johnson, head of overseas operations and China project director for VisitBritain, said that London has seen a 9.3 percent rise in Chinese tourists in 2013, and they spend on average \$4,217.

To make a personal connection, British Airways will have ambassadors greet the guests in both Shanghai and Chengdu.

Courting consumers

High-profile luxury brands consider China a top market for sales potential, while high-end retailers are in the earlier stages of entry into the country.

Retailers are slower to the game in mainland China, which was set to experience 7 percent growth in luxury goods revenues in 2013, according to a new report from Bain & Co. ([see story](#)).

Though high-end department stores lack a physical presence in the country’s major cities, Chinese tourism and custom ecommerce sites are helping retailers catch up to luxury brands’ awareness levels in the market ([see story](#)).

China is poised to become an even more important market for luxury brands.

The number of Chinese ultra-high-net-worth individuals with \$500 million will grow 6

percent in 2014, rising to 535 people, while the total population of China's ultra-high-net-worth individuals is not set to grow, according to a new report by Wealth-X.

Even though the total population of ultra-high-net-worth consumers in China is set to be stagnant in 2014, the number of wealthy individuals in China will grow to outnumber Japan's wealthy by the next Year of the Horse in 2026. Knowing that there will be a larger potential audience for their products in China than Japan in the coming years can help marketers plan for the future ([see story](#)).

"The organizers are trying to make sure that the British luxury brands are top of mind for the Chinese consumers," Mr. Gomez said. "While these brands are always at the top of global luxury brands the UK is not on the top 10 of preferred international luxury travel destinations according to a recent Chinese Luxury Study, putting these brands at a disadvantage.

"In bringing the brands to the Chinese consumer in their home country, these brands are not only creating a buzz, but they are demonstrating to these consumers that these brands are going out of their way to court them," he said. "For a luxury brand, it is not about a single product sale but about the lifestyle image of the brand and the relationship it creates.

"This is what builds the long-term relationship between luxury brand and consumer. By traveling to China, these brands are demonstrating that they want a relationship and not just a sale. And that creates many sales."

Final Take

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