

COLUMNS

In-China luxury brand Web performance: Not so luxurious

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Sellers of Western luxury brands are eager to capitalize on the new wealth of Chinese consumers by establishing and maintaining highly profitable ecommerce operations on the Chinese mainland. However, they face a set of challenges that can create a perfect storm for customer disappointment.

First, while poor customer service experiences negatively affect all retailers, luxury brands often take the biggest revenue and reputation hits when customers are not satisfied.

Luxury shoppers are accustomed to lavish, highly satisfying shopping experiences.

When subjected to anything less, 48 percent according to Spherion will make their feelings known, demanding an apology, refund or some other incentive. An additional 13 percent will not accept any reconciliation and simply refuse to shop again with the luxury brand.

Second, luxury shoppers worldwide are showing a growing preference for online shopping, which means brands must deliver extremely fast, reliable online shopping experiences that engage and delight customers.

However, Western luxury brands and Western retailers of all types, for that matter face major technical challenges when it comes to delivering strong Web performance in China, due to the China firewall.

Our recent analysis shows that many luxury brands have a long way to go when it comes to delivering the fast, reliable online interactions that China's luxury shoppers expect.

Q1 speed performance analysis

Our systems analyzed the in-China Web speed performance of 25 leading global and United States luxury brands conducting ecommerce there for the first quarter of 2016. We also compared performance to the same period last year.

In 2016, the average Webpage load time defined as the time it takes for enough elements on a page to load for the user to begin interacting with the page was 9.48 seconds. Seeing as online shoppers typically expect a page to load in two to three seconds, there is certainly room for improvement.

There were standouts.

Five companies successfully delivered Webpage load times of three seconds or less. These included Mercedes-Benz, Kate Spade, Lexus, Louis Vuitton and BMW.

Fifteen companies delivered Webpage load times in the four- to 16-second range, followed by four delivering in the 23- to 24-second range.

Three of the top six 2016 performers Kate Spade, Lexus and BMW were also in the top six in 2015.

In 2015, Louis Vuitton and Mercedes-Benz were strong performers in the four- to five-second range and only improved in 2016.

Kate Spade nearly doubled its page size how many bytes need to be loaded in the customer's browser this year, yet load times remained in the three-second range.

While page size does have an impact on Webpage load times overall, the top performers tended to be lighter, while the bottom performers were heavier it is not the only factor.

In fact, an analysis reveals there is no perfect correlation between page weight and performance.

Weighing in

In 2016, BMW and Mercedes-Benz (top performers) had page weights that were higher than the median, while Volvo Cars and Lamborghini (bottom performers) had page weights that were lower than the median. This suggests there is something else affecting performance likely Web sites incorporating third-party services that are blocked by the China firewall.

The lowest 2016 performers were Lamborghini, Volvo Cars, Gucci and Dior.

Two of these companies Lamborghini and Gucci were also among the lowest performers in 2015.

Omega Watches and Audi rounded out the bottom four in 2015, but improved considerably in 2016.

Whether these performance improvements are the result of page weight reductions is inconclusive.

Omega Watches actually increased in size by 27 percent, while Audi decreased by 23 percent.

Dior and Volvo Cars both dropped considerably in 2016, especially Dior. Dior had a page weight increase of 155 percent which likely attributed significantly to its drop while Volvo's weight increased only slightly.

Conclusion

The Web performance of Western luxury brands in China is very inconsistent.

Some luxury brands are doing great and seem to have it figured out, while others are doing poorly.

Most of the brands were somewhere in between, but what is most surprising is the huge disparity between the top and bottom performers.

While keeping pages lightweight does play a strong role in performance, it is not the only thing, and all the brands should pay particularly close attention to third-party services, which may experience problems with the China firewall.

These speed bumps can cause entire pages to slow to unacceptable levels or become totally unavailable.

CONSIDERING THAT luxury shoppers visit not just luxury sites, but also sites such as Amazon frequently, this lesson applies to not just luxury retailers, but all Western companies looking to establish an ecommerce foothold in China.

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