

MARKETING

## Chinese consumers have drastically changed, luxury markets must adjust

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Image source Peninsula Hotels

By BRIELLE JAEKEL

MUSCAT, Oman When tapping celebrity spokespeople to appeal to the Chinese market, it is imperative that luxury brands think of the long-term effects these individuals can have on the brand, said the editorial director of Vogue China.

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During the session "The Mindful Chinese Consumer" at Cond Nast International's Luxury Conference on April 5, the top editor explained how now that China has undergone a major shift in consumer behavior and in culture, sophisticated consumers care more deeply about luxury brands and the status they exude. This means that while celebrity campaigns can make a big impact for short-term profits, picking an individual that alienates affluent Chinese consumers could have detrimental long-term effects.

"With Vogue projects and brand partners, we put in a lot of effort into looking at where the brand comes from," said Angelica Cheung, editorial director at **Vogue China**. "We look in depth at the celebrity's career path and where they are heading.

"Then we select the right celebrity for the right brand for the right project," she said.

Change in consumer

Chinese consumers were originally known for wealth but without style. This concept has dramatically changed, which means marketers need to change alongside that.



Vogue China has developed a keen strategy when it comes to creating celebrity campaigns for luxury brands that do well in the short term as well as the long term.

The publication does extensive research on the brand, celebrities who may be a good fit and the career path of that celebrity.

Also, Vogue has an ongoing relationship with these celebrities, and attempts to mold a career path for them that aligns with the brands they have represented.



*Shoppers in China*

Developing a strategy such as that when dealing with celebrity campaigns is important because the demand for the celebs as spokespeople is high. Many brands clamor for the same celebrities and with demand so high, these campaigns become very costly.

#### Additional insight

Young Chinese consumers are also adopting mobile payments at a high rate, possibly signaling the need for luxury brands to strengthen their mobile payment platforms if they want to take advantage of this valuable demographic.

According to a report from Labbrand, roughly 86 percent of Chinese millennials are using mobile payments for offline purchasing. With an eclectic taste and mobile-savvy shopping habits, these young people represent a significant customer base that luxury brands can tap into if they are willing to invest in mobile payments ([see more](#)).

Art and luxury have intersected time and time again in China as brands work to find new ways to engage aspiring collectors and art enthusiasts, especially those within the country's budding market of Gen Y consumers.

Agencies and brands are increasingly using influential artists and their work to make inroads to connect directly to this audience through branding and commercial products.

Coming to Shanghai's Yuz Museum late this month is an artist who is adept at connecting these markets thanks to his growing following of youth in the United States: Brian Donnelly, widely known as KAWS ([see more](#)).

"Chinese consumers have grown old of owning luxury items alone, they are investing more in experiencing new things and new places and improving their knowledge of the world," Ms. Cheung said "The more Chinese travel, the more open-minded they will come.

"They will be more understanding of other cultures," she said. "They will become better customers."

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