

MARKETING

## UK, Chinese consumers' luxury sentiment, behavior run parallel: RCR

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*Chinese consumers prefer shopping at brand stores rather than multi-brand retailers. Image courtesy of Lane Crawford*

By JEN KING

Despite perceived cultural differences, affluent consumers in the United Kingdom and China have habits and attitudes toward luxury that are increasingly similar.

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Per Red Carpet Research's "[Affluent fashion trends: U.K. vs. China](#)" infographic, consumers in both countries purchase luxury in much the same way and have an interest in the same high-end brands. While notable differences do remain, it is beneficial for luxury brands to understand the shared sentiments that exist between two of the world's largest luxury markets.

[Red Carpet Research](#) looked at the purchase behavior, soft and hard luxury interest, top of mind awareness and categorical attitudes of consumers from both nations. The infographic is based on a sample size of 300, split evenly between the two markets, with a median household income of 127,100 British pounds for the U.K. and 950,500 yuan for China.

All agree

In terms of luxury brand awareness, consumers in the U.K. and China favor many of the same brands. When asked the first brand that comes to mind in different categories, such as fashion, automotive, hospitality and banking, responses overlapped.

For example, the top five fashion houses preferred by both markets' respondents include Chanel and Gucci.

U.K.-based respondents put Chanel at the top with 15 percent, while the French atelier ranks second among Chinese consumers. Kering-owned Gucci fares better in the U.K. with 13 percent, but only 7 percent, ranking fifth, in China ([see story](#)).

Similar results are seen in the automotive category. U.K. respondents favor Mercedes with BMW following in second place. In China, the order is swapped with BMW taking the number one spot.

Both markets agree that Italian automaker Ferrari is a luxury brand.



*Chanel is popular in both the U.K. and China. Image credit: Chanel*

In hospitality, respondents from both countries agree that Hilton is the leading hotelier in the luxury sector. Other overlapping brand rankings include Marriott, Four Seasons and The Ritz-Carlton.

Similarities continued when asked about shopping habits, particularly ecommerce behaviors. Per the infographic, 42.25 percent of U.K. consumers purchase apparel online, and 39.50 percent of Chinese shoppers do the same.

While online shopping is consistent across both markets, in-store retail is drastically different due to Chinese consumers' preference for making luxury purchase during vacations.

For consumers from the U.K., 75.4 percent of purchases are made within their home country and 24.6 percent are made abroad. For Chinese consumers, these figures are skewed in the opposite direction, with 53.4 percent of purchases made abroad and 46.6 percent in China.

Similarly, U.K. consumers make 56.70 percent of purchases at multi-brand department stores and only 43.30 percent at monobrand storefronts. In China, the percentage is flipped, at 45.60 percent and 54.40 percent, respectively.

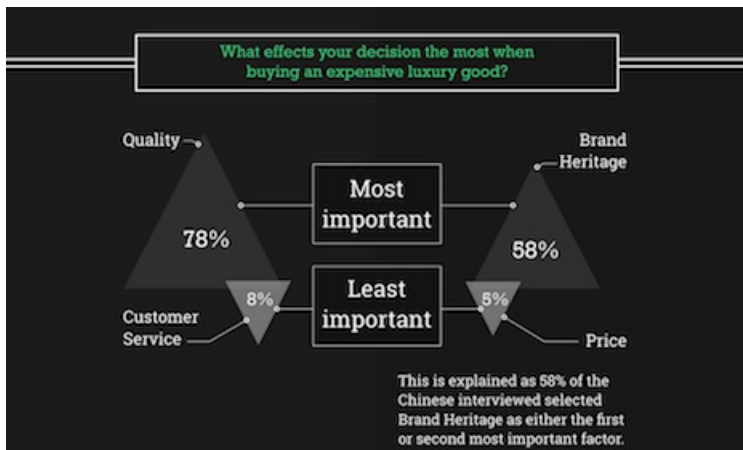
#### Attitude adjustments

While consumers in the U.K. and China agree for the most part when it comes to brand choice and are generally similar in retail methods, attitudes toward fashion are slightly different.

For instance, in China good style and fashion are of higher importance than in the U.K. When asked out of a score of 5, Chinese consumers place fashion sense as 4.73 in terms of importance, while their U.K. counterparts rank being fashionable at 3.85.

Despite preferring many of the same fashion houses, the characteristics required for a brand to sway a purchase decision varies among U.K. and Chinese consumers.

For example, 78 percent of U.K. respondents feel quality is the most important factor when making a luxury goods purchase. For Chinese affluents, brand heritage is the most important factor at 58 percent.



*U.K. and Chinese consumers rank quality and brand heritage as most important. Graphic courtesy of RCR*

The least important factors for the U.K. is surprisingly customer service while in China price has little impact on the purchase decision.

Per a report from Hurun and MEC, for Chinese high-net-worth consumers buying a gift, a product's good quality and

craftsmanship is a top consideration with 87 percent of those surveyed agreeing. Additional factors include a product's practicality, uniqueness and the attractiveness of its packaging.

Brand determinants include if the label in question is "high-end, to gain Mianzi," or the concept of social status, with 90 percent agreeing this is taken into consideration for a gift. Also, whether the brand is well-known and fits with the image of the gift recipient is factored into the decision process ([see story](#)).

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