

COLUMNS

Learnings from China's Golden Week and how to prep for next year

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Saisangeeth Daswani is head of advisory for fashion, beauty and APAC at Stylus

By A LUXURY DAILY COLUMNIST

By **Saisangeeth Daswani**

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Luxury retail has been known to capitalize on the enthusiastic spending habits of Chinese consumers.

Driven by national holidays such as Chinese New Year and Golden Week where gifting is an important element of these celebrations, it is an opportunity that brands from luxury banks to fashion cannot afford to ignore.

Having just concluded for 2017 during Oct. 1-8, Golden Week has become a trillion-dollar opportunity.

According to the National Tourism Administration, around 6 million Chinese consumers headed overseas, while 705 million holidaymakers made domestic and international trips, spending around \$87.68 billion (583.6 billion yuan) in total.

This investment mirrors a broader trend among Chinese consumers who are growing increasingly confident about their financial health.

Deciding whether to travel short or long haul is influenced by several factors; political stability, national security and safety, the strength of the local currency against the yuan and, of course, the quality of the shopping experience.

Experience (yes, that word again)

Experience is a word that has become synonymous with retail. For Mainland Chinese consumers, it really is what shopping is all about they want to be taken on a journey, told a story. An impressive array of stores is no longer enough.

Shopping is integral to the Chinese consumer's travel experience.

According to **McKinsey**, 80 percent of Chinese consumers have made overseas purchases, and nearly 30 percent even decide their travel destination based on shopping opportunities.

This year we have also seen more brands tapping into WeChat one of the biggest messaging applications in China

using the platform to entice and inspire Chinese consumers before they travel.

For Golden Week, Hugo Boss used consecutive WeChat posts to introduce popular shopping destinations globally and where to find Hugo Boss stores in those cities, thus ensuring that the brand was kept top of mind amongst Chinese travelers.

Hugo Boss also highlighted information about its Golden Week sales and gave consumers the chance to receive exclusive gifts on visiting one of its hero stores. It was a smart move that managed to offer an experience that felt unique even though it was directed at a vast audience.

Also leveraging WeChat, Furla made use of Chinese consumers' travel styles by asking them to send in their holiday looks, with the brand rewarding the best dressed with exclusive gifts.

Followers of the brand's WeChat account could also enquire about nearby Furla stores in the vicinity of their visits.

Similarly, in the United Kingdom, London shopping destination Regent Street helped Chinese consumers to celebrate Chinese New Year by setting up a QR code treasure hunt. Made available to its followers on WeChat and Weibo, exclusive in-store offers were unlocked by scanning corresponding stickers on store windows.

Tapping into Chinese-centric social media enables brands and retailers to feed tradition another increasingly important draw for Chinese consumers.

Embracing Chinese culture

While many prefer foreign brands, Chinese consumers appreciate when marketers incorporate Chinese culture and tradition into their products and services.

This is a concept that luxury fashion brands have started to tap into, but which could extend to any number of consumer industries including technology, beauty and food.

Louis Vuitton, for instance, launched abstract interpretations of the Chinese zodiac to offset stereotypical rooster motifs, while Italian leather goods brand **Tod's** created an understated pair of loafers featuring a rooster symbol hidden in the sole.

Subtly presenting the idea of a lucky dip to emulate the festival's focus on the auspicious, Japanese streetwear brand **A Bathing Ape** released a Happy New Year Bag collection, featuring a shoulder bag and two backpacks holding a random assortment of jackets, hoodies, sweaters, T-shirts and pants.

Logo fatigue

While many Chinese consumers still made luxe labels a priority element of their international shopping missions, we are seeing a shift among middle-to-upper class Chinese shoppers towards sophisticated looks and streetwear labels.

It is a trend that has gained momentum over the past two years and was solidified by the surprising collaboration between Louis Vuitton and Supreme, and holds lots of opportunity for luxury fashion brands in the coming year.

As the profile of the Chinese consumer becomes more dynamic, brands and retailers will need to think more creatively about how to target this demographic, embracing elements of both local and Chinese culture in their product and service offerings.

To get ahead for 2018, brand marketers need to start thinking about how they can add a cultural spin to their product ranges and engagement opportunities. Here are three key insights to get ahead:

1. Be relatable beyond product

To create campaigns that resonate with Chinese consumers, brands need to stand apart from the competition by connecting with consumers on their preferred platforms and offering information that could potentially add value to their travel and shopping experience.

2. Invest in cultural appreciation

As competition, local Chinese brands become more relevant. Brands can win by understanding, embracing and embedding elements of Chinese culture into their product offering.

3. Seduce with incentives

While experiences are gaining momentum, the bottom line for most Chinese consumers is still price. Offer unique limited-time incentives to drive footfall and increase in-store and online spending.

*Saisangeeth Daswani is head of advisory for fashion, beauty and APAC at **Stylus**, an innovation research and advisory company with offices in New York and London. Reach her at saisangeeth.daswani@stylus.com.*

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