

AUTOMOTIVE

McLaren joins UK trade delegation to China, partners with Chinese designers

January 31, 2018



McLaren has 10 retail locations in China with another on the way this year. Image credit: McLaren

By DANNY PARISI

British automaker McLaren is expanding its influence in the lucrative Chinese market as one of the brands accompanying Prime Minister Theresa May on her visit to China to discuss a trade deal between the two countries.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

McLaren expects to double sales in China this year and is celebrating by working with Chinese designers for a new car design with traditional Chinese artwork on it. The trip to China also represents the first big step in the U.K.'s effort to establish a beneficial trade deal with China after the country leaves the European Union.

"McLaren Automotive is recognized as an innovator that pushes the technical boundaries in areas such as hybrid powertrain, lightweight materials, the use of virtual reality and beyond," said Jens Ludmann, COO of McLaren. "So it is a great honor for us to help represent the best of British business in China.

"The UK is not only home to an incredibly impressive indigenous talent pool but is able to attract talent and expertise from all over the globe that allows us to create the world-beating products that we do," he said.

Trade delegation

Ever since the referendum on the U.K.'s membership in the European Union back in 2016, experts have been theorizing on how Brexit will affect trade between Britain and the rest of the world.

While making it more difficult, most have assumed that due to the U.K.'s importance in the luxury market, trade will remain strong in the coming years.

But since the Brexit vote, China has increasingly become a major player in the luxury world. Now, Prime Minister May is on her way to China to discuss potential trade between the two nations, which would be a significant boon for British luxury brands looking to capture sales from China.



McLaren is working with Chinese designers. Image credit: McLaren

McLaren is one of the U.K. brands accompanying Prime Minister May to China. The brand has recently opened its 10th retail location in China with another to be opened in Xiamen this year.

To celebrate its relationship with China, McLaren is creating a limited run of the 570GT Sports Series exclusively for China.

This series will be designed in collaboration with an as-yet-unnamed Chinese designer who will help decorate the car's interior and exterior with traditional Chinese art, combining Chinese art with British design.

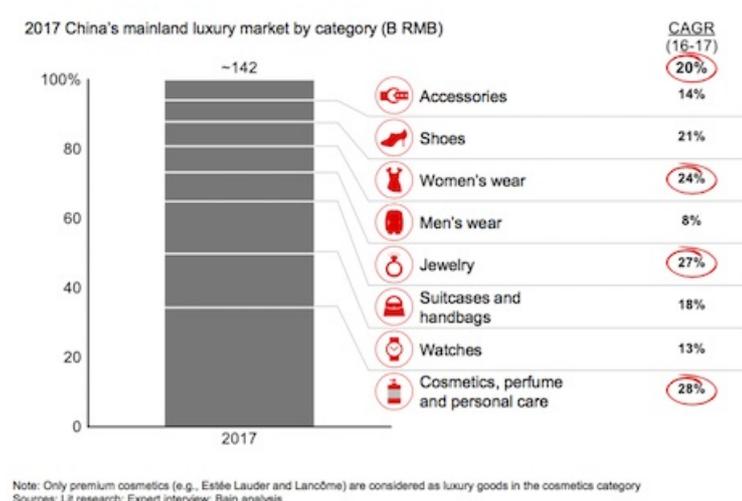
McLaren's ambitions

McLaren's efforts in China are part of a larger move on the brand's behalf to appeal to more of its international consumers around the world.

For example, McLaren opened up its first service center for its F1s in the United States with a location in Pennsylvania.

The limited-edition model, which was only produced in a run of 106, requires meticulous servicing on an annual basis. Prior to this facility, American owners had to ship their vehicle overseas for maintenance, leaving them without their car for significant amounts of time ([see story](#)).

One caveat to all this, however, is that most of China's considerable growth in luxury has come from domestic sales and categories outside of automotive.



China has not had a huge growth in luxury auto sales, but overall luxury spend is still high. Image credit: Bain

China's spectacular growth in luxury consumption recently is primarily driven by Chinese women buying ready-to-wear fashion, jewelry and cosmetics, according to Bain & Company.

Per Bain's "2017 China Luxury Market Study," China's luxury consumption is outstanding and outpaces much of the world. In addition to the value of Chinese consumers traveling outside of Asia, Bain's report also notes that Chinese domestic spending has outpaced overseas purchases in the last year ([see story](#)).

Despite this, the overall growth of luxury sales in China should be enough to convince any luxury brand, even an automotive manufacturer, of the importance of a strong relationship with China.

"China is increasingly important for a company like McLaren as we are set to import new models, expand our retailer network, boost investment and grow sales, all while working closely with local businesses, designers and craftspeople to jointly celebrate British and Chinese culture and talent," Mr. Ludmann said.

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.