

MARKETING

Asian brands poised for global growth

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South Korea's Gentle Monster has reached a global scale. Image credit: Gentle Monster

By SARAH JONES

HONG KONG – Asian companies are increasingly finding a global foothold in more mass categories, and investors see the potential for this trend to reach the luxury business.

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During a panel discussion at The New York Times International Luxury Conference on Nov. 12, speakers noted that brands from China and beyond in categories such as fashion and whisky are being discovered and accelerated on an international scale. With support from investors and partners, independent luxury brands from Asia will be able to break out in markets outside of the region.

"I think there is tremendous potential for independent designers to grow much bigger in the Asian market," said Wendy Yu, founder and CEO of [Yu Holdings](#). "Asian shoppers, especially the young millennial Asian shoppers, are going to be the future of the luxury shoppers on a global scale."

Branching out

Ravi Thrakan, group chairman for South and Southeast Asia, Australia and the Middle East at [LVMH](#) and chairman and managing partner at [L Catterton Asia](#), said that LVMH's thousands of employees often help discover new brands.

For instance, the company began noticing the South Korean brand Gentle Monster, whose sales were strong in the lucrative travel retail market. L Catterton Asia invested in the label last year, and today Gentle Monster has a shop-in-shop at Selfridges.

Countries such as Japan and South Korea have strong brands, such as popular skincare label SK-II. However, Mr. Thrakan believes that many top producers fail to effectively market themselves.



SK-II has become a leading global skincare brand. Image credit: SK-II

Ms. Yu also sees potential for independent Asian labels. However, brands have the challenge of communicating in a more global manner, requiring an international support system for help.

Yu Holdings is working with *Business of Fashion* on a China Prize for emerging designers. Finalists will get to show during Shanghai Fashion Week, while the winner will have the chance to present a collection at London Fashion Week.

Asian fashion is also moving in a more global direction as trends emanate from the region. Mr. Thrakan noted that the now lucrative business of handbag charms, which brands including Louis Vuitton have benefitted from, started as a style in Asia.



From left, Herry Han, Wendy Yu and Ravi Thrakan with moderator Elizabeth Paton

The region is also driving wellness trends. Herry Han, founding partner of [Lightspeed China Partners](#), said that what is now in fashion is jogging and meditation.

While China is increasingly part of the global luxury ecosystem, India is another story. The Indian luxury market is about 42 times smaller than China, which Mr. Thrakan partly attributes to hurdles such as red tape and infrastructure.

Another factor is India's typically local approach to luxury, with consumers seeking out goods that reflect their culture and styles.

International influence

South Korean beauty trends are taking the global skincare and cosmetic industry by storm as the Asian nation's demand for innovative solutions impacts product development.

The effects of the Korean Wave on international beauty companies are evident in the rising popularity of BB creams and cushion compacts, but that is just the tip of the iceberg. Speaking at the Condé Nast International Luxury Conference in 2016, an Estée Lauder executive gave insights into why Korea has become the prime source of inspiration for the beauty industry and explained how the company identifies ways to integrate and leverage Korean trends in its own businesses ([see story](#)).

Asian brands are also gaining a more global presence through partnerships.

The Council of Fashion Designers of America (CFDA) leveraged New York Fashion Week: Men's in February as a platform to introduce Chinese designers to international markets.

Together with Shanghai's Sunchi Brand & Technology Co., and in association with Alibaba-owned Tmall, the CFDA organized the first "Tmall China Day" during the week-long schedule of collection presentations. Part of the CFDA's five-year partnership with Sunchi, the effort is designed to build a connection between the Chinese and American fashion communities ([see story](#)).

"One of the main reasons of LVMH's success in Asia... [is] we were the first one to arrive," Mr. Thrakan said. "So when you go early, you pick up learnings and apply [them]."

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