

COLUMNS

Yin and yang of the Chinese luxury marketplace

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China is the world's fastest-growing luxury market. Image credit: Retail Store Tours

By **Daniel Hodges**

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Hangzhou, CHINA Chinese consumers are known for their love of high-end luxury goods, but like many consumers around the world, they are also looking for brand purpose in what they buy.

In Chinese philosophy, the yin and yang describe how opposite or contrary forces are actually complementary, interconnected and interdependent in the natural world, and how they give rise to each other as they interrelate to one another.

While the demand for luxury goods is high in China, increasingly so is the need for purpose.

The spin

Last week I conducted an in-depth review of the Chinese market, visiting with market leaders in Shanghai, Beijing and Hangzhou. I reviewed the luxury market, which is evolving rapidly. I met with Hangzhou-based Alibaba, where many luxury brands are now offering Chinese consumers their brands on Alibaba's Tmall service's and having great success buying luxury goods on their smartphones.

While it is easier to buy luxury goods on your smartphone, what is driving growth for brands in the luxury market?

One of the companies that may have the answer is Chacra, which combines the power of design with skilled artisans from Nepal.

Diane von Furstenberg talks about the power of design and once said, "There's design, and there's art. Good design is total harmony. There's no better designer than nature if you look at a branch or a leaf, it's perfect. It's all function."

Sharon Shi, founder of Chacra, said "all pieces [produced by Chacra] are handcrafted with soul, by artisans in Nepal, are designed to preserve the country's exquisite cultural diversity through craft and design."

The company offers high-end Tibetan rugs and handcrafted homewares.

"We believe our spaces should be a reflection of journeys we take and stories we tell, filled with design that encourages self-expression and purpose," Ms. Shi said.

"Chaccra expands on modern Nepalese aesthetics to create timeless homewares that inspire cultural engagement and inclusivity, bonding East to West by harnessing ancient Nepalese craft techniques to create contemporary design," she said.

THE NEXT WAVE of innovation in luxury will be in great part influences from the yin and yang impact of the Chinese luxury shopper.

Brand purpose could very well be the new metric for success in the luxury business.



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