

APPAREL AND ACCESSORIES

What brands need to know before livestreaming in China

May 1, 2020



A virus remedy for luxury brands during recent fashion weeks, can livestreaming extend beyond runways to provide them with a new sales platform? Image credit: Chanel

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Five years ago, before Chinese consumers were used to seeing livestreaming hosts with arms full of lipstick colors and shouting "Buy it! Buy it!" and they could "[See Now, Buy Now](#)" with a few clicks during the last Shanghai Fashion Week, livestreaming was only a niche tool found deep within the gaming and entertainment industries.

But when Chinese e-tailers found out about its ability to drive sales, the tool quickly went mainstream.

In luxury fashion, brands have used livestreaming for catwalks over previous seasons, but it was not adopted industry-wide until earlier this year when COVID-19 triggered a need.

After travel suspensions grounded Chinese celebrities and KOLs, leaving them unable to attend this year's fall/winter season, luxury brands from [London](#), [Milan](#) and [Paris](#) quickly started coupling up with livestream platforms to bring their runway shows directly to China's fashion watchers during the lockdown.

The results were promising: Chanel garnered more than 10 million views over a few days on Weibo, while livestreams from luxury players like Celine and Valentino also received six-digit engagements. Now, encouraged brands are lining up to create their own livestreams.

"Livestreaming is now the primary infrastructure for e-commerce moving forward," said Feng Yu, the current senior director of ecommerce content at Taobao, in a statement.

Since it was born in 2016, Taobao Live has become a behemoth of "ecommerce livestreaming," enabling consumers to shop via product-oriented broadcast sessions. The platform has birthed many top livestreamers like Viya and Li Jiaqi, whose sales contributed to a major share of Taobao's \$2.8 billion (20 billion yuan) in earnings during 2019's Singles' Day.

Alibaba might be the leading livestream player with more than 800 million monthly active users on [Taobao](#) and [Tmall](#), but many social networking platforms have been eyeing this new revenue stream.

As a result, the ever-expanding area of ecommerce livestreaming is expected to double in size from 2019 to over \$13.5 billion (96 billion yuan) in 2020, according to China and U.S.-based iiMedia Research.

So far, **Louis Vuitton** and **Burberry** are among the luxury players that bravely jumped on the product-oriented livestream trend. Meanwhile, brands such as Ports and Emporio Armani tapped into ecommerce livestreams through a Chinese brand management consultancy.

For some, there have been mixed results. Netizens complained about Louis Vuitton's livestream debut on **Little Red Book** because of its low resolution, shabby backdrops and salesy language.

"The larger the brand is, the more attention it would receive, whether the results are good or bad," said Yvonne Ching, who hosted livestreams for Burberry and Louis Vuitton, to *WWD China*.

Luxury brands have not found their footing in this new arena yet, but that does not mean livestreaming is off limits, especially after its initial successes during recent fashion weeks.

Below, *Jing Daily* has outlined important aspects that brands need to keep in mind when developing their livestreaming strategies in China:

Choosing a platform type

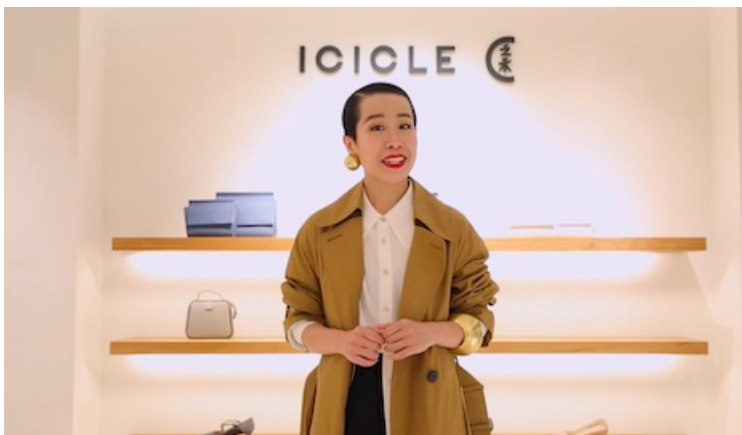
Admittedly, the landscape of livestreaming is getting crowded, and it is getting harder and harder for brands to find the right platform to work with.

Among the three sources for livestreaming tools, there are ecommerce platforms (Taobao and JD.com), **short-video platforms** (Douyin and Kuaishou), and social networking platforms (WeChat and Little Red Book). As all of these platforms are eager to showcase their successes and win new partners, how should brands choose?

ICICLE, a high-end Chinese brand that was part of Shanghai Fashion Week's livestream on Tmall which deploys the same tool as Taobao Live said it tried different platforms such as Douyin and Yizhibo before COVID-19 struck. Now, it mainly uses its own Mini Program within WeChat.

"We plan to continue using livestreaming as a medium to converse and share with our audience, and we want to keep the frequency at once or twice a week," said Amos Zhang, ICICLE's spokesperson.

The environmentally conscious brand just did a presale of its spring/summer Collection through this channel.



ICICLE invited stylist Tera Feng to host its Tmall livestreaming event and posted a short promotional video on Weibo beforehand. Image credit: ICICLE's Weibo

ICICLE has good reasons to stick with **Mini Program**. WeChat's official account is generally seen as luxury brands' first touch point to China's market and, as a result, its nascent livestreaming tool, which only announced **an open beta** this February, was born ready to serve these brands.

Mr. Zhang said ICICLE chose Mini Program Livestreaming because the results are within the brand's control and livestreaming participants could become followers of the official account.

Mini Program Livestreaming is seen as an added tool in the WeChat ecosystem, which currently has around 1.1 billion users.

"With Official Accounts, Mini Programs and WeChat Pay, the WeChat ecosystem offers many tools that can help brands interact with their target audience, grow a follower community, and improve sales conversion," said a spokesperson from WeChat to *Jing Daily*.

The interface is user friendly for consumers, who can avoid being directed to third-party apps or platforms to complete a sale.

Meanwhile, livestreaming platforms created by ecommerce and short video businesses each bring different results to brands.

"We are like a shop assistant, whereas Douyin is very strong at making advertising content," said Zhao Yuanyuan, the former head of Taobao Live, in a speech last November.

Mr. Zhao also added that ecommerce platforms are more results driven than social platforms.

Regardless of a brand's choice, those that are best placed to compete are the ones that firmly understand the role of livestreaming within their overall marketing scheme.

Driving sales might seem like the optimal result, but there is much more reward for luxury brands if they focus on long-term gain.

Choosing the content type

Decisions are far from over once a platform is chosen.

"Brands would have to decide: Do you want the viewers to experience the brand or drive sales?" said **Gabby Hirata**, head of business development at Diane von Furstenberg.

The brand recently worked with Alibaba's Tmall during **Shanghai Fashion Week** through the platform's "Show Now, Buy Now" format, but sales results were underwhelming, she noted.

"The format that has worked for us was the COVID-19 charity sale that featured Diane [the namesake founder] herself at our headquarters in New York City," Ms. Hirata said.

The session was casual and lively, with Ms. Hirata's colleagues jumping in and out to say hi, and Diane von Furstenberg herself saying "Jia You 加油!" to a Chinese audience.

As a result, the viewership started at around 500 people but eventually climbed up to more than 20,000 people.



Gabby Hirata (left) said the content format that has achieved the best results for DVF so far was the livestream of a charity sale. Image credit: Courtesy of Diane von Furstenberg

While many brands are still experimenting, some have already chosen how they will livestream.

Prada sees the tool exclusively as a way to build the consumer experience, at least for now.

In mid-April, the Italian luxury brand launched the first session on **Instagram Live** from its new digital talks series on culture, fashion and life.

"We want to focus on cultural conversations instead of selling products with livestreaming," said a Chinese spokesperson from Prada to *Jing Daily*.

When asked about any ecommerce opportunities the tool could bring, the spokesperson added that **the brand's new Tmall flagship store** and the online pop-up stores on WeChat Mini-Program shoulder the sales responsibilities.

For brands that are still indecisive about content, it might help to get a grasp of consumer behavior. The "See Now, Buy Now" livestream function might be harder for luxury brands because consumers are unlikely to buy expensive

items right away.

According to McKinsey & Company's China Luxury Report from last year, only 7 percent of the 1,000 Chinese luxury shoppers interviewed felt that they could decide on a purchase within a day, and most said they would need one or two weeks before deciding.

There is a lot of room for content improvement now.

ICICLE has gotten a lot of constructive feedback from viewers, Mr. Zhang said, including pointers about lighting, scripts and models.

For example, it was suggested that the models could be non-professional models because the public finds them more relatable.

Different forms of livestreaming such as cloud disco, cloud travel and cloud parties keep pushing the boundary of what this versatile tool can do, and brands might have to learn from their own mistakes to land upon the best way to use it.

Livestreaming, like any new tool, is hard to master, but as Ms. Hirata said, "You won't know what works until you try it."

Takeaways for tempted brands:

1. Apply brand guidelines to livestreaming details
2. Determine how to position livestreaming within your marketing and sales
3. Do not be afraid of trial and error

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