

MARKETING

Luxury brands' secret weapon in China? Social listening

June 22, 2020



Jing Daily spoke with luxury brands and agencies about how they have utilized social listening to make advanced moves in an unpredictable China market. Image credit: Balenciaga

By [Ruonan Zheng](#)

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

COVID-19 not only took a toll on the fashion business it also quickly heightened political tensions.

After going global, the virus caused a rise in anti-China sentiment overseas while fueling even more nationalist beliefs among the younger Chinese generations.

The latest Bain report **warned** that brands need to be extra aware of social media statements in the post-COVID-19 era, so as not to repeat the **Dolce & Gabbana** faux pas.

One useful tool in this regard is **social listening**.

For many brands, social listening has become a secret weapon for winning local markets in China. It offers many advantages: brands use it to monitor social voices, allowing them to avoid crises and assess campaign performances daily.

Better yet, it works as a way to listen in on a competitor's performance or predict budget-spending trends.

All in all, it empowers brands to make advanced moves on the always-unpredictable China market. *Jing Daily* spoke with industry veterans at luxury brands and agencies about how they have used this potent tool.

Detecting crisis situations early

One of the biggest benefits of social listening is detecting **PR crises** early on, which is why most brands use it daily to monitor alarming issues within 24 hours.

For example, an established luxury brand detected a possible racism allegation regarding one of its products overseas, and its local Chinese team used a social listening service to test out local sentiment right away.

However, since they did not find many negative voices on the subject, they decided to let the controversy die down organically without releasing a public statement.

In this case, social listening was useful to make informed, localized decisions on how to handle a PR crisis appropriately.

A few years ago, an accessible luxury brand found itself in deep controversy when Chinese netizens discovered it had used dog leather for its handbags.

The news quickly escalated online and drew a lot of attention from animal rights groups.

Picking up those social media conversations, the brand released a statement on [Weibo](#) right away to clarify that it did not use animal leather because it is neither ethical nor cost-effective.

As a follow-up, the brand conducted internal check-ups and released a series of consumer education programs.

Being able to detect this issue early saved the brand a lot of headaches and allowed them to act swiftly so as not to be boycotted in this important market.

Making informed business decisions

With social listening, brands can make more informed decisions, from understanding customer service satisfaction levels and spending behavior changes to the effects of pricing adjustments.

One brand disclosed that it had spotted a happy post from a customer through social listening that said how pleased they were to get a new bag from a sales associate after the handle fell off a bag they had recently purchased.

This kind of information allows a brand to get a sense of exactly which customer services are important to fulfill customer expectations.

Gao Ming, senior vice president and managing director of luxury practices in greater China at [Ruder Finn Group](#), shared a case study when social listening worked with a former client: LVMH-owned cognac house, [Mot Hennessy](#).

The goal was to push a campaign forward that reinforced and broadened consumer behavior in China by pairing Cognac with food. By monitoring social media, they came to understand what drinks consumers were pairing with foods and in which of China's regions consumers are more likely to do this.

Another more in-depth case involves a luxury fashion brand that used social listening to understand the price gap between three different markets: mainland China, Hong Kong and overseas.

In addition to qualitative and quantitative research, they looked at the price gap of other brands' core collections and a wide array of open-source social media platforms such as Weibo and [Little Red Book](#) to get a sense of general consumer response on the topic.

"Most luxury groups put a lot of emphasis on social listening for the sake of keeping up their reputations," Ms. Gao said. "Smaller brands may not have the budget to do so, and most may rely on searches from staff. It helps, but not being able to access general public sentiment still has limitations."

Reduce social noise

Social media is like a noisy jungle, particularly in China. Social listening is merely a tool, but each brand uses it differently to dilute social noise.

According to Ms. Gao, the most important thing that a brand needs is to nail down its strategies ahead of time so it can refine its searches.

First, it must know what kind of keywords to search. These usually include the brand name, brand terms in Chinese and English, and even product nicknames.

Afterward, brands usually conduct sentiment analysis to detect negative news that might need immediate attention.

Usually, AI results only ensure about 60 percent to 70 percent accuracy, so most brands still rely on manpower to reduce social noise.

Another reason for the rise in social listening is the growing number of platforms brands now need to cover compared only a few years ago.

One marketing veteran at an established luxury brand explained how the landscape of social listening changed in China, stating, "10 years ago, brands chose to monitor key search engines like Baidu, or maybe BBS. Now social media listening is a must and in a much wider net. The platforms range from [Bilibili](#) and [Little Red Book](#) to [Zhihu](#) and [Douyin](#) because those platforms attract the attention of young consumers, who are our potential shoppers."

The executive also stated that brands increasingly list **ecommerce** platforms as a part of their monitoring platform, as many buyer reviews and feedback have become important criteria for judging products.

And as more brands launch on Tmall's **Luxury Pavilion** or **JD.com**, the capability of monitoring buyer reviews and engaging with fans is as important there as any social platform.

However, listeners should stay aware.

In our conversations with a couple of luxury brands, we found that, in a market where trendsetting is key, social listening is just an added tool, not a cure-all.

Unlike brands in the fast-moving consumer goods (FMCG) industry that greatly benefit from timely adjustments to their strategies, luxury brands tend to gain the upper hand by becoming trend leaders.

Yet it behooves them to listen critically because, at the end of the day, consumers still appreciate brands that are authentic and stay true to their DNA.

*Published with permission from **Jing Daily**. Adapted for clarity and style.*

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.