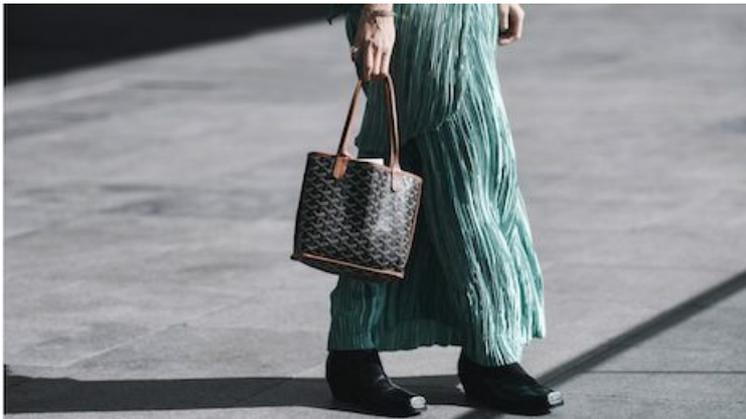


RETAIL

Why “invisible luxury” is China's latest trend

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Young Chinese consumers have been demanding brands step up their efforts surrounding mindfulness, health, and discretion, but COVID-19 has accelerated this process. Image credit: Shutterstock

By [Adina-Laura Achim](#)

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The pandemic has laid out an alternative path for the global luxury industry.

Even before the COVID-19 health threat, young Chinese consumers were insisting that brands step up their eco-friendly efforts and apply mindfulness to their creative processes. But the COVID-19 era has accelerated the process.

In a paper titled [Mindful Consumption: Three Consumer Segment Views](#), the authors suggest that "as consumers become more informed and make careful assessments in what to purchase, drawing upon mindfulness can serve as an antidote to the negative aspects of consumerism."

From their perspective, mindfulness "can lead toward enhancing consumer welfare by breaking down previously held consumption habits."

Indeed, modern consumers are more educated and better equipped to make informed purchases. They also have more choices for making an educated decision. As such, their values, beliefs and behaviors are evolving to emulate changes in society.

Conscious consumerism is a global trend that is largely associated with mature markets. But now, China's younger generations are bringing "[woke](#)" culture to the forefront.

Naturally, Generation Z differs greatly from previous generations.

While growing up, this cohort enjoyed a high standard of living and [witnessed China's transformation into a global economic superpower](#). Therefore, their consumption patterns and attitudes toward luxury are more mature.

Moreover, like Gen Zers in the West, these consumers adhere to high moral principles.

With consumers becoming increasingly invested in mindfulness, leading ecommerce platforms such as [JD.com](#) and [Alibaba](#) have begun investing in sustainable technologies and green-minded practices.

Additionally, provincial governments have shifted their focus toward environmental consciousness.

Various initiatives **backed by the government** and **ecommerce giants** have capitalized on green trends, which has magnified the call for mindfulness.

Independent designers have also embraced these eco-friendly practices and have created a blueprint for mindfulness and sustainable consumption.

Take, for example, the Shanghai-based **ICICLE**, which is pioneering responsible sourcing and sustainable production processes.



ICICLE, one of China's largest eco-friendly brands, uses natural materials such as Japanese organic cotton and cruelty-free Chinese heavy silk. Image credit: ICICLE's Weibo

But mindfulness did not materialize solely as a passion for sustainability. Consumers have also started prioritizing their health and comfort.

Wellness has been accentuated in the era when consumers have been forced to live with a killer virus.

Unsurprisingly, subscriptions for workout apps such as **Nike** and the Chinese app **Keep** have seen a boost this year.

Sales of home-fitness gear and activewear have also increased, and specialized gyms are booming.

Meanwhile, discreet luxury is another consumer trend that has become a priority post-pandemic.

Considering that the gap between the haves and the have-nots has grown significantly in the past year, it is hardly surprising that the affluent class avoids displaying their wealth and now prefers a more discreet, silent form of luxury.

In a world where tens of millions of people are still struggling to make ends meet, privacy and discretion have become commodities.

While homes in gated communities and private buildings were gaining momentum even before the pandemic, the growth of these neighborhoods should further change "**China's urbanization trajectory.**"

Meanwhile, clandestine luxury experiences and secret concierge apps are also in demand.

As such, luxury labels such as **Goyard** and **Hermès**, famous for their elusiveness, are in vogue.

Moreover, a hike in online sales should also be considered a sign of discretion. The **wealthy class is buying luxury goods online**, hidden from unidentified foreign eyes.

Finally, if there is a clear sign that anonymity is the new luxury in China, one could point to a growth in asset transfers.

China's elite is becoming increasingly Westernized when it comes to offshore investing, with the affluent class now hiding its wealth in **anonymous shell companies**, concealing assets because of fear of greater public scrutiny.

According to *The Guardian*, in 2018, Sun Hongbin transferred \$4.5 billion in shares of his Chinese real estate firm to **a South Dakota** company. It is safe to say that the pandemic only fueled this trend, and more affluent Chinese have

avoided tax audits by moving their assets abroad.

There is also a group of affluent individuals who are considering the option of a full-time move abroad.

The South China Morning Post highlights that the arrest of Chinese entrepreneur Sun Dawu and the clampdown on big tech "has sent chills through some quarters of the business sector."

"Many are conflicted and feel under pressure given changing rules in China and around the world move now and risk infection or delay and risk assets being seized by the government, in what is perceived to be a campaign against private businesspeople," said He Huifeng, senior China and tech reporter on *The South China Morning Post*.

China is rapidly changing, and the luxury industry needs to evolve faster to embrace these recent developments.

For too long now, **mindfulness has been associated with white privilege**. But today, the practice has become truly global because of the Chinese customer effort.

Soon, luxury brands that build mindful experiences and invest in exclusive and discrete marketing strategies rather than loud digital media campaigns will reconquer the hearts of the privileged few.

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