

MARKETING

The new digital paradigm for luxury brands in China

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A large part of China's luxury sales now happen digitally, thanks to a new set of rules that every luxury brand must know. Image credit: Shutterstock

By [Daniel Langer](#)

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China's appetite for luxury is growing at accelerating rates and, in 2025, the country will **account for half** the world's luxury purchases, beating earlier estimates placing this date at 2030.

Unsurprisingly, a huge chunk of China's growth has come from digital sales.

With more than 1 billion users, **WeChat** is the country's leading platform, followed by an increasing number of smaller social-selling sites that offer some combination of chatting, social media, and digital storefronts. These changes have had dramatic consequences, creating a whole new game in luxury.

I will start with preference creation. Our research indicates that up to 95 percent of purchase decisions in luxury now get made along the consumer's digital journey by following **key opinion leaders**, **key opinion customers**, livestreams or any other digital marketing tool.

In other words, if a brand can win over consumer hearts during the digital journey, it will also win over their wallets. If brands lose online, they won't make sales. It's as simple as that.

These new rules have had harsh consequences for many luxury brands, especially smaller Western ones. Their content must fit specific platforms in China while remaining true to the brand DNA.

WeChat content needs to differ from Little Red Book or TikTok content, for instance.

If marketing does not feel native to the platform, then it is not going to feel authentic. And if it is not authentic, it will not create desire.

Therefore, many brands have already lost a competitive advantage long before a customer enters their digital storefront or considers the brand. That is, in part, why the top-10 luxury brands increased their lead over smaller brands in China. It is not simply because they spent more. It is also because they have mastered local content, making their brand storytelling specific to all platforms.

However, digital mastery in China actually does much more for a brand. Take WeChat, for instance.

When I analyze the performance of luxury brands along critical dimensions like search options, personalization, live support and product presentation, most of them have significant gaps compared to the industry's leaders, costing them conversion rates and lost customers.

For example, many Western brands have the same standard response times in China as in the United States or Europe.

While customers in both regions are used to waiting endlessly in holding patterns, desperately trying to get a representative in front of them, for China, the best practice is now between six and 10 seconds, no more. The list of mistakes like these goes on and on.

As such, many luxury brands are underperforming in China in two critical areas: the **pre-purchase journey** or what I call the "new moment of truth" and the digital purchase experience.

Pair this with lackluster aftersales services and customer connectivity, and the number of brands that leave millions of dollars in potential revenues on the table becomes enormous.

But with the Chinese luxury market's rapid growth and quickly accelerating digitization, those gaps will seem like a minor underperformance in the future. Over the next three to five years, they will separate the winning brands from those sure to have zero relevance in China.

So what should brands do?

The times of digital transformation, digital acceleration and digital focus are long gone.

Brands now need to radically rethink how they can gain a digital competitive advantage, starting with the desire creation phase and moving to the store and shopping experience. Then, finally, they must provide personalized and relevant post-purchase follow-up communications.

But, most importantly, the **customer journey** must be more than just transactional. It must send a signal of luxury all along the way by providing experiences customers have never had before a hard-to-achieve goal in digital where many aspects are standardized.

A critical component is the last mile, an unbelievably important yet often underestimated step for luxury brands.

If the shipment arrives late, which in China can mean 10 minutes after the promised time, or if the box is damaged, the luxury experience suffers.

Unfortunately, I still see too many occasions where that happens, and the moment the customer gets her product bridging the digital and physical realms does not live up to expectations.

Your brand must think beyond "omnichannel." Instead, think 360-degree customer experiences that feel luxurious in every aspect. The clock is ticking.

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