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What luxuries China still craves from the West

October 15, 2021



Demand for imported luxury goods remained strong in 2020, despite the pandemic. But what do Chinese buyers want the most from abroad? Image credit: BAPE's Weibo

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Consumers in China can find every conceivable product in their domestic market, as ecommerce giants such as Alibaba and JD.com have partnered with some of the most acclaimed global brands to **bring innumerable foreign products to their shores**.

According to data released by China's Ministry of Commerce (MOFCOM), demand for imported consumer goods, especially beauty and luxury products, remained strong in 2020, despite the pandemic. Imported consumer goods were booming, rising by 8.2 percent to \$242.1 billion (1.57 trillion yuan) in 2020, year-on-year.

Meanwhile, on the other hand, sales of domestic consumer goods shrank by 3.9 percent, according to the National Bureau of Statistics and *The South China Morning Post*.

But despite the plethora of products available on the Chinese market, consumers cannot locate all the items they want. And although international luxury products get quickly snapped up through ecommerce Web sites and physical retailers, certain items still are not available for purchase in China.

So, what products that Chinese consumers crave that are not always available locally?

Infant formula

Most consumers would not associate baby formula with luxury purchases. But in a country that **still has not fully recovered** from the 2008 food safety scandal that killed at least six infants and harmed 294,000 babies after consuming milk powder laced with melamine, foreign-produced infant formula is preferred.

According to Export2Asia, infant formula is one of the most imported products in China. The digital publication also highlights how Chinese families resort to the services of daigous to get their hands on these highly coveted milk formulas.

Baby milk brands from Australia and New Zealand depend heavily on China. New Zealand's A2 Milk Co. cut its

forecast in May for the second time in five months after its revenue declined by about 30 percent in the second half of 2020 because of disruptions in the daigou market, according to *Bloomberg*.

Luxe baby and maternity cosmetics

New parents constantly worry about the chemicals and harmful ingredients found in baby cosmetics. And pregnant consumers worry about finding pregnancy-safe beauty products for themselves.

Established domestic beauty brands and international players such as L'Oral Paris have already developed pregnancy-safe skincare.

Nevertheless, domestic consumers still prefer imported stretch mark creams, diaper rash creams and maternity oils. Why? Because many Chinese shoppers believe international labels use better ingredients in their products, which have been manufactured for the Western market. As such, they prefer to buy them abroad.

Eastern European consumers share similar views. And laboratory tests have confirmed that some global brands use cheaper and lower ingredients in groceries sold in Eastern Europe.

Korean skincare and K-Pop-owned brands

South Korean skincare is undoubtedly available across China. And yet, beauty junkies know that there are more brands out there than Hera and Sulwhasoo. K-Beauty fans love returning to the services of daigous for all the latest facial kits, masks and facial devices coming out of Seoul.

Additionally, K-Pop-owned brands like **RDVZ** and Tempus Studio have become in demand with the cool crowd in China.

Market-specific streetwear brands

Some Japanese and Korean **streetwear brands** are harder to come by in China or are only sold at concept stores for a premium price. Therefore, customers prefer to acquire them through daigou channels.

For example, A Bathing Ape, MIYAGIHIDETAKA, and Mischief have become popular with the younger Chinese demographics.

Country-specific products and special luxury collections

Pre-pandemic, my husband booked a flight to Paris to buy a hat. He jetted between continents for 72 hours just so he could buy a wool fedora from a famous French luxury brand. Hats from the same maison are available at Neiman Marcus and Net-A-Porter, but he believed that the collection on the U.S. market is limited in sizes and designs.

Let us face it: He is hardly the only one who enjoys cross-border shopping trips. Millennial and Gen Z consumers are used to shopping differently than older generations. They do not feel any shame in buying pricey items abroad.

For example, while living in Spain, I befriended a young Russian woman who traveled for a weekend to Barcelona just because she wanted to buy a Tiffany & Co. necklace.

Pre-pandemic, **European luxury cities** lived off the back of affluent millennials and teens from the Asia-Pacific, Latin America and Eastern Europe who felt their shopping options back home were limited.

These young urbanites chased country-specific releases and limited-edition collections made available only in selected countries because their ownership communicates affluence.

Indeed, these modern shoppers can afford the luxury, but they are even wealthy enough to hop a flight and travel across the globe to buy a necklace or a leather bag. And these items are even more appealing today, with travel restrictions delaying international shopping sprees.

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