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MARKETING

## China's crackdown on celebrity culture is just getting started

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China's celebrity and influencer crackdown has transformed elite athletes like Eileen Gu into top brand ambassadors. Image credit: Louis Vuitton

By Jing Daily



The following is an excerpt from Jing Daily's Insight Report "What China's Big Celebrity Crackdown Means For Luxury." Packed with 51 pages of market research, case studies and best practices, the report is a must-read for anyone interested in understanding what China's wide-ranging crackdown on celebrities and "fan culture" mean for luxury today. Get your copy today on Jing Daily's Reports page.

Despite forcing a major rethink of marketing with celebrities, China's ongoing crackdown may ultimately be a net positive for luxury brands in China, forcing them to get more creative about who they want to represent them, rather than simply enlisting the hottest new idol or jumping on every viral trend.

Already, a significant amount of marketing innovation in China has come from streetwear and sneaker culture, where subject matter experts and enthusiasts are establishing themselves as influential trendsetters who can also move products.

A growing number of deeply knowledgeable Chinese consumers have successfully leveraged their expertise by launching their own online stores to resell sought-after sneakers, accompanied by chat pages that invite customers and other sneakerheads to share comments and ideas.

This type of knowledgeable individual, who is happy to share opinions on style, brands and trends, is known in China as a key opinion consumer (KOC).

Unlike key opinion leaders (KOLs), who can have tens of thousands to millions of followers, KOCs may just have a few hundred social media followers, yet they are likely to be seen as more trustworthy owing to their more authentic content.

In the West, KOCs are also known as "Genuinfluencers" who are more interested in "sharing advice, discussing their passions and spreading unbiased information, [rather than] pushing a new product or collection."

In fast-growing yet still niche communities such as the one revolving around rare sneakers, previously obscure

KOCs have become top influencers, offering luxury brands the possibility of turning to experts within specific communities to promote new lines or collections.

Along the same lines, China's current crackdown-heavy environment offers brands an opportunity to experiment with a strategy that was more widely adopted during the early days of the COVID-19 pandemic: in-house influencers.

When stores were shuttered and events canceled during China's 2020 lockdowns, brands and merchants quickly flocked to platforms such as Taobao Live and Douyin to stream video from their showrooms, deputizing in-house staff as expert "hosts." This strategy could prove highly effective for brands interested in the KOC route but concerned that the individual will be less well-versed in the brand than an in-house staff member or be unable to accurately answer questions.

Other brands have gone further than just taking influencer marketing in-house, opting to build extensive content infrastructures.

In March 2021, Procter & Gamble-owned Japanese cosmetics brand SK-II announced the launch of its own production arm, SK-II STUDIO, with a mission to explore the current social pressures and challenges faced by women.

The studio's first short film, The Center Lane, directed by former Palme d'Or winner Hirokazu Koreeda, drew a positive response from Chinese audiences, attracting more than 3 million views for the #SK-Ilstudio hashtag on Weibo.

Elite athletes are another influential group that more luxury brands may turn to amid the celebrity crackdown.

With outdoor and winter sports lines and brand collaborations becoming a goldmine for luxury brands in China, brands may look more to high-profile athletes, particularly after the 2022 Winter Olympics in Beijing, as a new crop of medal-winning Chinese athletes is set to draw much adoration from patriotic fans.

However, they will not be completely spared from the ongoing crackdown.

On Sept. 30, the Chinese Olympic Committee warned in a statement that fans should "chase [Olympic] stars rationally and avoid improper words and deeds," noting that "recently, out of their love for national team athletes, fans have displayed excessive behaviors in public areas such as airports, such as pulling and pushing athletes, which has caused a negative social impact."

Get your copy of "What China's Big Celebrity Crackdown Means For Luxury" today on Jing Daily's Reports page.

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