

MARKETING

Is livestreaming still relevant to Chinese luxury shoppers?

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Fashion, beauty and jewelry top the categories ranked by GMV on Taobao's livestream platform. How can luxury brands leverage this opportunity? Image credit: Shutterstock

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Alibaba's online marketplace **Taobao** continues to defend its leading position in China's ecommerce livestream arena.

According to the "2022 Taobao Livestream Annual New Consumption Trend Report" released in collaboration with local research institution iResearch, Taobao's livestream platform has accumulated more than 50 billion viewers since its establishment in 2016.

In 2021, the average viewing time for livestreams on the site increased by 25.8 percent, and the top three categories ranked by gross merchandise volume recorded via livestream were women's apparel, beauty and jewelry.

The Jing Take: Online sales channels are becoming increasingly important for luxury houses, given that COVID control regulations have disrupted the operation of bricks-and-mortar stores in China and local shoppers have shifted towards ecommerce.

In the past two years, discerning brands have built up their own livestream channels, in addition to betting on top hosts such as Li Jiaqi. And the beauty lines of luxury players such as Dior, Gucci and Armani are leading the game.

According to Taobao, more than 90 percent of luxury beauty brands tapped into livestreaming, and revenues garnered via their brand-owned channels saw 187 percent year-on-year growth as of March.

Luxury houses with high price ranges are usually more prudent when it comes to curating content on their livestreams.

For example, Burberry rolled out a mother-and-child themed livestream session on Tmall last year that was distinct from typical livestreams.

Instead of using hard-selling tricks, the program shared shopping experiences from the perspectives of the hosts also mothers in addition to introducing Burberry's house legacy and styling tips for children.

In March, Tmall Luxury Pavilion launched a virtual consultant feature that imitates the VIP Rooms at offline luxury stores, offering exclusive shopping guides and **one-on-one livestreams** to showcase the products.

Brands such as Burberry and Cartier have now incorporated this feature into their Tmall flagships.

However, whether livestreaming can become luxury's cash cow in the future depends on how brands create exclusive online services and deliver a seamless virtual shopping experience.

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