

RETAIL

How to woo big spenders? Louis Vuitton, Chanel and Dior open VIP salons at SKP Beijing

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At Beijing SKP, Chanel, Dior and Louis Vuitton have opened dedicated salons for their top VIP spenders. Image credit: Xiaohongshu

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On a recent earnings call, [Chanel](#) revealed its plans to open private boutiques dedicated to its VIP customers, starting in Asian cities. This is hardly surprising when faced with the scenario of frequent, long queues outside its boutiques around the world hardly a luxury experience.

And it is not the only luxury giant to adopt this strategy. During the latest [quarterly financial report](#), French conglomerate LVMH whose revenue rose 20 percent, beating analyst estimates also outlined its focus on "continuously strengthening the desirability of its brands" to meet the preferences of ultra-high-net-worth VIP clients.

Luxury brands' desire to please high spenders is evident and this is already playing out in China.

At Beijing SKP the prestigious mall with the highest sales in the country Dior and Chanel have recently taken the third floor of the building to open VIP-only salons. The first one to do so was Louis Vuitton. And they are not as visible as you would think, as 36-year-old Chen Xiaochen, partner of a commercial design firm in Beijing, found out.

The Chanel customer explains how "on the facade of the salon, 31 Cambon" is written the name of the street where Chanel's Parisian boutique is." Clearly, the reference would be highly challenging for non-Chanel shoppers to recognize. But as Philippe Blondiaux, the group's chief financial officer, intimated during the [yearly earnings release](#) this May, that is probably the goal.

"Our biggest preoccupation is to protect our customers and in particular our pre-existing customers," Mr. Blondiaux said. "We're going to invest in very protected boutiques to service clients in a highly exclusive way."

Given this, *Jing Daily* investigates how brands are courting HNWIs and how these VIP experiences are perceived and analyses the return on investment for businesses.

VIP salon experience and offering

These mysterious private boutiques guarded by black-suit-wearing bodyguards have captured the imagination of netizens.

On Xiaohongshu, users call them the "little black rooms."

"It's seen as a privilege for loyal shoppers to be invited in," said James Hebbert, managing director of China digital marketing agency Hylink.

So, what do they look like?

Dior's private boutique offers three rooms all by reservation managed by the deputy store manager. Given the limited number, only loyal existing customers have access to them.

"It rarely happens that sales associates bring new customers in," a Dior employee who wishes to remain anonymous reveals to *Jing Daily*.

The employee added that the salon concept is totally different from the boutiques.

"Rather than a store, it is like a gallery, where the brand's culture and DNA are showcased," she said.

From images circulating on Xiaohongshu, it is evident that the maison has recreated a smaller size version of the *Designers of Dreams* Dior wall.

Chanel's exclusive store is similar.

Internal sources revealed that experience is all that matters there. The latest collection and hard-to-find blue-chip pieces are presented as if in an art gallery. Spacious tweed sofas run along the walls, where artisanal tools that highlight the house's craftsmanship hang.

Besides one-to-one sales service and consulting, VIP salons have much more to entertain HNWI's.

With intimate trunk shows and private pre-orders, as well as exclusive gatherings, birthday surprises and high-end educational courses, "we can say that to a certain extent, the luxury brand VIP salon has become a social club for the luxury consumer," said Charmaine Lin, general manager and client partner at Chinese communications and marketing solutions agency Gusto Luxe.

What do HNWI's think of luxury VIP salons?

One VVIC very, very important client of Dior shared her retail routine on the condition of anonymity. Whenever she wants to buy something her sales assistant books her one of the three rooms at Dior's VIP salon.

"The experience is super premium," she said. "The sales team always prepares the clothes in my size in advance and welcomes me with my favorite desserts and drinks."

Recently, luxury research and consulting institute **Yaok** released a survey on Chanel's VIP-exclusive boutiques based on 300 shoppers, 60 percent of whom were **HNWI's** with a net worth of more than \$1.5 million (10 million RMB). More than 80 percent of respondents said that Chanel's initiative of opening VIP salons resonated well with them.

"Affluent wealthy women, who consider luxury clothing and furniture part of their lifestyle, desire new, exciting and high-quality products and, of course, privileged treatment," said Danni Liu, general manager of Chinese integrated creative agency iBlue Communications.

Investing in loyal HNWI's. What is the ROI?

Before Dior and Chanel, prestige skincare outfit La Mer held invite-only VIP gatherings in five-star hotels from time to time.

Chinese high-end fashion label ICICLE and luxury alcohol company Louis XIII also opened their own VIP salon spaces to lure high-spending clients.

However, Gusto Luxe's Ms. Lin believes that being able to open independent VIP boutiques in one of the most premium shopping malls in the country is proof of a certain industry status.

"Those high-net-worth individuals who are invited will also feel more valued, and thus deepen their loyalty to the brand," she said.

The private space and tailored experience significantly boost the intimacy between brand and customer.

"Once you've experienced the VIP service, no one likes to accept a consumption downgrade' to the regular boutique," Hylink's Mr. Hebbert said.

As per internal sources, a VIC or VVIC status is not lifelong. Therefore clients need to keep up their high-purchase volume to retain membership.

As such, the better and the more exclusive the experience, the less HNWI's want to be excluded from it. It is foreseeable that in the future, more luxury players are going to follow suit.

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