

MARKETING

Are hard luxury brands doing enough to engage China's Gen Z?

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Chinese Gen Zers love hard luxury, but need unique experiences to build brand loyalty. Image credit: Shutterstock

By A LUXURY DAILY COLUMNIST

By [Jing Daily](#)

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The following is an excerpt of an exclusive interview that appears in Jing Daily's report, [The Secrets to Selling Hard Luxury To China's Gen Z](#). Packed with case studies and market insights, the report examines what sets China's ascending Gen Z consumers apart from their millennial forebears, and what hard luxury brands can and should do to attract this fast-growing demographic. Download your copy today [on our Reports page](#).

Based in Shanghai, Chloe Reuter is founding partner and co-CEO of [Gusto Luxe](#), one of Asia's leading integrated luxury agencies.

With a team of more than 130 and offices in Shanghai, Hong Kong, Singapore and London, Gusto Luxe represents some of the world's most celebrated luxury and premium brands, including Harrods, Canada Goose, Swire Hotels, Estee Lauder Companies, Tourism Australia and LVMH. She talks to *Jing Daily* on what it takes for hard luxury to successfully reach China's Gen Z.

What are some of the interesting or innovative things you are noticing luxury watch and jewelry brands effectively doing, either on- or offline, to attract Gen Z in China?

Chinese luxury consumers, in particular the younger demographic, are placing a much higher value on brand experience, services and design than ever before.

Young Chinese consumers are using luxury items such as jewelry and watches to express their individual style and taste, not necessarily to follow a trend.

Because of this, luxury watch and jewelry brands need to create unique experiences, preferably that allow for personalization and individualistic expression.

In addition, online has become an increasingly important channel for luxury, not only for sales, but as a way to connect with, and provide these desired experiences and services.

Take, for example, Chaumet's WeChat mini program which lets users measure their finger size. Or Cartier, which provides tailored services like engraving, gift wrapping and premium delivery service via their ecommerce store on Tmall.

How worthwhile is it for luxury brands to invest marketing resources in Gen Z in China the post-95s or post-00 consumers, in particular or are they too niche of a demographic? Should they instead focus more on millennials and millennial influencers instead, since they are becoming such big spenders?

Chinese millennials and Gen Z can hardly be considered niche target audiences.

In fact, they represent nearly half of global luxury sales and yet they are less loyal. This puts the onus on luxury brands to invest in the right channels, services and influencers to attract and retain this younger demographic, while also developing innovative, culturally-relevant products.

Luxury for this audience is less about history and heritage and more about the entire brand experience, from discovery to purchase to after-sales services.

However, when it comes to Gen Z, luxury brands in China should understand that "more of the same" is less likely to resonate for much longer.

Global luxury brands have a reputation for playing it safe, working with the same renowned celebrities, being late to the game when it comes to platforms and tech.

The luxury brands that win in China will be the ones to invest in emerging, more grassroots influencer talent, embrace digital just as much as offline and create personalized brand experiences that can be shared via social media.

With economic uncertainty, youth apathy on the rise after years of pandemic and the 'lying flat' phenomenon, what difficulties will brands face engaging with Gen Z?

In China, the Gen Z are coming of age, having been born between 1996 and 2010.

For most of their lives, they have experienced one of the fastest economic expansions in history. They are also digital natives, growing up in a totally unique Chinese ecosystem of apps and technology. We know that they are instrumental for luxury brands.

However, the pandemic has deeply changed their outlook on the future: they are no longer as positive and optimistic.

Brands need to understand that whilst they are glued to their mobile phones, they also appreciate and seek out offline experiences.

More than ever, they are looking to be entertained, and they are also more cautious with their spending.

Brands who are able to connect with them through "phygital" activations marrying the physical and the digital in creative ways will continue to thrive.

However, the bar for offline activations is ever higher in China, with brands competing with precious Gen Z attention with ever more creative and elaborate events and experiences.

As the central government continues to crack down on KOLs or celebrities, what have been some of the more interesting cases you've noticed over the past year of hard luxury brands engaging audiences without using them?

Celebrities still command huge influence in China, but there are always risks to working with them.

We're seeing an increase in the use of virtual KOLs [key opinion leaders] or metahumans in China. For sure it allows brands to control the narrative and avoid scandals.

These virtual KOLs can be present every hour of the day across multiple platform and also allow fans to interact with them one on one.

We have launched two virtual KOLs in the last year at Gusto Collective, both with different focuses: one is a digital artist, the other is a sporty teenager.

However, I do think that celebrities and KOLs will continue to play an integral role in driving awareness and desirability for brands, so the key is to do sound due diligence.

Get your copy of [The Secrets to Selling Hard Luxury To China's Gen Z](#) on [Jing Daily's Reports](#) page.

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