

RESEARCH

## Consumers in APAC shifting toward sustainable, local luxury brands: report

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*A shift in Asian markets could see luxury brands' fiscal reports become more grim. Image credit: Shutterstock*

By ZACH JAMES

While Asian markets are seen as areas of growth for luxury brands, a new survey shows the region is shifting in a different direction.

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In a new survey by Asia's leading brand distributor Bluebell Group, it was found that consumers in the world's most populous continent are shifting their luxury expectations toward brands with more sustainable goals as well as more local, premium brands. A shift in Asian markets could see luxury brands' fiscal reports become more grim.

"It's hard to predict the exact behavior of shoppers now but one thing is for sure: the overall trend toward sustainability and ethics in luxury is likely to double down," said Matthieu Champigny, CEO of CoCreativ, New York.

"As the effects of climate change become more apparent and societal concerns regarding labor rights and production transparency persist, consumers are expected to place even greater importance on sustainable and ethical luxury options.

Mr. Champigny is not affiliated with the Bluebell Group, but agreed to comment as an industry expert.

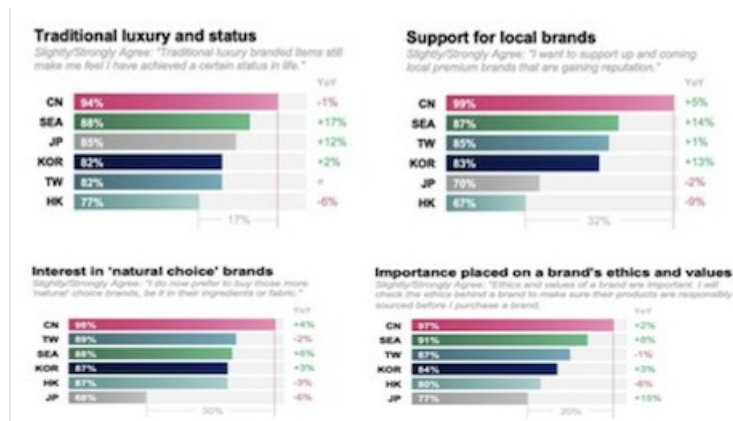
For the survey, 1,765 premium lifestyle patrons across six major Asian markets: Mainland China, Taiwan, Japan, Korea, Hong Kong and Southeast Asia, were polled on sentiments and trends relating to consumerism across six major luxury goods segments: accessories and footwear, fragrance and makeup, fashion, jewelry and watches, beauty and activewear.

### Regional shakeup

The Bluebell Group found several major trends sweeping across all Asian markets.

Among the most concerning to the luxury landscape is that four out of the six markets saw growth in support for local brands and small businesses over that of established luxury labels. Southeast Asian and Korean markets saw double-digit percentage boosts in support, with Hong Kong and Japan decreasing in their endorsement at 9 percent and 2 percent YoY, respectively.

"Buyers are choosing smaller, local premium brands over established luxury labels. This trend can be attributed to a few things, including a desire for unique and personalized products, plus a desire to support local businesses, and a shift in cultural values," said Mr. Champaigny.



A collection of graphs showcasing the alarming statistics from the Bluebell Group. Image credit: Bluebell Group

Mr. Champaigny suggested there are a number of factors suggesting this trend, known as "safe luxury," could only snowball from here.

Gen-Z and millennial consumers are looking for more products that are authentic to their experiences and culture. They're also looking for companies with a more sustainable footprint; local brands are perceived as having both a minimal environmental impact and more culturally relevant products.

"The trend of safe luxury' in Asian markets may continue to grow in the long term, but it is likely that a diverse range of consumer preferences will simply coexist," he said.

#### Sustainable mindset

Compounding the potential problem, the survey also showed that the vast majority of consumers base their luxury purchasing habits on brands' ethics and sustainable values.

Mainland China, Southeast Asia, Korea and Japan all saw growing support for ethical, sustainable luxury, with Taiwanese consumers still vastly favoring the practice, but support still falling by one percent. It shows that a globally rising consumer trend is taking effect to even greater degrees in the East.

While in some markets, the behavior known as "revenge living," (making up for experiences lost due to the pandemic) has taken off, in Asian markets, consumers vastly prefer a more sustainable lifestyle.

Luxury brands have been adapting to this change in their customers' desires for a long while now. Recently, French fashion house Dior launched a beachwear line made from yarns and fabrics created using upcycled ocean plastics; the line is said to be sea-friendly ([see story](#)).

Despite luxury labels' efforts to become more environmentally sustainable operations in the long term, a recent report from Positive Luxury notes that the carbon neutrality most companies are aiming for just will not be enough to actually sustain the planet ([see story](#)).