

Jeweler Chow Tai Fook Taps Internet Stars to Reach Millennials

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Digital campaigns outperform traditional ads to China's young customers

Chow Tai Fook Jewellery Group has found a pearl in social media, using internet influencers to dazzle free-spending millennials in mainland China who can't stop looking at their smartphones.

China's thriving "fan economy" prompted Hong Kong's largest jeweler to spend more than half of its marketing budget on social media campaigns, with plans to invest more.

Kent Wong Siu-kee, the group's managing director, found collaborations with key opinion leaders on the internet more effective than the fancy advertising the 88-year-old jewelry company used on traditional media to target millennials. The collaborations directly lifted online sales.

"Millennials have contributed the most to our online sales in China," Wong told an audience Tuesday at a business forum in Hong Kong. "They spent a considerable amount of time browsing on smartphones every day."

To target the new generation of mobile-addicted customers in its biggest market, Chow Tai Fook launched a series of digital campaigns such as online reality shows to create its own key opinion leaders.





These internet figures, followed by many young Chinese fans, will directly and indirectly promote the jeweler's products on their social media platforms. Their messages to followers often contain links to purchase products.

One campaign produced sales of 400 diamond jewelry pieces in just one day through the embedded link from an opinion leader's blog, Wong said.

"The results [of the online campaigns] are encouraging," he said. The company's own social media accounts, including on Tencent Holdings' WeChat and Weibo, were followed by over 3 million users.

Though only about 3.3% of the group's retail sales in mainland China came via e-commerce in the year ended in March, the online sector has grown quickly this year. The jeweler's online sales in China soared 104% on the year in the three months to September.