

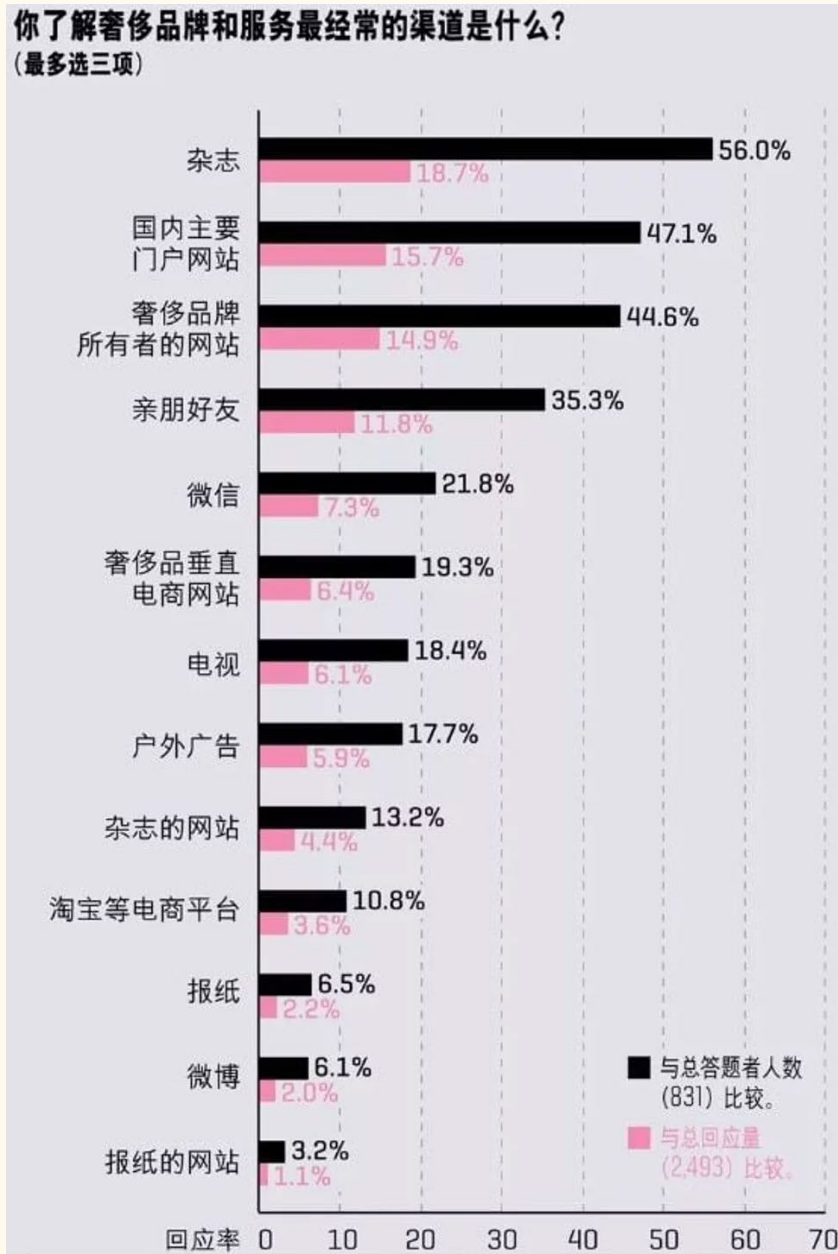
Rich Chinese Say No to WeChat for Luxury

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Source: JING DAILY

Survey reveals where consumers working in senior executive roles in China read about luxury brands and their offerings – and the findings are surprising

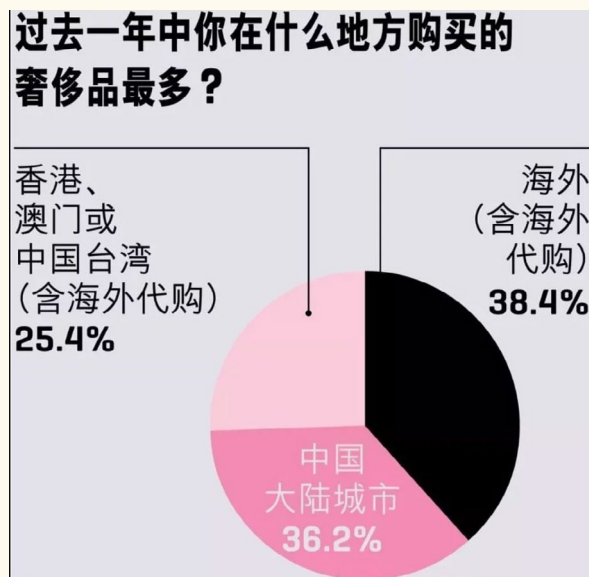
According to a new report by Chinese media outlet Fortune, marketing on WeChat for luxury brands could be a bust for the country’s highest earners. A survey was sent to 32,900 consumers working in senior executive roles in China, with 831 of them submitting responses – and most don’t use WeChat to keep track of luxury brands.



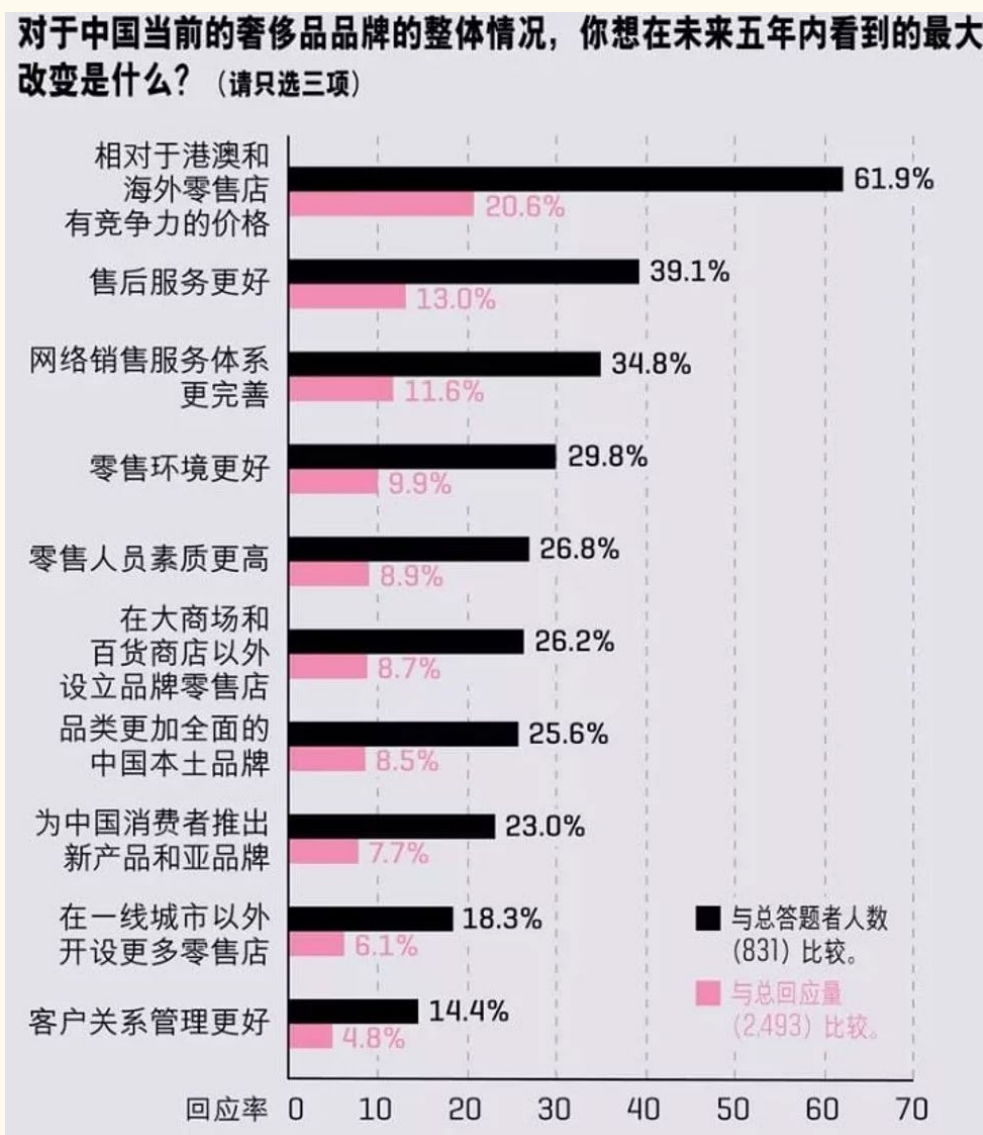
When asked where they usually read about luxury brands and their offerings, magazines surprisingly topped the list of options for respondents – ahead of WeChat, Weibo and e-commerce sites.

Additionally, travelling and shopping has become increasingly separate for the country’s upper-middle class, according to the report. Not too long ago, Chinese luxury consumers were known to flock to international fashion capitals like Milan, Paris, New York, and London to purchase luxury products. This was in part due to the huge retail price difference between the mainland and over

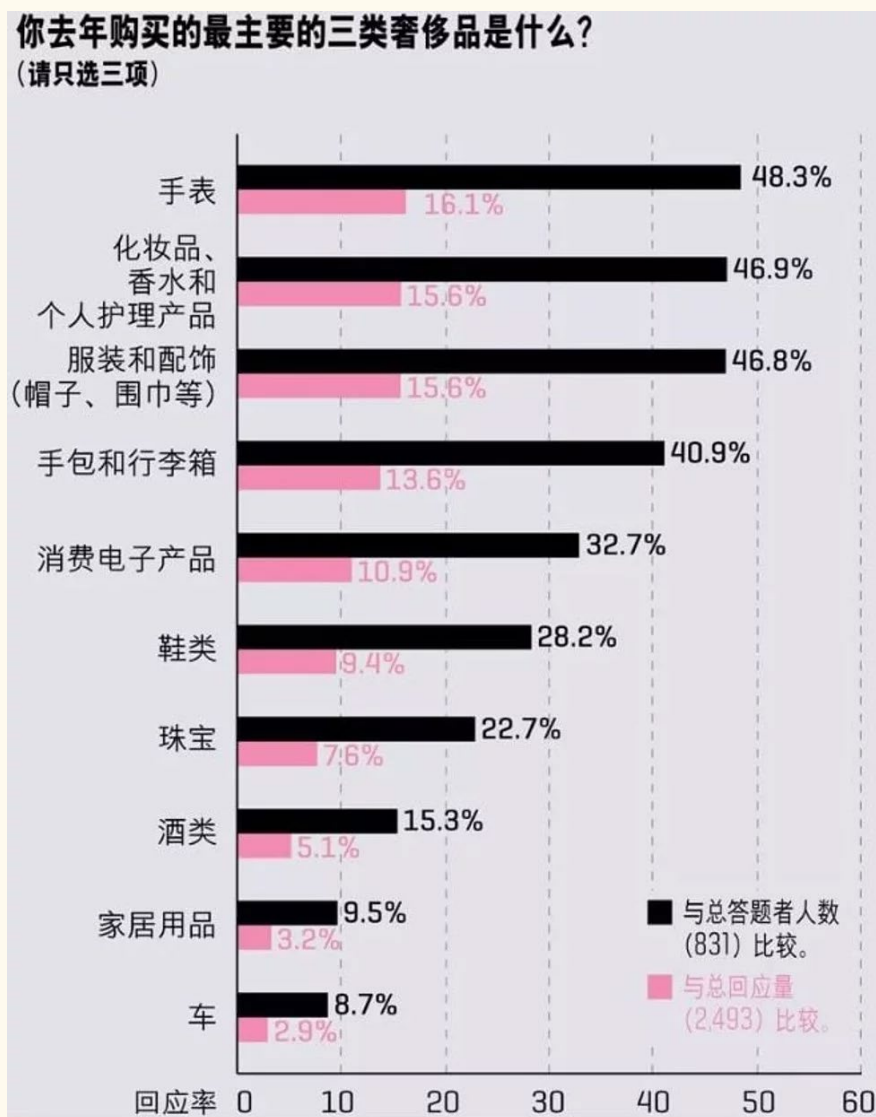
seas markets, as well as a fear of buying fake items at home. These two factors continue to have a part to play for survey respondents who prefer to buy abroad, but the impact has lessened greatly over time.



The rise of the domestic luxury market in China is poised to further disrupt traditional buying habits. To respond, many brands and retailers have taken an “all-in” approach – building up a complete online-to-offline retail infrastructure, and designing new collections exclusively for the Chinese market.



The Fortune survey also asked respondents to choose which things they hope luxury brands in China will improve on over the next five years. Almost 62 per cent said they wanted to see a more competitive retail price point in mainland China, compared to that of the rest of the world. A good post-sales service is also called for, along with a complete online sales channel and emotionally intelligent salespeople.



For this high-earning segment, the Fortune survey also uncovers that watches, cosmetics and fragrances, and apparel were the top three luxury categories bought last year. The report notes that the cosmetics and fragrances category replaced the handbags category for the first time, to place in second position. Handbags, traditionally a popular category, dropped to fourth. This rising appetite for cosmetics and fragrances products among affluent consumers could determine the product strategy for luxury brands in China.