

# Decoding Luxury Marketing Milestones in China: *Lunar New Year*

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The report showcases extensive case studies and best practices on how luxury and premium brands should capitalise on the most important traditional festival in China — Lunar New Year.

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# Introduction

# Lunar New Year: *An Overview.*

Lunar New Year marks the commencement of a lunar or lunisolar calendar year globally. **One of the most celebrated Lunar New Year festivals is rooted in the traditional Chinese lunisolar calendar, also known as the Spring Festival.** This celebration is observed not only in China but also in other countries employing a similar calendar, such as South Korea and Vietnam, as well as in cities worldwide with a significant Sinophone community.

Typically, Lunar New Year falls between January 21<sup>st</sup> and February 20<sup>th</sup> on the Gregorian calendar. Following tradition, Chinese people initiate the celebrations on the 23<sup>rd</sup> or 24<sup>th</sup> of the last lunar month before the Lunar New Year, known as Little New Year (小年, Xiaonian). The New Year festivities culminate on the Lantern Festival on the 15<sup>th</sup> day of the 1<sup>st</sup> lunar month, symbolising the arrival of spring. **Consequently, celebrations of Lunar New Year typically extend for almost a month.**

The New Year embodies numerous beautiful meanings, expressed through various rituals and activities. For instance, firecrackers are set off in the hope of dispelling the calamities of the past year. The decoration with *Chunlian* seeks peace and harmony within the family. The distribution of red packets or enjoyment of New Year's Eve dinner is an aspiration for prosperity in the year ahead. Most of these activities persist to this day.

In China, a majority of the population enjoys at least seven days of public holidays for the Lunar New Year, which they also use to visit their family or travel elsewhere, **resulting in one of the largest human migrations on a global scale — known as “Chunyun”.** China witnessed 4.73 billion passenger trips during the Lunar New Year festival in 2023.

# Lunar New Year: *Implications for Luxury.*

The Lunar New Year holds a special significance as the most traditional festival for Chinese consumers, serving as a foundational occasion for local shopping that many brands have harnessed for decades. **Despite the prevalence of a plethora of shopping events and local festivals, the Lunar New Year remains an opportunity that luxury companies should not overlook.**

From a cultural perspective, brands can establish a strong connection with local consumers by crafting campaigns that highlight the festival's themes of family and togetherness, along with elements of good fortune or prosperity. **Chinese characters symbolising luck and fortune, the Chinese zodiac animal of the year, and the colour red** are frequently integrated into campaigns or exclusive products to celebrate the Lunar New Year.

**Moreover, this festival is a significant consumption milestone for the Chinese consumer.** Similar to Christmas, many Chinese people purchase food, new clothes, and household appliances in the lead-up to the festival season. Given the tradition of reuniting with family during this time, the Lunar New Year also represents a crucial gift-giving opportunity. Most companies distribute annual

bonuses just before the Lunar New Year, encouraging individuals to indulge in personal shopping as a reward.

**Furthermore, Lunar New Year is not only a milestone in China but also on a global scale.** In metropolises such as New York, London, and Paris, luxury stores and retailers launch Lunar New Year campaigns and introduce special offline installations. Unlike other local milestones, exclusive collections for this festival are typically launched globally to resonate with the broader Chinese community and even Western audiences who appreciate Chinese culture.

Considering this trend, **DLG (Digital Luxury Group)** teams up with **Re-Hub** to release the second edition of ***Decoding Luxury Marketing Milestones in China***, focusing on the Lunar New Year.

This edition analyses the newest case studies and best practices in 2024 and showcases the social and e-commerce performance of 95 luxury and premium brands during this milestone in 2023 to examine how important this festival is throughout the local luxury marketing calendar.



## Expert Opinion: *Ad Verbum.*



“

Lunar New Year has consistently been regarded as a strategic milestone for luxury brands, encompassing both branding and commercial perspectives. As the digital landscape evolves, presenting new opportunities, brands concurrently encounter new challenges within the current context. Now more than ever, it is imperative for brands to gain clarity on establishing clear ambitions and goals, fostering the development of relevant strategies for this milestone. These strategies aim to achieve success, whether in branding, commerce, or both.

”

**Pablo Maureon**

Partner & Managing Director China  
DLG (Digital Luxury Group)

# Methodology.

## About the Study

This study includes a representative sample of luxury and premium brands across Fashion, Footwear, Watches and Jewellery to demonstrate how **95 brands** were faring **on major Chinese e-commerce and social platforms** during Lunar New Year in 2023, by comparing their performance during **other milestones** (including 520, 618, Chinese Valentine's Day, Singles' Day). It also takes into consideration brand presence on the platform, and activity levels, with outliers excluded from the sample.

## Data Period

**Lunar New Year:** 27<sup>th</sup> December 2022 — 27<sup>th</sup> January 2023

**520:** 20<sup>th</sup> April — 21<sup>st</sup> May 2023

**618:** 31<sup>st</sup> May — 20<sup>th</sup> June 2023

**Chinese Valentine's Day (Qixi):** 22<sup>nd</sup> July — 22<sup>nd</sup> August 2023

**Singles' Day:** 24<sup>th</sup> October — 11<sup>th</sup> November 2023

## Channel Coverage

Social Media:



WeChat



RED



Weibo



Douyin

E-commerce:



Tmall

- Flagship store
- Tmall Outlet<sup>(1)</sup>
- Tmall Global<sup>(2)</sup>

## Sample of Brands

95

Luxury and  
Premium  
Brands

Fashion:



66.3%

Watches & Jewellery:



22.1%

Footwear:



11.6%

(1). 8 Tmall Outlet stores were included in the sample; (2). 3 Tmall Global stores were included in the sample

# Data Scope<sup>(1)</sup>.

Based on the data collected from the four major Chinese social media platforms (WeChat, Weibo, RED, and Douyin), as well as from the brand-owned stores on Tmall, Re-Hub has identified several key metrics to measure **the uplift and success of 95 luxury and premium brands during the Lunar New Year of 2023.**

**Share of Voice:** Re-Hub measures the share of voice by tracking user-generated content (UGC) related to specific brands across WeChat, Weibo, RED, and Douyin, by using a combination of brand keywords, including Chinese names, English names, and nicknames, to ensure accuracy. The total amount of user-generated content is calculated to determine the brand's share of voice.

**Social Engagements:** Re-Hub calculates social engagements by aggregating the number of engagements across all engagement types (excluding the number of reads) from brand-generated content (BGC) on the four platforms. This metric provides insights into the level of interaction and engagement driven by the brand's content.

**E-commerce Sales Uplift:** Re-Hub analyses the daily net revenue of brand-owned stores on Tmall for the 95 luxury brands. Net revenue is calculated by multiplying the daily units sold (excluding returns, refunds, and cancellations) by the final unit price of each product.

**Discount Levels and Promotions:** Re-Hub tracks product price changes and compares the discount levels during the Lunar New Year of 2023 with other milestones. This information helps identify brands that have offered attractive discounts and promotions during the festival.

Overall, Re-Hub provides insights into the performance of luxury brands during the 2023 Lunar New Year in China, considering factors such as share of voice, social engagements, e-commerce sales uplift, discount levels by category.

(1). All ranking and insights of this study are based on the period of data extracted from Re-Hub, and may vary from the brand's actual performance across the platforms.



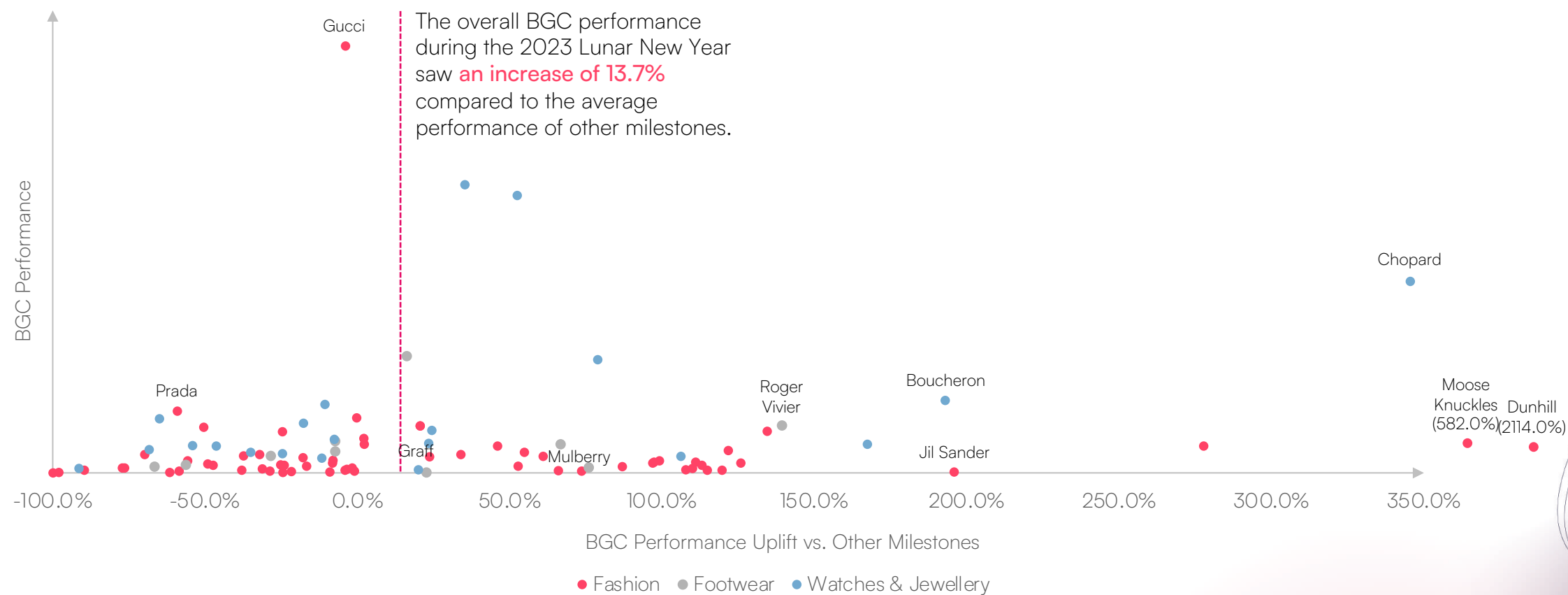
02.

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# Performance Overview

# BGC Performance\*

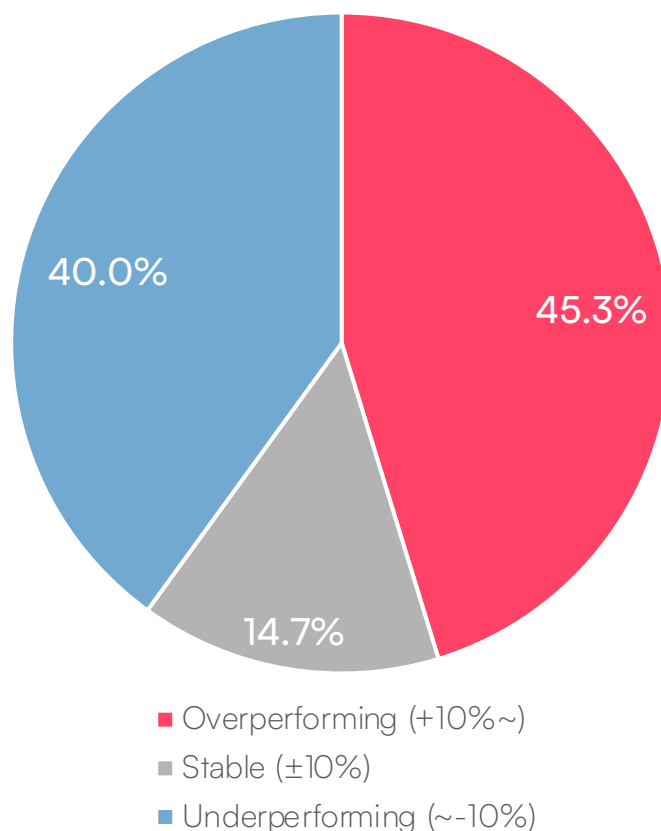
## Brand Distribution by BGC Performance



\*BGC: Brand-Generated Content

# BGC Performance.

## Brand Distribution by Performance Uplift



With substantial investments in celebrities, creative content, and exclusive product campaigns, **60.0%** of our sampled brands showed increased or stable performance during the Lunar New Year measured in terms of BGC.



As China's marketing calendar becomes increasingly saturated, not every brand possesses the resources to leverage every milestone. In comparison to industry powerhouses, **medium and small-sized brands** exhibit a more significant surge in BGC.



Celebrities consistently prove to be effective assets in resonating with the local audience. Beyond **star-studded festival campaigns**, celebrity appearances during events and festival galas are frequently repurposed in brand-owned content to drive awareness and engagements.



## Expert Opinion: *Ad Verbum.*



“

The Lunar New Year stands as a pivotal test for brands to cultivate significant engagement and conversations during a time traditionally reserved for family gatherings and celebrations. To resonate with their audiences, brands must craft campaigns that seamlessly blend the essence of Lunar New Year with their fundamental brand values, strategically leveraging influencers to amplify their message.

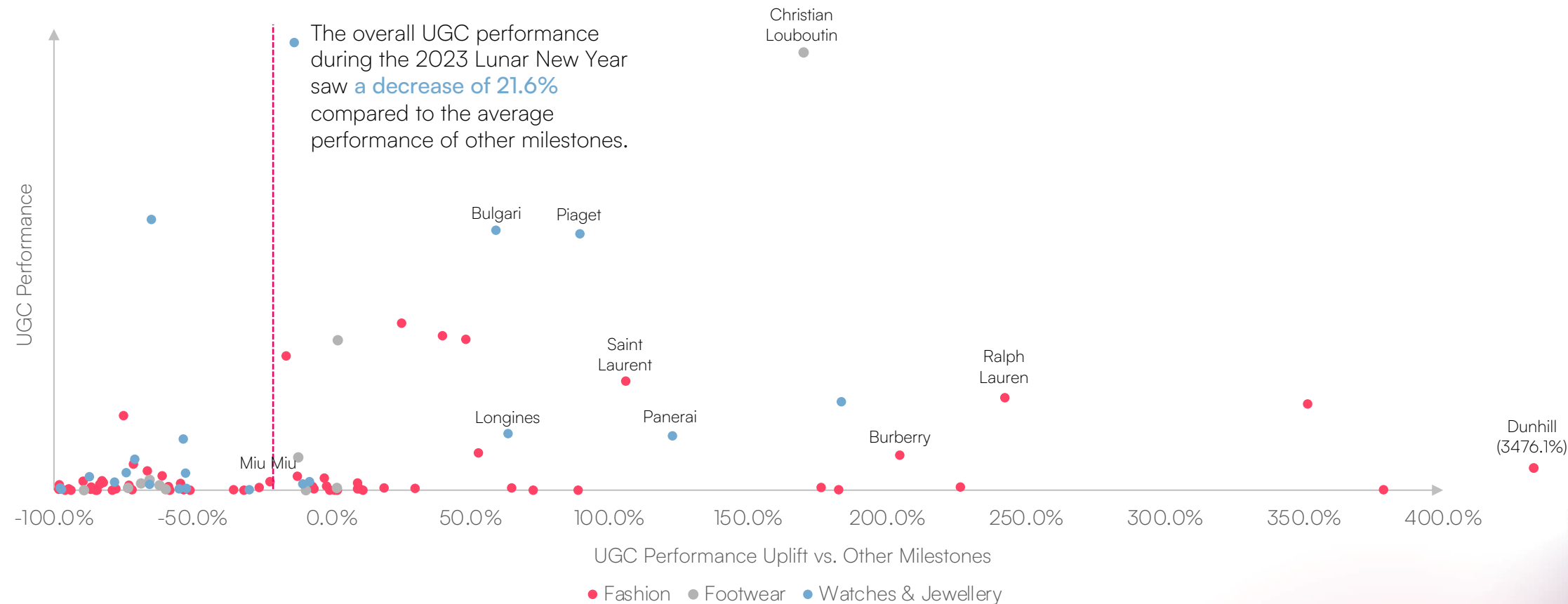
”

**Max Peiro**

CEO  
Re-Hub

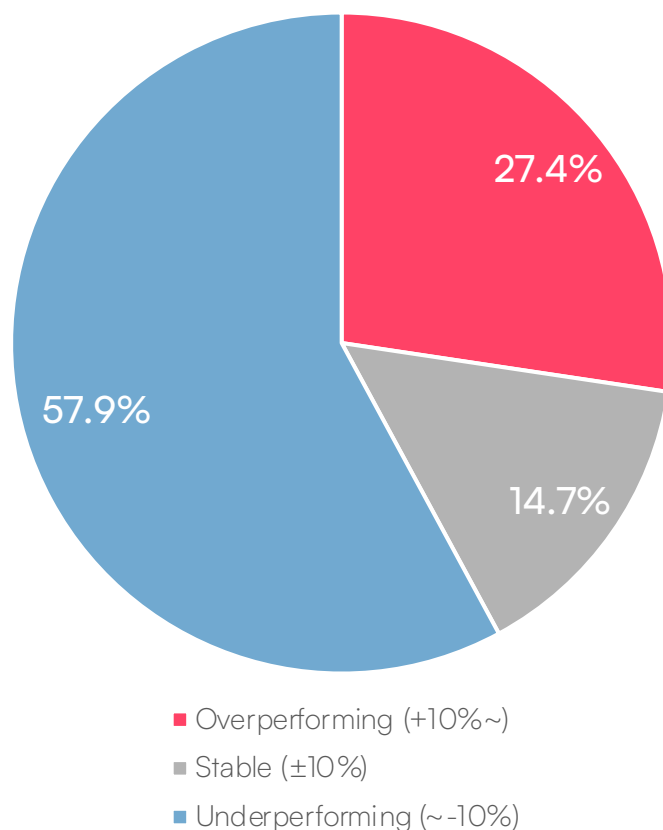
# UGC Performance.

## Brand Distribution by UGC Performance



# UGC Performance.

## Brand Distribution by Performance Uplift



As a public holiday, consumers tend to prioritise quality time with family or travel during this period, leading to **reduced activity on social media**, thereby negatively impacting brands' UGC performance during this milestone.



Jewellery brands such as Bulgari, Piaget witnessed a surge in word-of-mouth during Lunar New Year. Consumers tend to purchase **gold jewellery for good luck for the upcoming year**, and share their purchases and product reviews on social media.

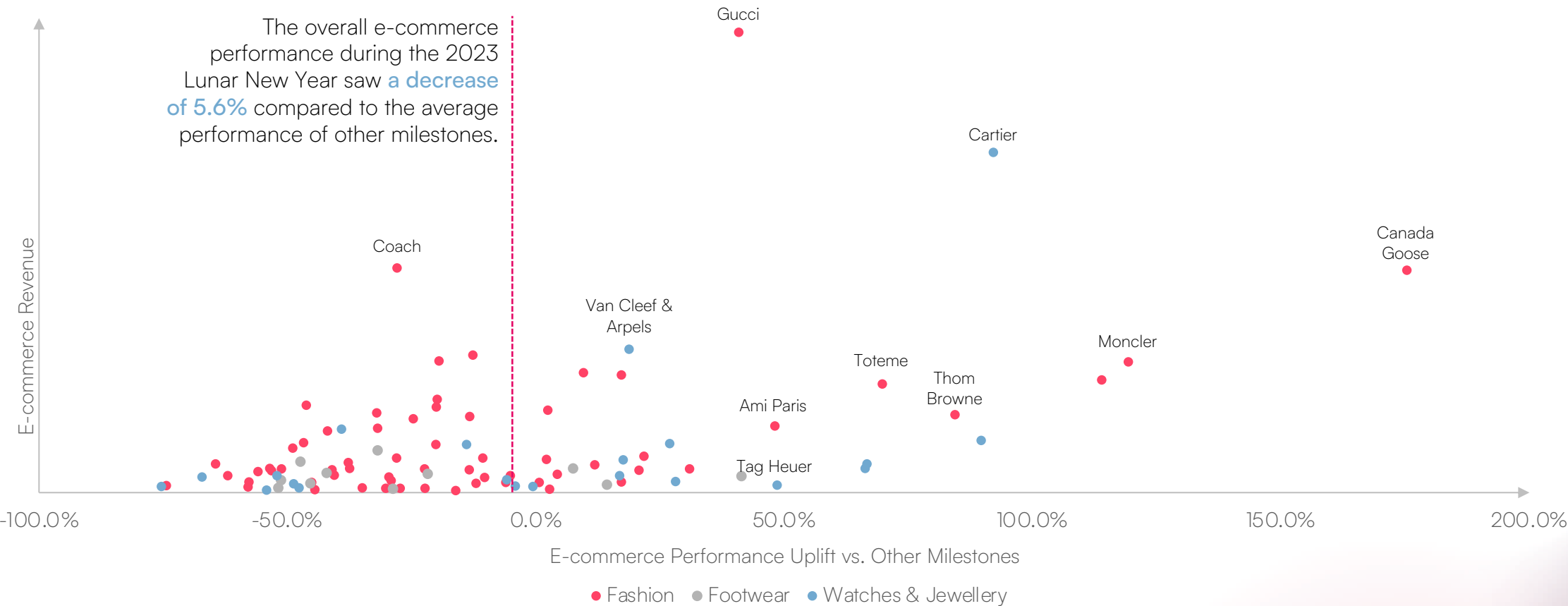


During every Spring Festival, luxury brands adorn giant holiday-themed installations or refurbish their window displays. This strategy has proven to be **an effective means of generating word-of-mouth** through visually striking presentations and interactive experiences.



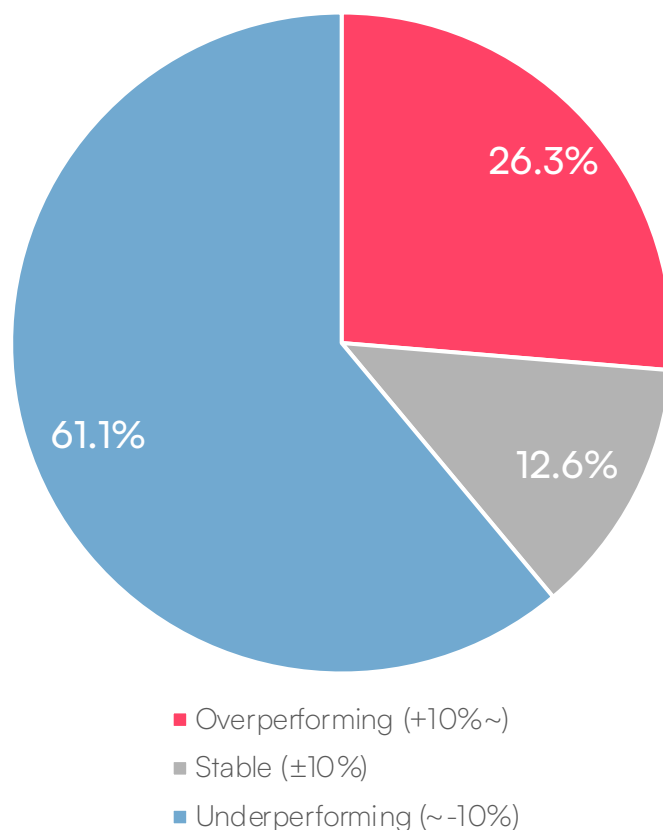
# E-commerce Performance.

Brand Distribution by E-commerce Performance



# E-commerce Performance.

## Brand Distribution by Performance Uplift



In alignment with the winter sales in Western countries, **many niche or accessible luxury brands** also offer promotions on marketplaces ahead of Lunar New Year. Brands, including Ami Paris and Thom Browne, achieved high double-digit uplifts through strategic discounting.



Lunar New Year emerges as a significant gift-giving occasion, not only among lovers but also for parents and friends. We observed that best-selling products encompass **watches and jewellery**, along with lower-priced gifts such as **scarves and perfumes**.



Surprisingly, **only 26.3% of sampled brands** recorded a surge in Tmall revenue during the Lunar New Year. However, it is crucial not to overlook the impact of logistic service disruptions during the holiday and the consumer inclination to offline shopping during this period.

## Expert Opinion: *Ad Verbum.*



“

As the e-commerce landscape matures, a discernible acceleration in online luxury consumption emerges. While online platforms provide consumers with a comprehensive understanding of products, it's crucial to note that offline channels continue to dominate the luxury industry. During Lunar New Year, luxury brands intensify their focus on branding-oriented marketing activations. This results in a more pronounced trend of investing in Out-of-Home advertising compared to other milestones. These milestones such as *Qixi*, conversely, lean towards a more conversion-driven approach with a heightened emphasis on digital investment.

”

**Willi Sun**

Head of Advisory, Consumer & Retail  
KPMG China



# Overall Performance.



## BGC

The overall BGC performance during the 2023 Lunar New Year saw **an increase of 13.7%** compared to the average performance of other milestones of 2023.



## UGC

The overall UGC performance during the 2023 Lunar New Year saw **a decrease of 21.6%** compared to the average performance of other milestones of 2023.



## E-Commerce

The overall e-commerce performance during the 2023 Lunar New Year saw **a decrease of 5.6%** compared to the average performance of other milestones.

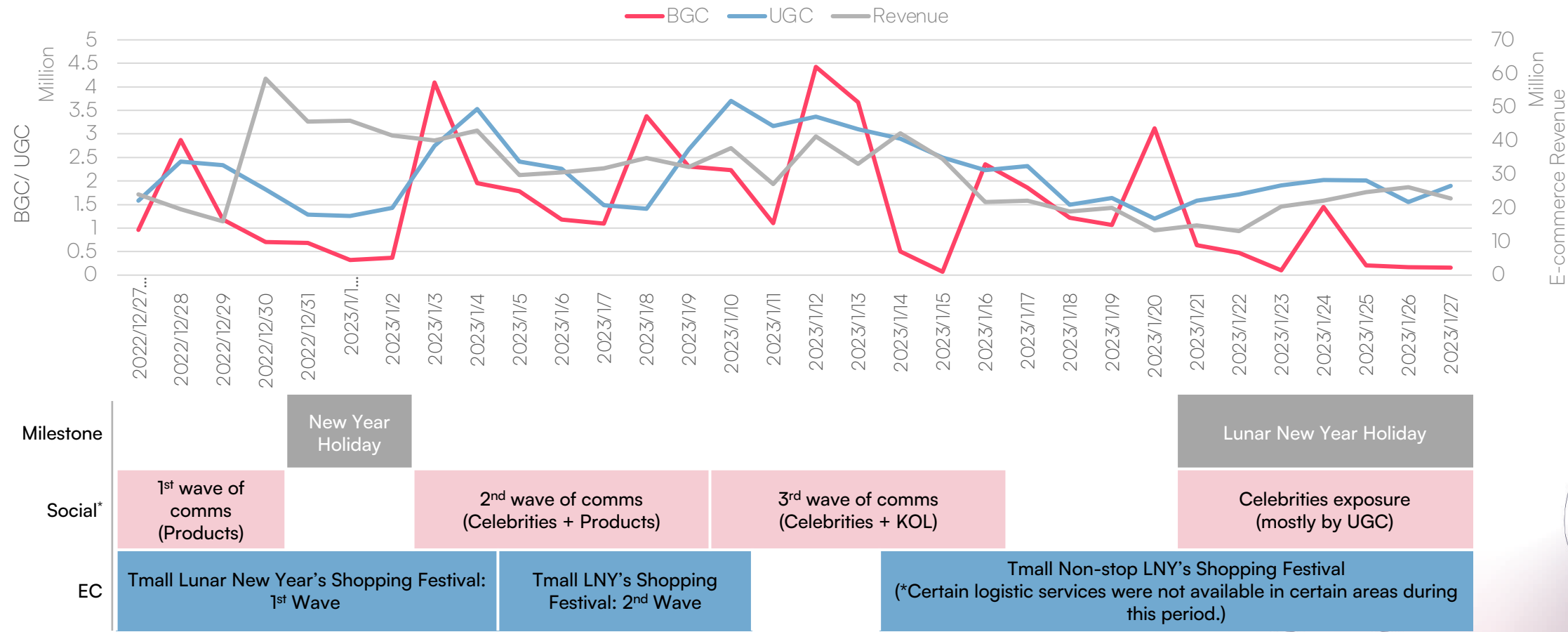
03.

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# Strategic Approaches

# Planning: *Performance Evolution.*

Evolution of UGC, BGC, and E-commerce Performance during the 2023 Lunar New Year



\*This schedule is for illustrative purposes only and does not specifically refer to any particular brand.



# Planning: *Key Takeaways.*



## Campaign Launch

- Brands typically launch their New Year campaign at the end of December
- Lunar New Year campaigns often span over a month, depending on the specific date of the festival
- In addition to online channels, brands also set up pop-up spaces and festival installation offline, which require additional preparation time



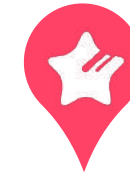
## E-commerce Activations

- The novelty release schedule on e-commerce may not perfectly align with social media.
- Online marketplaces such as Tmall and JD.com will launch shopping festivals during the milestone, providing brands with opportunities for their Lunar New Year product launches



## Waves of Communications

- Unlike other milestones, numerous brands often initiate waves of communications before the Lunar New Year to maintain their SOV during this month-long period
- Brands need to allocate their channel investment and assets to achieve the optimal communication impact



## Influencer Marketing

- Celebrities are the most effective assets for driving BGC performance
- Depending on the communication cadence, different tiers of KOL resources need to be leveraged to achieve branding/ commercial goals

## Expert Opinion: *Ad Verbum.*



“

The marketing calendar in China presents brands with numerous occasions to consider. The plethora of seemingly attractive opportunities can be distracting. In the era of optimisation, it is crucial to be strategic in selecting and executing activations — from creative and key messages to channels and investment allocation. The key is first setting clear and focused objectives and KPIs to set what 'success' looks like, and the reality is that for each brand that is going to look different.

”

**Iris Chan**

Partner & Head of International Client Development  
DLG (Digital Luxury Group)

# Planning: *Influencers.*

## Case Study: Gucci

This Lunar New Year, Gucci featured Chinese celebrities Xiwei Tian and Yiran Zhou in its festival campaign, which was released on RED on December 27th with the hashtag #跟古驰欢乐过年 (Celebrates New Year with Gucci). The brand created this hashtag on RED in 2019, and all branded posts related to Lunar New Year, as well as relative content co-creation with KOLs, are tagged with it. Unlike other brands that create new hashtag(s) for each New Year, this hashtag has been **associated with the brand for four years**, accumulating a total of **15.8 million views** and including contents from **2,270 accounts**. It now stands at **the fourth-highest viewed hashtag** related to Gucci on RED.



Hashtag Page

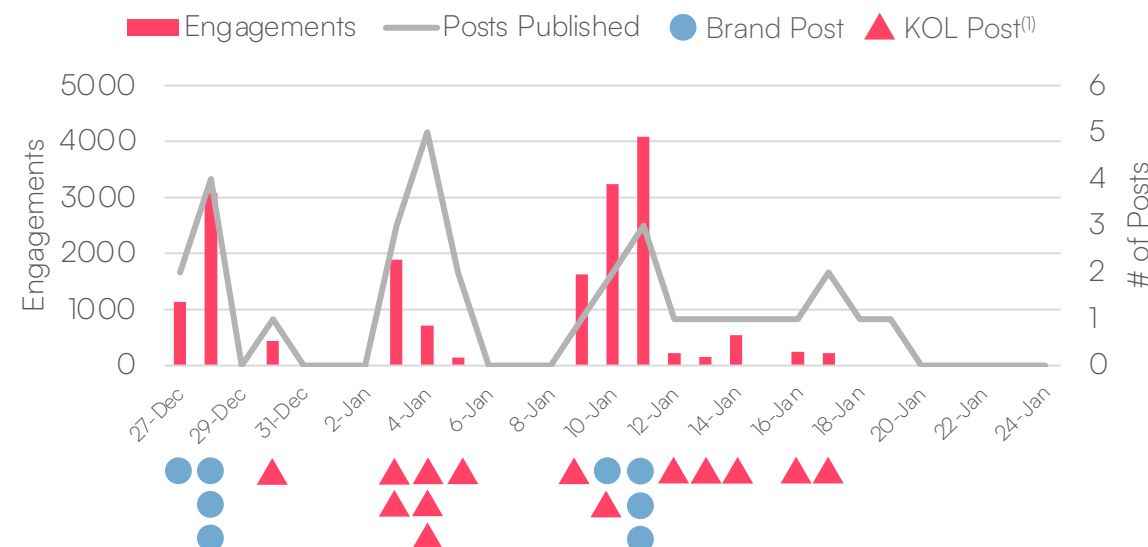


Brand Post



KOL Post

## Number of Posts and Total Engagement under the Hashtag\*



### Key Takeaways

- On a planning level, brands need to ensure that KOL contents well complement with their brand-owned content to keep the momentum continue to build through out the milestone.
- Nowadays, brands tend to collaborate with influencers from various fields to broaden their reach and approach their festival campaign in different perspectives.

(1). KOL posts only refer to brand-sponsored KOL notes facilitated through or reported on Pugongying

\*Data source: Xinhong

# Product Strategy: *Exclusive Collection.*

Launching limited collections for festivals is an essential tactic that luxury companies adhere to **in order to resonate with local markets**. Going back decades, the Lunar New Year exclusive collections were likely the first China-exclusive collection that the majority chose to launch for this market.

Today, the trend continues. Almost all brands will launch festival-exclusive collections or products during this period — such as a complex timepiece with movements embroidered in a Chinese zodiac pattern, a red scarf with Chinese character printing, and mahjong tiles encased in a delicate leather briefcase. **By appropriating traditional Chinese symbols**, luxury brands aim to show their recognition of local culture, thereby **driving conversations and actual conversions**.

However, Chinese consumers are evolving, and young luxury shoppers may not be keen to splurge on T-shirts with animal prints that will quickly go out of season. Interpreting Chinese culture in **an elegant, subtle way** has become a real challenge for these Western brands.



## Loewe Lunar New Year 2024 Jade Collection

After featuring antique Chinese ceramics in its "Chinese Monochrome" collection, Loewe tapped into Chinese craftsmanship again on the occasion of the Year of the Dragon with the launch of the "Jade" collection. The brand collaborated with three master jade carvers, each creating five limited jade pendants, and redesigned the classic Flamenco Purse inspired by ancient jade carvings.

**17.6M+**  
Views under the  
campaign hashtag  
on Weibo<sup>(1)</sup>

(1). Data collected as of January 30, 2024



# Case Study: *IWC Schaffhausen.*

## Portugieser Automatic 40 "Chinese New Year" Edition

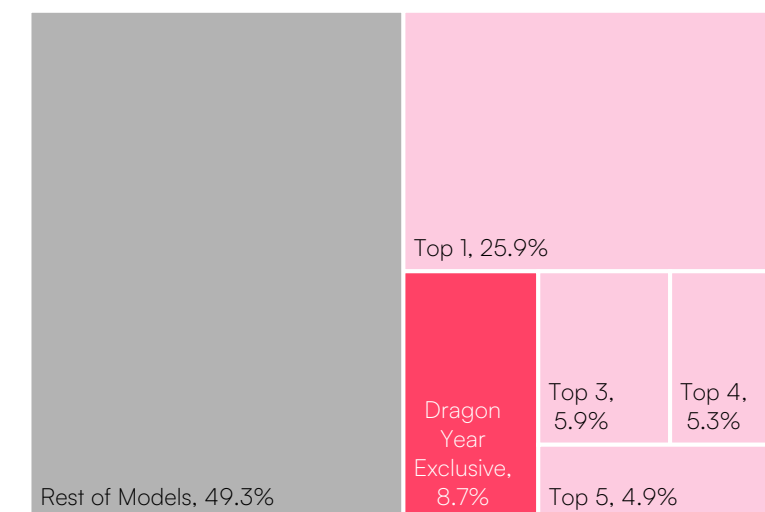
Back in November 2022, IWC Schaffhausen announced the launch of the IWC Portugieser Automatic 40 “Chinese New Year” Edition in celebration of the Chinese Year of the Rabbit in **a limited edition of 500 pieces available worldwide**. The timepiece is derived from the classic Portugieser Automatic 40 model and features a burgundy dial and gold-plated hands and appliques. To echo with the zodiac sign, **the gold-plated rotor is shaped like a rabbit**. Its sapphire glass case back is engraved with the words “2023 YEAR OF THE RABBIT”.



### Key Takeaways

- It's important to leverage a signature model to conceptualise the special edition for Lunar New Year, in order to capitalise on the strong market recognition to promote the launch.
- Connecting with today's consumer goes beyond mere repurposing of Chinese iconography; brands should go the extra mile by combining their craftsmanship and DNA to provide a unique interpretation of Chinese culture.

## Revenue Contribution by Products<sup>(1)</sup>



**600+**  
favourites  
earned on the  
first day of  
launch on Tmall

**Top 2**  
best-selling  
product for the  
brand on Tmall

(1). Data collected from December 27 2022 to January 27 2023

## Expert Opinion: *Ad Verbum.*



“

Drawing inspiration from the rich tapestry of local culture to enchant consumers on native soil stands as the litmus test for the design prowess of luxury brands. They should eschew mere appropriation of zodiac signs and Chinese iconography, instead extracting elements and nuances that evoke mutual resonance through a deep understanding of Chinese aesthetics. These are then transmuted into the brand's unique interpretation, resulting in meticulously crafted design offerings.

”

**Christy Yen**

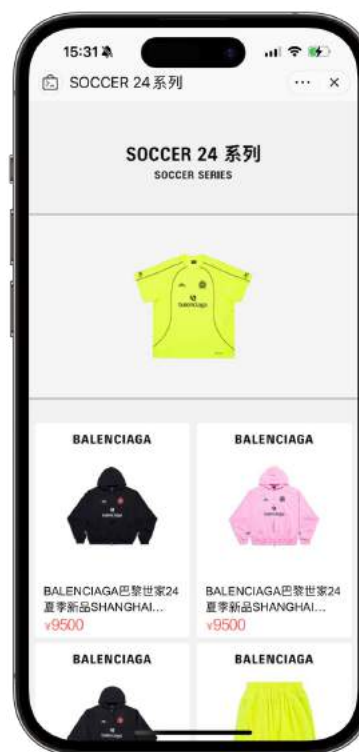
Group Creative Director (China)  
DLG (Digital Luxury Group)

# Product Strategy: *Seasonal Novelty.*

In addition to launching exclusive New Year products, brands can also capitalise on this momentum by releasing new seasonal collections or other limited capsule collections that **may not be related to the festival.**

January and February are typically the months when luxury brands introduce **their Cruise or Spring/ Summer collections.** As the Lunar New Year usually coincides with **Valentine's Day**, many brands will also promote their Valentine's collection around this milestone. This year, we also observed several **limited editions and crossover collaborations** emerging.

Brands can further leverage on the festive shopping spree with the aforementioned new collections. In our observation, the Lunar New Year collection accounted for **only a small portion** of the best-selling novelties.



Balenciaga

Soccer 24 Collection



Canada Goose

Canada Goose x Bape  
Collection



Glashütte Original

Lady Serenade  
Valentine's Edition



## Expert Opinion: *Ad Verbum.*



“

Novelty launches during Lunar New Year are rarely the key revenue drivers for brands, instead we see an uplift in core SKU revenues around the festival. This doesn't mean that capsule releases don't play a role — they help bring newness and excitement to a brand. Balancing investment of topline awareness channels with New Year capsules/ campaigns, but existing customer conversion channels through performance marketing with hero products can yield optimum results.

”

**Thomas Piachaud**

Head of Strategy  
Re-Hub



# Product Strategy: *Evergreen Products.*

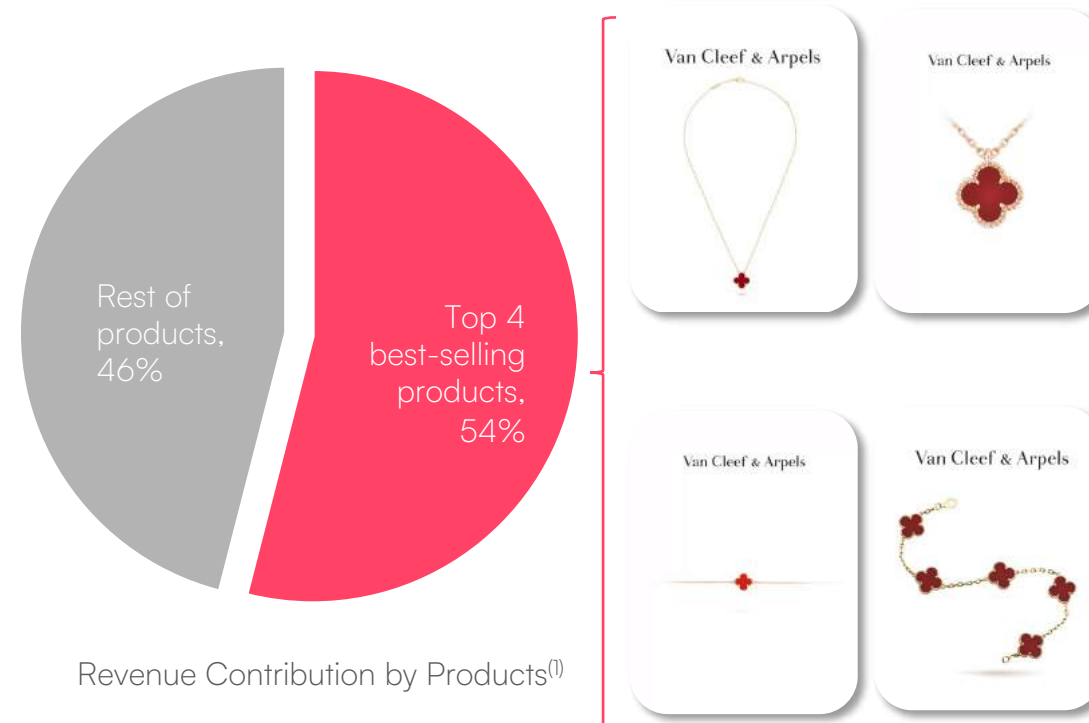
Despite Lunar New Year being an important window for new product launches, **evergreen pieces** continue to exhibit strong traction among consumers. In our research, total sales of top 10 evergreen products from the sampled brands represented **373.0%** of total top 10 novelty sales during the 2023 Lunar New Year.

Several categories outshone others during this milestone. Firstly, **outerwear brands** demonstrated significant growth compared to other milestones. For example, Canada Goose and Moncler exhibited the highest e-commerce uplift among all sampled brands.

Additionally, **handbags** were the most popular category during Lunar New Year, occupying 24 spots in the top 50 best-selling evergreen products.

**Watches and jewellery** fared well. Van Cleef & Arpels' Alhambra necklace took the top spot. Although these products were not specifically launched for Lunar New Year, they were extremely well-received by local consumers, as their **design elements such as gold and carnelian** echoed festival iconography. On RED, there is a lot of UGC introducing the auspicious connotations behind the brand's different coloured gemstones.

## Case Study: Van Cleef & Arpels



These four products ranked **first, second, sixth and eighth** among the best-selling evergreen products among our sampled brands respectively.

(1). Data collected from December 27 2022 to January 27 2023

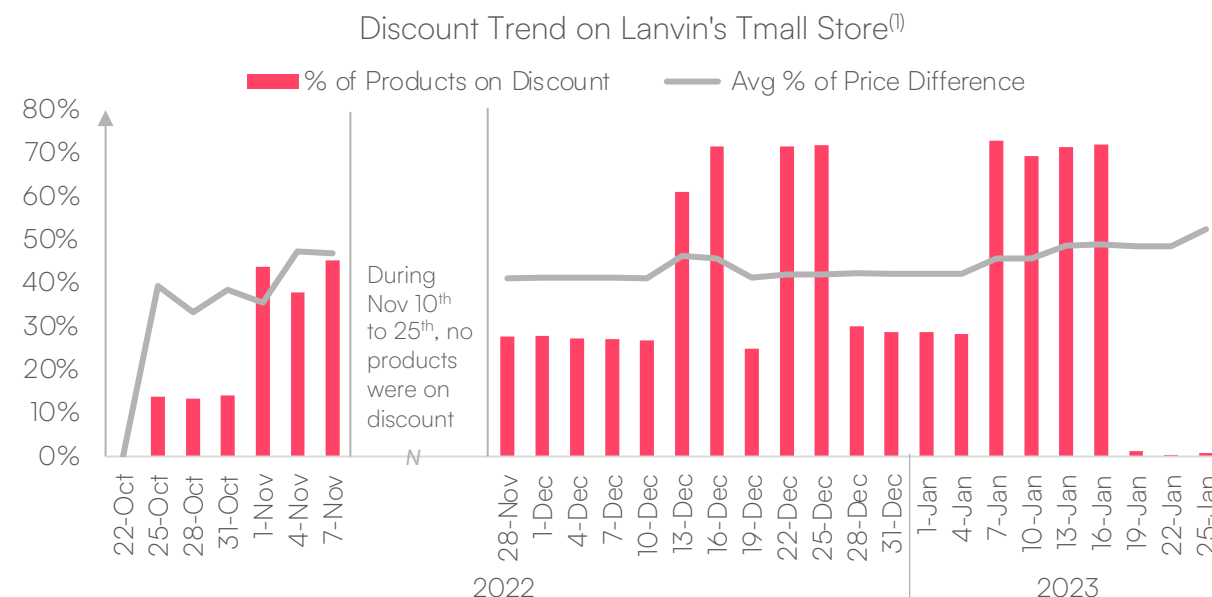
# Product Strategy: *Discounting.*

At one time, luxury brands were wary of China's online shopping festivals, such as Singles' Day, as they are closely associated with discounts. Some brands, in alignment with the Western market, traditionally **reserved discounts for only two seasons a year — June/ July and December/ January.**

As a result, the shopping spree before Lunar New Year has emerged as a significant milestone for luxury brands to **leverage markdowns, both online and offline.** Given the subdued consumer confidence of China's middle class, stimulating consumption through discounts has become an expedient to activate this segment of consumers. This January, even Apple, which rarely offers discounts on new products, provided discounts for certain models on its official site.

Among our sample, niche and accessible luxury brands, such as Lanvin and Thom Browne achieved a significant uplift during the Lunar New Year of 2023 through end-of-season sales. This January, we also observed **over 50 brands** offering seasonal discounts on Tmall Luxury.

## Case Study: Lanvin



## Key Takeaways

- Brands that have already introduced markdowns on Singles' Day can adjust the width and depth of the discount to further boost conversion during New Year.
- For brands that never offer discounts, marketplaces have provided a variety of options to stimulate consumers, such as vouchers and discounted top-ups.

(1). Data collected from October 22 2022 to January 27 2023, at three-day intervals

# User Experience: *Red Packet*.

In 2019, WeChat introduced customised red packet function. Soon, brands recognised this feature as an exceptionally effective marketing tactic during the Lunar New Year. The red packet has become **a digital collectible** as users eagerly visited brands' Official Accounts to acquire and share with their contacts. It also become a relevant channel for brands to **showcase their creative ideas**. According to Tencent Marketing Solution, over 30 luxury brands has participated in the Lunar New Year red packet advertising programme in 2023.

Today, the platform provides brands with various ways to distribute their red packets across touchpoints **within the WeChat ecosystem** — Search, Mini Program, Channels, etc.

Moreover, this tactic not only impacts consumers at the top of the funnel, Many brands use red packets to attract consumer to onboard their loyalty program, **enabling targeted communications** with these consumers even after this milestone.

## New WeChat Red Packet Features in 2024



### Omega

'Gacha Game' Moment Ads

4.5X

Of the average  
clickthrough rate of  
overall Moment Ads\*

### The Macallan

'Easter Egg' Channel Ads

12X

Of the average  
clickthrough rate of  
overall Channels Ads\*

\*Data source: Tencent Marketing Solution, the data is compared to the luxury industry benchmarks and does not refer to the actual performance of the example brands

## Expert Opinion: *Ad Verbum.*



“

During Lunar New Year, a socially vibrant milestone in China, users can grasp a brand's tone and equity by receiving, sharing, and using the brand's red packets on WeChat. This enhances their affinity towards the brand. Simultaneously, this tactic connects various touchpoints within the WeChat ecosystem, in both the public and private domain, including Official Accounts, Channels, and Search. The behavioural data derived from engagements and social activities will become valuable assets for the brands, empowering subsequent operations at the bottom of the funnel and data-driven marketing efforts.

”

**Akie Feng**

Account Director of Luxury Industry  
Tencent Marketing Solution



# User Experience: *Store Design.*

China's online marketplaces not only exert a significant impact on the purchasing stage in the consumer journey but also **play a crucial role at the top of the funnel**, where consumers begin exploration of a brand's universe and storytelling. This is why content marketing has become pivotal for activating e-commerce channels.

Beyond showcasing traditional content formats on these platforms, store design during local milestones serves as a means to present a brand's image while effectively driving engagements. During the Lunar New Year, almost every brand on Tmall will revamp or optimise the design of their **homepage, product detail page, menus, and search result page** to align with the brand's campaign key visual while resonating with the local audience. According to Buy Quickly, engaging store design can yield a **20—30% uplift in click-through rates** during festivals.

In a special year like the Year of the Dragon, brands can leverage this iconic Chinese iconography, and integrate it with their own brand DNA, to exhibit a nuanced and relevant understanding of local culture.



Ami Paris

Tmall Store



Bulgari

Tmall LuxuryStage Store



Cartier

Mini Program

## Expert Opinion: *Ad Verbum.*



“

With changes in the consumer landscape, e-commerce platforms have become more than just a transactional channel in recent years. Brands now can continuously optimise the alignment of creative assets with the target audience by tracking the data of ad placements. For consumers, the online experience covers the journey from awareness to purchase. Through creative content presented on e-commerce channels, brands communicate their brand story and philosophies to consumers. This approach better engages with consumers, enhancing their awareness and affinity towards the brand.

”

**Mark Zhang**

Head of Operation Center  
Buy Quickly

# User Experience: *Mini Program*.

The Mini Program serves as an important touchpoint for brands within the WeChat ecosystem. It can offer services such as e-commerce and loyalty programme **at the bottom of the funnel**, while allow brands to provide practical or entertainment experience to **drive awareness and interest**.

Many brands choose to leverage Mini Programs during major milestones, to communicate their holiday collections or products. For instance, Louis Vuitton has a dedicated tab on its Mini Program store, **curating a series of gift recommendations** for the upcoming Lunar New Year and Valentine's Day. This Mini Program also offer customised gift card and 1-on-1 consultation services.

Brands can also introduce interactive Mini Program to drive engagement. Dior's Lunar New Year Mini Program, allow consumers engage with the Dior butterfly iconography through touch and voice interactions to **acquire branded digital collectibles** such as red packet and wallpapers.



Louis Vuitton

Dedicated Gifting Store



Bottega Veneta

Lunar New Year Campaign MP



Dior

Interactive experience



04.

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# The 2024 Outlook



# Macro Outlook of Luxury in China.



01

## Consumers Confidence

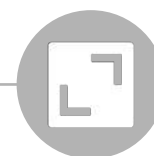
- The luxury recovery in mainland China has not reached to the expectation
- Consumer confidence in China's middle class is dampening
- HNWI's are still resilient and growing; however, their consumption will outflow more to the western market



02

## Outbound Travel

- Annual spending on outbound travel is still far below pre-pandemic levels
- Outbound travel is expected to pick up in 2024 with more visa waiver programmes on the way
- With more well-heeled consumers shopping abroad, the growth in mainland China luxury consumption is facing a slowdown



03

## Deeper Geo-expansion

- Luxury brands will continue to expand in provincial centres while enhancing their flagships in top metropolitans
- Hainan's 'Closed Customs' in 2025 will urge brands to make a further presence on this FTP
- Possible expansion in duty-paid travel retail channels in major mainland hub airports



04

## Elevated Experience

- A growing number of VIC-dedicated spaces for top brands co-launched with major mall developers
- More meaningful phygital experiences will be introduced in-store
- There is an increasing interest in hospitality experiences for luxury brands to acquire customers from all walks

# Product Strategy.



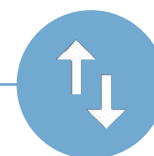
## 01 Product Pillars

- Prioritise building strong product pillars around key categories or collections
- Identify early signs of a downturn and facilitate a smooth transition into new pillars
- Closely monitor market trends and consumer preferences to seize emerging opportunities



## 02 Value Perception

- The perception of value investment is crucial for consumers amid economic uncertainty
- High-priced items are anticipated to reap the benefits of this consumer mindset
- Product with aggressive price hikes or significant price gaps in/ out of China are more likely to encounter significant hurdles



## 03 Price Polarisation

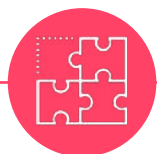
- Revenue growth is being consolidated in both entry-level and premium price ranges
- Understanding the optimal price points will be essential to generate revenue growth
- Brands with ambiguous positioning between entry-level and premium price segments are expected to face challenges



## 04 Discounting

- Brands with internal (Financial) or external pressures (Grey Market) are likely to offer more aggressive markdowns
- The overreliance on shopping festivals to generate sales will only contribute to accelerating this trend.
- This boost of short-term revenue comes with a long-term impact on brand equity, discounts should be use as an exception rather than a rule

# Digital Guidance.



## 01 Online Presence

- Brands should make their e-commerce presence on both Tmall and JD.com
- Douyin appears to be more and more a relevant social channel for luxury, but not on a e-commerce level
- Luxury brands are start to build their second RED account for certain category



## 02 E-commerce Marketing

- Luxury brands should leverage marketplaces as marketing platform beyond the sole focus on GMV
- Introduce compelling experience to allow audience to experience the full brand universe
- These platforms also should play a role in informing offline consumers' digital journey



## 03 Operations Optimisation

- Optimisation on existing business should be adopted after the high-flying years
- There is still gaps in critical areas such as performance marketing optimisation or online store operation rigor



## 04 CRM

- Brands should capitalise on the full WeChat ecosystem capability (clienteling, loyalty programme, lifecycle communication) as the backbone of their CRM strategy
- WeChat CRM strategies should be paired with a well established CRM infrastructure and local expertise

## Expert Opinion: *Ad Verbum.*



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After the spectacular growth experienced in 2020-2021, Luxury brands are facing a far more challenging environment in 2024. To address this challenge, many are already expending across JD.com and Tmall, upgrading the role of these marketplaces towards stronger storytelling touchpoints, and shifting their focus towards optimisation. One of the biggest opportunities for most luxury brands remains a significant upgrade and localisation of their CRM capabilities in China, to harness the power of WeChat to build successful SCRM programs and maximise the value of existing customers, at a time when the importance of VIC cannot be understated, while new customers acquisition has become so much harder.

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**Jacques Roizen**

Managing Director, Consulting  
DLG (Digital Luxury Group)



# About Us

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**DLG (Digital Luxury Group)** is the leading independent digital agency for luxury brands, and offers consulting, social media, e-commerce, creative and CRM services. With offices in Geneva, Shanghai and New York, it has developed a unique expertise in defining and implementing impactful digital strategies that target sophisticated consumers through a combination of technological know-how, creativity and luxury savoir-faire.

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# About Us

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**Re-Hub** helps luxury and premium brands in China to generate online growth opportunities at speed. Through COMPASS, our proprietary data and AI platform, we deliver actionable insights to help brands gain clarity, alignment, and direction on their digital strategy. We focus on answering key business questions across the 3 pillars of e-commerce, merchandising and marketing, covering the full spectrum of China digital ecosystem.

We help brands to:

**Benchmark your performance** against competitors across channels

**Identify performance gaps** and opportunities to prioritize

**Generate new growth** opportunities at speed

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For more information, please visit [www.digitalluxurygroup.com](https://www.digitalluxurygroup.com) and [www.rehub.tech](https://www.rehub.tech)  
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