



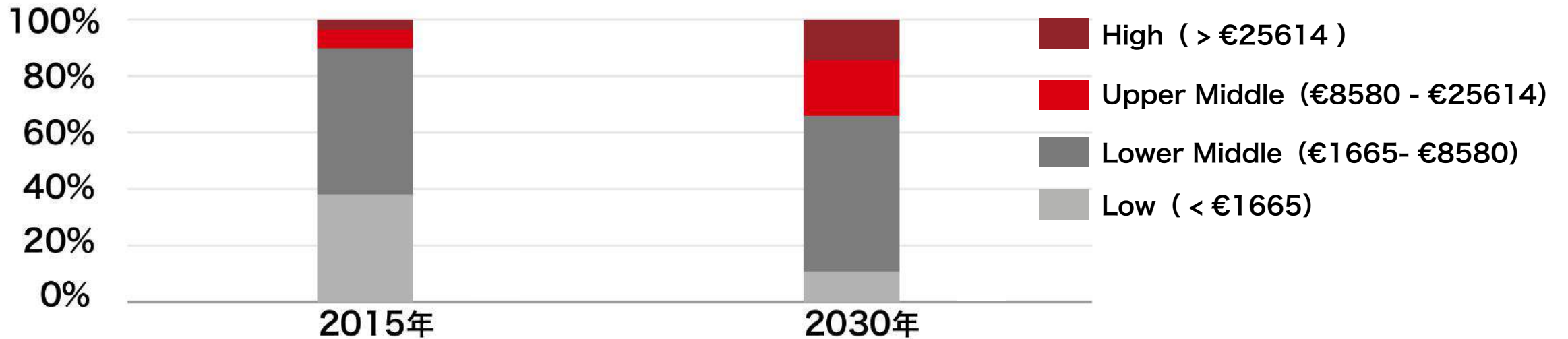
**To China — In China — For China**

*Elisa Wang  
27<sup>th</sup> may, Beijing*

**TO China ?**

# Mid to High Income Group Getting Bigger and Bigger

Annual Disposable Income per capita Distribution



# China Fashion Market is Vast & Growing

- China : World' s **largest** fashion market by 2019, overtaking U.S.
- Chinese will contribute **41%** of global luxury consumption by 2025
- China Fashion Revenue expected to grow at CAGR **11.5%** (2019-2023)
- Chinese personal luxury market maintains **5-6%** growth CAGR

# The fastest recovering market



Chinese mainland surged by more than 80% year-on-year in the third quarter of 2020, driving the Group's sales recovery beyond expectations



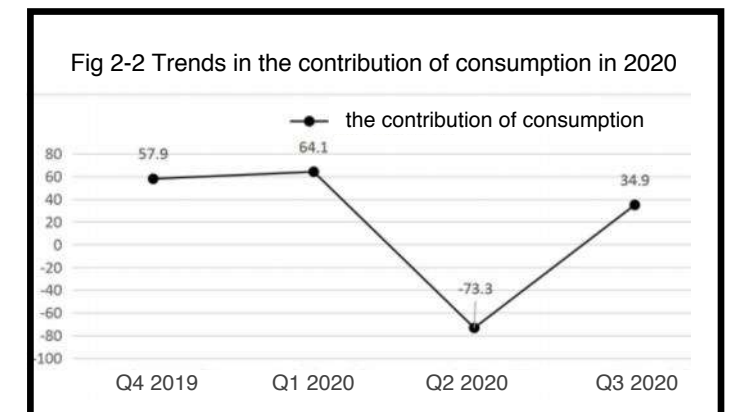
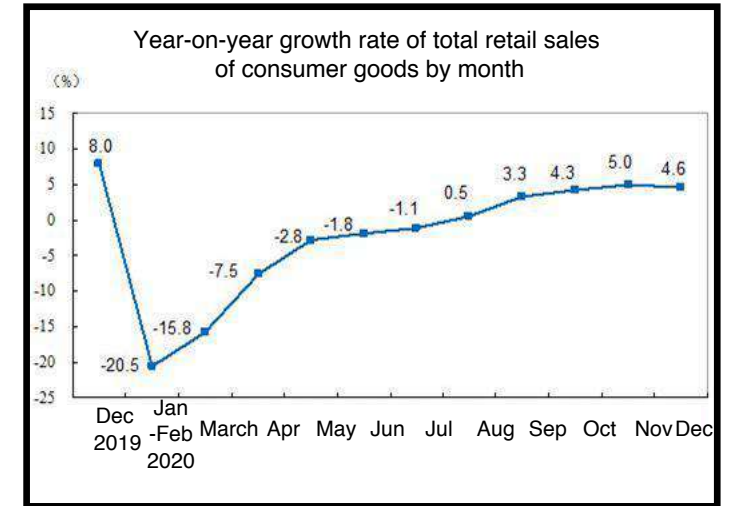
Online sales in China increased by almost 100% in the first nine months of 2020



52% year-on-year sales growth in China in the second half of 2020

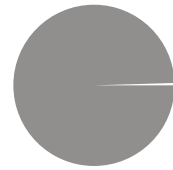
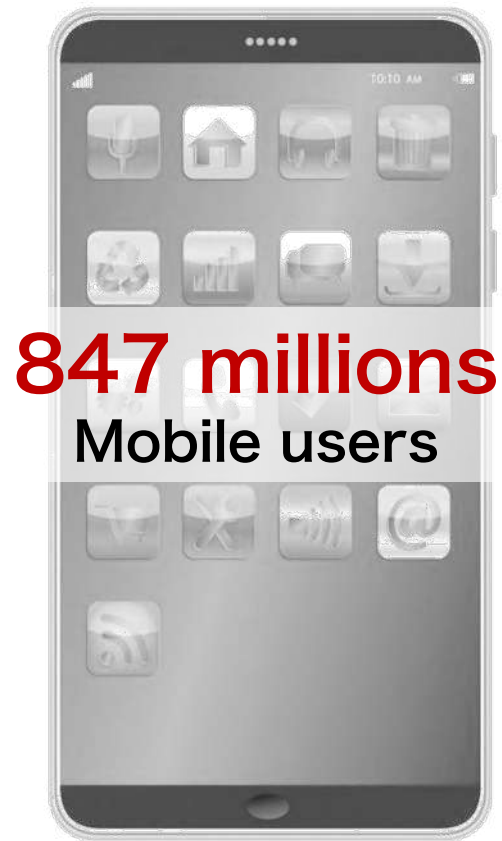


Sales growth over 60% in Chinese mainland in Q4 fiscal year 2020



**IN China ?**

# Chinese fashion consumers : internet savvy, mobile first



**99.1%** Access internet



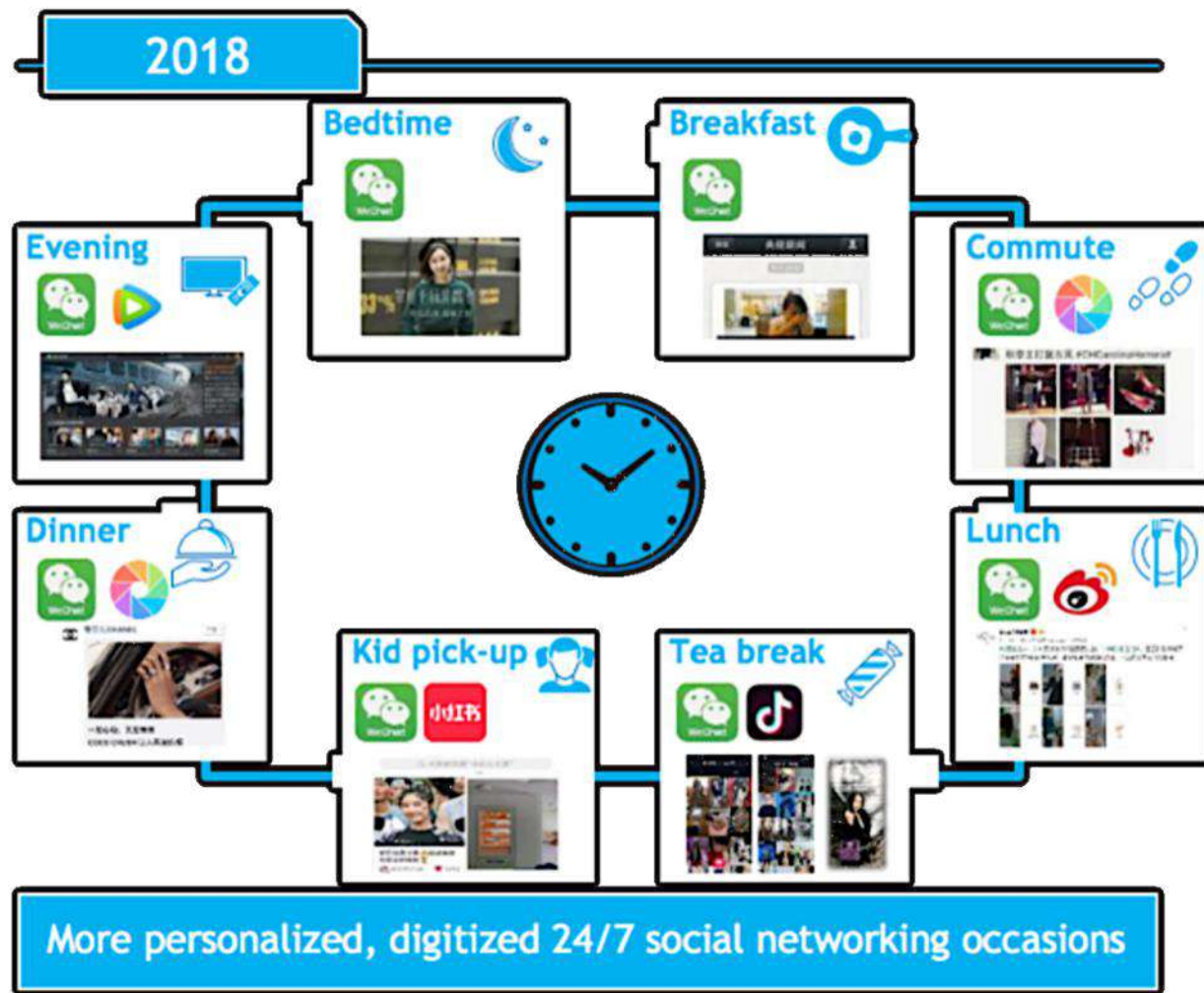
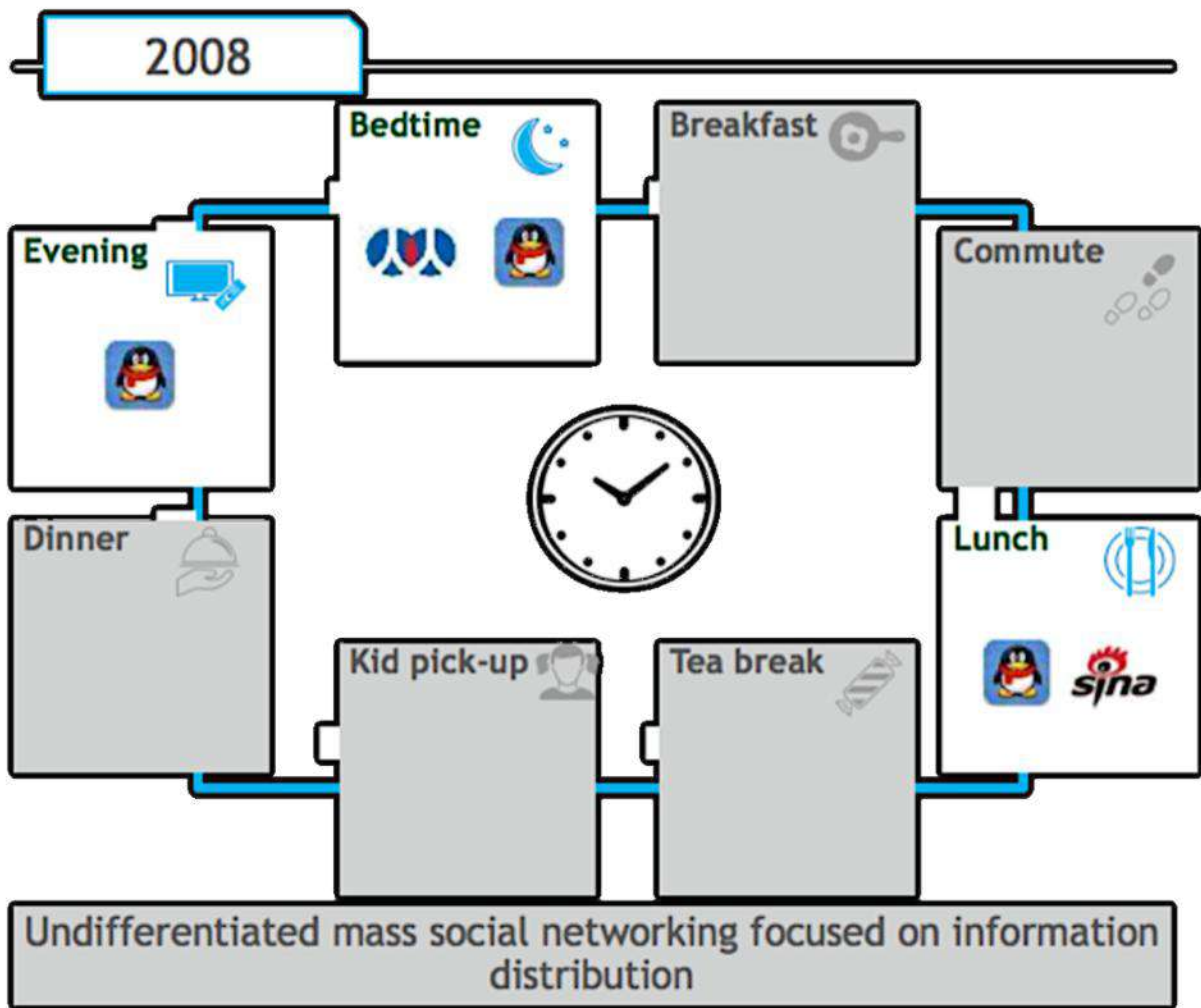
**78%** read news



**73.4%** shopping + pay



**69%** pay by mobile when shopping overseas

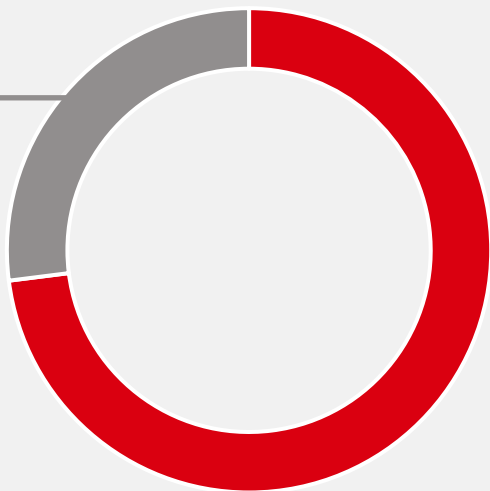




## Lower Tier Cities

27%

are widely dispersed in over 2,000 lower tier cities



73%

of sales contribute by true-luxury consumers are from Top 50 cities (tier 2 or above)

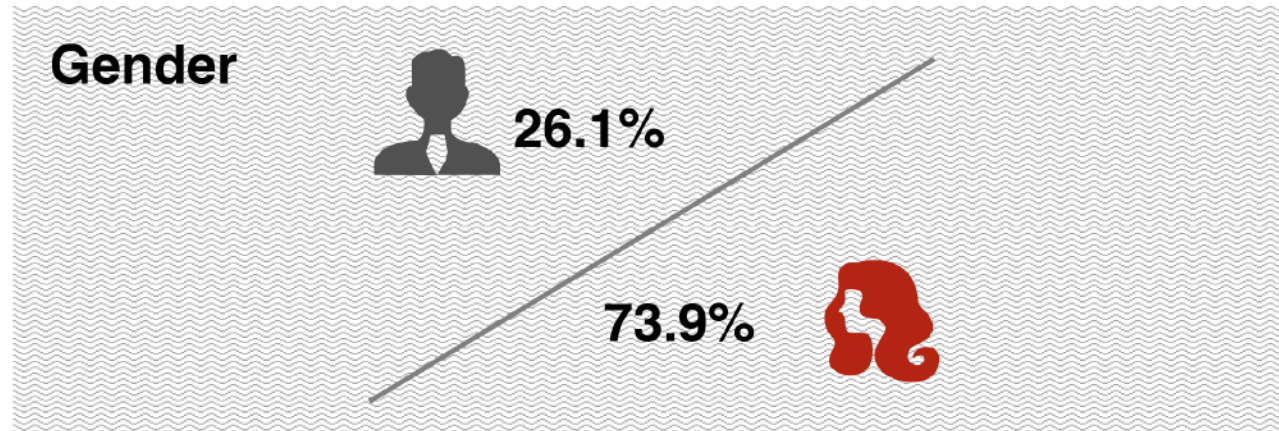
**92%** consumption contributed by Tier 2 or below cities

Tourists from Tier 2 cities spend **10%** more overseas than those from Tier 1 cities, **average USD 2500** - with well-prepared shopping list

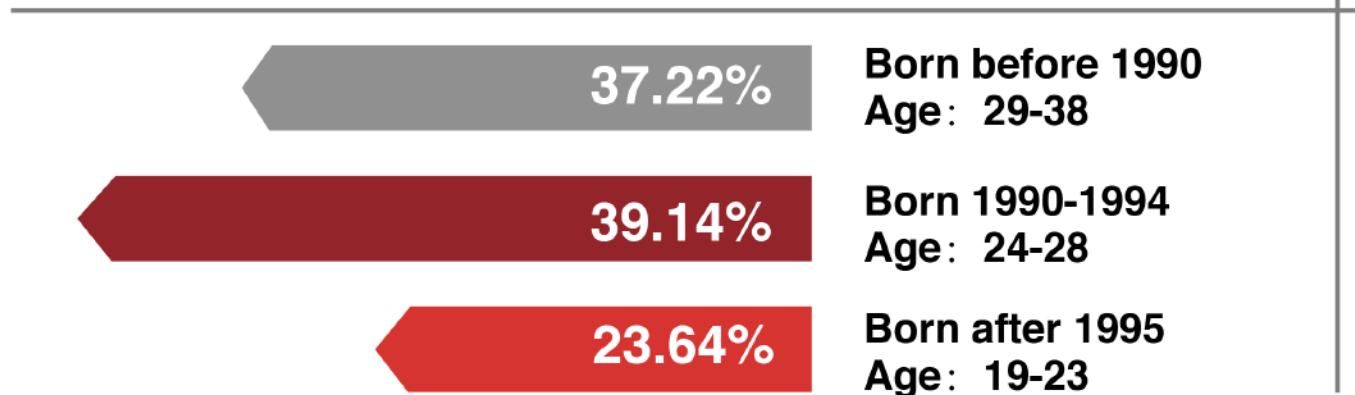
Source: cnic, BCG, DFS, morgan stanly



# Chinese fashion consumers : Very Young, willing to buy



## Age



**48%** are aged below age **30**

who contribute **42%** of luxury sales

- *CEO of Valextra:* Chinese consumers' age is much younger than global on average, and range is wider from 20 years old to 60 years old.
- *CEO of Bulgari:* Chinese consumers begin to get in touch with luxury when they are much younger. Chinese young consumers' age is between 25-35, but in Europe is 35-45.

# Niche brands are gaining popularity

## 1980s and 1990s Generation Changes of Consumption Attitude



**54.9%**

Prefer to try  
niche brands  
or new brands



**49%**

Care more about  
the design and  
quality than brand  
name



**30.6%**

Average  
purchasing  
price is rising

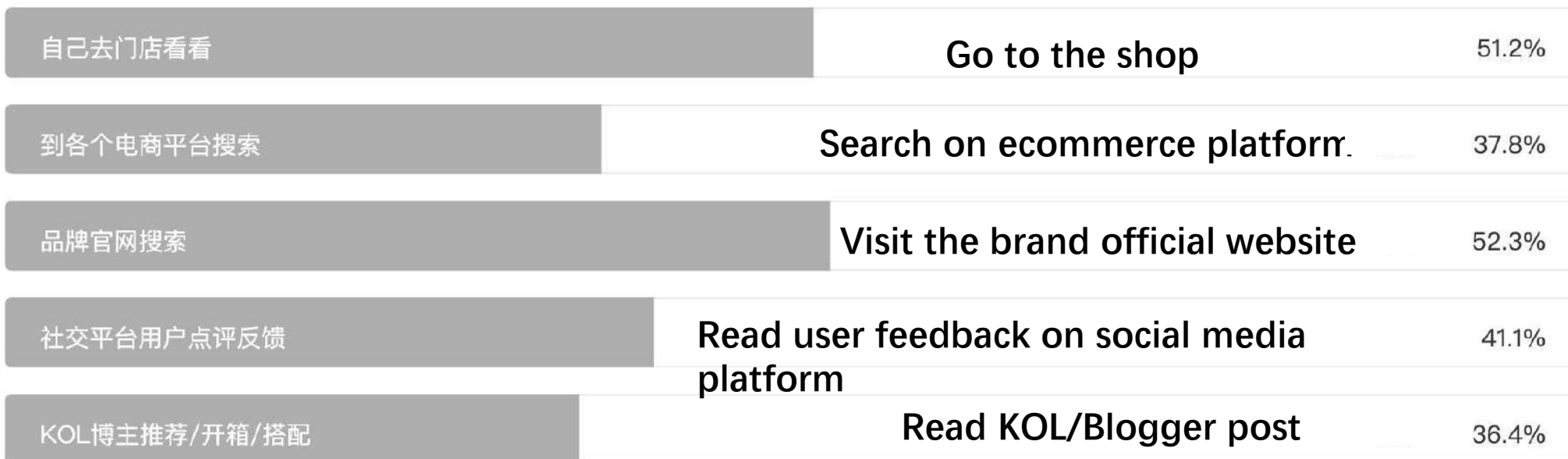


**17%**

Buy more  
luxury goods

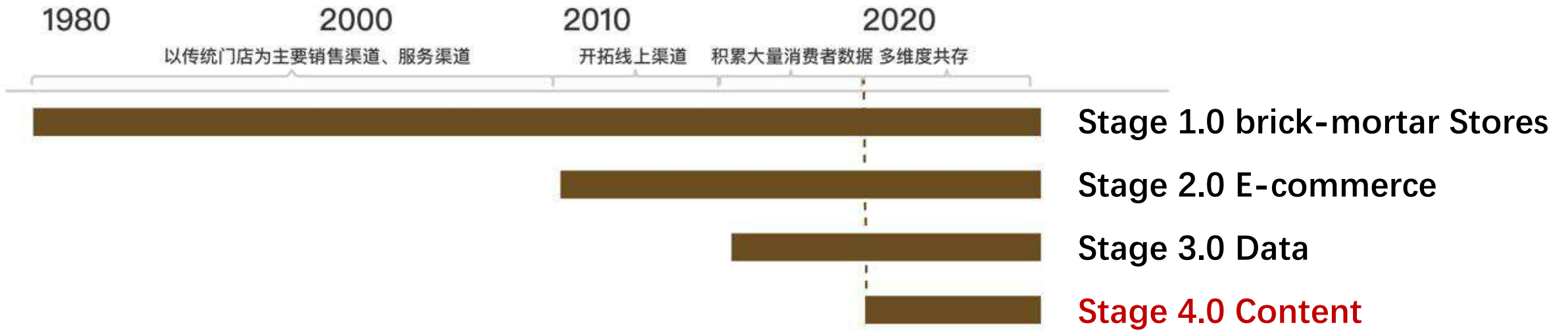
**FOR China ?**

# How do you research before buying Luxury ?









Luxe.CO luxury marketing database (first three quarters of 2020)

**100+**  
luxury brands

**400+**  
pieces of news



offline popup, exhibitions  
 new shops and experience spaces  
 celebrity endorsements  
 crossover collaborations  
 digital marketing





小红书 | 标记我的生活



上海时装周特别呈现

班晓雪原创 4201 观看

淘宝直播

抢321元 限时红包

升级福袋 领红包

快速看回放宝贝讲解

天猫云上时装周

直击云秀场

送原创新品 21:00 抽奖1场

每半小时抽奖 奖品品牌原创包包

关注直播间 领50元无门槛优惠券

不定期发粉券 满1000减100

新粉1 无:李 天哪 4580

新粉3 奈雪c 买的就是这个噢

新粉1 无:李 就你身上那个啊 4280

新粉3 奈雪c 感觉都想抽中袋子

铁粉1 AK碎碎 我中奖了

60 跟主播聊什么?

36910 红包

00:26:23 倍速 03:27:14









# How to WIN?

**Right people !**

**Right messages !**

- **Founder & CEO of Brunello Cucinelli:**

*We have developed a highly structured local team in which almost all the collaborators are of Chinese extraction, helping us daily to understand the culture of this great country.*

*We also have them travel frequently to Italy, and in particular come to headquarter in Solomeo as a means of assimilating our culture and our values and then transferring these to the end customer.*

- **CEO of L'Oréal Group:**

*“Internally, we are really using China as a role model and as a pilot for the development of e-commerce across the world” .*

- **CEO of DEVIALET:**

*What is incredibly different is the speed! It takes 8-12 months to open a store in the France, Europe or US, here in Beijing and Shanghai, we only took 2 months to open a store.*

*What we have to do here is completely different around the world, we have to invent everything for this country.*



# test and try, stay flexible

## Wholesale Partner

- International Multi-brand Retailer
- Local/Emerging Multi-brand Retailer
- Multi-brand section run by department store/shopping center/local fashion group/showroom
- Local ecommerce platform (with wholesaler role)
- ...

## Retail Partner

- Joint Venture with local partner
- Traditional agent (with big brand portfolio)
- Local Fashion Group as agent (with small brand portfolio)
- Digital agent ( to operate shop-in-shop on major Chinese ecommerce platform, e.g. Tmall, JD, WeChat)
- ...





## Most Premium Reader Group in China:

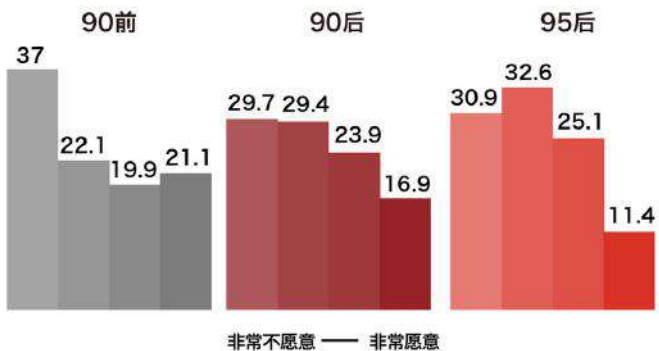
- CEOs, executives, entrepreneurs, founders ;
- PE/VC investors, bankers;
- Online and Offline Retailers, commercial property developers;
- Creative talents in fashion, art, architecture and industry design;

English website: [en.luxe.co](http://en.luxe.co)

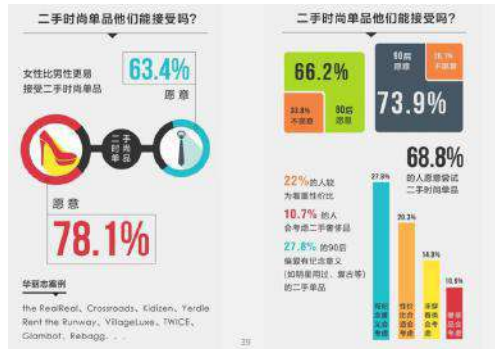
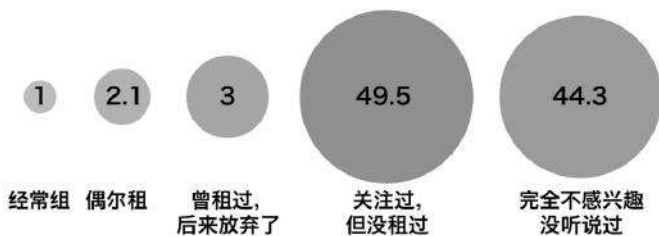
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**Q14 购买时尚单品时，是否愿意分期支付？(单位：百分比)**



**Q15 是否租赁过时尚单品？(单位：百分比)**



# 华丽智库

LUXECO INTELLIGENCE

From 2015 to 2021

## Fashion & Luxury Consumer Survey

**80后90后 时尚消费的态度发生了哪些变化？**



**Most Effective Channels to Get Your Brand Known**

Consumers usually get fashion information from:



**How to Catch the Attention of Consumers?**

Consumers care more and more about Social Responsibility

The effect of "It-item" cannot be ignored





橙湾教育  
Orange Bay Education



***Grazie***

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**Wechat/mobile: 13693585829**