



Digitalisation in Luxury - China - 2022

Report Price: £3695 | \$4995 | €4400

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

This report looks at the following areas:

- What are the most frequent online sourcing information of luxury for consumers
- Consumers' interested content in digitalised campaigns
- How open are consumers towards digitalisation in luxury
- Consumers' willingness towards digital luxury products, such as NFTs

Consumers' purchase of luxury goods through online channels has significantly increased in the past six years, from 26% to 61% from 2016-2022. This paves the way for more aggressive development of digitalisation in the luxury market in China.

Although leading ecommerce platforms still rank top in terms of product browsing and purchase conversion, other online channels such as brands' own WeChat and professional luxury platforms are also gaining consumers' attention. These platforms are more important for luxury brands who want to target sophisticated luxury buyers or those interested in more niche and unique luxury brands.

Consumers' interest in NFT products from luxury brands is strong even though NFTs remain at the early market development stage. Such interest has a strong association with consumers' perceived investment value of NFT products, especially among the more affluent.

It is also noteworthy that consumers' confidence about their future financial situation fell after the Omicron variant and lockdown measures, more so among high income earners. In the long run, consumers' desire and luxury consumption remain strong, but it will take time for China's luxury market to recover. Online will continue to be an indispensable part of the marketing strategy for luxury brands in China.



“Chinese consumers are among the quickest and most open to adopting online luxury shopping and COVID-19 has accelerated the speed luxury brands are embracing ecommerce. However, digitalisation is not just another sales channel but should be an integral part of omnichannel retailing and consumer experience with the brand.”

– Jocelyn Dong, Research Analyst

Buy this report now

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

OVERVIEW

- What you need to know
- Key issues covered in this Report
- Definitions
- Excluded

EXECUTIVE SUMMARY

- The market
- Demand for luxuries hindered as financial confidence hit by COVID, but long term desire for luxuries remains strong

Figure 1: Confidence about improving financial situation in the next three months – very/somewhat confident, by income, 2022

Figure 2: Desire for luxury spending – desire a lot and desire, 2020–2022

- Luxury brands are quick to embrace digitalisation as China leads ecommerce development
- Companies and brands
- Enrich the virtual experience through personalisation and fun
- Enhance online shopping with better services
- Live streaming as the new content marketing
- The consumer
- Going beyond information sharing

Figure 3: Consumers’ online interaction with luxury brands, by online luxury buyers and non-buyers, 2022

- Tmall and JD have better conversion rates, while professional platforms are more differentiated

Figure 4: Information platforms consumers followed for luxury goods, by online luxury buyers and non-buyers, 2022

- Majority of consumers buy both online and offline, suggesting omnichannel retailing is the ultimate strategy for luxury brands

Figure 5: Consumers’ purchasing channels for luxury goods, 2022

- After-sales service is a must, while flexible payment can help retailers or brands attract more young consumers

Figure 6: Consumers’ considerations when buying luxury online, 2022

- Leverage digital marketing to further “humanise” luxury brands

Figure 7: Consumers’ interested digital marketing, 2022

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world’s leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- **Consistent brand image and experience are key to doing digitalisation work for luxury brands**

Figure 8: Consumers' attitudes towards digitalisation in luxury, 2022

- **What we think**

ISSUES AND INSIGHTS

- **NFTs could mean more than virtualising physical products**

- **The facts**

- **The implications**

Figure 9: SuperGucci by Gucci and Superplastic

- **Traditional ecommerce platforms: differentiating through services**

- **The facts**

- **The implications**

Figure 10: Luxury shopping on JD with product maintenance and pay-by-installment options

- **No one-size-fits-all approach to digitalisation for luxury brands**

- **The facts**

- **The implications**

Figure 11: Louis Vuitton's notification on its mini-program and Farfetch's post

MARKET FACTORS

- **The rapid growth of ecommerce is forcing luxury brands to change**

- **Virtual experiences are on trend**

- **Strong demand and consumption power beyond tier one cities**

- **Younger generation has strong consumption power**

- **Growing duty-free stores in China market**

COVID INFLUENCES

- **COVID-19 China context**

- **COVID-19 impact on the market and consumer**

- **Immediate loss of sales due to closed offline stores and logistical disruptions blocks distribution**

- **Longer-term impact of falling financial status and discretionary spending**

Figure 12: Confidence about improving financial situation in the next three months, China, 2022

Figure 13: Confidence about improving financial situation in the next three months, Shanghai, 2022

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 14: Confidence about improving financial situation in the next three months – very/somewhat confident, by income, 2022

Figure 15: Sectors consumers have spent more on compared to the last three months, 2022

- **Desire for luxury remains strong, but brands will need more marketing efforts to nudge purchases**

Figure 16: Desire for luxury spending – desire a lot and desire, 2020-2022

- **Reliance on ecommerce will continue after the lockdown**

Figure 17: Impact of new wave of COVID-19 outbreak on lives, China, 2022

Figure 18: Offline grocery shopping channel in China, 2022

Figure 19: Online grocery shopping channel in China, 2022

MARKETING HIGHLIGHTS

- **Create avatars in the metaverse to allow self-expression**

Figure 20: Gucci Garden Archetypes and Gucci Garden Virtual Exhibition on Roblox

Figure 21: Mytheresa's avatar

- **Gamification answers consumers' desire for fun and nostalgic experiences**

Figure 22: Consumer index on key factors driving consumer behaviours around the Experiences Trend Driver

Figure 23: Louis Vuitton's game

Figure 24: B Bounce, Ratberry and B surf by Burberry

Figure 25: Balenciaga's 520 virtual arcade on WeChat

- **Build exclusive online services**

Figure 26: Burberry's video consultants service on Tmall

- **Experiment with AR technology to enhance shopping experiences**

Figure 27: Burberry's online mini-program for appointments

- **Live streaming harnessed as a new channel for fashion shows and storytelling rather than sales**

Figure 28: Dior's 2020 collection live stream

Figure 29: Lanvin's post on Xiaohongshu

ONLINE INTERACTION WITH BRANDS

- **Silent attention rather than deep interaction**

Figure 30: Consumers' online interaction with luxury brands, by online luxury buyers and non-buyers, 2022

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

FOLLOWED ONLINE PLATFORMS

- **Live streaming is important, but Farfetch-like shopping platforms are most differentiating luxury buyers and non-buyers**

Figure 31: TURF Analysis – information platforms consumers followed for luxury goods, 2022

Figure 32: Information platforms consumers followed for luxury goods, by online luxury buyers and non-buyers, 2022

Figure 33: Tmall Pavilion

- **Tmall/JD and WeChat have the highest purchase conversion**

Figure 34: Conversion rate of informational channels, 2022

PURCHASING CHANNELS

- **Digitalisation needs to be part of omnichannel retailing and marketing in luxury**

Figure 35: Consumers' purchasing channels for luxury goods, 2022

- **Significant increase in willingness to buy luxury online in China**

Figure 36: Consumers' purchasing channels for luxury goods, 2016 – 2022

- **Offline shopping sees shift in channels in the last five years**

Figure 37: Consumers' purchasing channels for luxury goods, 2022

Figure 38: Posts of buyers' stores on Xiaohongshu

- **Second-hand luxury markets are developing**

Figure 39: Luxury products purchased by type of second-hand luxury shopping channels, 2022

Figure 40: Consumers' shopping considerations for luxury goods, by second-hand purchasing channels, 2022

CONSIDERATION FACTORS WHEN SHOPPING LUXURY ONLINE

- **After-sales services and comprehensive products are key to reassuring online buyers**

Figure 41: Consumers' considerations when buying luxury online, 2022

- **Younger consumers care more about flexible payments, while older consumers need more information**

Figure 42: Consumers' considerations when buying luxury online, by generation, 2022

- **Higher requirements for ecommerce platforms**

Figure 43: Consumers' considerations when buying luxury online, by purchasing channels, 2022

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

INTERESTED DIGITAL MARKETING

- **Introduce brands' culture by creating or collaborating with IPs**

Figure 44: Consumers' interested digital marketing, 2022

- **High interest in NFTs is driven more by investment potential**

Figure 45: Consumers' attitudes towards NFT products, by income level, 2022

Figure 46: Consumers' attitudes towards NFT products, by interested digital marketing, 2022

ATTITUDES TOWARDS DIGITALISATION IN LUXURY

- **Instalment payments may make luxury consumption more accessible**

Figure 47: Consumers' attitudes towards instalments, by purchasing behaviours, generation, income and city tier, 2022

- **Consumers don't see ecommerce channels in the same way**

Figure 48: Consumers' attitudes towards luxury brands' participation in the promotion of ecommerce, by age and income level, 2022

Figure 49: Purchasing channels for luxury goods, by consumers' attitudes towards luxury brands' participation in the promotion of ecommerce, 2022

- **Consumers are more open about live streaming promotions**

Figure 50: Consumers' attitudes towards luxury brands' live streaming promotion, by age, city tier and income, 2022

- **Those who are open towards luxury brands doing live streaming focus more on the products**

Figure 51: Consumers' definition of luxury, by their attitudes towards luxury brands' live streaming promotion, 2022

APPENDIX – METHODOLOGY AND ABBREVIATIONS

- **Methodology**
- **Abbreviations**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100



About Mintel

Mintel is the **expert in what consumers want and why**. As the world's leading market intelligence agency, our analysis of consumers, markets, product innovation and competitive landscapes provides a unique perspective on global and local economies. Since 1972, our predictive analytics and expert recommendations have enabled our clients to make better business decisions faster

Our purpose is to help businesses and people grow. To find out how we do that, visit **[mintel.com](https://www.mintel.com)**.