

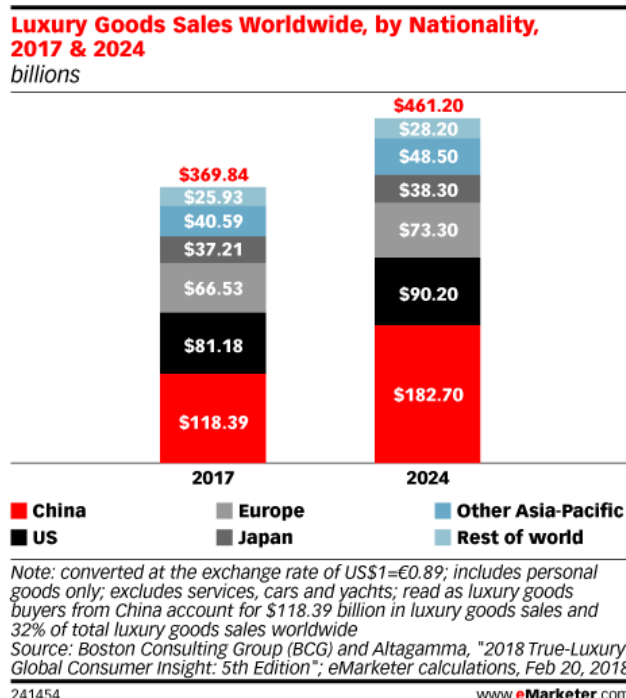
How Luxury Marketers Use Digital Channels to Reach China's Affluent

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eMarketer Editors

Within a decade, luxury spending in China has risen from slightly over one-tenth of the world's spending to one-third today, according to McKinsey & Co. Behind this growth is the rising number of wealthy individuals and the spending power of millennials in the country. Information disseminated through digital media, especially mobile, has helped open the market to more luxury shoppers.

Consumers in China spent \$118.39 billion on luxury goods in 2017, far more than consumers in the US, Europe, Japan or the rest of the world. Two-thirds of digital shoppers who buy luxury goods in China are ages 37 or younger.



Global luxury brands are tinkering with their marketing mix to adapt to China's tastes and digital ecosystem. Luxury marketers have opened virtual pop-up stores, released China-only limited editions and experimented with other tech solutions.

Take Tiffany & Co., for example. The iconic jewelry maker pre-sold a collection in a pop-up store exclusively to Alibaba's Luxury Pavilion, before the product hit brick-and-mortar stores two weeks later. The campaign on Alibaba also used augmented reality (AR) technology to enhance engagement and tapped into the Luxury Pavilion loyalty program to provide upscale delivery services to members and invitations to exclusive offline events.

Brands are also launching China-only limited editions during special holidays like Qixi—Chinese Valentine's Day. Burberry took to WeChat during Qixi, launching two China-only red edition bags from one of the luxury designer's collections. The products were launched through an applet within WeChat, where users were asked to complete a lighthearted trivia game with their significant other before being allowed to enter an online store.

Multinational luxury brands have also experimented with the specification of their products to cater to China's local tech ecosystem. For example, in Google's absence in the country, Michael Kors's Access Runway Smartwatch partnered with local digital services including Mobvoi Assistant, Tic Health and Alipay.

eMarketer's latest report, "[The Rise of China's Omnichannel Luxury Consumers: How Ecommerce Is Changing the High-End Market](#)," explores the social and economic conditions driving the spending habits of China's affluent shoppers.

eMarketer PRO users can read the full report now.

Report by Man-Chung Cheung Oct 02, 2018

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