

Luxury Brands and the Chinese Millennial Consumer

Brands new to the Chinese market should focus their attention on having a mobile presence, says an expert with The Luxury Conversation.

By [Vicki M. Young](#) on February 13, 2018



📷 Mobile is a big component of the shopping experience. Shutterstock / Tom Wang

Twelve seconds.

That's the attention span of [Millennials](#), according to Ketty Maisonrouge, president of the Luxury Education Foundation, who spoke Tuesday at a presentation called "How Can Luxury Brands Capture the Attention of Chinese [Millennials](#)?" The event was hosted by The Luxury Conversation, in partnership with The Mark Hotel in Manhattan.

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LOUIS VUITTON

A red rectangular graphic containing the text 'ESSENTIALIST' and '— TODAY'S MUST READ —'. Below this text are two side-by-side images of a woman in a black outfit holding a red Louis Vuitton handbag. The text 'Louis Vuitton Taps Trio of Actresses for Handbag Campaign' is written below the images, and 'LOUIS VUITTON' is written in small letters at the bottom right of the images.

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Maisonrouge noted that while 12 seconds seems short, that's still four seconds longer than the attention span of Gen Z, which is even less at just eight seconds.

“When [Millennials](#) want something, they want it now....They see it [on mobile] and they want to click on it to buy.... They all want novelty, novelty, novelty,” Maisonrouge said.

She also noted that while what they say makes them sound [environmentally conscious](#), many don't always want to pay the premium for that. Further, “many don't know what being environmentally friendly means.”

Chloé Reuter, cofounder of The Luxury Conversation and founder and chief executive officer of Reuter Communications, noted that there are 500 million Millennials in [China](#) today.

“They were brought up in a world where they have a lot of opportunity and things [looked liked] they were getting better and better,” she said, adding that she was referring primarily to those in tier 1 and tier 2 cities.

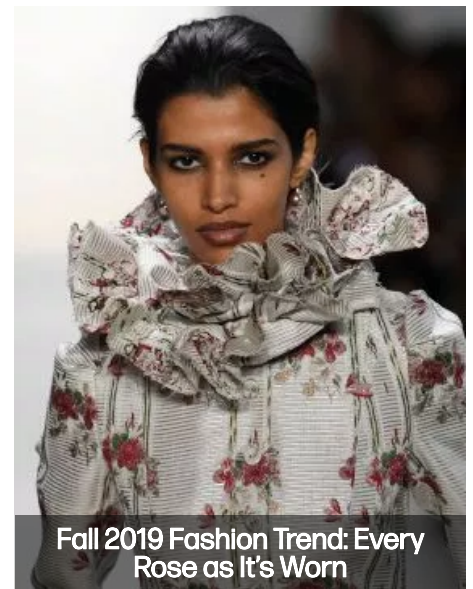
“They are very technologically savvy [and growing up as] one child with parents and two sets of grandparents, they have a sense of entitlement. They are not afraid to spend on themselves or reward themselves,” Reuter said.

She also spoke about how this group “live their lives on mobile.” Reuter explained that [China](#) is largely a cashless society, with Alipay and WeChat the main mobile payment platforms in China.

“Everything is mobile. You don't need a handbag. You just need a battery pack and your phone,” Reuter emphasized.

As for what they are buying, she said they are fairly sophisticated, and have particular interest in buying little-known niche brands. Yet, they do [heavy research before they travel overseas](#), and already know what they will buy before they reach their destination, Reuter said.

This group will be particularly important down the road, given that just 4 percent of Chinese Millennials have a passport now and “in two years, that number is expected to double,” Reuter said.



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She also pointed out that Chinese Millennials aren't necessarily into just buying stuff — they're also into buying experiences. Reuter spoke of a thirtysomething celebrity who chose mountain climbing for her birthday instead of an apparel item or accessory. "It needs to be something they can share with their friends that is selfie-worthy," Reuter concluded.

She added that almost 95 percent of them have not bought a magazine in the last year, meaning that they now consume that content digitally instead of via a print format. Further, 72 percent have a favorite key opinion leader, or KOL, that serves essentially as an influencer for the group. They also don't watch television, and the WeChat platform is basically the only app they need. WeChat allows for mobile payment, connections to social and digital media, video calls and other services such as booking plane tickets.

For brands, connecting with the right KOL would allow them access to a greater audience reach, Reuter concluded. But she also cautioned that brands need localized content and that they can't take what's on a Parisian site and slap that onto that brand's Asian site. Reuter went even one step further, suggesting that brands new to the Asian market forget about setting up a web site and focus their attention on a mobile presence. "Forget the web site. The [Millennial] consumers don't go to the web site. They go online through their mobile phone," she said.

Richard Chen, ceo of venture capital firm Yifei Investment Holding Ltd., said that many of the current KOLs are likely to be around for five to 10 years, before they drop off and are replaced by new KOLs. Many of the top KOLs have at least 5 million followers, and celebrity KOLs can have as many as 50 million followers or more.

As for the experience that they are seeking, he noted South Korean eyewear brand Gentle Monster, which has a store in the SoHo area in Manhattan. He said that the brand has a huge shop in China that doesn't have any glasses in the store, but gets a lot of traffic from the Millennial consumer. "Think of it as an art installation. It is like an art museum. Every store they have is different, but they all are about the experience, and each store is selfie-worthy," Chen said.




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The eyewear averages around \$230 to \$260 a pair, he said, adding that the company has made each location cool and fun. “They show that if you want to buy, you can do it online and you don’t need to buy it in the store,” Chen said.

Separately, according to research data on the Chinese Millennial counterpart in the U.S. — from RBC’s 3rd Annual U.S. Millennial Luxury Consumer survey — Tiffany continues to be the most desired jewelry brand with a 25 percent purchase intention, up from 16 percent a year ago, followed by Pandora and Cartier. In the handbag category, Kate Spade, Coach and Michael Kors are the top three most desired handbag brands, replacing its European peers Chanel, Gucci and Armani. And in apparel, Ralph Lauren climbed to the top spot with 11 percent purchase intention, compared with 6 percent a year ago, and is now ranked above Burberry and Gucci, according to the RBC survey results.

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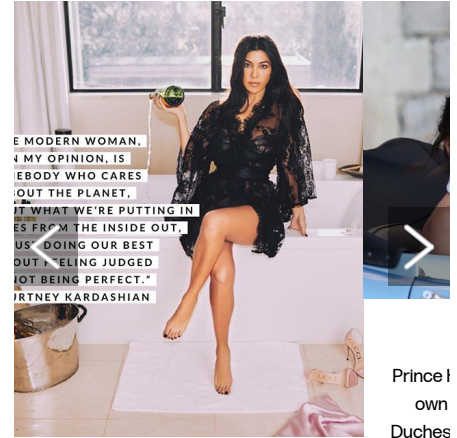
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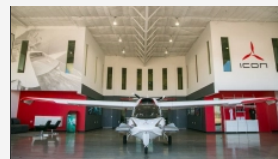
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