



# Young Chinese Buyers Demand a New Sales Pitch: 'Experiential Luxury'

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# *Jing Daily: Who We Are*

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Launched in 2009, Jing Daily is the leading digital publication on luxury consumer trends in China. It is our mission to understand the forces shaping the future of the luxury industry by bringing our readers the latest news, analysis, features, and reports exploring developments in that landscape.

Our traffic has soared 65 percent over the past year.

## **To sign up for our newsletters:**

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# No More Clichés about Chinese consumers

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China's millennial and Gen-Z generations are the main forces driving the global luxury and beauty consumption.

We present you:

- Real Chinese luxury shoppers/travelers
- Online users' posts on social media platforms
- Industry experts





**Millennials** are born between **1983-1997**.

Chinese millennials are buying luxury **younger**,  
and **more frequently**

—Bain & Company

Consumers  
**age 35 and  
younger**  
will make up  
**65%** of China's  
**consumption  
growth** through  
2020.



# What is China buying



EVERYTHING...BUT...

# ...the trend is continuing, but the mix is changing!

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## NEXT LUXURY PURCHASE FOR THE AFFLUENT CHINESE

Top  
categories  
that China  
intends to  
purchase





# Beauty is the King

Chinese travelers are more interested in purchasing high-end international beauty products while abroad. And they're less likely to spend their cash on those same products in the domestic market.



# Top brands that China *intends* to purchase in travel retail

	Alcohol	Fashion	Jewelry	Watches	Skincare*
1	Wuliangye	Dior	Cartier	Rolex	Estee Lauder
2	Maotai	Chanel	Tiffany	Cartier	Chanel
3	Chivas Regal	Hermes	Chanel	Omega	Dior
4	Remy Martin	Louis Vuitton	Bulgari	Chanel	Lancôme
5	Hennessy	Gucci	Chow Tai Fook	Hermes	Shiseido



# Brands that China is buying now

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Dior

PRADA

GUCCI



# How “experiential” can change the way people shop?



A study shows that a consumer who feels relaxed and positive will buy more.

**10%↑** Travel retail sales

**7%↑** Duty-free products purchases

# The state of experiential marketing in travel retail

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Airport outreach has been evolving towards a more lively approach to better align with Chinese consumers' need for experiential luxury. This evolution represents a major milestone as airports are adding a new feature to their traditional transportation and shopping functions: entertainment.



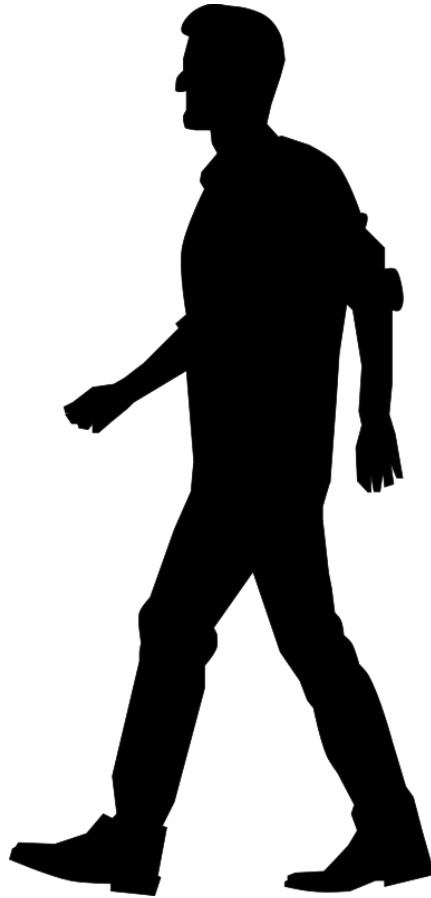


# Pop-up stores at airports



# What Chinese consumers say

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Dylan D. (32, male), an investment analyst at a New York-based hedge fund. In 2018, he has been traveling frequently to different countries to attend investor conferences.

**Q: Do you like seeing pop-up stores at airports?**

A: Yes. If I see one, I will go and check it out.

**Q: Will you purchase items from these stores?**

A: It depends on the brands and products. If it happens to be the brands I like and they offer some exclusive products that I cannot buy anywhere else, I am more likely to purchase something.

**Exclusivity matters**

# What Chinese consumers say

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Jingwen X. (33, female), a financial specialist at an investment bank in London. In 2018, she has gone on many business trips and 2 vacation trips

**Q: Where do you get the information about pop-up events at airports?**

A: I don't specifically look for information like that. But the last time I learned about it was from a London-based Chinese KOLs. I follow her on Instagram and saw her post some event pictures at the Heathrow Airport.

**How do you make people aware of your airport pop-ups?**



# What Chinese consumers say

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Cherry C. (30, female), a product manager at a tech company in Hangzhou. In 2018, she has gone on a few business trips and 2 vacation trips with her families

**Q: What do you like and dislike about your last experience at an airport pop-up store?**

A: My 4-year-old son found it fun to check it out and I took several visually-appealing photos of him and my families. However, when I was checking out several beauty items, the salesperson really made me unhappy. I am the loyal member of that brand so I have an electronic profile with some coupons on it. I wanted to use my coupons to settle my deals but that person told me she could not do it because they cannot access my profile information.

## How do you provide a seamless shopping experience?

# 6 factors to create a youth-appealing experiential marketing campaign

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**Authenticity**

**Nowness**

**Newness**

**Tech-savvy**

**Coolness**

**Connectedness**



**There can be no secrets from the millennial generation.**

“We don’t fake it, we don’t pay people {for likes}. The design process is so heartfelt at Stella McCartney. I don’t have to try too hard, I think people believe when its honest and know when it’s not.”

– Stella McCartney

# Authenticity

**The buzzword for this generation**





# Newness

**The need for innovation for this generation**

Luxury mega brands are all innovating their product design and brand experience to stay competitive and relevant with millennials.

Those that fail to do it will lose their market share.

Consuming luxury goods  
is also a way for  
millennials to express  
themselves

# Coolness

**The need of self-expression for this generation**



# Nowness

**The need of instant gratification for this generation**

“Carpe Diem”  
To live in the moment







# Tech-savvy

## The mobile generation

Chinese consumers' natural behaviors are buying either on WeChat or on an app. It is really important for them to have a fantastic mobile experience with the Chinese app.

— Jose Neves, CEO of Farfetch



The art of being seamless,  
consistent and convenient

**The omni-channel generation**  
**Connectedness**



# Airport retailers are the new shopping malls

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# Takeaways for brands and retailers

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- Understand **the power of airports** as your retail channel
- **Know your audience** – who they are, what they buy, and what they look for when buying
- **Align your messages** to your audience – travel retail, downtown retail and online retail
- Know how to direct your audience to **right channels to buy**

# Thank You!

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