


[Download ebook] Luxury China: Market Opportunities and Potential

Luxury China: Market Opportunities and Potential

Michel Chevalier, Pierre Xiao Lu

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Michel Chevalier, Pierre Xiao Lu : Luxury China: Market Opportunities and Potential before purchasing it in order to gage whether or not it would be worth my time, and all praised Luxury China: Market Opportunities and Potential:

1 of 1 people found the following review helpful. Basic, and outdatedBy MichyI was looking forward to receiving this, since there is a lack of good books on the luxury industry in China. But, this book is for people who know absolutely NOTHING about China or the luxury industry - if you have ANY knowledge of either at all, you should skip this book. Many of the statistics and facts are outdated or come from specious sources. I could give examples, but where do I even begin? A very disappointing book - don't waste your money.4 of 4 people found the following review helpful. Is China still a hard nut to crack?By Hubert SheaBoth authors have maintained that China offers ample market

opportunities and potential to luxury brand owners because of its phenomenal GDP growth and huge consumer demand for high-quality and brand products. In this book, both authors offer relevant market information and useful tips to readers how to start up and sustain their businesses in this double-digit growth competitive market landscape:-

1. Market characteristics - Market size for luxury products is huge but luxury brand owners cannot view China as a single market because different tiers of cities (Big Four, Climbers, Niche, Mainstream, Next Frontier, and Poor Cousins) (Chapter 5) can generate different luxury product potentials.
2. Consumer attitudes and behaviors towards luxury products - There are four major consumer groups in terms of attitudes and behaviors towards luxury products, namely luxury lover, luxury follower, luxury intellectual, and luxury laggard (Pp.54-63). Based on a quantitative survey of "Chinese elites" in 4 Chinese cities (n=312), there are more luxury intellectuals (42.2%) in Beijing than in Chengdu (16.6%) while Shanghai has less luxury lovers (13%) than luxury followers (26.1%) (P.69). Luxury brand owners should formulate different effective marketing strategies to fulfill customer wants of these four consumer groups.
3. Long-term vision - Luxury brand owners cannot solely rely on return on investments made from start-up operations to fund business expansion activities because they have to make huge investment in establishing sufficient market presence (i.e. new store opening, bulk brand building campaigns, new inventory investment, and hiring of capable personnel) (P.13) and being one of the leading brands in order to keep up with double-digit market growth.
4. Operations and communication strategies - Chapter 4 and 5 describe pros and cons of different operations strategies for luxury brand owners (Importer-distributors, subsidiaries, joint venture, licensing). They also include a comprehensive list of major distributors in Hong Kong, Singapore, and China. Chapter 6 focuses on different above-and-below-the-line communication tools available to luxury brand owners (press, TV, outdoor media, and internet, celebrities and events). According to both authors, China is still a hard nut to crack for iconic and weak luxury brand owners because it is a vast and complex market. Thus luxury brand owners cannot view China as a "El Dorado" for short-term gain.

There are limitations of this book:-

1. This book was published in 2010 but some of the information contained in this book is inaccurate and out of date. For example, rental prices for ground level shops in Nanjing West Road in 2010 was 60-70% higher than 2007 (P.218). According to Boston Consulting Group (2011), China has a million millionaires which is more than what the book has stated (415,000 persons, P.28). The well-known department store, Shin Kong Place, is located in Beijing East CBD instead of Beijing West CBD (P.87). The Chinese luxury market is still male-dominated because of the customs of gift-giving to business partners and government officers (P.43) but according to Newsweek (2010), women will account for at least 55% of luxury product market in 2015.
2. The quantitative survey in Chapter 3 does not cover respondents from super-rich and vulgar-rich segments (they are regular consumers of luxury brand products). The survey solely covers middle-to-upper middle class in 4 key Chinese cities and representativeness of the survey respondents in the luxury market remains in question.
3. Social portals ("weibo") have generated huge online traffic and consumers can express their views on luxury lifestyle and products in China. Besides, an online shopping portal, "Taobao", has also demonstrated significant growth in luxury product transactions. This book contains no information on this available communication tools.

Despite its limitations, this book has served its purpose of convincing readers of market opportunities and potential of luxury brand products in China. This book is highly relevant to MBA students and luxury brand owners (plan to have start-up operations in China) who aspire to have broad understanding of the overall market landscape.

0 of 0 people found the following review helpful. Luxury China

By elp1108I think it's incredibly unfair to say that this book is for people who know nothing about China or the luxury industry. That type of review is hardly constructive. I think the book is very important for anybody in the Chinese luxury industry. Being an industry that's incredibly difficult to break into and one that has no set standard or formula for successful market entry strategy or business development, this book highlights interesting, telling brands that are both Western, like Rlichemont's Dunhill, and Chinese, like Shiatzy Chen. And because Mainland China is full of complexities, and requires a company to understand the finesse of building interpersonal relationships, or guanxi, and the necessary cultural and marketing tools for a business to logistically operate, I think this book offers great insights. Also, as previously mentioned in a former review, Luxury China is written from complementary perspectives, of HEC's Michel Chevalier and Fudan's Pierre Lu, both of whom have had considerable experience in the Chinese luxury industry. All sources are also cited.

In short, I would not be so quick to write it off, and recommend it to everyone interested in China and its buoyant luxury industry.

A guide to reaching and profiting from China's expanding luxury consumer class

China's growing consumer base and expanding economy means more disposable income for more Chinese citizens. The Chinese market for luxury goods is expected to expand from \$2 billion this year to nearly \$12 billion by 2015. Today's biggest global luxury goods retailers expect China to make up a large and ever growing portion of their customers, and those businesses are responding with new stores and investments in China. Luxury China gives readers

- particularly professionals in advertising, marketing, and the luxury brands industry
- a deep look into the future of the Chinese luxury goods market and shows them how to tap into China's tremendous market potential.

This is the first book to provide all necessary information for a luxury brand trying to develop its business in China. It

indicates how the consumers, the stores, the markets and the communication tools are different and must be understood and used in a consistent and harmonious way. It gives examples of brands that have done well and brands that have done less well, so that the reader can understand the best practices in this territory. - Mimi Tang, President, Asia and Pacific, Gucci Group Is the China luxury market a long-term gold mine, a short-term mine field, or both? This timely and insightful book answers this question—and many more! No doubt a book every manager of the industry should read before investing or investing more in this fascinating country. - Eric Douilhet, President, Bluebell (Asia) Ltd. The Chinese El Dorado for luxury brands is not a quiet one-way street. More than anywhere else in the world the learning curve is a long and sometimes painful process. In *Luxury China*, Michel Chevalier and Pierre Lu share their outstanding experience of luxury brand management in China to help us assess and understand the marketing and business challenges, and better respond to them. - Alexandre Fauvet, Director for Licenses Distribution, Lacoste SA *Luxury China* provides a complete exploration and explanation of the argument that China's potentially substantial surplus from foreign businesses can be considerably justified by the success of the luxury sector. Through affluent cases from both Europe and China, readers will learn about the vigor, acceleration, and future of the Chinese consumer market. - Professor Lu Xiongwen, Dean, School of Management, Fudan University The merit of this book, *Luxury China: Market Opportunities and Potential*, is that it is the first one to clearly indicate and to substantiate the fact that China has become a priority for the most dynamic brands and it gives very clear indications about the way in which the market should be developed. - Sidney Toledano, President and CEO, Christian Dior Couture From the Inside Flap "Luxury China" answers the question of how to succeed in the fashion and luxury industries of Mainland China. The country's extraordinary economic boom has made it the world's third largest market for fashion and luxury with unlimited potential in the future. Key issues, such as the size of the Chinese luxury market and its evolution in different product categories are explained and illustrated. Readers will find comparisons between the Chinese luxury clients and that of clients from the rest of the world. This book covers topics such as: - Chinese luxury consumer behaviors and their preferences- possible market entrance strategies- elective retailing- successful communication and advertising strategies- effective campaigns against counterfeits in China. "Luxury China" comes with business cases applicable to Chinese and international brands in main luxury product categories, such as high fashion, leather goods, watches, spirits and wines, decoration and table wares. The authors have provided deep insights and updated information for the industry's fast evolution in the market. This book comes equipped with practical and effective solutions for new brands that wish to explore their opportunities in this market. It will also prove useful for well-established brands facing the challenges of maintaining and increasing their market share. "A perfect reference with solutions!" From the Back Cover *Luxury China* answers the question of how to succeed in the fashion and luxury industries of Mainland China. The country's extraordinary economic boom has made it the world's third largest market for fashion and luxury with unlimited potential in the future. Key issues, such as the size of the Chinese luxury market and its evolution in different product categories are explained and illustrated. Readers will find comparisons between the Chinese luxury clients and that of clients from the rest of the world. This book covers topics such as: Chinese luxury consumer behaviors and their preferences possible market entrance strategies elective retailing successful communication and advertising strategies effective campaigns against counterfeits in China. *Luxury China* comes with business cases applicable to Chinese and international brands in main luxury product categories, such as high fashion, leather goods, watches, spirits and wines, decoration and table wares. The authors have provided deep insights and updated information for the industry's fast evolution in the market. This book comes equipped with practical and effective solutions for new brands that wish to explore their opportunities in this market. It will also prove useful for well-established brands facing the challenges of maintaining and increasing their market share. A perfect reference with solutions!