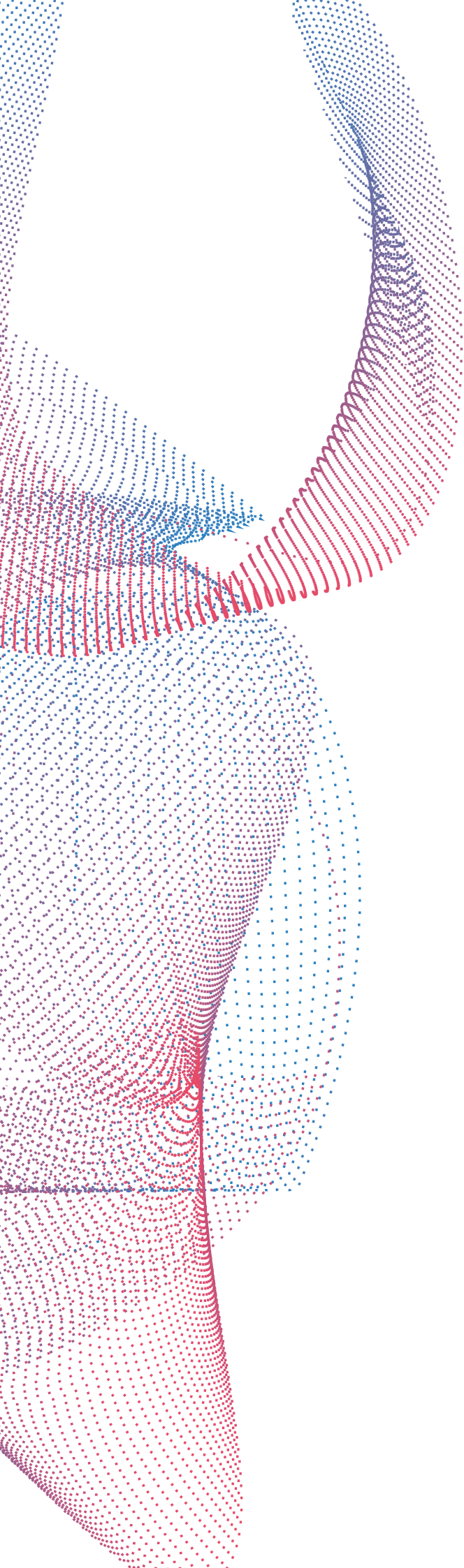




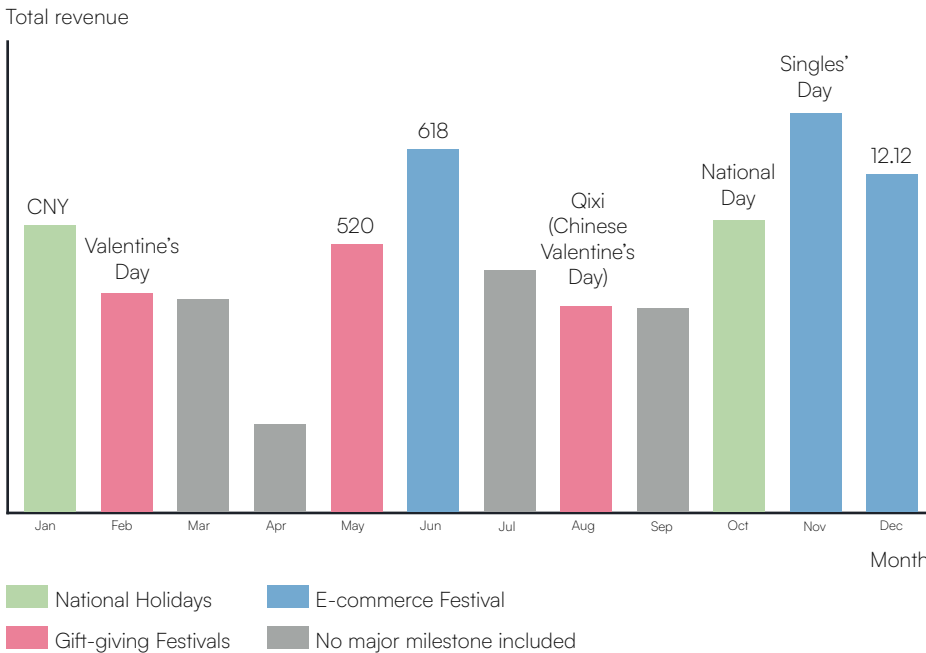
Decoding Luxury Marketing Milestones in China: 520

The report showcases the e-commerce and social performance of luxury and premium brands in the Chinese market around this year's 520 – the local Internet Valentine's Day.



The Marketing Calendar in China

Figure 1: Revenue Evolution on Tmall in 2022 by Month



- In China, three types of festivals play key roles in the brand's marketing calendar: e-commerce festivals, national holidays, and gift-giving festivals.
- Many of these festivals began on Tmall and soon grew to become huge online festivals across platforms before becoming commercial milestones in China, both online and offline.
- The high frequency of milestones throughout the year increases the complexity for which brand teams must plan their marketing calendar in order to remain relevant during every festival.

Luxury and premium brands⁽¹⁾ saw a 26 percent rise in revenue on Tmall from April 20th to May 21st versus the same period last year. While May is not a particularly busy shopping month in Western markets, in China one of the biggest gift-giving festivals takes place — 520, also known as “Internet Valentine’s Day”.

With the Chinese market returning to normalcy this year, the luxury industry has been optimistic about the market's rebound. That is why, for the first 520 post-COVID, luxury brands pulled out all the stops to raise their share of voice and drive conversions during this festival, through innovative campaigns that include special products and offline events.

This market is set to grow. According to Bain, by 2030, luxury expenditures in mainland China will surpass all the other markets, including the United States, accounting for a quarter of the global luxury market.

As a result, what is emerging from the rise of the Chinese luxury market, is a more sophisticated and discerning group of consumers. Brands seeking a foothold in China must capitalise on local milestones, such as 520, while understanding their distinct purchasing behaviour and preferences, adopting their different social and transactional channels, as they have managed in the last few years.

An Overview

China's marketing milestones differ greatly from the West, and include traditional Chinese festivals (e.g., Lunar New Year, Qixi) and marketing-centric celebrations (e.g., 618 and Singles' Day), whereas Western holidays — such as Christmas and Valentine's Day — appear to be losing traction.

These local milestones provide critical opportunities for brands to connect with consumers while demonstrating their respect for Chinese culture; there is also a significant opportunity for brands to achieve a revenue boost around these occasions, with the right activations.

Last year, the revenue generated by luxury brands on Tmall during these milestones (including Lunar New Year, 520, 618, Chinese Valentine's Day, and Singles' Day) represented more than 45 per cent of their annual revenue.

Leveraging local milestones is no mean feat. Brands must not only plan their marketing cadence and allocate resources depending on their own objectives, but also roll out dedicated assets, products, and campaigns to stand out in an already crowded market. In China, marketers must increasingly be sensitive to the subtleties of local culture in order to prevent counterproductive results or controversy, while actually connecting with their target audience.

In light of this, **DLG (Digital Luxury Group)** and **Re-Hub** have teamed up to co-release a whitepaper series titled *Decoding Luxury Marketing Milestones in China*, which will showcase luxury and premium brands' e-commerce and social performance during local marketing milestones. It also examines through extensive case studies and frameworks how brands can best activate and convert consumers, assuring their success in this market.

In the first edition of our whitepapers, we will shed light on “520” — China's Internet Valentine's Day — which has evolved into a significant gift-giving and self-rewarding shopping festival, far bigger than the international Valentine's Day.

“The rise of e-commerce has made almost every milestone in China commercial. The biggest challenge for luxury brands is to figure out how to balance between brand building and commercial performance. For the past two years, e-commerce was approached aggressively as a workaround to the pandemic's impact on traditional retail, but brands now realise the importance of having a more balanced approach.”



Pablo Mauron
Partner & Managing Director China
DLG (Digital Luxury Group)

Note:
(1). 103 brands were examined in both 2022 and 2023 in terms of Tmall revenue.

Source:
Luxury Goods Worldwide Market Study, Fall-Winter 2018, Bain & Company; *Bain - Altagamma Luxury Goods Worldwide Market Study Fall 2022 — 21st Edition*, Bain & Company

The 520

The festival falling specifically on the 20th of May is derived from the phonetic sounds of 5-2-0 being close in sound to “I love you” in Mandarin — in the early 2000s, local social media sites (such as Renren) encouraged users to declare their love to others on this day.

Over time, May 20th has become an opportunity for people to express their affection for their loved ones, whether with a simple declaration, a classic Valentine’s Day gift (such as flowers and chocolates), or in a more traditional Chinese way, by giving a red envelope. Of course, over time, many Chinese consumers started opting to purchase luxury items to demonstrate their affection.

As a result, retailers and brands have been dedicating more attention and resources to this holiday, with various promotional activities and advertising campaigns aimed at increasing consumers’ top-of-mind awareness and, eventually, encouraging purchases. Online marketplaces like Tmall and JD, for example, have begun holding month-long shopping festivals in May, while brands begin communicating with consumers at this point with specific narratives, 520-exclusive collections, or creative online and offline initiatives.

According to Re-Hub, luxury and premium brands witnessed a 26 per cent rise in total revenue on Tmall during this year’s 520 vs. last year. While the impact of word-of-mouth also surged this year, with the social performance of User-Generated Content (UGC) associated to our brands’ sample, and generated an impressive increase of 633 per cent compared to 2022.

The impact of word-of-mouth also surged this year, with the social performance of User-Generated Content (UGC) associated to our brands samples, and generated an impressive increase of **633 per cent** compared to

Figure 2: Evolution of 520 shopping festival concepts on Tmall⁽²⁾



The Tmall 520 shopping festival campaign is becoming less associated with romantic relationships over the years, providing more opportunities for brands in other categories to capitalise on this e-commerce milestone and reach a larger audience.

An Overview

Although May 20th had been traditionally regarded as an unofficial Valentine's Day, marketers' narratives surrounding this holiday are no longer limited to traditional romantic relationship.

During this milestone, marketers have been exploring a larger definition of 'love', such as love within other personal relationships, self-love, and even love for nature and the environment.

In 2021, for example, the luxury watchmaker Hublot tapped three Chinese female celebrities to be featured in its 520 campaign titled *Watch Beyond The Line*. This campaign centred on female confidence and independence, as represented by the brand's genderless timepieces, rather than traditional romance between a man and a woman. Through this campaign, Hublot was among the first brands in China to focus on the genderless trend in the luxury watchmaking sector, according to Loic Biver, General Manager of Hublot Greater China.

Furthermore, both brands and e-commerce platforms have long since promoted the holiday beyond its romantic origin, as demonstrated by the change in the name of 520 events on Tmall (shown in figure 2) year after year, blurring the meaning behind this milestone, and granting marketers more flexibility to craft their own story.

While 520 is important in many product categories, it, according to Re-Hub's data, is particularly important for Watches and Jewellery which is the only category that experienced a substantial increase in Tmall revenue in 2022 compared to the previous months. In 2023, Watches and Jewellery brands also saw an 8 per cent increase in their Tmall revenue. During last year's 520, brands such as Qeelin, Vacheron Constantin, and Chopard generated more than 10 per cent of their yearly Tmall revenue.

In this paper, we will examine the e-commerce and social performance of luxury and premium brands on Tmall and key social media during the 520 of 2023, as well as how brands may optimise their asset, planning, and channel strategies to maximise their effort during this festival.

Watches and Jewellery brands, such as Qeelin, Vacheron Constantin, and Chopard generated more than **10 per cent** of their yearly income on Tmall during the 520 period last year,

Note:

(1). 107 brands were examined in both 2022 and 2023 in terms of UGC performance.

(2). The images shown below are for illustration purposes only and may differ from the actual campaign images.

Source:

WWD China

Methodology

This study includes a representative sample of luxury and premium brands across Fashion, Watches and Jewellery to demonstrate how 170 brands are faring on major Chinese e-commerce and social platforms during 520. It also takes into consideration brand presence on the platform, and activity levels, with outliers excluded from the sample.

107 luxury and premium brands are examined in this study.

Data Period

- 520 of the year 2023: 20th April - 21st May 2023
- 520 of the year 2022: 20th April - 21st May 2022
- Pre-520 of the year 2023: 1st January - 19th April 2023
- Pre-520 of the year 2022: 1st January - 19th April 2022

Channel Coverage

Social Media:



RED



Weibo



Douyin



WeChat

E-Commerce:

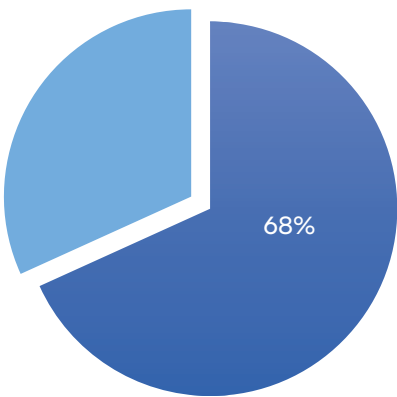


Tmall

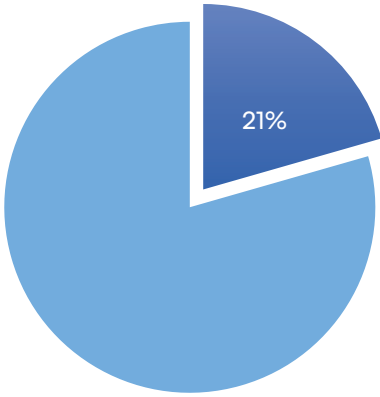
- Flagship Store
- Outlet Store⁽¹⁾
- Tmall Global Store⁽²⁾

Breakdown of Brands by Category

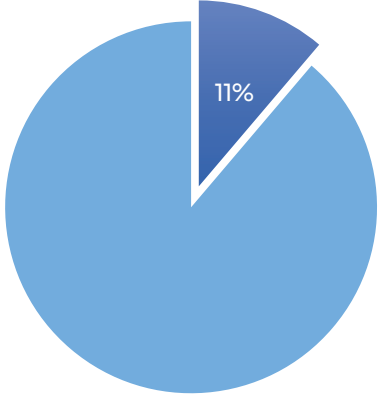
Fashion:



Watches & Jewellery:



Footwear:



Data Scope⁽³⁾

Based on the data collected from the four major Chinese social media platforms (WeChat, Weibo, RED, and Douyin), as well as from the brand-owned stores on Tmall, Re-Hub has identified several key metrics to measure the uplift and success of 107 luxury brands during the 520 festival.

Share of Voice: Re-Hub measures the share of voice by tracking UGC related to specific brands across WeChat, Weibo, RED, and Douyin, by using a combination of brand keywords, including Chinese names, English names, and nicknames, to ensure accuracy. The total amount of user-generated content is calculated to determine the brand's share of voice.

Social Engagements: Re-Hub calculates social engagements by aggregating the number of engagements across all engagement types (excluding the number of reads) from brand-generated posts on the four platforms. This metric provides insights into the level of interaction and engagement driven by the brand's content.

E-commerce Sales Uplift: Re-Hub analyses the daily net revenue of brand-owned stores on Tmall for the 103 luxury brands. Net revenue is calculated by multiplying the daily units sold (excluding returns, refunds, and cancellations) by the final unit price of each product. By comparing the sales during the 520 festival to the pre-520 period, Re-Hub identifies brands that have experienced significant e-commerce sales uplift.

Discount Levels and Promotions: Re-Hub tracks product price changes and compares the discount levels during the 520 festival with the period before 520. This information helps identify brands that have offered attractive discounts and promotions during the festival.

Best-Selling Products: Leveraging their ability to track individual listings on Tmall and extract information such as release date, prices, units sold, discounts and promotions, Re-Hub identifies the top five selling old products (released before April) and top five selling new products (released in April and May) across the 103 luxury brands during the 520 festival.

Overall, Re-Hub provides insights into the performance of luxury brands during the 520 festival in China, considering factors such as share of voice, social engagements, e-commerce sales uplift, discount levels, and top-selling products by category.

Note:

(1). 9 Official Tmall outlet stores were included in the sample.

(2). 3 Tmall global stores were included in the sample.

(3). All ranking and insights of this study are based on the period of data extracted from Re-Hub, and may vary from the brand's actual performance across the platforms. Data anomalies, outliers, or other discernible circumstances have also been excluded where necessary.

Timeline

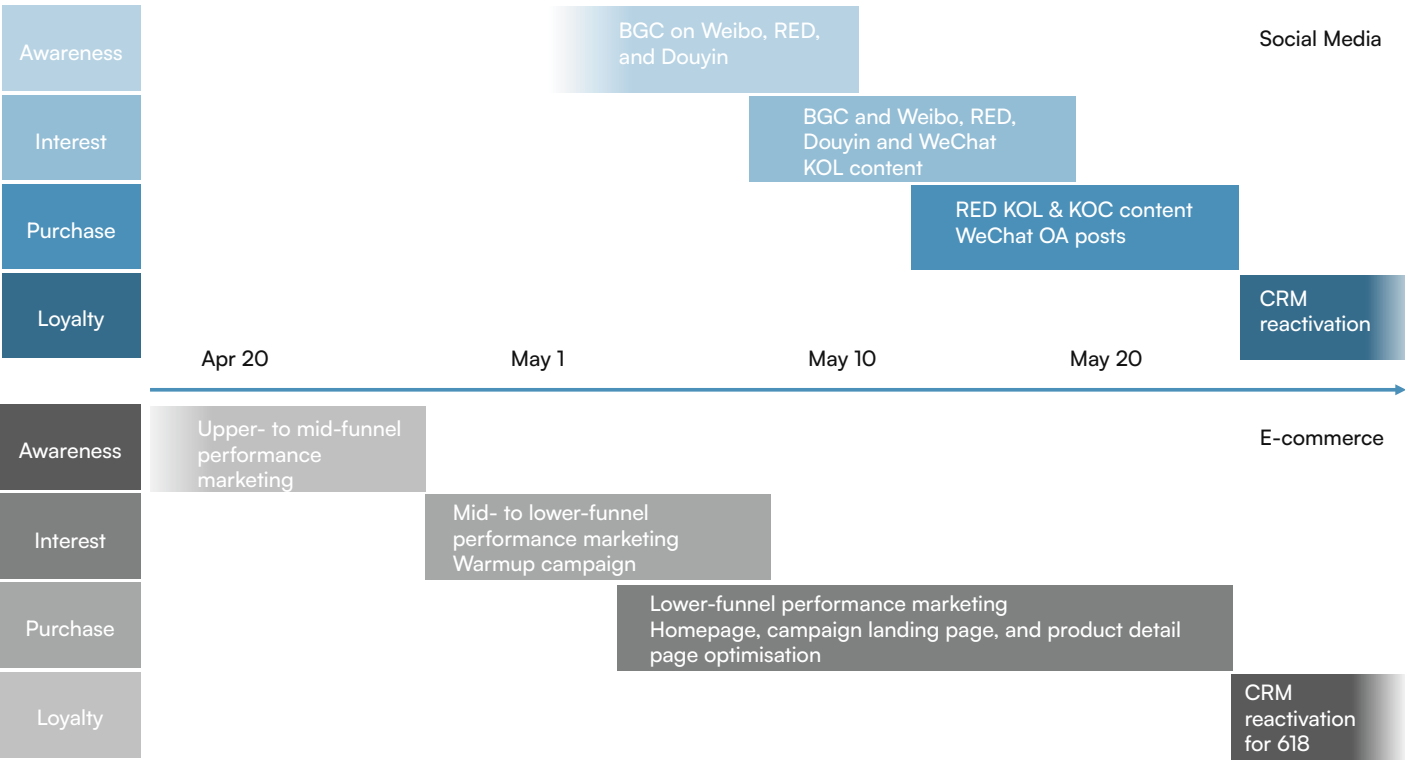
As 520 has become the second largest festival for couples’ gift giving, only smaller than Chinese Valentine’s Day, brands have progressively increased their budget allocation and their revenue target for 520 over the last 5 years.

Typically, brands will begin communicating their campaigns on social media around this festival 2 to 4 weeks before May 20, reaching consumers at various stages across different touchpoints on social media, online marketplaces, and offline storefronts or events.

As a result, 520 campaigns usually begin at the beginning of May, and brands attempt to mobilise all their touchpoints at the same time, with a consistent message and the same product focus.

While the time of messaging is consistent across all platforms, efforts to produce a successful 520 campaign begin well ahead of the official announcement in early May when it comes to e-commerce marketplaces, particularly in the area of performance marketing. Typically, brands will start focusing their e-commerce performance marketing tools towards accumulating top-of-the-funnel consumers in March and early April, to have enough time to convert them, once the 520 campaign has officially started in May.

Figure 3: 520 planning timeline for social and e-commerce across the consumer journey



In the modern Chinese commercial calendar, it is important to note, however, that marketing milestones are never completely separate from one another, because of the frequency at which they happen. In the case of 520, warm-up efforts in April and May overlap with Mother's Day for example. These milestones don't necessarily cannibalise each other; however, any marketing activity ahead of a major festival will complicate the task for both marketing and e-commerce teams, while consumers try to outsmart brands and make sure that their purchase is happening at the most desirable time to maximise their satisfaction and the value they will extract.

We have also seen that some luxury brands will not even promote their 520 campaigns on social media, instead leveraging this festival as a pure transactional e-commerce festival through exclusive products, discounts, and other e-commerce tactics.

As always, it is critical to recognise that the various social platforms play different roles in the consumer journey, to maximise the impact of each social media campaigns, brands should understand and adapt to the nature and type of content most relevant for each platform, as well as to user behaviour around each milestone:

Douyin and Weibo: the platforms are primarily used for brand awareness in order to increase brand share of voice in the market. On Weibo, brands typically use celebrity assets to generate instant attention and engagement in a short period of time. While on Douyin, brands will leverage a mix of celebrity content and playful KOL (Key Opinion Leader) videos, with as much KOC (Key Opinion Consumer) support as possible, often targeting UGC.

RED: RED plays a crucial role in the Chinese consumer's interest and research stages. RED content has a longer lifecycle — brands have to weigh this delayed traction when developing brand-owned content and content collaborations with KOLs and KOCs.

WeChat: WeChat is the most important private domain for brands in China, and it is used to support the official brand calendar in order to communicate with clients and prospects. Given the interconnectedness of the WeChat ecosystem, brands can drive their audience to purchase directly through the content of brand campaigns or products posted on the Official Account.



“Because of the lead time required to generate consumers awareness and eventually convert them, e-commerce teams start focusing their inside-platform performance marketing tools on top of the funnel activities as early as late March, to ensure they have recruited enough potential shoppers ahead of the month of May, and then focus on converting these prospects, once the 520 campaign is publicly announced.”

Jacques Roizen
Managing Director, Consulting
DLG (Digital Luxury Group)

Asset

The primary challenge for global luxury brands when producing a campaign for local milestones is that their communication and marketing activations can't be supported by existing global assets. To reach Chinese consumers on their own, the domestic team have to repurpose global content, which rarely works to their advantage or be willing to invest in creating local assets around these milestones.

An integrated 520 strategy includes not only creative content, but also celebrities and KOLs, special offers, media buys, and products [whether festival-exclusive collections or festival-related evergreen products with a Product Detail Page (PDP) optimised for 520], and on top of this, brands should create a main, overarching theme to bring a strong element of storytelling that ties all the disparate assets together.

As Chinese consumers become more sophisticated, the bar for a winning campaign concept keeps getting higher. At the creative level, there is of course no one-size-fits-all solution, and brands can create their own recipe for success with respect to their audience and positioning. However, the most successful campaigns often include a unique and culturally appropriate narrative, a resonating celebrity, and a visually compelling expression.

Given China's segmented digital ecosystem, brands must also consider the diversity of their creative assets and create unique content for each platform, in a variety of formats and concepts.

Celebrities and KOLs are another important component of the creative equation. But, first and foremost, brands must define their goals for using this type of asset.

Figure 4: KOL Tiers by Fanbase

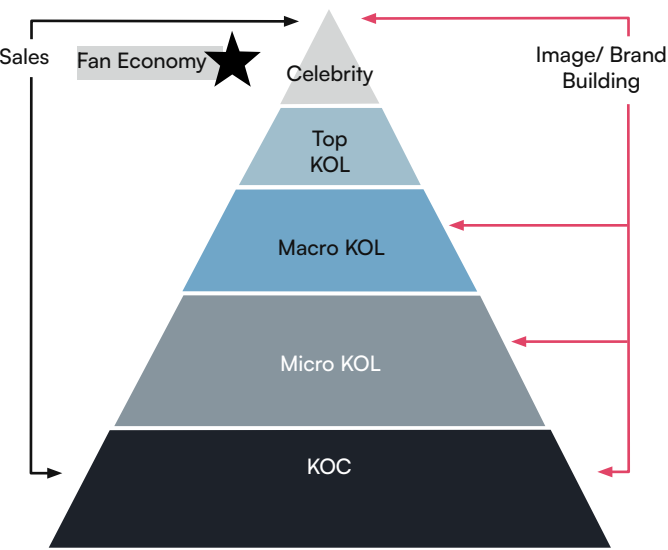
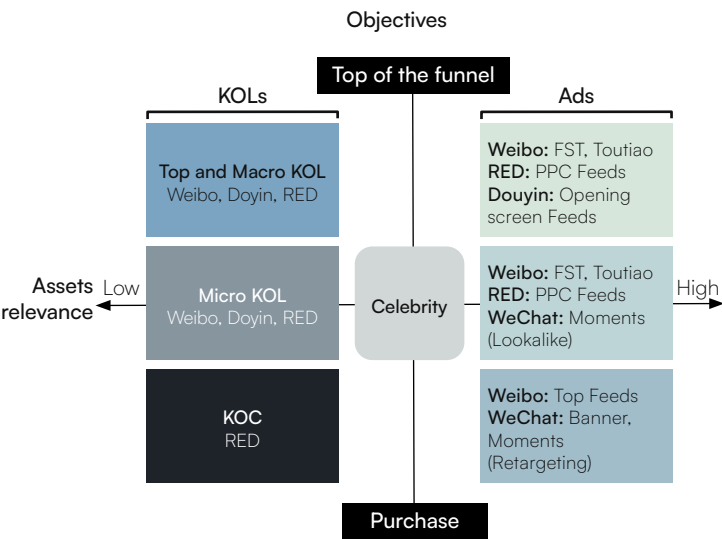


Figure 5: KOL and Performance Marketing Strategies across Platforms



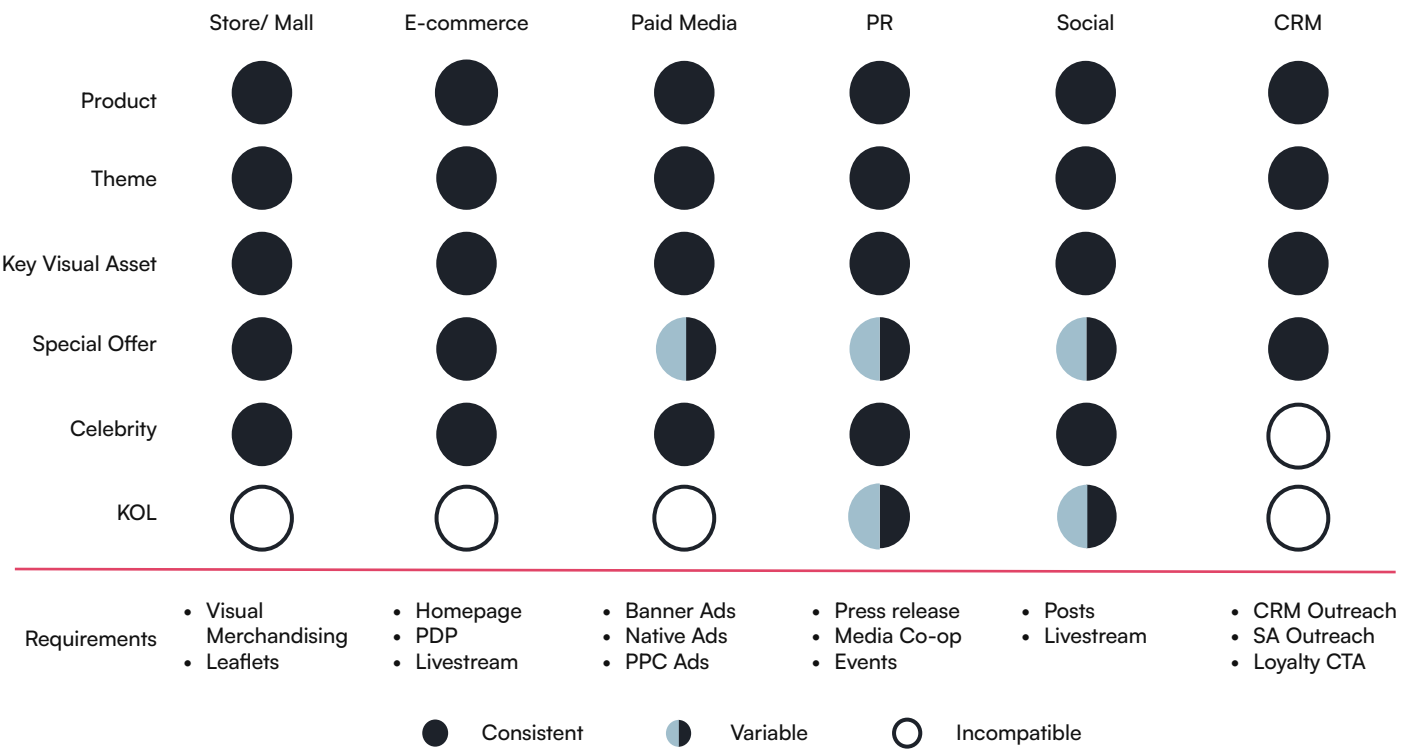
Planning

Although KOLs already account for a large portion of local consumers’ purchasing decisions, brands also have the opportunity to generate extraordinary sales surges by working with one of only a handful celebrity idols, whose fans are willing to allocate significant economic resources to prove their loyalty and support their idols with their economic means, including in the area of luxury.

In the absence of the right superstar in place, brands are better off driving sales by working with KOCs on a large scale, to have a significant impact on purchase intentions — a tactic mostly used by beauty brands.

Brands must ensure consistency and repetition of most assets across all touchpoints on different channels to ensure that campaigns have a stronger ability to be perceived and recalled by consumers. The three assets that must be featured consistently across all channels are the product, theme, and key visuals. Other assets, such as special offers and KOLs, can be used on specific platforms based on the stage of the consumer journey. Onboarded clients activated through CRM may no longer be drawn to KOL content, whereas presenting detailed special offers in advertising may be detrimental to the brand’s equity.

Figure 6: Asset Consistency across Channels



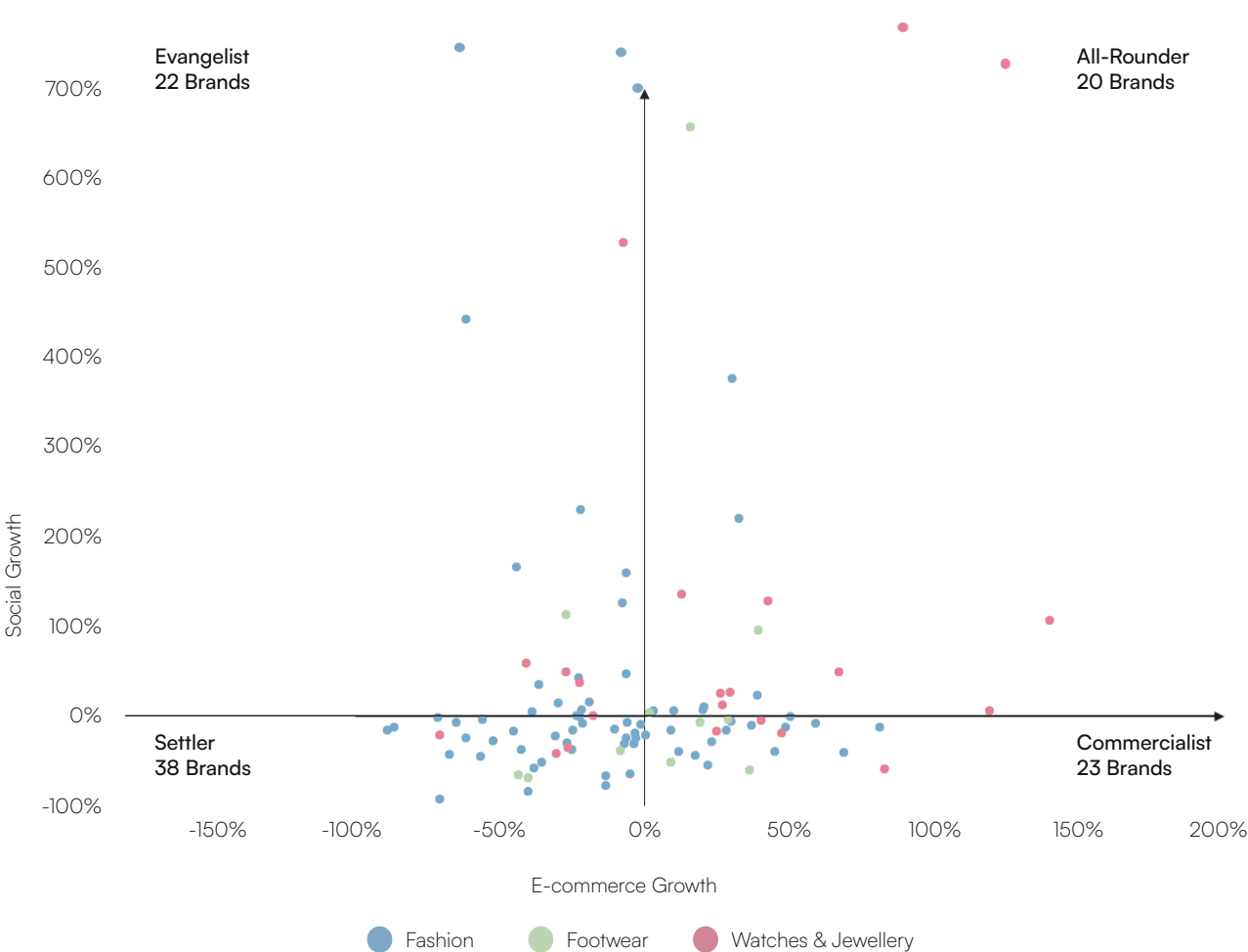
Overall Performance

The performance of brands on such milestones is subject to a variety of factors, including their scale, brand equity, budget and consumer preferences. To further demonstrate the outcome of each brand’s marketing campaign around this year’s 520, we selectively compared brands’ daily performance during 520, to their performance since the start of this year, in order to assess the evolution of their social and e-commerce performance.

Only a few brands experienced a rise in both e-commerce revenue and social performance as a result of their 520 activations this year. The vast majority of brands only increased their social presence or sales through digital channel campaigns. Some brands also became stagnant or even saw a decrease in both areas during 520, either because their campaign failed to yield significant results or because 520 was not treated as an important milestone by these brands.

The chart below demonstrates how brands fared during this 520 across both e-commerce and social activation. We categorised these brands into four archetypes — Evangelist, Commercialist, All-Rounder, and Settler — based on the quadrants they are in. For each of these types, we will delve into case studies and best practices focusing on how brands can boost their performance with the right content and channel strategy.

Figure 7: Brand Distribution by Social and E-commerce Performance⁽¹⁾



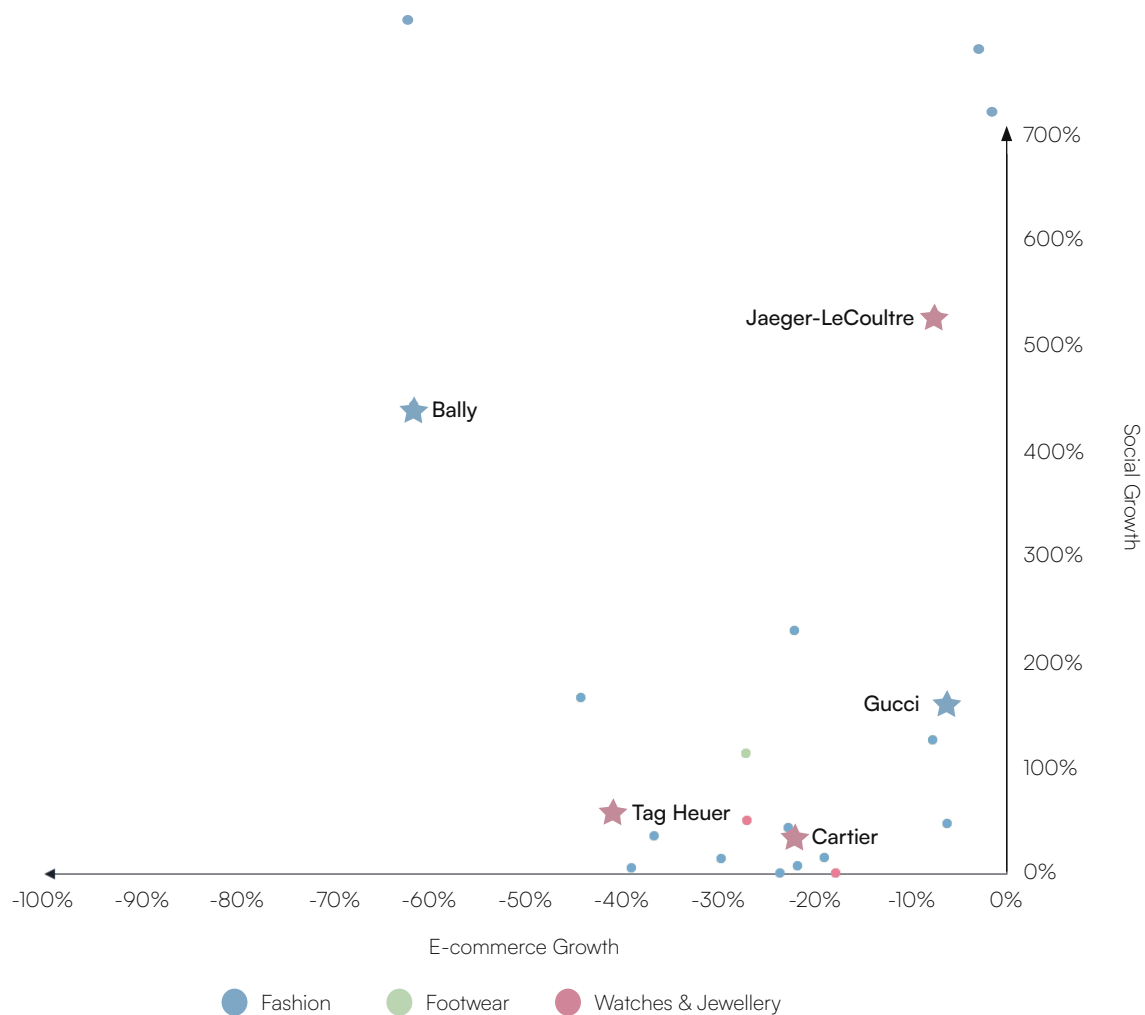
Note:
(1). Only 103 brands are included in this chart, with outliers excluded from the sample.

The Evangelist

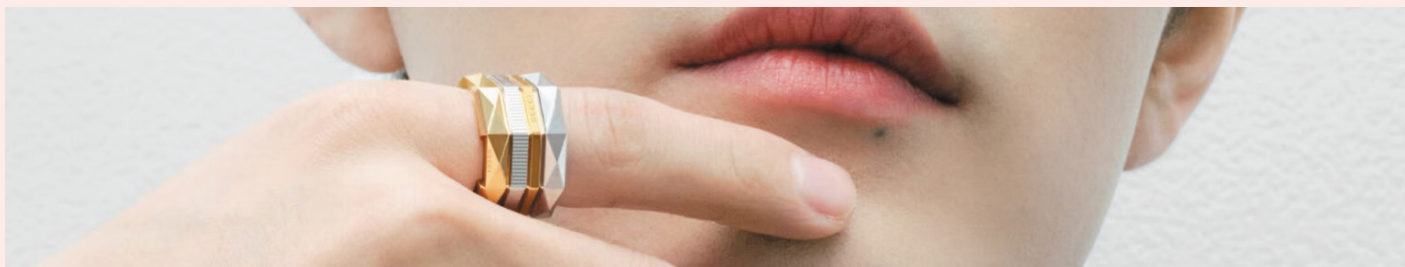
Evangelists are brands that saw a rise in their social performance during the 520 period to that since the start of the year, without experiencing a surge in e-commerce. We examine the engagement level of their brand-owned social content and the share of voice contributed by UGC related to our sample brands to analyse the brands' social performance.

During this time, the vast majority of BGC revolved around their 520 campaigns, so BGC's performance illustrates whether their 520 concept resonated with the local audience. Brands like Bally and Gucci successfully capitalised on their celebrity assets to generate an enormous amount of attention and discussion on platforms like Weibo and Douyin. In the Chinese market, celebrity content can significantly drive BGC performance, whereas UGC performance is determined by more factors, such as market trends and brand equity. Without relying on star power, the share of voice of some popular brands suitable for gifting — such as Tag Heuer — significantly increased on review platforms such as RED.

Figure 8



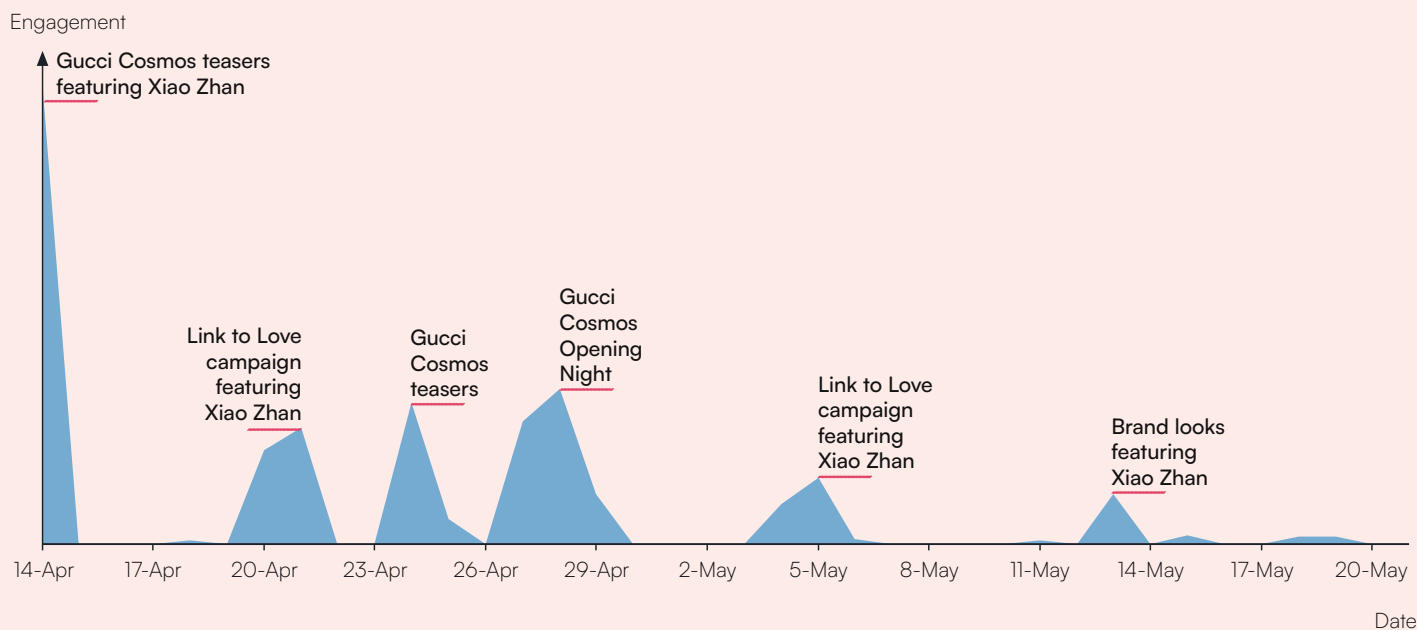
BGC Performance: Gucci



Gucci, the Italian fashion house, did not launch a dedicated 520 brand campaign this year, as it had previously, but the brand has pulled out all the stops during this transition period.

The Gucci Cosmos show opened in mid-April at the West Bund Art Centre in Shanghai, and it has generated a lot of discussion for its brand-produced celebrity content on social media. In early May, Gucci collaborated with Chinese top idol Xiao Zhan for its *Link to Love* jewellery collection campaign. On May 16th, the brand launched its 2024 pre-spring collection in Seoul, and the runway was livestreamed on a Chinese social platform at the same time.

Figure 9: Evolution of BGC engagement from April 14th to May 21st ⁽¹⁾



Key Takeaways:

1. For top luxury players with abundant resources, 520 is simply a communication window through which they can drop a variety of online and offline activations — festival-related or not — to boost their social and e-commerce presence during this period.
2. As Chinese consumers' lives return to normal, an increasing number of brands are launching offline events in major Chinese cities. Brands should leverage UGC on social platforms like RED to increase their share of voice.

Note:

(1). The date refers to the brand-owned content posting date, and all related engagements will be attributed to that date.

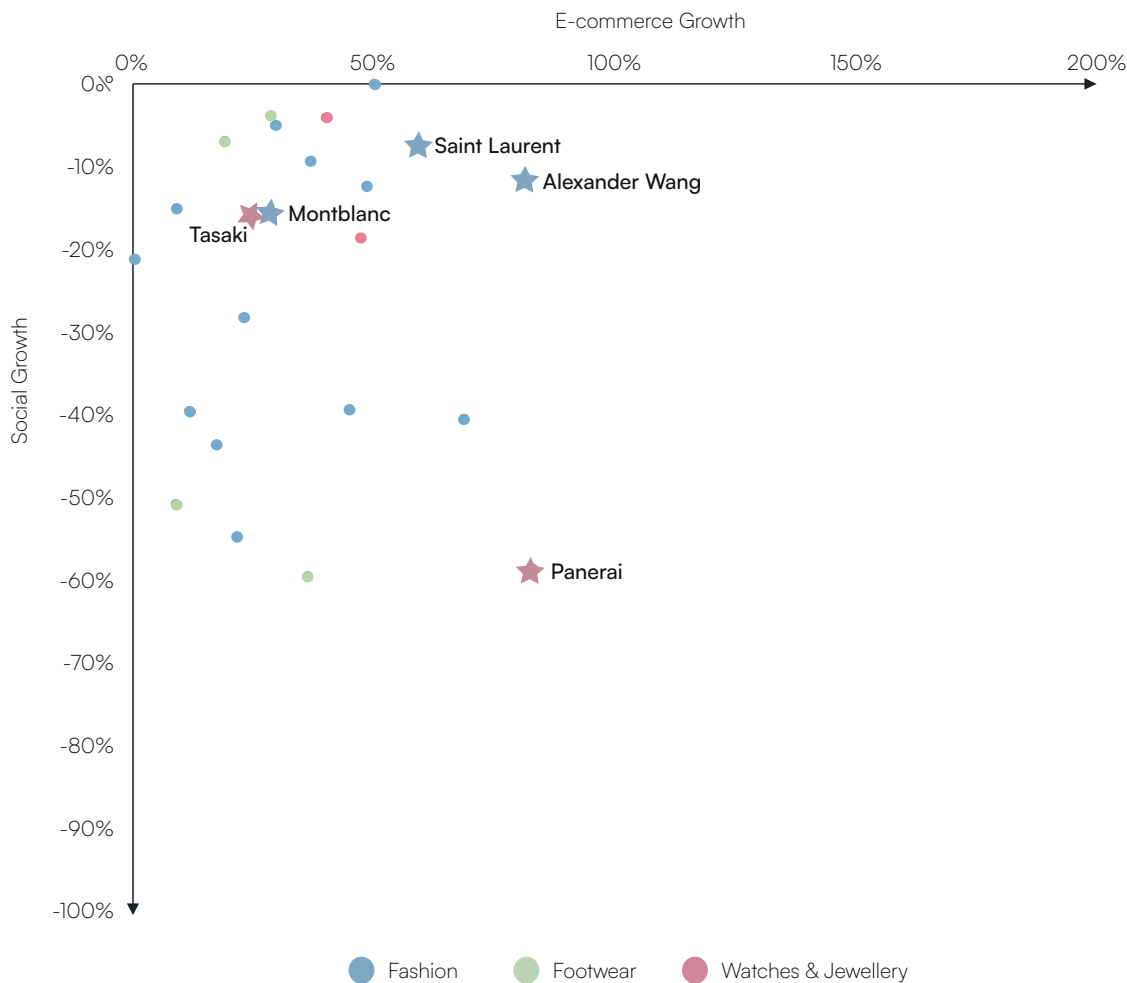
The Commercialist

“Commercialist” brands boosted their Tmall revenue significantly in this year’s 520, but not their social performance. The fact that they did not outperform themselves on social media, does not imply that they didn’t launch any social media activations — it is possible that these brands were more prominent during Lunar New Year or Valentine’s Day, or that these brands’ 520 campaign was more sales- or product-driven.

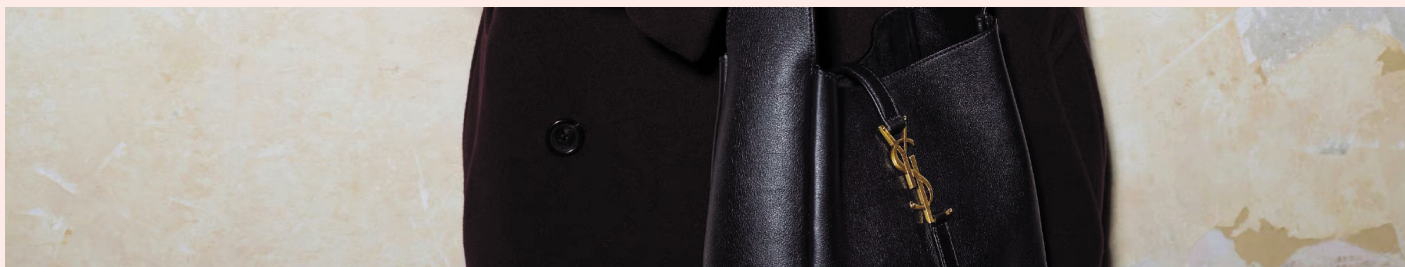
Discounting, like during all Chinese milestones, can significantly boost a brand’s e-commerce revenue. Since May 18th, 75 per cent of SKUs on Alexander Wang’s Tmall store were sold at a 40 per cent discount, making this week the brand’s highest revenue week on Tmall in 2023. Montblanc collaborated with Chinese livestreaming star Austin Li to sell its gift box set during his May 13th livestreaming session, and the product sold over 1,400 units.

Unlike 618 and Singles’ Day, brands can also drive e-commerce sales on these gift-giving occasions without offering discounts. The all-new Le 5 À 7 bag was launched by Saint Laurent at the end of April, and it has since become the second best-selling item in Saint Laurent’s Tmall store.

Figure 10



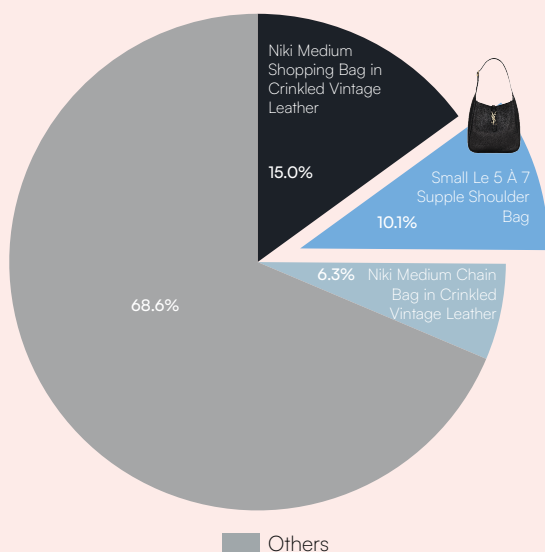
Merchandising Strategy: Saint Laurent



Saint Laurent strategically launched its new *Le 5 À 7* bag on Tmall on April 20th, coinciding with its Super Brand Day. The bag received extensive promotion on WeChat and Weibo. Within just one month, over 220 units of the bag were sold, making it the second most successful product during the 520 shopping festival, following the *Niki* Shopping bag.

This is not the first time Saint Laurent has leveraged local milestones to introduce new products. Last year, during Singles' Day, the brand unveiled its *Nolita* bag, which quickly became the best-selling collection on Saint Laurent's Tmall store. This highlights Saint Laurent's ability to strategically align product launches with key milestones to drive sales and maximise exposure.

Figure 11: Top 3 Best Selling Products by Revenue Contribution on Tmall⁽¹⁾



“Nolita has become the second best-selling luxury bag in the 8,000 to 10,000 RMB range on Tmall, trailing only Gucci’s Marmont Supermini. The bag provides an entry-level product to complement the higher-priced Niki and demonstrates Saint Laurent’s ability to align with the needs and preferences of Chinese consumers through an effective merchandising strategy.”



Max Peiro
CEO
Re-Hub

Key Takeaways:

1. Brands should use the hype of such festivals to launch their products. Both *Nolita* and *Le 5 À 7* are not new products in this case, but reintroducing them around these milestones can garner significant attention.
2. Brands can use marketplace festivals such as Super Brand Day or category events to increase store traffic on top of the milestones.
3. Special holiday packaging and exclusive gifts with purchase can effectively incentivise consumers to buy during the holiday season.

Note:

(1). Data Period: 20th Apr — 21st May 2023

Discounting: Alexander Wang



Aside from the usual discounters, brands such as Balenciaga, Kenzo and Alexander Wang also leveraged 520 to encourage consumers to convert their shopping cart items into purchases as well as to refresh the brand's seasonal assortment by using attractive discounts.

Alexander Wang implemented a store-wide discount on Tmall from May 18th, with 75 per cent of the products discounted by 40 per cent on that day. This marked the first time the brand had offered any discount since Lunar New Year, representing the highest discount level they had offered since then.

This strategy turned out to be effective, with discounted products contributing nearly half of Alexander Wang's revenue during 520 this year. Furthermore, the brand experienced a remarkable 81 per cent increase in sales compared to previous months, securing a place among the top 10 brands on Tmall during the festival.

Figure 12: Discount Trend on Alexander Wang's Tmall Store of the year 2023⁽¹⁾



“Discounting and luxury typically do not go hand in hand, but many brands at the fringes of luxury leverage discounts to great effect during ecommerce festivals in China, however this can be at the expense of spreading organic revenue out during the year. For brands that use price promotions, it is a careful balance to be struck, especially at the risk of diminishing demand for the soon to follow 618 festival.”



Thomas Piachaud
Head of Strategy,
Re-Hub

Key Takeaways:

1. While discounts can help boost brand revenue significantly, given China's hectic marketing calendar, brands should prioritise different milestones based on their objectives and use markdowns sporadically as a tactic.
2. To avoid damaging the brand's image through large-scale discounting, online marketplaces provide other promotional options, such as coupons and interest-free installments, instead of offering direct discounts.
3. Given that 618 will begin soon after 520, brands should consider implementing tiered markdown tactics to ensure that these two milestones do not cannibalise each other.

Note:

(1). Data Period: 1st Jan — 21st May 2023

Livestreaming: Montblanc



During a livestream on May 13th, Austin Li promoted Montblanc's gift box, which included a belt and a wallet. While the regular retail price for this product is 3,730 RMB (\$528), viewers had the exclusive opportunity to purchase it for a discounted price of 1,899 RMB (\$269) by utilising the coupon provided during Li's session.

The offering proved to be highly enticing, leading to the sale of over 1,400 units of this gift package during the livestream. As a result, Montblanc experienced its largest revenue increase on Tmall for this year.

This success story was not unique to Montblanc alone. Similar patterns were observed with other brands' products featured in Austin Li's 520 livestream. Qeelin's *Wulu* necklace, Michael Kors' *Wilma* bag, Jimmy Choo's *Rome* sneakers, and several other products all emerged as the top-selling items for their respective brands during the 520 shopping festival. Remarkably, the revenue generated from these products during 520 on Tmall was achieved within a single day.

Figure 13: Tmall Revenue Evolution

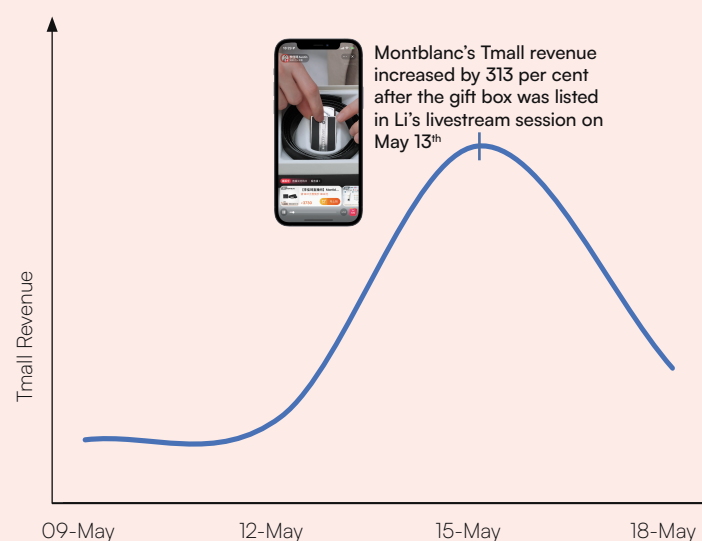
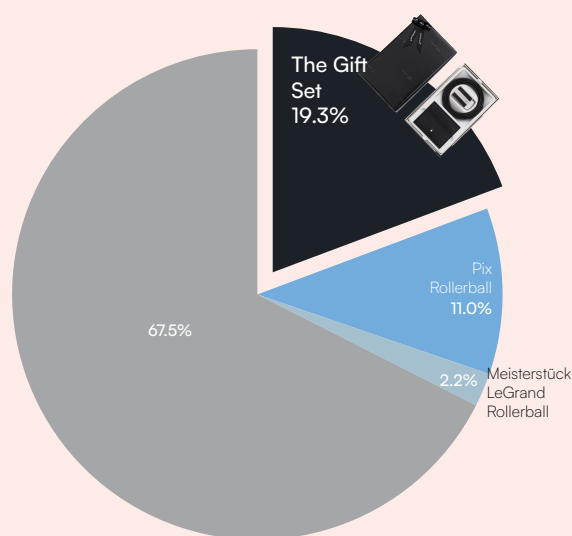


Figure 14: Revenue Contribution by Product⁽²⁾



Key Takeaways:

1. A top livestreaming star in China can still bring huge traffic and purchases towards brands during these local milestones.
2. However, this type of livestreaming is still heavily associated with promotion and discounts in order to encourage impulsive consumption from the audience. Most luxury brands seek more autonomy over their brand image and listing by livestreaming within their Tmall store.
3. In this case, brands must adopt a mixed approach to collaborate with livestreaming celebrities and conduct brand-owned sessions to acquire new clients while reactivating their private domain.

Note:

(1). Data Period: 20th Apr — 21st May 2023

The All-Rounder

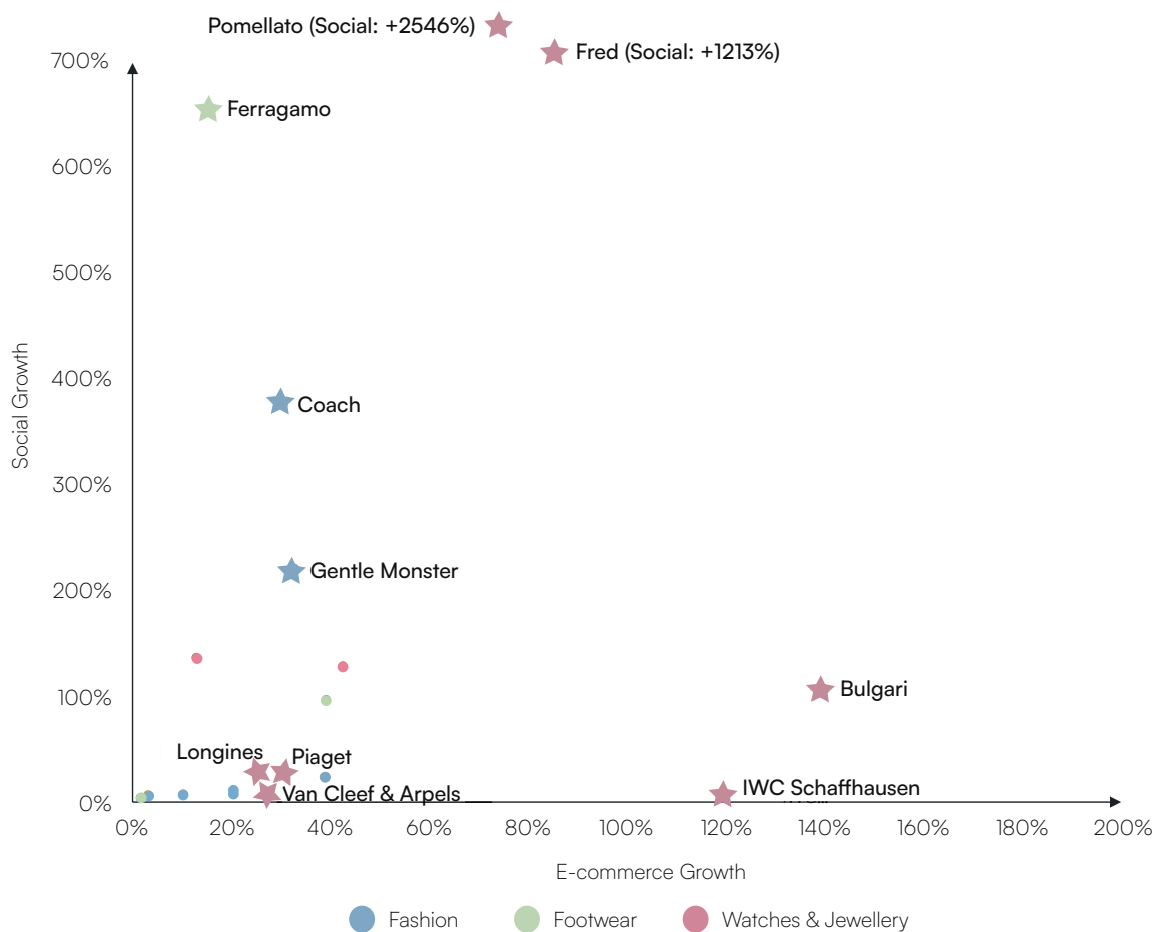
All-Rounders, as the name implies, are brands that have experienced growth in both e-commerce and social during the 520 period. It is clear that these brands' 520 activation helped them boost their performance compared to the prior four months, and further demonstrating that this event has become a pivotal opportunity for the luxury industry in China.

The reasons why these brands outperform differ. Fred tapped into celebrity by naming Liu Yu as Brand Ambassador at the beginning of May, which also resulted in a direct increase in sales. During this time period, the *Force 10* bracelet worn by Liu in the 520 campaign became one of the best-selling novelties of the industry.

Gentle Monster capitalised on star power in a different approach. The eyewear brand released a limited collection in collaboration with Chinese idol Cai Xu kun, which drew an array of discussion on Chinese social media. This entire collection quickly sold out on Tmall, as of now.

Some brands, such as Van Cleef & Arpels, relied on long-term brand equity to gain a foothold during this milestone. The jewellery brand did not launch any 520-themed campaigns or new products for this event, but it received an upsurge in both social and e-commerce, reflecting its strong brand awareness and desirability.

Figure 15



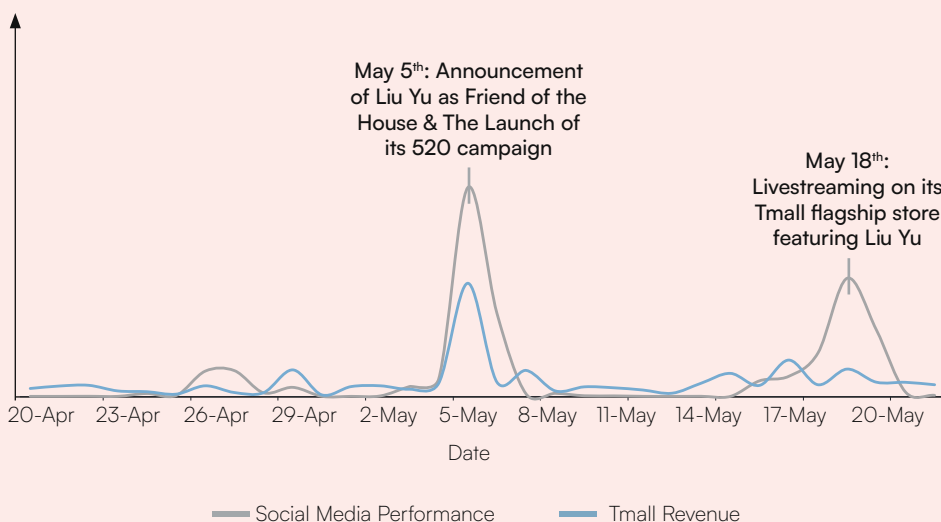
Celebrity: Fred



On May 5th, the luxury jewellery brand Fred made an announcement appointing Chinese singer Liu Yu as a Friend of the House. Alongside this announcement, Fred launched its 520 campaign titled *Chill, Joy, and Love*. In the campaign, Liu Yu can be seen wearing bracelets from the *Force 10* collection and rings from the *Chance Infinie* collection.

Within just one day, Fred's official announcement post on Weibo received an impressive response, garnering 1.3 million views, 318,000 likes, and 37,000 comments. Fans showed their support for Liu by sharing screenshots of their Tmall orders in the comments section. This enthusiastic engagement had a tangible impact on sales, as the products worn by Liu witnessed a notable surge in sales on Tmall.

Figure 16: Evolution of Social Media Performance and Tmall Revenue⁽¹⁾



Specifically, over 150 units of the *Mini Force 10* mini bracelet were sold on Tmall on the day of the announcement.

Mini Force 10 bracelets become the best selling new products during this 520 among our sample.

Key Takeaways:

1. In China, celebrity not only drives brands' share of voice on social media; it can also translate into a fan economy, which will directly boost brand sales.
2. In addition to key campaign visuals, brands could create diverse assets (such as behind-the-scenes videos and vlogs) and reach a diverse audience across multiple social channels.
3. However, because only a small number of idols can generate a fan economy, brands must weigh their objectives when heavily investing in featuring starlight during these campaigns.

Note:

(1). Data Period: 20th Apr — 21st May 2023

Crossover: Gentle Monster

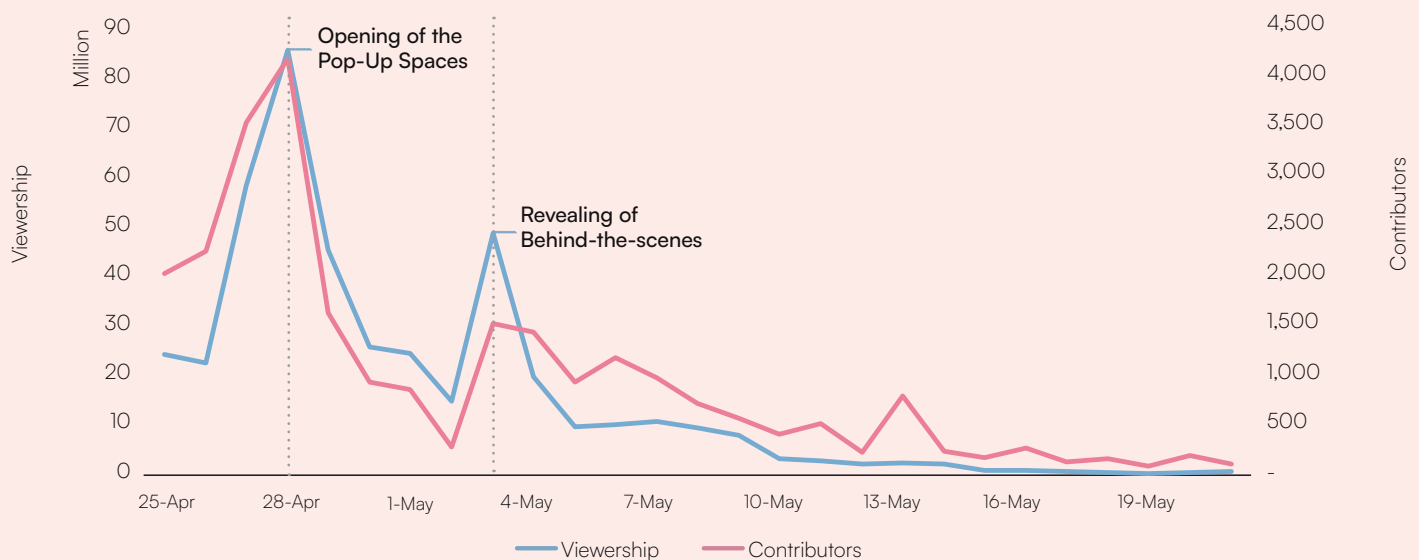


Gentle Monster has been teasing the release of *Crystal Clear*, a crossover collaboration between the brand and Chinese icon Cai Xukun, on social media since early April. The collaboration collection was first released globally on Gentle Monster's Tmall flagship store on 17th April. Currently, the entire collection is sold out on Tmall.

To generate traction for the collaboration, Gentle Monster leveraged celebrity content — including campaign visuals, interviews, and an unboxing vlog featuring Cai — on social media. In conjunction with the online activations, Gentle Monster also introduced pop-up spaces in Beijing and Shanghai. Additionally, a dedicated mobile game was launched, providing an interactive experience for users as part of the campaign.

Since the campaign launch, there has been a significant increase in both UGC and BGC related to Gentle Monster. On the day of April 17th, users generated over 1.3 million posts regarding the brand. This momentum continued in May, particularly during the 520 period, where UGC about Gentle Monster witnessed a surge of over 400 per cent.

Figure 17: Evolution of viewership and contributor of the Weibo Topic #GENTLE MONSTER X KUN#⁽¹⁾



Key Takeaways:

1. There's nothing new in luxury brands stimulating sales and conversation by co-branding products or releasing limited editions, and Gentle Monster has used this tactic successfully in the past, with previous collaborations with Maison Margiela and Korean celebrity Jennie Kim being well-received in China.
2. Co-branding with celebrities is an excellent way to combine celebrity assets and brand equity while also creating a lot of buzz and driving revenue through the fan economy. However, for the vast majority of luxury brands, finding the right celebrity for this remains a challenge.

Note:

(1). Data Period: 25th Apr — 21st May 2023, data from Weibo

The Settler

During 520, more than a third of the brands in our sample saw a decline in both social and e-commerce levels. This does not represent their absolute performance in China, but rather that they did not perform at the same level as they had in previous months during this milestone.

The majority of these brands are from the “accessible luxury” sphere that relies heavily on e-commerce festivals like 618 or Singles’ Day. During these festivals, these brands usually provide significant promotions in order to drive revenue. As a result, 520 — a gift-giving festival less related to promotions and discounts — may not be a strategic opportunity for these brands. Furthermore, their consumers are less likely to purchase during 520 when they expect the same items to be heavily discounted in June. Finally, there are also some brands, such as Vacheron Constantin, who depend less on such local milestones and didn’t not launch any festival-related activation during this event.

At the same time, we observed that some brands with a modest presence in China did not outperform themselves. Given that such local milestones require local assets and significant investment, small-scale brands must prioritise these milestones in a crowded local marketing calendar, and perhaps 520 was not high on their priority list compared to Lunar New Year or Singles’ Day, for example.

Figure 18



Innovative Tactic: Balenciaga



For innovation, the launch of an interactive WeChat Mini Program by Balenciaga which invited users to run their own farms to coincide with this year's 520 concept, sustainability, was one worth highlighting.

The Mini Game was inspired by popular video games such as *Stardew Valley* and *Animal Crossing*, and allows users to create their own avatar in Balenciaga's 520 capsule collection and harvest their own plants in a virtual world.

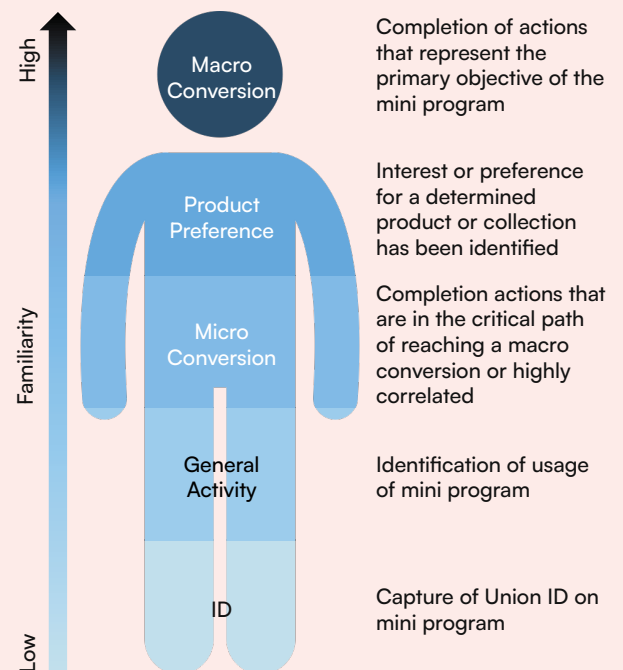
Different actions performed in this game resulted in various digital collectibles, such as stickers with Balenciaga products and idyllic wallpapers, as well as greeting cards that can be shared with your WeChat contacts.



Users can create their own avatar wearing Balenciaga's 520 capsule collection.

Various digital collectibles are available on the Mini Program.

Figure 19: Data Collection by Actions within Mini Program



Key Takeaways:

1. Brands could launch various interactive experiences on WeChat and Tmall, such as the aforementioned mini-games, to increase lead awareness, or value-added services, such as AR try-on lenses, to assist consumers in finalising their purchase decision.
2. These experiences are also an effective way of collecting user data; with a CRM infrastructure in place, brands can use these Mini Programs to onboard clients and prospects and reactivate them in the future.

Cultural Relevance: Miu Miu



This year, Italian fashion brand Miu Miu invited Chinese singer Lexie Liu to appear in its 520 campaign *Miu Miu Echoes*, which is part of an ongoing series that aims to highlight the intelligent, independent and non-conformist sides of modern women.

Miu Miu's 520 campaign continues its tradition of depicting a woman's multifaceted image rather than romantic relationships. "Hers is a complex, confident, and proudly individual character," according to the campaign's tagline. This year's edition also introduced the brand's new bright red *Metelassé* bag.



"There are three Valentine's Days in the Chinese market each year. Through these festivals, brands should consider how they may highlight the depth and diversity within their DNA. Aside from Western Valentine's Day and Qixi, 520 - a more modern celebration with more room for narrative - allows luxury brands to express their values in a more intimate and relevant approach to local consumers."



Christy Yen
Group Creative Director China
DLG (Digital Luxury Group)

Starting in 2020, Miu Miu has embarked on an intimate introspection of femininity through its 520 campaigns.

Key Takeaways:

1. In the midst of a wave of homogenised campaigns, more and more brands are eschewing the stereotypical love theme in favour of narratives that emphasise independence and inclusivity, particularly for women. Or they try to echo more social discourses, such as corporate responsibility and sustainability, within their concepts.
2. Whatever the narrative, brands must ensure that it is consistent with the brand's DNA. At the same time, they need to comprehend the Chinese cultural climate and social opinion to ensure that their unconventional narrative does not backfire due to netizen backlash.

Note:

(1). Data Period: 20th Apr — 21st May 2023

Top 5 Most Discussed Brands⁽¹⁾.

1

Gucci - 16.4%

- Gucci's Cosmos exhibition made its debut in Shanghai's West Bund Art Centre in late April.
- The brand presented its *Link to Love* jewellery collection in early May, with the product campaign featuring Chinese idol Xiao Zhan.

2

Longines - 10.9%

- Longines kicked off their 520 campaign by teaming up with the Chinese mobile game *Mr Love: Queen's Choice*.
- Longines is the third-ranked hottest brand in the luxury industry on Douyin.

3

Coach - 8.4%

- Coach collaborated with On The Road Store in Beijing to open a pop-up store to celebrate the 520 festival. The American company is the second most popular brand in the luxury industry on Douyin.

4

Tasaki - 7.9%

- Tasaki's 520 campaign features Chinese actress Zhou Ye and model Qiu Tian.
- Its Chinese spokesperson Ren Jialun's Super Topic on Weibo contributes significantly to the brand's share of voice.

5

Piaget - 6.0%

- Piaget launched its 520 campaign, *Live Love Now*, with its Brand Ambassador Wang Junkai.
- During this 520, Piaget introduced new products within its *Possession* collection.

Top 5 Brands with the highest BGC Performance Uplift⁽²⁾.

1

Fred - +1458%

- In early May, Fred named Chinese singer Liu Yu as a Friend of the House.
- Liu was featured in the brand's 520 *Chill, Joy, and Love* campaign wearing *Force 10* bracelets and rings from the *Chance Infinie* collection.

2

Ferragamo - +567%

- Ferragamo's campaign to introduce its 520-edition Wanda bag line debuted on Tmall and features singer Shan Yichun, actor Chen Zheyuan, and actress Liu Yase.

3

Bally - +455%

- Bally debuted a holiday-exclusive collection for the 520 festival that featured Chinese celebrities Chen Linong and Kong Xue'er. The brand unveiled a new storefront in Beijing and invited singer Liu Yu to the opening event.

4

Jaeger-LeCoultre - +364%

- Jaeger-LeCoultre did not create a 520-themed campaign during this time period, but the brand did launch its global campaign, which included two Global Ambassadors from China — Ni Ni and Jackson Yi.

5

Gucci - +224%

- The Gucci Cosmos exhibition debuted in Shanghai's West Bund Art Centre in late April.
- Gucci presented its *Link to Love* jewellery collection in early May, with the product campaign featuring Chinese idol Xiao Zhan.

Footnote:

(1). Percentage shown above indicates brands' share of voice by UGC during the 520 period in China.

(2). Percentage shown above indicates brands' growth rate of the average BGC performance per day.

Top 5 Best Selling Brands⁽¹⁾.

1

Gucci - 9.8%

- In early May, Gucci debuted its new *Link to Love* collection on Tmall.
- The brand's Summer collections also dropped during the 520 period.

2

Coach - 6.6%

- Coach introduced a store-wide discount on Tmall for both its flagship and outlet stores.
- Starting on May 15th, the brand has also livestreamed on Tmall for six days in a row.

3

Cartier - 5.7%

- Cartier introduced the new *Trinity* necklaces on Tmall in mainland China in late April. Among our brand sample, it ranks third in terms of sales of new products on Tmall.

4

Saint Laurent - 5.1%

- Saint Laurent launches their *Le 5 À 7* bag on Tmall alongside a campaign starring Gulnazar.

5

Van Cleef & Arpels - 4.3%

- Among our sample, the *Alhambra* necklaces have become two of the best-selling products in the luxury industry on Tmall during this 520

Top 5 Brands with the highest E-Commerce Performance Uplift⁽²⁾.

1

Bvlgari - +140%

- The brand has frequently communicated about its *B.ZERO 1* collection across online channels.
- Bvlgari's 520 campaign, *You Had Me At Hello* featured Xu Kai and the Brand Ambassador Zhao Lusi.

2

IWC Schaffhausen - +119%

- IWC Schaffhausen released a limited-edition *Pilot's Watch Chronograph 41* watch in "Miami Pink" to celebrate its partnership with the Mercedes-AMG Petronas Formula One™ Team.

3

Fred - +117%

- Liu is featured in the brand's 520 campaign wearing *Force 10* bracelets and rings from the *Chance Infinie* line. Among our sample, the *Mini Force 10 Bracelet* was the best-selling new product on Tmall during 520.

4

Pomellato - +87%

- Pomellato reintroduced its *Nudo* collection with an A.I.-generated film created by New York-based photographer Alberto Maria Colombo.
- The top three best-sellers on Pomellato's Tmall store are from the *Nudo* collection.

5

Panerai - +83%

- In early May, Panerai released a limited edition Panerai *Luminor Due* watch in Prada Re-Nylon exclusively on Tmall.

Footnote:

(1). Percentage shown above indicates brands' market share by their Tmall Revenue during the 520 period.

(2). Percentage shown above indicates brands' growth rate of their daily average Tmall revenue.

Top Rankings

Best Selling Products⁽¹⁾.

1

Gucci

GG Marmont Super
Mini Bag



2

Saint Laurent

Niki Medium Shopping
Bag



3

Van Cleef & Arpels

Sweet Alhambra
Necklace
(18K Rose Gold)



4

Van Cleef & Arpels

Vintage Alhambra
Necklace
(18K Yellow Gold)



5

Saint Laurent

Small Le 5 À 7 Supple
Hobo Bag



Best Selling Novelties⁽²⁾.

1

Fred

Mini Force 10 Bracelet



2

Qeelin

Petite Wulu Necklace
in 18K rose gold with
diamonds and red agate



3

Cartier

Trinity Necklace
(White gold, yellow gold,
rose gold, diamonds)



4

IWC Schaffhausen

Pilot's Watch Chronograph
41 Mercedes-AMG Petronas
Formula One™ Team



5

Zenith

Defy Skyline 36mm



Footnote:

(1). The ranking is determined by the total revenue generated by the product on Tmall.

(2). The ranking is determined by the total revenue generated by the product on Tmall. Only products launched in April and May of 2023 are included in this ranking.

DLG (Digital Luxury Group)



DLG (Digital Luxury Group) is an international agency with offices in Geneva, Shanghai and New York offering social media, e-commerce, CRM, consulting and creative services for luxury brands. It has developed a unique expertise in defining and implementing impactful digital strategies that targets sophisticated consumers through a combination of technological know-how, creativity and luxury savoir-faire.

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Re-Hub



R E -
H U B

Re-Hub helps luxury and premium brands in China to generate online growth opportunities at speed. Through COMPASS, our proprietary data and AI platform, we deliver actionable insights to help brands gain clarity, alignment, and direction on their digital strategy. We focus on answering key business questions across the 3 pillars of e-commerce, merchandising and marketing, covering the full spectrum of China digital ecosystem.

We help brands to:

Benchmark your performance against competitors across channels

Identify performance gaps and opportunities to prioritize

Generate new growth opportunities at speed

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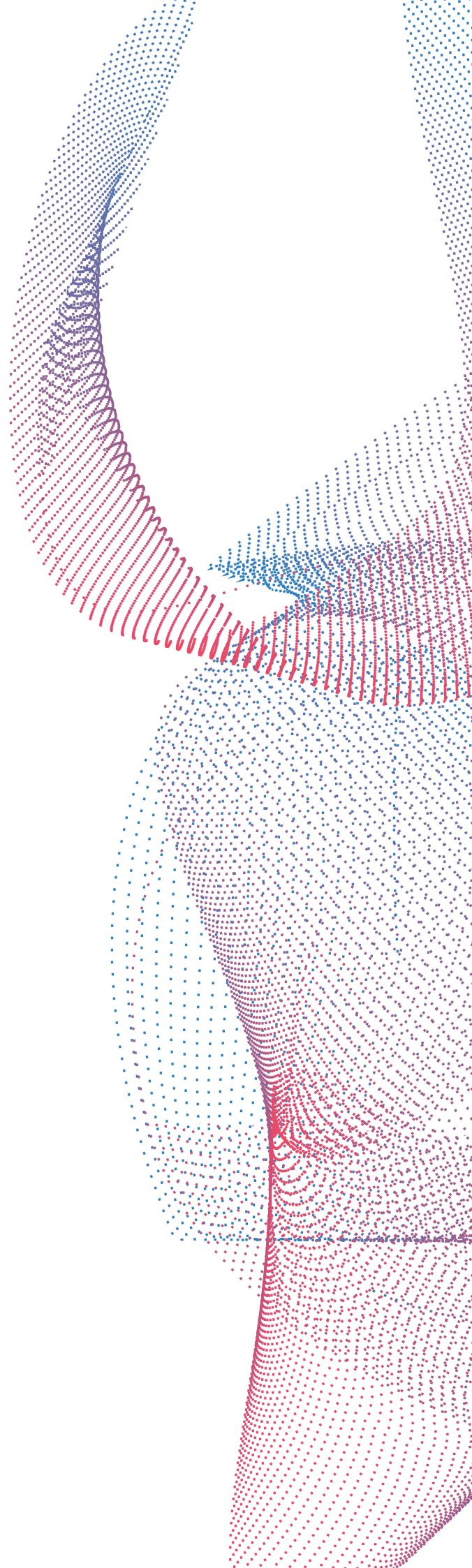
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