

# CHINA MARKET TRANSMUTATION

YUAN ZOU - ESTELLE LI

HYLINK



# WHO WE ARE

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Founded in Beijing in 1994

Hylink Digital Solution is **China's largest independent digital agency**

hylink

# GLOBAL PRESENCE

Established in **1994**

Listed on the **Shanghai Stock Exchange** on  
Aug 2017 (Stock Code:603825).

2020 annual turnover: **2 billions Euros**

Ranked **NO.1** in the country in terms of revenue  
for 13 consecutive years.

**2400+** Employees

**14 Branch companies** in China (BJ, SH, GZ, SN,  
HK, etc)

**9 Global Office** (Los Angeles, New York, Seoul,  
Tokyo, London, Paris, Munich, and Milan)



# 360 SOLUTION FOR CHINESE MARKET



Hylink  
Interactive  
Thinktank | 華揚創想



Hylink Search



D.lab  
Hylink Digital Laboratory

PageChoice



WizAd 捷报指向

HDTC

DM<sup>2</sup> 数行



Market Insights  
Entry Strategy  
Branding  
Creative

Media Buying  
KOL  
Campaign Execution

New Retail  
E Commerce

Content  
Production

# LARGE CLIENT BASE IN CHINA

## AUTO



## LUXURY & FASHION



## FOOD & BEVERAGE



## RETAIL & E-COMMERCE



## SPORTS



## 3C & ELECTRONICS



# LUXURY FASHION EXPERTISE IN EU

**BOUCHERON**  
PARIS DEPUIS 1858

*Chopard*

**C O U R B E T**  
高价值珠宝商

  
**RESERVOIR**  
SWISS MADE

**HC  
M**

**Dior**

institut  
FRANÇAIS  
de la  
MODE

**JULIEN FOURNIÉ**  
HAUTE COUTURE

**MISSONI**

**SAFILO**  
MADE IN ITALY DAL 1934

*Galeries  
Lafayette*

MYTHERESA

**GIVENCHY**

 **DESCENTE**

**CACHET**

**niko and ...**

**L'ORÉAL**  
Travel Retail

CLINIQUE  
LA PRAIRIE  
SWITZERLAND

**LANCÔME**  
PARIS

LIQUIDES  
IMAGINAIRES

  
**CLIVE CHRISTIAN**

# WORLD'S FOCAL POINT

N°	Country (or dependent territory)	2020
1	 United States	22,294,105
2	 China	17,100,063
3	 Japan	4,746,880
4	 Germany	83,004,936
5	 United Kingdom	67,511,983
6	 India	3,443,596
7	 France	2,940,194
8	 Italy	2,143,801
9	 Brazil	2,054,407
10	 Canada	1,958,153

# CHINA

Source: IMF 2020

# MOST DIGITAL ECONOMY

TOTAL  
POPULATION



**1.44**  
BILLION

URBANISATION:

**59%**

MOBILE PHONE  
CONNECTIONS



**1.61**  
BILLION

vs POPULATION:

**112%**

INTERNET  
USERS



**854.5**  
MILLION

PENETRATION

**59%**

ACTIVE SOCIAL  
MEDIA USERS



**1.04**  
BILLION

PENETRATION

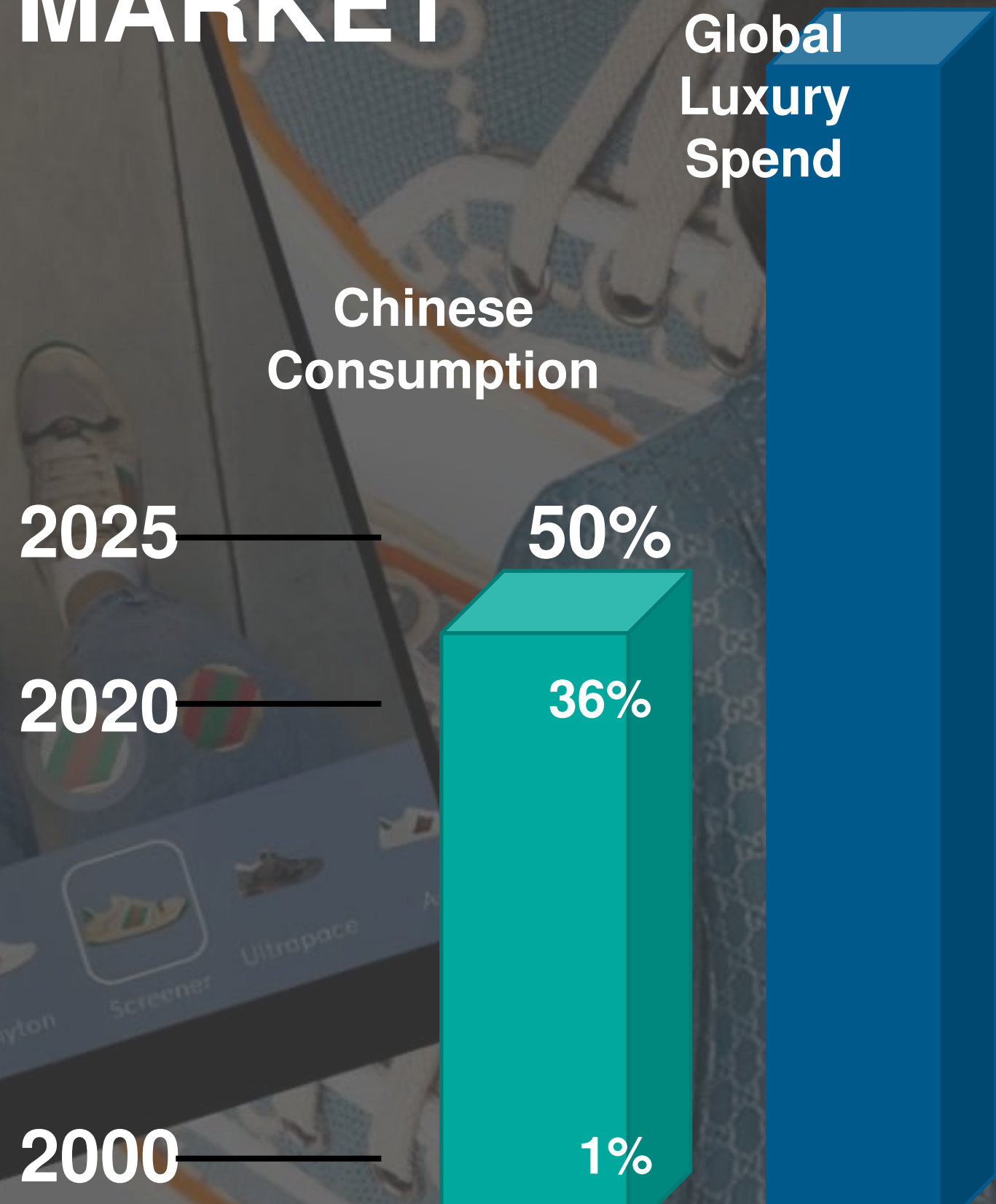
**72%**



# LEAD ON HIGH TECH

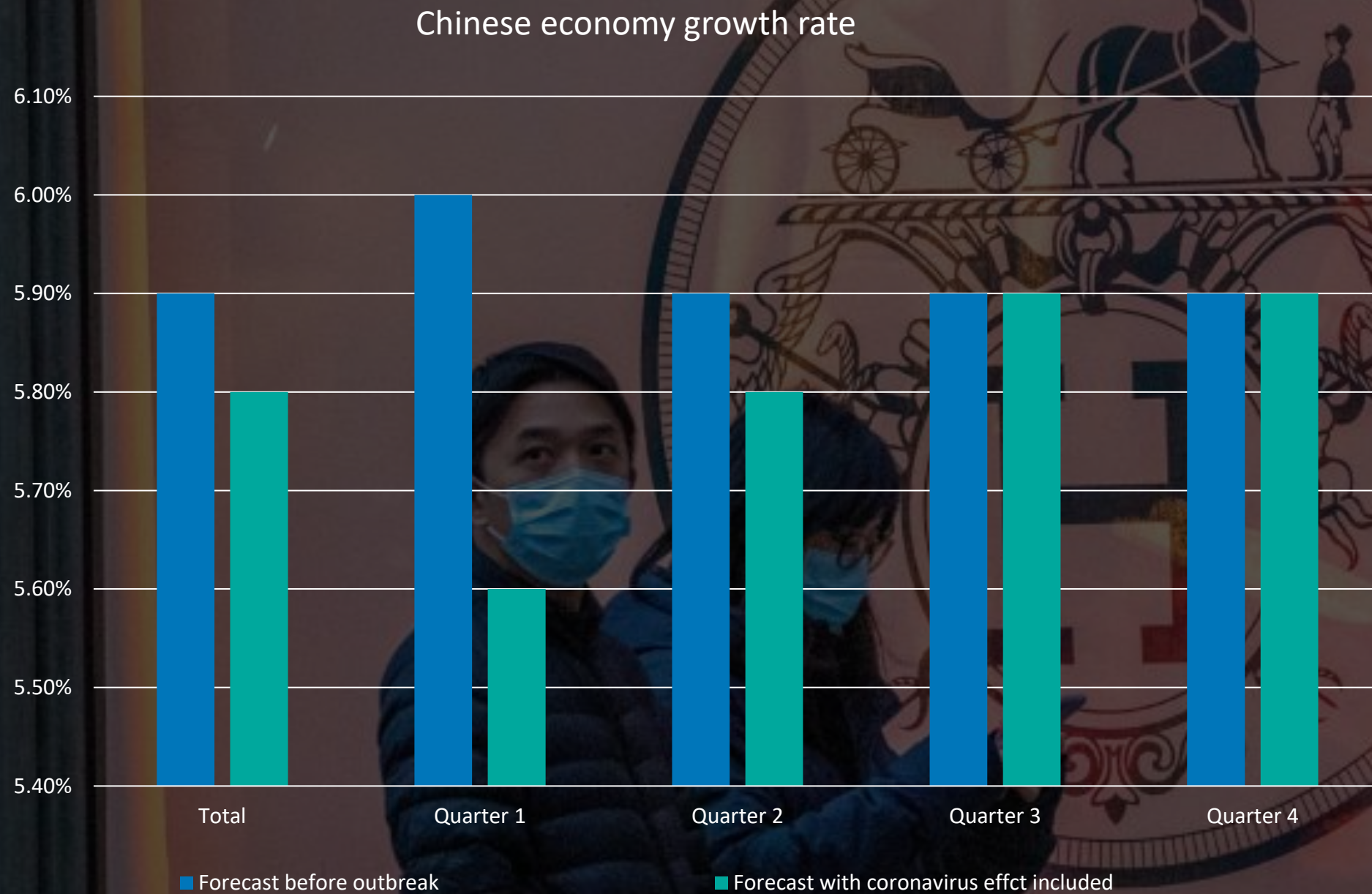


# LARGEST LUXURY MARKET



Source: McKinsey,  
China Luxury Report 2020

# RESILIENCE POST COVID



***Revenge spending***

**\$ 2.7 million**

On the day Hermes reopened in April

***Revenge tourism***

\$ 69.57 billion

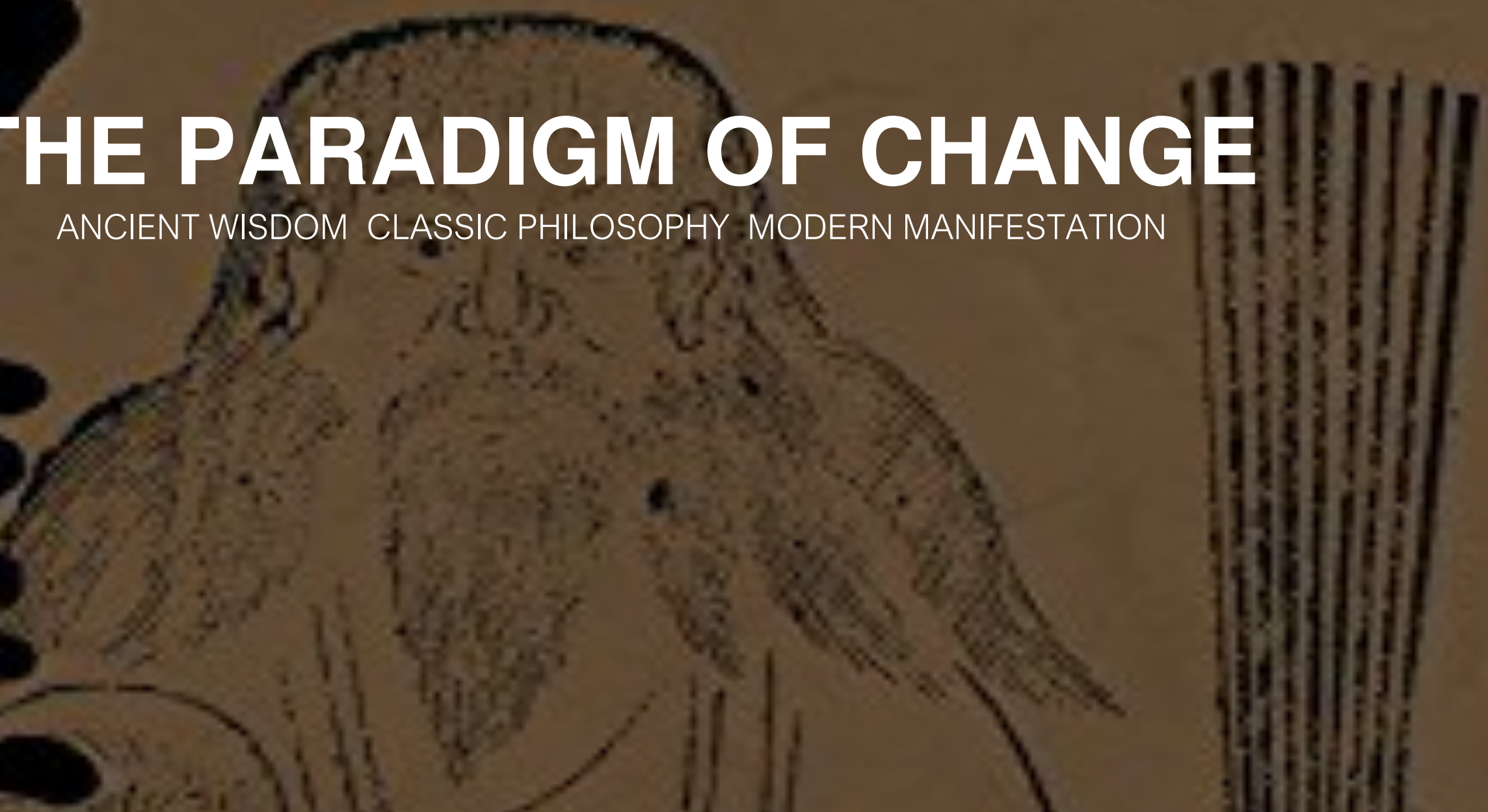
During the Golden Week holiday

Copyrighted Material

易經

# THE PARADIGM OF CHANGE

ANCIENT WISDOM CLASSIC PHILOSOPHY MODERN MANIFESTATION

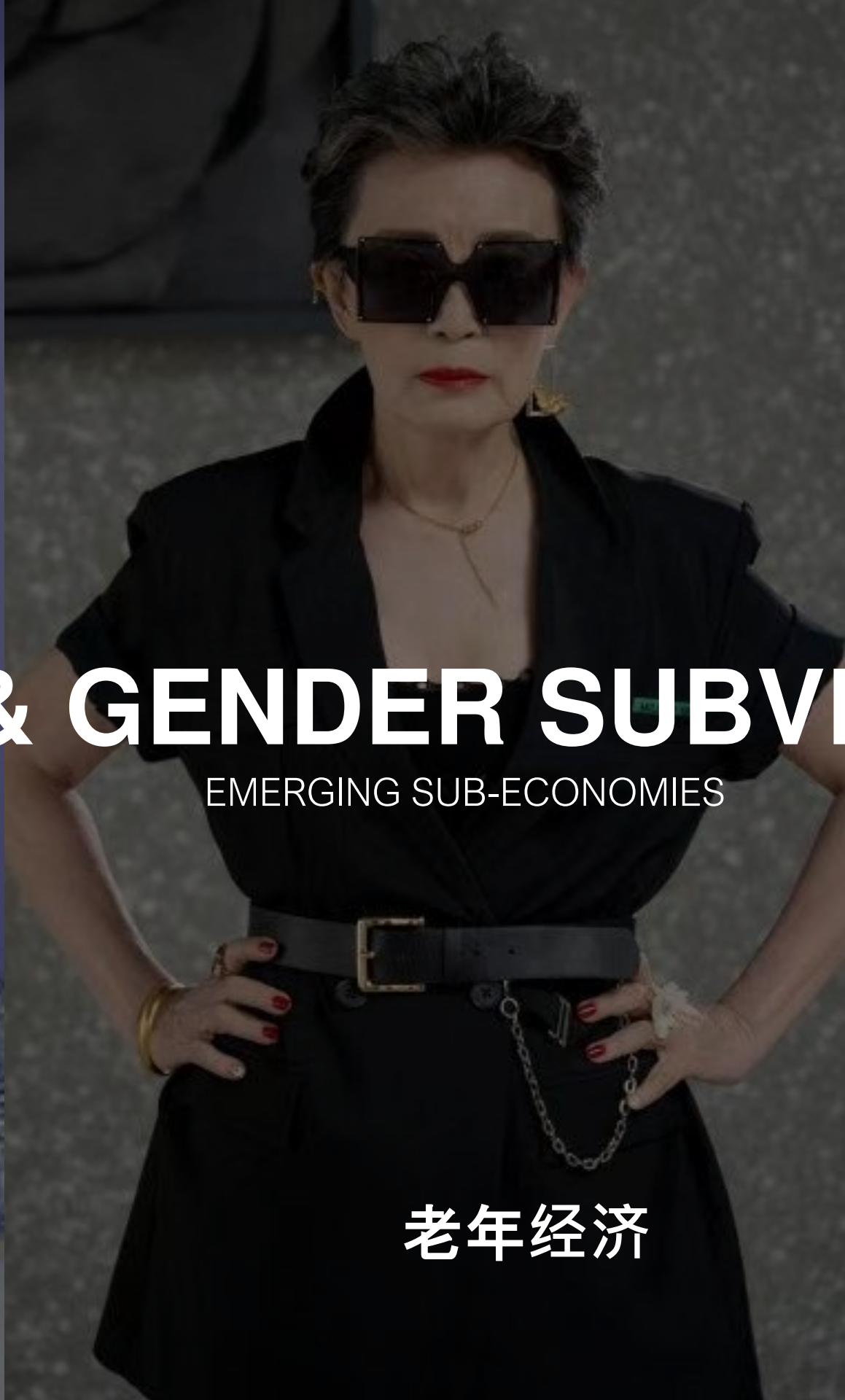


# AREAS OF TRANSMUATIONS

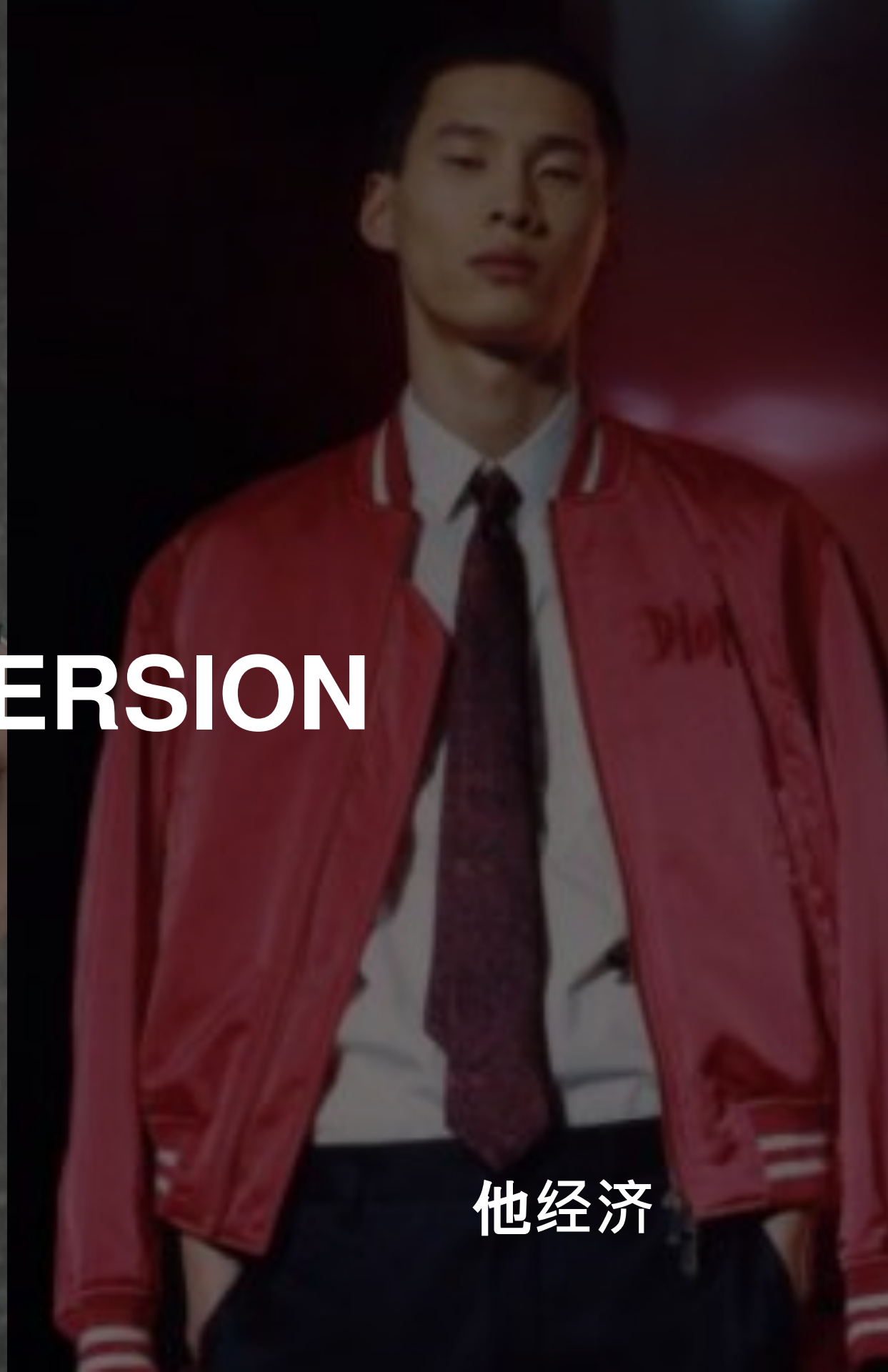
- I. Age and Gender Subversion
- II. Taste Evolution
- III. Technology Appropriation
- IV. Consumer Journey Randomization
- V. Trending Platform Adaptation
- VI. Oversea Luxury Buying Predictions



直播经济



老年经济



他经济

# AGE & GENDER SUBVERSION

EMERGING SUB-ECONOMIES

# EMERGING SILVER ECONOMY



- China's aging population doubled over the past decades, reached 14% of the population
- Demographic problem is a huge commercial opportunity
- A market that is worth nearly 900 millions Euros, and growing double digits
- On Tmall, purchase of luxury goods overseas from people above 60 years grew by 60%.
- KOL in this category enjoys even higher fan base and influencing power





# RISING "HE"

# ECONOMY

- The country with disproportional male population is re-defining masculinity.
- New era of male consumption, overtaking women on ecommerce purchase
- Very little brands cater to this group
- Huge demand for different goods. Pay attention to quality and more loyal to brands than female consumers.

@DIOR迪奥

## Top Categories

- Clothing
- Grooming & fragrance
- Accessories
- Sneaker
- Watches
- Jewelry

h4linh





# EXPLODING LIVE-STREAM ECONOMY

## ROLE REVERSAL

- Live stream grew exponentially over the past 4 years
- **16 Billions** USD market size (Statista )
- Today is the most effective conversion channel
- Gender reversal in seller roles





街潮 宅潮



# TASTE EVOLUTION

LATEST FASHION TRENDS

深圳 国潮 丽莎

99% 原创设计 99% 原创设计

简约 | 精致 | 自然 | 唯美 | 幸福

WWW.SZMONALISA.COM



小众潮

膨胀青年  
YOUTHGA

# GUO CHAO CHINA COOL TREND



- Patriotism transformed into aesthetics for Chinese art and heritage
- Blending traditional and iconic cultural elements while expressing modern and confident attitude.

- Preference for domestic brands
- Going back to the brands with Chinese roots and heritages.

武松打虎



# XIAO ZHONG CHAO

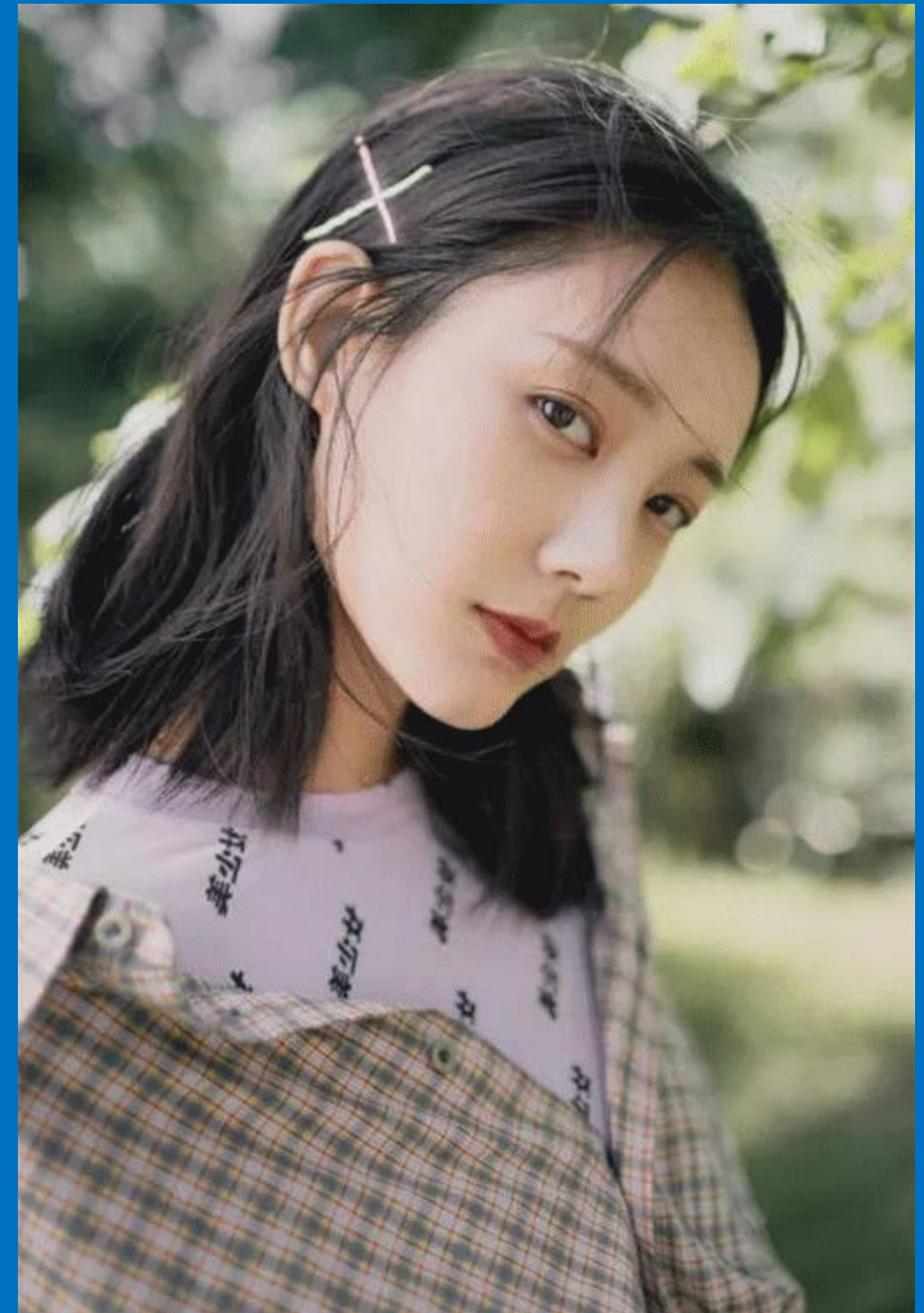
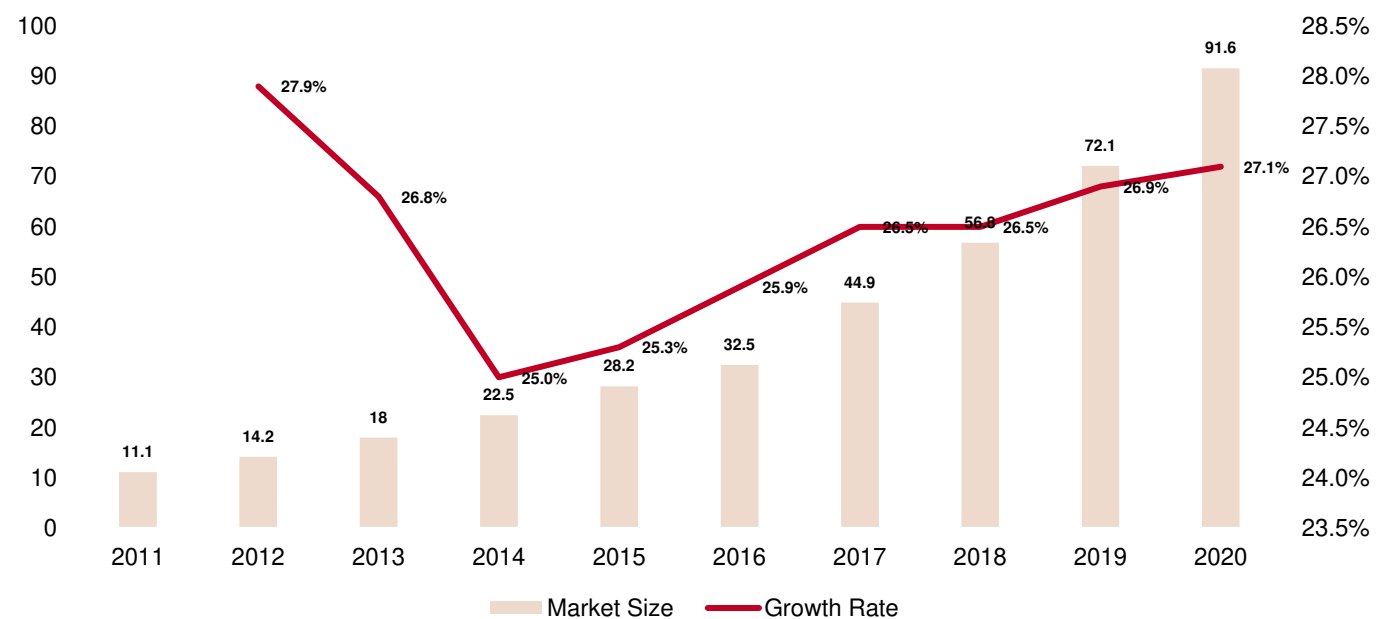
## NICHE BRAND CRAZE

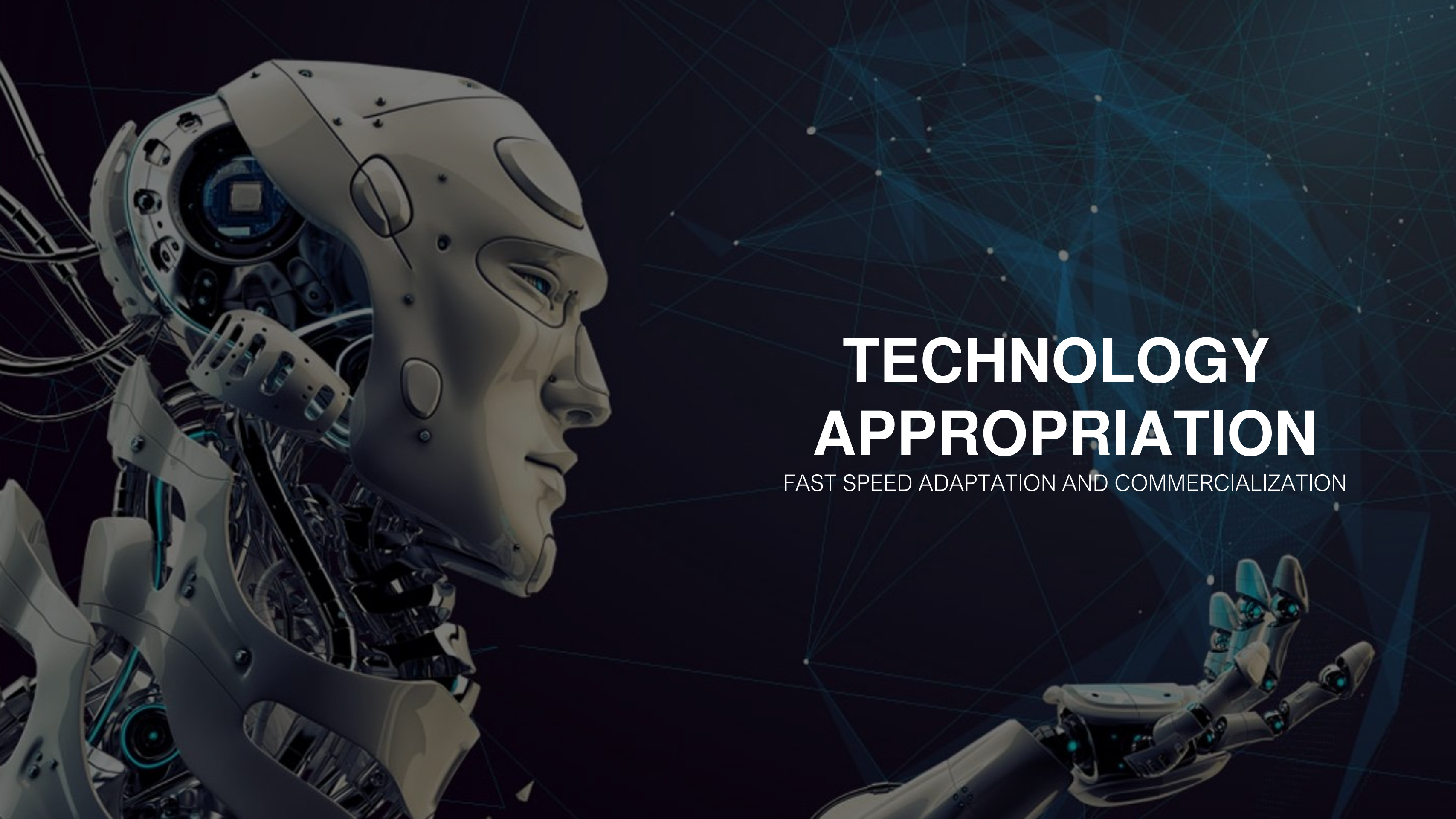
Latest craze for niche brands

- Smaller , Unknown
- Distinct style
- Story Telling
- Design and Craftmanship

less chance of clashing with somebody who has the same piece,

Niche Brand Market in China, US\$ M

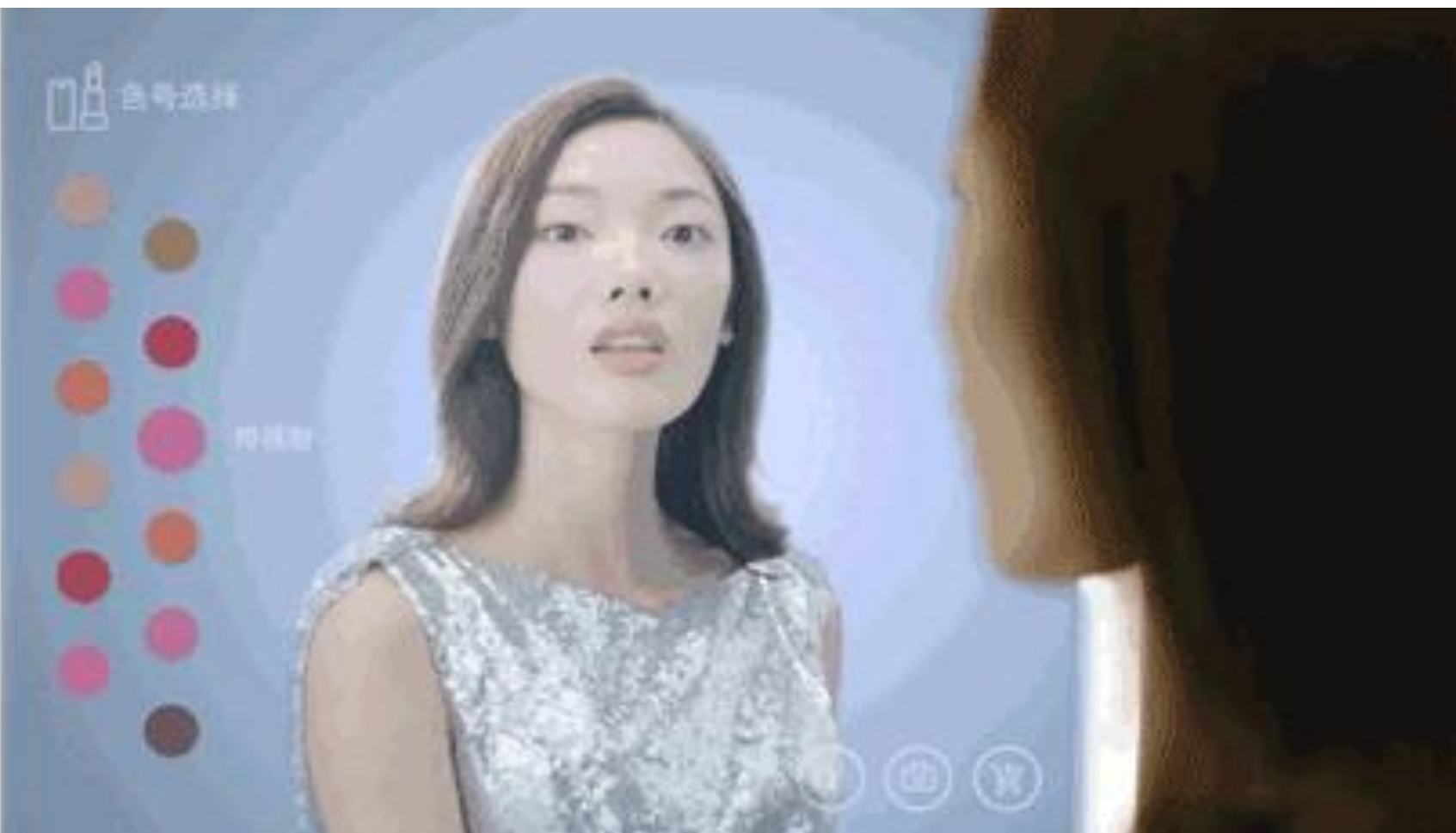




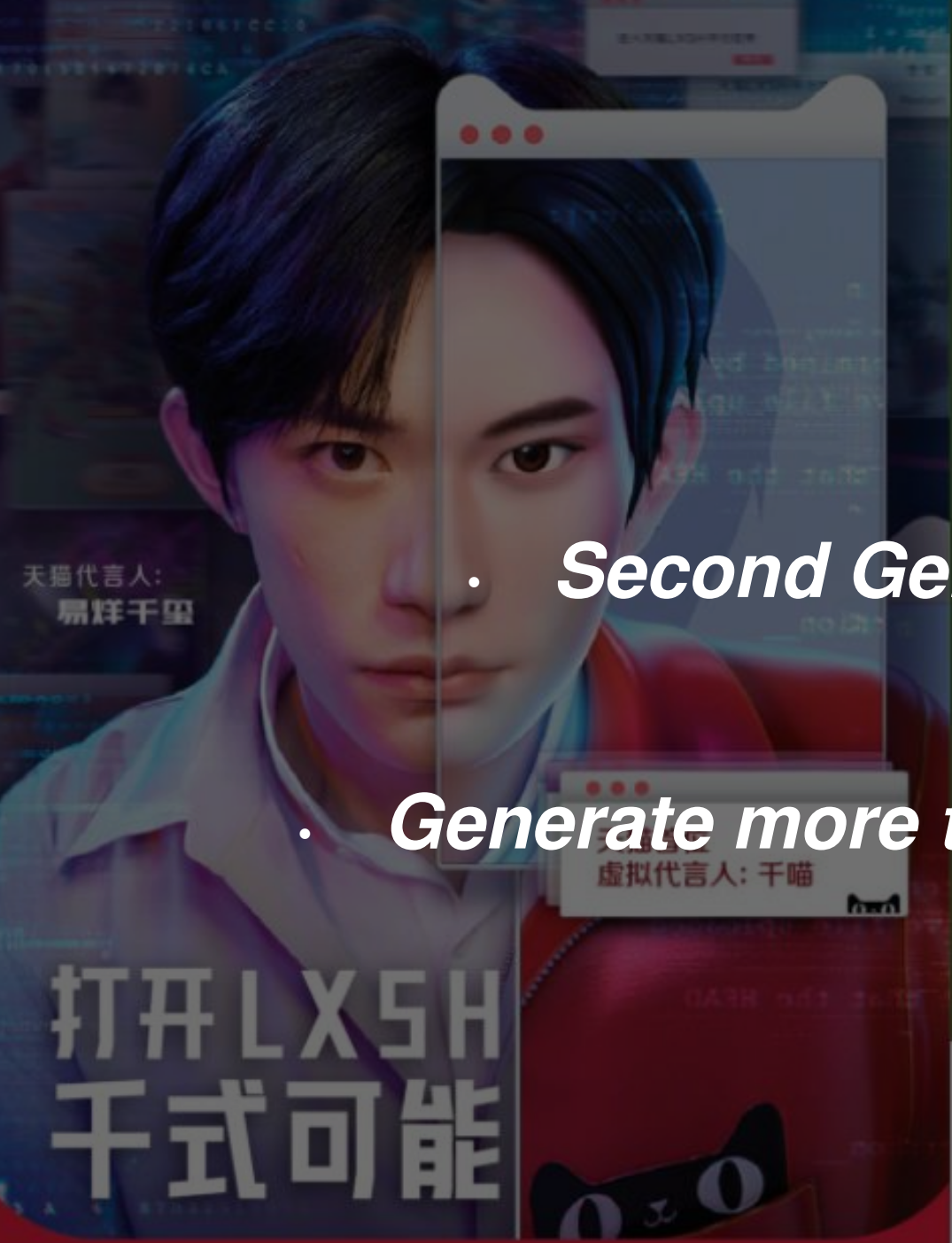
# TECHNOLOGY APPROPRIATION

FAST SPEED ADAPTATION AND COMMERCIALIZATION

# AUGMENTED REALITY

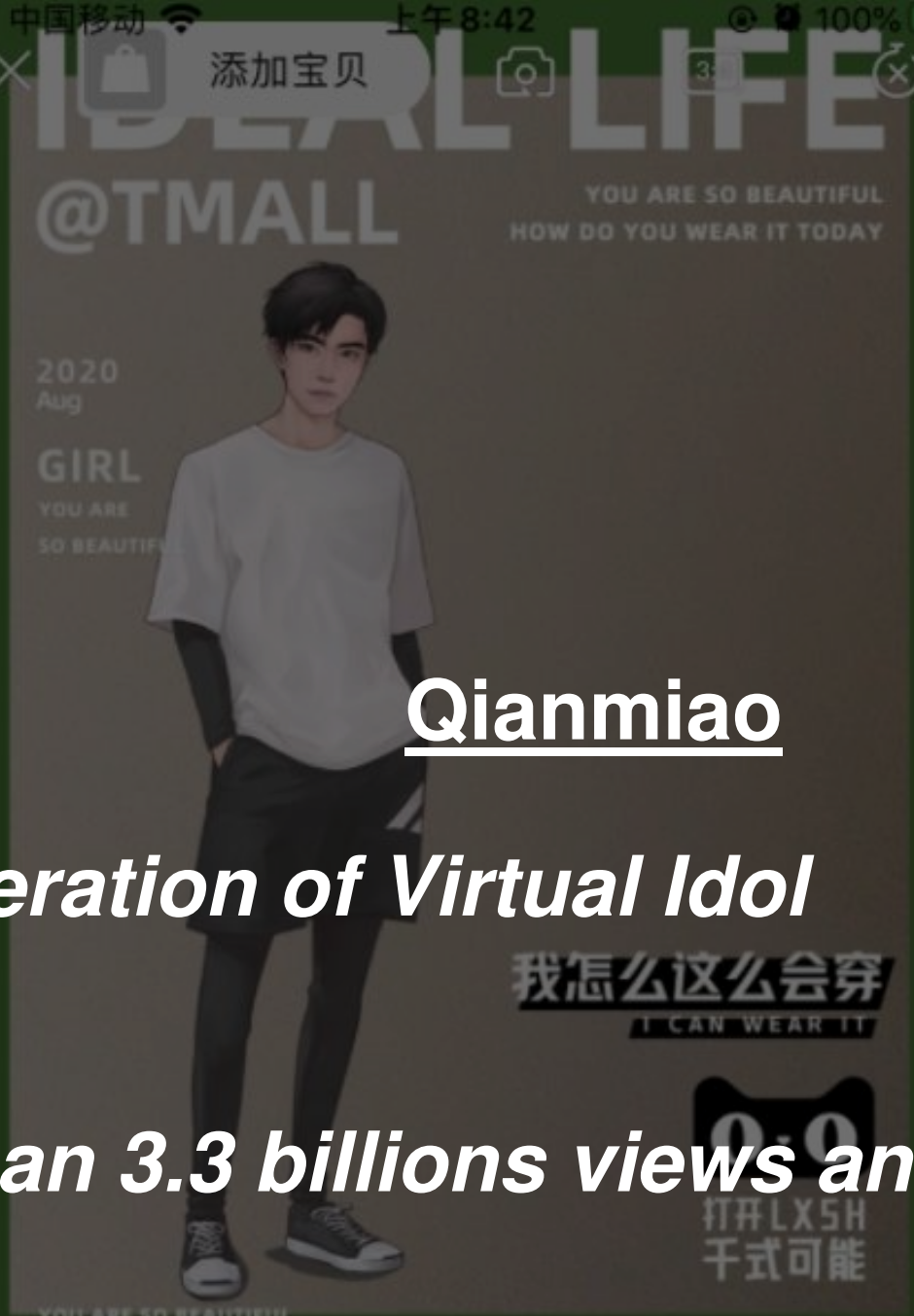


# VIRTUAL IDOL

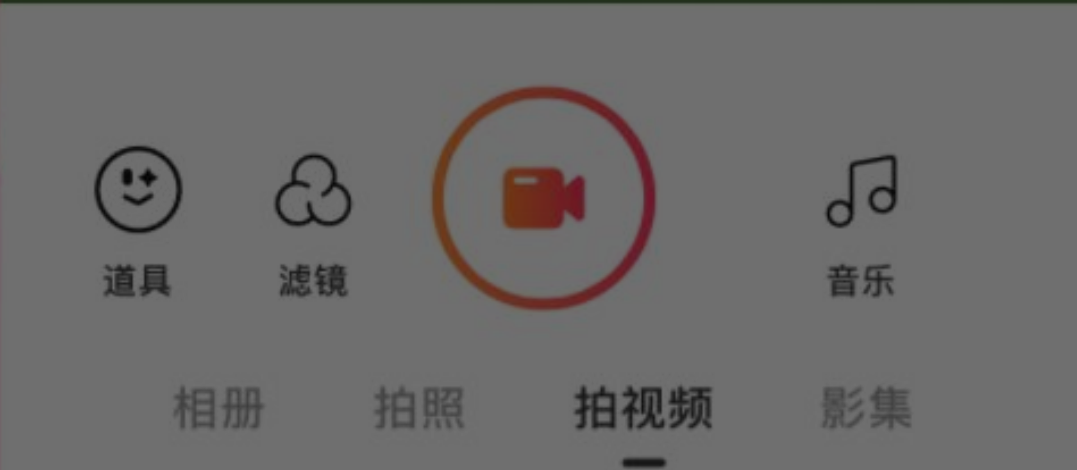


## *Second Generation of Virtual Idol*

*Generate more than 3.3 billions views and 5.2 Millions discussions*



## Qianmiao



# LATEST TREND ON VIRTUAL KOL

- *Break the geographic / time boundaries*
- *High imitation, increased engagement*
- *Designed behaviors based on audiences' preferences*
- *Becoming brand ambassadors*



# CONSUMER JOURNEY RANDOMIZATION

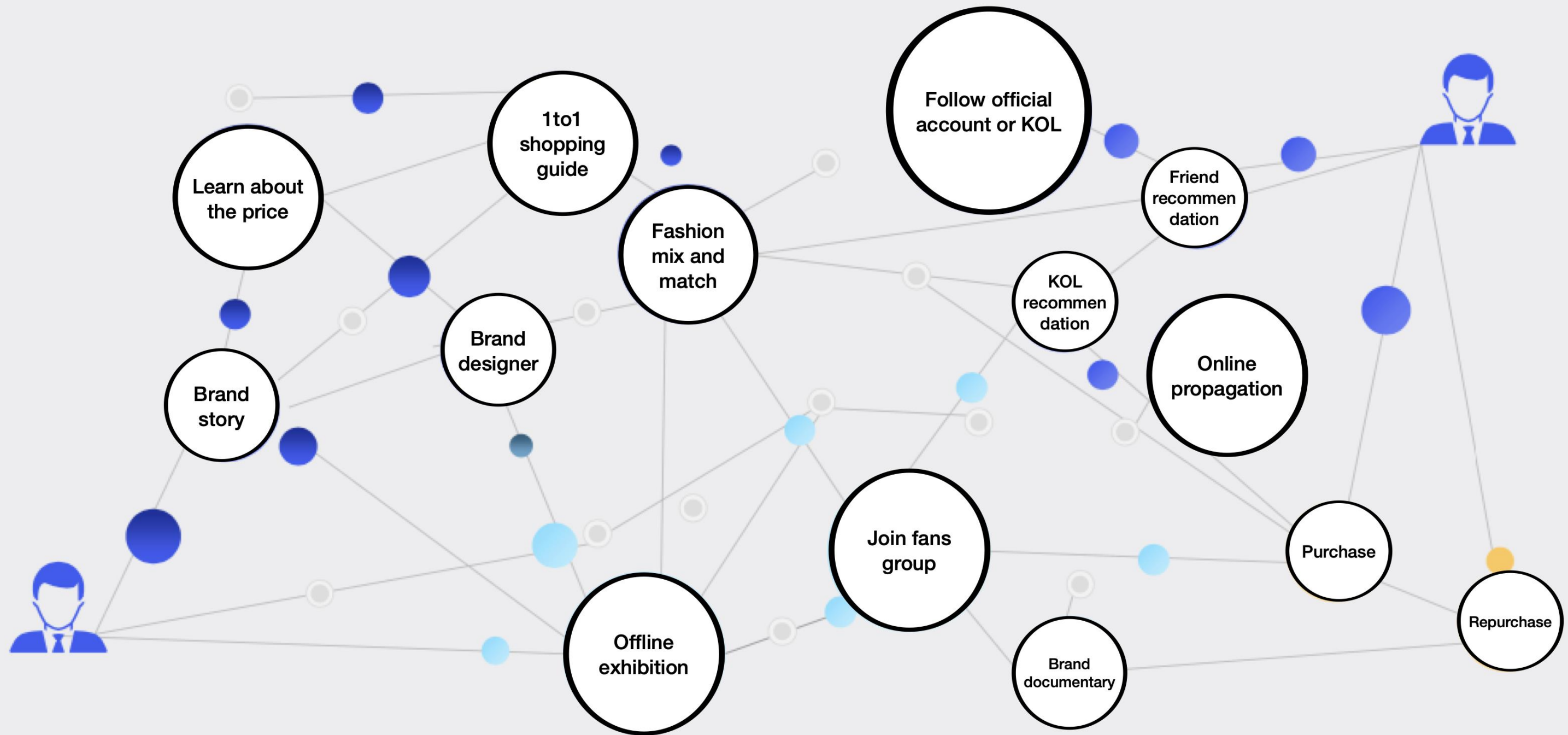
MULTIPLYING TOUCH POINTS



# CONSUMER JOURNEY

## TOUCH POINTS MULTIPLICATIONS

示例



# 4 STAGES OF CONSUMER JOURNEY

IMPLICATION

## Awareness of the value of brand and luxury goods

Understand the history of the brand, to understand the style of the product, etc.

## Feel the brand philosophy Practice the lifestyle led by the Visit the brand offline exhibition

watch brand documentaries,  
participate in brand VIP events, etc.



## Openly express one's own opinion Tightly follow up network's trends

Experience sharing among friends/colleagues  
Information exchange on shopping

## Enjoy and integrate the multi-dimensional luxury experience

Purchase and repurchase

# 3 TYPES OF CONSUMER JOURNEY

IMPLICATION

**There are three main user journeys for luxury goods:**

**Brand understanding**

**Social-driven conversion**

**Lifestyle integration**

# CONSUMER JOURNEY - 1

## BETTER BRAND UNDERSTANDING & UPGRADED SERVICES

- Cognitive drive: online & offline
- Service transformation: 1to1 without space limit
- Personalized services are the key: data support
  
- TA:
  - Successful businesswomen with rich luxury shopping experience
  - Male elite who respects salesperson's suggestion, for efficiency wise

### 都市精英

重服务，有个性化诉求



#### 典型画像 1

- 职场丽人
- 常年购买奢侈品
- 时间有限，重视购物效率



#### 典型画像 2

- 精英男士
- 产品信息了解不深
- 重店员建议，购买链路较短

# CONSUMER JOURNEY - 2

## SOCIAL-DRIVEN CONVERSION

Active in diversified social networks: personal influence  
Word of Month: brand social buzz  
High potential of purchasing power

- TA:
- New-comer of luxury shopping
- Trendy fashion star

时尚达人  
社交活跃，爱交流/分享



典型画像 1

- 北上广深年轻女性
- 入门级<sup>1</sup>奢侈品买家
- 在多社交平台活跃



典型画像 2

- 时尚潮流人士
- 跨平台分享达人
- 以穿搭塑造人设

# CONSUMER JOURNEY-3

## LIFESTYLE INTEGRATION

- Niche but not negligible: happy few
  - High income and good taste
  - Brand value recognition: brand interaction
  - Follow the heart: spontaneous purchase
- 
- TA:
    - Born from rich family and grew up surrounded by luxury brands
    - Fan of « art de vivre »

h4linh

高净值人士

高收入，重品位



### 典型画像 1

- 年轻富裕世家
- 有钱有闲
- 常年购买特定奢侈品牌

### 典型画像 2

- 中年高收入
- 注重品位格调
- 追求艺术，热爱看展

An aerial night view of a city with a prominent Bilibili sign on a building. The scene is illuminated by city lights, creating a vibrant, colorful atmosphere. The Bilibili logo is clearly visible in the upper center of the image.

# TRENDING PLATFORMS ADAPTATION

NEW MARKETING TOOLS TO BE WATCHED CLOSELY



# WECHAT CHANNELS

## WeChat Channels

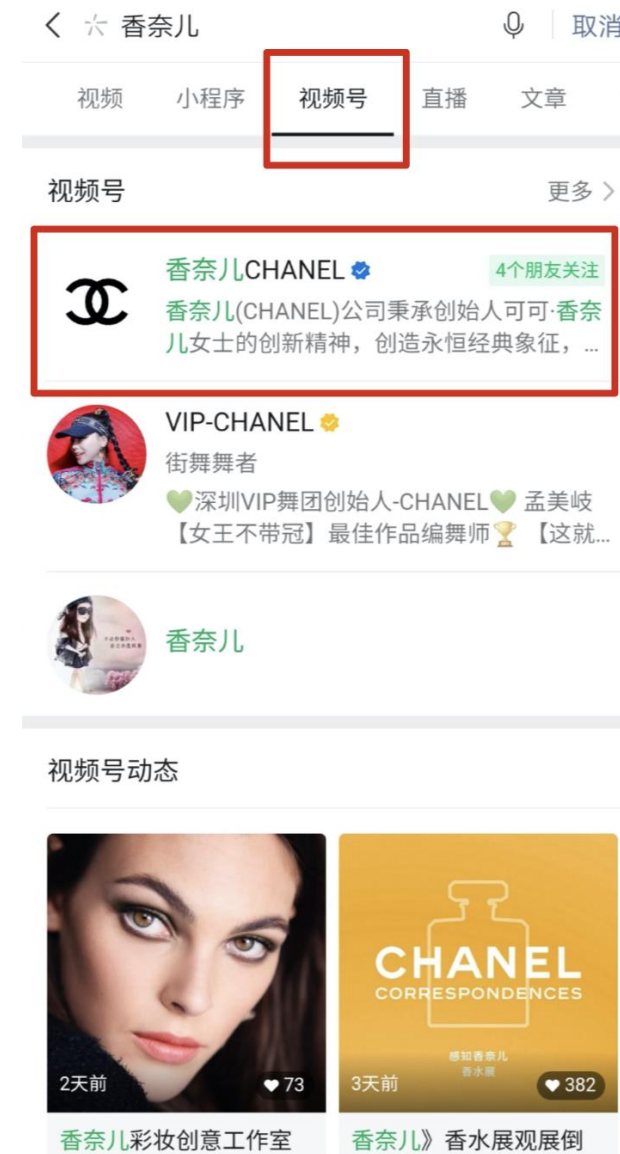
-WeChat Channels launched in **2020** and are WeChat's answer to the rising trend of **short-video**.

-WeChat Channels has **two main advantages**:

1. Includes a link to your WeChat official account which can help brands gain more followers and promote brand awareness
2. Short video is an easy and fun way to consume content, which helps brand to better recruit new followers on social media and better sustain its existing community.

-Some luxury brands already have WeChat Channels account: **Chanel, Givenchy, Dior.**

(Source: <https://www.sekkeistudio.com/blog/chinese-social-media-2021/>)



PLICATION

# BILIBILI

## Bilibili help brands to REJUVENIZE

- Most users of Bilibili are from the **Gen Z**; the average of Bilibili is **21 years-old** and 78% of Bilibili users are between 18 and 35 years-old.
- Multiple **Marketing tools** to leverage:
  1. Splash ads
  2. Create funny and exciting story to involve the young
  3. Collaborate with content creators from different social circle

00:14 ■ 结束

bilibili

Z世代崛起 年轻正当道

21岁

78%

过去3年, b站新增用户平均年龄

18-35岁用户占比

bilibili

Copyright © 2009-2019 bilibili

Average age of users: 21 years old  
18-35 years old users rate: 78%

Splash ad of ESTEE LAUDER on Bilibili  
[Click here to see the video](#)

Silky = Happiness

【德芙案例】在B站“丝滑”本身就是一种表示愉悦的梗

B站自带的原生梗【丝滑】，起始来源于德芙广告语【纵享丝滑】

## 丝滑 = 愉悦

选择与德芙品牌关联度最高、无需用户教育的关键词

借势用户认可度最高、最出圈、品牌关联更精准的梗，  
带动全站用户完成本次内容营销。

Brand Virtual Ambassador of Dove – Xiao Fu



# CROSS PLATFORM COLLAB

## Weibo IP Collaboration

Weibo is not as attractive as it was as other platforms are crushing into this field. Now it is remarked for its trending search and celebrity exposure.

Weibo is the main platform for IP cooperation which may include to unite a superstar with another one based on their role in the TV series.

### Example:

Leader of China's online food delivery – Meituan X McDonate forms a couple of « Scrambled Eggs with Tomato »



Meituan Delivery X McDonate

HANEL

CHANEL

# OVERSEA LUXURY BUYING OUTLOOK

DOMESTIC CONSUMPTION VS. OVERSEA PURCHASE



# OVERSEA LUXURY BUYING

PLICATION



## Obstacles:

- Border crossing passport will only be issued for emergency and essential reasons.
- When return to China after a trip abroad, Chinese citizen needs to be quarantined for **at least 14 days** (more quarantine stays depends on each region's regulation) and pay for hotels from their own pocket.
- Chinese vaccination does not allow people to tackle the dangerous environment out of China.

# OVERSEA LUXURY BUYING

PLICATION

China wants to **boost the domestic luxury economy** by:

1. Tax cuts on exported luxury product
2. Favorable policies ensure Chinese consumers can easily access to **duty-free products** in mainland China.

Spring Festival holiday 2022,

- 9 duty-free shopping malls in Hainan
- Sold a total of 1.14 million duty-free goods
- Generated a sales of 133.54 millions Euro (997 million CNY).



<https://news.sina.com.cn/c/2021-10-03/doc-iktzqtyt9527262.shtml?hasPlayedTime=34.500287>

# hylink

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HEAD OF EUROPE  
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