

AFFLUENT INSIGHTS™ LUXURY STUDY 2017-18

China

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Table of Contents

	PAGE
About Agility and Affluential	4
Study Methodology and Sample	5
Introduction	6
Key Learnings	7
Section A: Luxury Perceptions and Purchase Behaviour	8
The Definition of Luxury	11
Experiences from Luxury Brands	12
Next Luxury Purchase	13
Expectations from Luxury Brands	14
Luxury Purchase Preferences	15
Millionaires' Luxury Preferences	16
Motivations to Buy Luxury Brands	17
Luxury and Social Media	18
Top Social Media Celebrities/Influencers	19
Luxury Category Purchasing	20
Luxury Spending Outlook	21
Share of Wallet	22
Luxury Purchase Channels	23
Motivations to Buy Luxury Online	24
Buying Luxury Online	25
Luxury Shopping Websites	26
Preferred Online Payment Mode	27
Section B: Fashion Category	28
Fashion Purchase Channels	30
Fashion Brands Owned and Planned to Purchase	31
Perceptions of Top Fashion Brands	33
Share of Influence for Media/Information Sources	34
Digital Media/Information Sources for Fashion	35
Social Media Information Sources for Fashion	36
Traditional Media/Information Sources for Fashion	37
Section C: Watches and Jewellery Category <i>(similar to section B)</i>	38
Section D: Alcohol Category <i>(similar to section B)</i>	51
Section E: Skincare Category <i>(similar to section B)</i>	61

	PAGE
Section F: Finances	71
Income	74
Investable Assets	75
Portfolio Allocations	76
Financial Institutions Used	77
Offshore Investment Countries	79
Credit Cards Owned	80
Use of Credit Card Perks	81
Financial Priorities (Millionaires)	82
Use of Private Banks (Millionaires)	83
Property Ownership and Investment (Millionaires)	83
Future Overseas Property Purchase Locations	84
Share of Influence for Media/Information Sources	85
Media/Information Sources for Banking and Insurance	86
Media for Financial News	89
Financial Outlook	90
Section G: Travel	91
Number of Trips in Past 12 Months	93
Travel Outlook	94
Hotels Used in the Past 12 Months	95
Hotels Planning to Use in the Next 12 Months	95
Cruise Brands Used in the Past 12 Months	97
Cruise Brands Planning to Use in the Next 12 Months	97
Leisure Destinations in the Past and Next 12 Months	99
Next Leisure Destination	99
Luxury Travel Purchase Preferences	100
Travel Purchase Channels	101
Travel Booking Websites	105
Travel Activities Past 12 Months	107
Travel Luxury Shopping Influencers	108
Share of Influence for Media/Information Sources	109
Media/Information Sources for Hotels and Travel	110
New Luxury Hotels Discovered	113
Millionaire Travel Preferences	114
Section H: Profiling	115
Sports Followed	116
Hobbies	117
Civil Status and Family Composition	118
Age and Gender	119
Millionaires' Life Priorities	120

Introducing Agility and Affluential

- **Agility Research & Strategy** is a World Class Research and Consulting company with a core focus on the Affluent and Luxury Consumers for premium brands. With over 30 years combined experience in understanding the affluent consumer, we are truly Fluent on the Affluent™.
- We partner with leading brands in helping to provide actionable insights through a suite of solutions that lead to growing their market share.
- **Affluential™**, powered by Agility, is a leading consumer intelligence portal helping brands engage with affluent consumers in more than 20 key economies across the United States, Europe and Asia.

We work with luxury clients around the world:



Affluent Insights™ 2017-18 Luxury Study

**This report is based on findings from the Affluent Insights™
Luxury Study:**

- Fielded in October/November 2017
- Covers the following markets:
China, Hong Kong, Singapore, Thailand, Malaysia, Australia, South Korea, Japan
- In each market, we surveyed 300 or 600 respondents
- All of the respondents were defined as affluent with annual household incomes as per the table below, and minimum n=100 or n=300 respondents per market were HNWI individuals, with US\$ 1 million+ in investable assets

Affluent Insights Luxury Study - China

- Overall sample size: **n=629**
- Millionaire (HNWI) sample size: **n=305**

Market	Highly Affluent Definition (HHI)
China	RMB 350,000+

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Affluent Insights™ 2017-18 Luxury Study

In this report...

we will be looking at purchasing behaviour, motivations, media channels and brand preferences of the affluent consumers when it comes to purchasing premium and luxury products and services.

PRODUCT CATEGORIES COVERED:

Affluent Insights™ 2017-18 Luxury Study covers premium brands across the following categories:

- ✓ Fashion/Accessories (105 brands)
- ✓ Watches (81 brands)
- ✓ Jewelry (66 brands)
- ✓ Alcohol (84 brands)
- ✓ Hotels / Cruise lines (82 brands)
- ✓ Skincare (54 brands)

Brand selection: For past purchase/ ownership and future purchase plan questions, we have selected brands that are well-known luxury brands and/ or are part of the competitive set of our subscribers' brands. For brand image questions, we include subscriber brands, as well as, a sub-set of high-end luxury brands that have shown to be the most popular in our research.



Affluent Insights™ 2017-18

Luxury Study

KEY LEARNINGS

China is becoming the largest consumer market in the world. Luxury, travel, and financial services brands are all increasing their presence in the Middle Kingdom, and branching outside of the Tier 1 cities of Beijing, Shanghai, Guangzhou and Shenzhen into Tier 2 and even Tier 3 cities, where China's affluent class is growing the fastest.

While many brands have relied heavily on overseas spending from outbound tourism, they are renewing their focus on their physical presence in Chinese cities, including at luxury outlets. A key takeaway from this report is the emergence of luxury outlets as an important local purchase channel for luxury – even among Chinese millionaires.

E-commerce giants JD and TMall have launched online luxury platforms catering specifically to Tier 2 and 3 cities to attract the newly affluent individuals who have more limited access to luxury stores.

This is not to say that the affluent Chinese are not buying luxury goods when they travel – far from it. In fact, 2 out of 3 affluent consumers still mainly buy luxury goods while they are abroad, with Japan being the most popular overseas shopping destination.

Interestingly, there has been a clear increase in the purchase of jewellery compared to previous years and most people are planning on purchasing more jewellery in the future. This is an interesting finding given recent questions about what effect the rise of outbound travel and interest in experiences is having on the Chinese hard luxury sector.

One thing that is more frequently found among Chinese consumers than in other markets in Asia is a closer association between luxury goods and identity. While projecting social status outwardly – i.e. influencing how others see them – remains an important function of buying luxury, luxury marques are increasingly a part of how affluent Chinese see themselves.