

BEIJING COOL

China's millennials are key to the future of fashion, and they are demanding designs that resonate with their heritage

By Mark Andrews



In years to come, New York Fashion Week 2018 may be remembered as the moment China arrived as a creative force in the world of fashion. As the snow came down on a chilly February morning, a clutch of emerging Chinese designers unveiled their latest ranges in the festival's first ever China Day.

Hosted by the Council of Fashion Designers of America in partnership with online retail powerhouse Tmall, the event was a success and a second China Day was promptly held in September. Hailed by many as a Chinese attempt to catch the eyes of Western consumers, the reality was, in fact, somewhat different.

"It was very successful, but not in the way people necessarily think," says Simon Collins, the founder and CEO of fashion education platform WeDesign and a former creative director at Nike. "Really, China Day was there to market to people in China."

In many ways, the event highlighted that China's emergence in the fashion world will not be a process of Chinese designers adapting to international tastes. Rather, it will be a case of the rest of the world adapting to trends in China.

China's importance as a market to the global fashion industry continues to grow. In 2018, the country's clothing and apparel market is worth \$311 billion, just behind the US on \$326 billion, according to data company Statista.

In the luxury market, China is already the largest market, accounting for 32% of global sales. Perhaps surprisingly, the country only makes up one-tenth of the luxury fashion market, but this is rising rapidly. Luxury



The mascot of e-commerce site Tmall

fashion sales are growing by double-digit percentages every year, far higher than rates in Europe and North America.

Much of this increase is being driven by Chinese millennials, a key demographic that is changing the way the fashion industry operates. As the success of China Day showed, this cohort is outward-looking but also keen to buy brands that reflect their heritage. Li Ning, a featured sportswear label, saw its share price rise 8% on the day.

At the same time, a new generation of designers is emerging that is eager to satisfy this demand for a more Chinese aesthetic.

From Mao to Moncler

The arrival of China on the global fashion stage is all the more remarkable given the

country's history. Until Deng Xiaoping began slowly to reform and open up the socialist economy in 1978, the concept of fashion barely existed in the country.

Most of the populace preferred to don the utilitarian *Zhongshan* suit, often called a Mao suit, to avoid undesirable political labels during chaotic times such as the Cultural Revolution. But as consumers became wealthier, interest in fashion grew. This interest in fashion has gone through several stages. Ten to 15 years ago, consumers tended to save up to buy statement items like Louis Vuitton handbags.

"During the first phase of luxury purchases, people focused mainly on heavily logoed brands which they viewed as 'safe' purchases," says Ben Cavender, Principal at China Market Research Group.

But as consumers have grown more comfortable and sophisticated, the focus has shifted, according to Anastacia Platinina, founder of Shanghai fashion consultancy CityJ.

"The consumers that have tried LV bags and the like are now tired of them," says Platinina. "Consumers today want quality, not just brand recognition and a shiny logo. They understand the ratio of quality and price."

As a result, consumers are far more open

Consumers today want quality, not just brand recognition and a shiny logo

Anastacia Platinina
Founder
CityJ



A Chinese superbrand is coming, but it depends on who can master international luxury strategies, theories and practices



Pierre Lu
Professor of Luxury Brand Management
University of Paris Dauphine

to different brands, including relatively new ones. This has opened the door to local designers, who are increasingly studying at the world's elite fashion schools.

Chinese Threads

When Collins, the former Nike director, became Dean of the School of Fashion at Parsons, the elite New York design college, in 2008, South Koreans made up the majority of international students at the school. But this changed rapidly during his time there.

"By the time I left in 2015, the majority were Chinese," he says. "That's because the talent was there. Parsons is a very hard school to get into."

Despite burgeoning talent, few Chinese names have made a mark internationally so far. Designers such as Vera Wang, Jason Wu and Alexander Wang are all US-based and largely US-raised.

One of the few mainlanders who have received much international attention is Guo Pei. She became famous after pop star Rihanna appeared in a stunning yellow gown designed by her at the 2015 Met Ball.

Part of Guo's success has been down to her incorporation of Chinese elements into her designs, which have found a willing market among wealthy older Chinese. With the growing ascendancy of China and renewed national pride, many young designers are also incorporating such elements.

"There is a definite sense that being

Chinese and Chinese heritage are cool again in China," says Cavender. "We are starting to see Chinese themes feature more heavily in design. This often manifests in references to cultural heritage or to China's history of craftsmanship."

Angel Chen, widely recognized as one of the rising stars, incorporates Chinese elements such as tiger motifs into her designs.

Designer Chen Xing's brand Bifu takes a similar approach. Each collection is inspired by an aspect of traditional culture, which, given Chen's background in cultural heritage preservation, is hardly a surprise. His first season drew inspiration from a painting of a royal hunting scene dating back to 300 A.D., which influenced the colors and shades of the pieces.

"When I look into all the luxury brands, whether they are from France, Italy or Britain, the reason they have these luxury brands is that they really respect their own heritage no matter whether it is the culture, climate or the people," says Chen.

Designers need to be careful, though. Collins warns against designers simply proving they are Chinese by incorporating Chinese elements.

"Whatever you do is coming from your background," he says. "If you work for LV, you don't need to prove it's a French brand. Just be the designer you are. If that means there are Chinese elements in there, then great, why not?"



Millennial Fashion

Whether the rest of the world embraces Chinese-style collections or not, the trend is a testament to the growing influence of local consumers.

"Ten years ago, Chinese consumers were important in terms of spending but an afterthought in terms of the design direction that brands took. This is no longer the case," emphasizes Cavender. "Today, a new collection will live and die on whether Chinese consumers like the product."

In the past, Chinese buyers typically favored international luxury brands, even if the products themselves were produced domestically. However, there are signs that this is starting to change too. Collins notes that in Chinese luxury malls, domestic brands now make up 30-40% of the outlets, a visible change from a few years ago, when home-grown brands were rarely seen.

According to Jenny Yang, the founder and creative director of an eponymous shoe line, as consumers have become more sophisticated, they have become less in thrall to foreign trends.



A design by Guo Pei is displayed at a show in Melbourne, Australia, in March

“Girls born in the 1980s and 1990s have traveled abroad and they’ve often studied in places like London and Paris,” says Yang. “They’re not blindly following luxury. They don’t care who you are—whether you’re a Western designer or not. They just want to be different. They want to make themselves a superstar.”

This desire to be different is also influencing the way millennials consume fashion. Limited edition items and drops—new arrivals inserted into existing ranges, often on a temporary basis—used to be associated more with streetwear than high fashion. But luxury brands are now using these techniques on a regular basis, to appeal to young consumers’ desire for exclusivity.

“The scarcity element elevates demand and desirability,” explains Plastinina, noting that special items to coincide with festivals like Chinese Lunar New Year are now a common sight in China.

Millennials are also demanding instant gratification and unique retail experiences. A noticeable feature of China Day was that the lines were immediately available for

people to buy online, whereas normally a runway show would showcase upcoming collections.

The fashion industry has long been suspicious of China’s e-commerce platforms, which often house counterfeit products and are thought to cheapen a brand’s image. But with millennials now driving 30% of luxury sales in China, international labels are overcoming this aversion.

Gucci, Hermès and Louis Vuitton have all recently set up e-commerce portals, while Moncler, Richemont and Valentino have signed up with Alibaba’s new Tmall Luxury Pavilion.

“China is actually leading some of the trends we are seeing globally,” says Cavender. “Consumers are now very focused on the retail experience, not just on the product. If their expectations are not met, they’ll move on.”

Chinese Superbrand

Despite the dramatic development of the fashion market, a Chinese label with the kind of brand recognition enjoyed by

many European and American luxury companies is yet to emerge.

There are tentative signs that certain Chinese designers are gaining influence in the West. Plastinina notes that Angel Chen’s Chinese-influenced designs have gained her an international following, while JNBY has a growing presence in the US and Russia.

“A Chinese superbrand is coming, that is for sure, but who will be the one depends on who can master international luxury strategies, theories and practices,” says Pierre Lu, Visiting Professor of Luxury Brand Management at University of Paris Dauphine.

According to Collins, Chinese fashion firms often still lack understanding of brand awareness and equity, something that European and American brands have been cultivating for decades. As Chen Xing acknowledges, this is often a matter of heritage and time.

The reality is that a superbrand may appear in a very different manner. “It will definitely happen, but while it will be a Chinese brand, it might not be owned by Chinese,” suggests Plastinina.

One of China’s best-known luxury brands, Hong Kong’s Shanghai Tang, has been in the hands of European investors for several years. Shang Xia, helmed by Jiang Xiong but 90% owned by Hermès, is another mainland startup known for its Chinese aesthetics that falls into the model.

There is also the possibility that a superbrand may appear online rather than in the form of a flagship store. Fashion label Ms. Min, for example, began life as a store on online retail platform Taobao in 2010, before expanding into the offline world. Its clothes are now sold at Saks on New York’s Fifth Avenue, among other locations.

Though it remains uncertain when and how it will emerge, Collins is sure that it is just a matter of time before a Chinese brand joins the ranks of the fashion elite.

“It’s going to be five minutes before we have one,” he says. “If you look at some of these Chinese brands, they’re opening up outposts all over the world.”