

Consumers in China: Buying Power Back On Track

In Q3 2020, China luxury DTC sales moved beyond COVID-19's impact, gaining 81% YOY growth in mainland China. Overseas luxury spending declined -78% in the same period. **Here is a closer look at performance.**

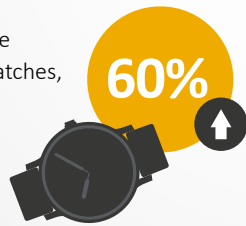
Consumers' buying power returned in Q3

52 luxury brands **gained +60% YOY growth.**

Unit sales also grew about 40% in Q3 compared to Q3 2019.

Chinese consumers bought more premium products in Q3, like watches, fine jewelry, and leather goods.

Average spending per transaction was close to 10K RMB.



Premium brands won more market share

Dior, Chanel, Louis Vuitton, Fendi, and Hermes ranked as the Top 5 brands in growth rate for the quarter.

Entry-level brands lost share, **especially in the leather goods and jewelry categories.**

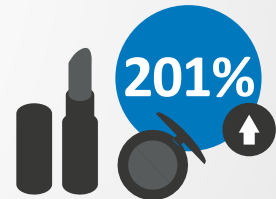


Right now, Chinese consumers are the only "antidote" for most luxury groups to survive and recover from COVID-19's impact. We will continue to watch closely and report on what's happening in China's luxury market.

Domestic duty-free sales boomed

Haitang Bay (CITS) DFS sales **reached an historic high with +201% YOY growth for the quarter.**

CDFS and Sunrise Duty Free used a mini-program to **attract more price-sensitive consumers.**



Overseas spending remained weak

Macau showed signs of recovery, helped by the easing of travel restrictions. During the national holiday from 1st Oct to 7th October, **sales only declined -24%** compared to the same period in 2019.

Due to the limited number of travelers to Europe, **Chinese consumers' luxury spending in Europe was down -88% versus Q3 2019.**



Source: The NPD Group/China Luxury — Direct Retail Tracking



If you have questions, or if we can support your business in any way, please contact Alex Yang at +86 (21) 62753222 ext. 115 or email alex.yang@npd.com

