

New Luxury Made in China

When Bernard Arnault, the billionaire head of LVMH, flew into Shanghai last year, most observers expected a routine visit. He could have toured Louis Vuitton, Dior, and his other flagship brands, checked their new displays, and then moved on. Instead, he did something that surprised the luxury world: he went shopping for Chinese labels.

At Qiantan Taikoo Li, one of Shanghai's newest high-end malls, Arnault reportedly stopped at Songmont, a minimalist leather brand, and bought two bags. Later, he visited Laopu Gold, a Chinese jeweler a few doors from Cartier and Van Cleef & Arpels, and quietly praised the pieces as "exquisite" and "interesting." For a man who built his fortune on Western heritage brands, it was a small but powerful signal. The future of luxury in China may no longer belong only to Paris and Milan.

China's luxury market, worth around \$49 billion, is now going through a painful adjustment. The wider economy has slowed, youth unemployment is high, and consumer confidence is weak. Bain & Co. estimates that luxury sales fell by as much as 20% last year, the sharpest decline in more than a decade. Global giants have felt the impact as investors rethink the "China will always grow" story.

Yet even as foreign brands struggle, a new group of Chinese premium labels is expanding quickly, especially online. Research firm BigOne Lab reports that domestic brands in handbags, fashion, beauty, fragrance, and jewelry have all outpaced well-known foreign rivals in e-commerce sales growth over the last two years. On Tmall, China's biggest online marketplace, Laopu Gold recorded roughly \$630 million in sales over twelve months, while Van Cleef & Arpels earned around \$57 million. Mao Geping Cosmetics more than doubled Bobbi Brown's revenue.

Price is clearly part of the appeal. ICICLE's cashmere "Aircoat" usually costs between about \$1,100 and \$2,800, while Chinese shoppers often compare it with a Max Mara coat priced at more than \$4,200. Songmont's bucket bag, often described as a more affordable alternative to Hermès' Picotin, sells for a fraction of the French original. For middle-class consumers who feel financially squeezed, these differences are hard to ignore.

But this is not just a discount story. Many Chinese brands are positioning themselves as "new luxury," not cheap copies. They invest heavily in design, storytelling, and a distinctly Chinese identity. Songmont talks about "Eastern aesthetics" and designs its stores to echo the soft curves of calligraphy. To Summer, a fast-growing perfume house, builds its scents around local ingredients like tea and osmanthus and uses porcelain from Jingdezhen, China's historic ceramics capital. ICICLE draws inspiration from Confucian ideas of harmony and restraint, preferring quiet, simple lines over loud logos.

This cultural focus is winning over a younger generation that no longer automatically worships Western labels. For these shoppers, a brand feels more meaningful when it reflects their own

history and daily life. One thirty-year-old finance worker in Shanghai says she once chased Hermès and Tom Ford because she thought they represented success. Now she carries a Songmont bag and uses Mao Geping makeup, saying she only wants items she truly likes, not products that simply display status.

Chinese brands are also smart about digital marketing. Instead of relying only on celebrity ambassadors and glossy billboards, they build communities on social media and streaming platforms. Songmont, for example, runs a podcast about the lives of urban women, focusing on self-worth and different life choices rather than pure luxury. This kind of content feels closer to real life and helps local labels form deeper emotional connections than many global campaigns.

Behind the scenes, “Made in China” is changing. For years, the phrase was linked to cheap, mass-produced goods. Now companies like Songmont, Laopu Gold, and Mao Geping highlight craftsmanship and slower production: full-grain leather and gold-plated hardware, detailed filigree and colored enamel, and makeup techniques demonstrated on Chinese faces so that products match local skin tones and beauty standards.

There are limits, however. In terms of scale, Western houses still dominate. Euromonitor data show that the ten best-selling luxury brands in China are all foreign, and no Chinese player has more than a tiny share of the overall market. Analysts also warn that if the wider economy continues to struggle, demand for both foreign and domestic luxury could weaken further. True luxury needs rising incomes and a confident middle class, and both are under pressure.

Even so, the direction of change is clear. Chinese shoppers are slowly rewriting the definition of luxury. Instead of chasing famous Western logos at any cost, more of them are choosing products that combine high quality, cultural pride, and reasonable prices. For global brands, this shift is a warning. For local labels, it is an opportunity to prove that modern luxury in China can be proudly—and successfully—Chinese.

- 1) When you hear the word “luxury,” what specific brands or products come to your mind?
- 2) Are people interested in luxury brands because they think they represent “success?”
- 3) Do you think Korean brands can be considered luxurious?
- 4) What feels more important to you: a famous luxury logo or good design and quality without a logo?
- 5) Have you ever been disappointed after buying an expensive luxury item?
- 6) Do you think younger Koreans today are more interested in global luxury brands or in unique local brands?

Calligraphy	(n)	the art of producing beautiful writing with special pens or brushes	The invitation was written in elegant calligraphy that matched the brand’s image.
Curve	(n)	a smooth, rounded line or shape rather than a straight one	The soft curve of the staircase leads customers naturally toward the main display area.

Dominate	(v)	to be the strongest or most important influence in a situation or market	A few global names still dominate the top tier of the Chinese luxury market.
Draw	(v)	to take or get something such as ideas, inspiration, or information from a particular source	The designer tried to draw inspiration from everyday life in modern Shanghai.
Echo	(v)	to be similar to something else or to repeat its shape, idea, or style	The store's interior design echoes the gentle curves of traditional ink paintings.
Exquisite	(adj)	extremely beautiful, delicate, or carefully made	She chose an exquisite pair of earrings that looked like tiny pieces of art.
Fragrance	(n)	a pleasant or distinctive smell, especially of a perfume or cosmetic product	The light floral fragrance became a bestseller among customers in their twenties.
Glossy	(adj)	having a very smooth, shiny, and expensive looking surface or appearance	The company filled the subway with glossy advertisements promoting its latest perfume line.
Harmony	(n)	a pleasing balance or agreement between different parts so that they work well together	The brand's goal is to create harmony between modern design and traditional culture.
Heritage	(n)	the traditions, history, and cultural background that come from previous generations	Many luxury brands use their long heritage as part of their marketing story.
Observer	(n)	a person who watches a situation carefully, often to comment on or analyze it	Political observers were surprised by how quickly local luxury brands gained influence.
Outpace	(v)	to develop or increase faster than someone or something else	Several Chinese labels now outpace older Western brands in online growth.
Praise	(v)	to say that you admire someone or something, especially in public	Critics praised the new collection for combining modern shapes with traditional Chinese details.
Reportedly	(adv)	according to what people say or what has been reported, but not officially confirmed	The brand reportedly doubled its online sales within just one year.
Restraint	(n)	calm and controlled behavior that avoids extremes, showing self-control or simplicity	The company showed restraint in its use of logos, keeping the look simple and quiet.
Routine	(adj)	happening in a regular, expected way and not especially unusual or exciting	What was once a special shopping trip has now become a routine weekend activity for many young professionals.

Squeeze	(v)	to put strong pressure on someone or something so that they have less money or freedom to act	Higher housing costs continue to squeeze the budgets of middle class shoppers.
Worship	(v)	to admire someone or something so much that it is almost like a religious feeling	Some shoppers used to worship foreign luxury brands without questioning the high prices.

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