

Whether There Will Be Domestic Luxury Clothing Brands in China

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Abstract. In recent years, with the improvement of China's overall economic level, China's luxury goods market has also been expanding, becoming a major consumer of luxury goods. However, the competition in the luxury goods market is fierce, but there are no local luxury brands in China. This paper analyzes whether domestic luxury brands will appear in China by studying the behavior of Chinese consumers and the current development status of Chinese luxury goods. While it is uncertain whether domestic luxury goods will emerge in China, the rapid growth of the Chinese luxury market and the rise of Chinese domestic brands suggest that the possibility is increasing. The inroads made by Chinese domestic brands in the luxury market are providing more choices for Chinese consumers and driving change in the global luxury market. In the future, as China's domestic brands continue to grow, we can expect to see more made-in-China luxury goods emerging in the international market.

Keywords: Luxury goods in China, Consumer behavior, Brand development.

1. Introduction

Since the Middle Ages, luxury goods began to enter the public's vision, luxury goods have become a symbol of people's wealth. In recent years, with the improvement of the overall economic level, people are more willing to spend more money to buy luxury goods, and China has also developed into a major country of luxury consumption in recent years. With the expansion of the luxury market, the main brands of luxury goods are some big international brands in Europe and America, and Chinese consumers are more willing to buy well-known international luxury brands. As a big country with a profound cultural heritage, will there be domestic luxury brands in China, and will consumers be willing to pay for them?

Zhang has analyzed the market of luxury in China. First of all, the characteristics of global luxury development depend on the effect of the designer of this brand. And also the innovation of the product is an important marketing method, designing different kinds of luxury product to face different kinds of consumer, and the marketing of the location of the brand is also an important part of how the luxury brand become competitive [1]. Zhang also analyzed the cultural deposit of the brand is why the consumer will prefer to pay for it. Zhou and Zhang just analyzed the market of luxury in China and the current situation of local luxury in China. The article just analyses that the market of luxury in China is very promising, but the share of the market has already drained. So this is also a serious problem that the local luxury brand is facing. By the way, the article mentioned the significance of why China should develop the local luxury brand and extend it to the world [2]. Chen and Zhang have analyzed the characteristics of consumers in China. First of all, luxury is the ultimate comfort and extravagance of life tone; A desirable, expensive, or rare commodity. And the feature of the consumers of luxury. Most of the consumers of luxury the people with high incomes, By the way, the motivation of people to buy luxury is that luxury is the symbol of wealth, they need the object to show off they are rich [3]. Huang and Li have analyzed the reason why the market of luxury in China is overflowing seriously. In recent year, China has become the biggest country of consumption in the world, which exceed America. But most of the consumers will prefer to buy the international luxury brand and this causes the overflow of the market. The article analyses the reason for the exchange rate of CNY, the high tax, and the environment of the market in China. The article also advises on how a local luxury brand could be built [4]. Tang's article analyzes the characteristics of Chinese

luxury consumers. There are two main consumer groups of domestic luxury goods: the wealthy people at the top of society, and the other is the ordinary social class people who buy because of work needs, in terms of age, the age of Chinese luxury consumers shows a younger trend, while the age of foreign consumers is concentrated between 40 and 70 years old [5]. Tang summed up why there is no domestic luxury in China, and gave some suggestions for starting a luxury brand. First of all, China does not have the same persistent entrepreneurial spirit as the founders of international luxury brands. In addition, the establishment of luxury brands is a very long process, and most founders do not have the patience to establish a brand image. Moreover, China's means of marketing luxury goods are not mature. Therefore, although China has the majority of luxury consumers and has a deep cultural heritage, it is not possible to build an iconic luxury brand in a short time [6]. Zhi has analyzed whether China will set up a local luxury good, in the article, the author mentioned the advantage if the entrepreneur wants to set up a local luxury brand. China has a very deep cultural deposit, nowadays, most of the international luxury brands are trying to fuse traditional Chinese culture into their design such as Hermes, Dior, and so on. For a Chinese brand, local designers know more about the Chinese traditional culture, so local brand can bring their superiority into the design of clothing [7]. Lee conducted a comparative experiment to analyze consumer behavior by comparing brand names and origins. It can be concluded from the experiment that consumers are more willing to buy products from developing countries because of the smoothness of product processing, but consumers' purchase intention is not closely related to the language of the brand name [8]. Wang analyzed the current situation and characteristics of luxury consumption in China, as well as the reasons for the rapid development of China's luxury market. First of all, the scale of China's luxury consumer market ranks first in the world, with Chinese consumers accounting for 13% of China's total population. Secondly, the young consumer group is also a major feature of China's luxury consumer market. According to the survey, most of China's luxury consumers are between 20 and 30 years old, which is in contrast with other countries. And in the Chinese consumer market, there is an irrational consumption phenomenon. In China, some consumers will buy luxury goods to imitate the same motivation as people with higher economic status, resulting in overspending. Chinese local luxury goods have also begun to rise and participate in the market competition [9]. Tian and Feng analyzed the symbolic value of luxury goods in the Chinese market. Luxury goods are commodities with high symbolic value, so if China wants to establish luxury brands, it must establish a brand image and increase the symbolic value of brands [10].

2. The current development status of luxury goods in China

2.1. Market size

At present, the development of luxury goods in China shows a trend of rapid growth and continuous innovation. Under the background of economic development and consumption upgrading, China's luxury market is rising rapidly and has become an important member of the global luxury market. First of all, in terms of market size, the scale of China's luxury market continues to expand. According to industry research data, the size of China's luxury goods market has maintained a double-digit growth rate in the past few years. In 2019, the total sales of China's luxury goods market exceeded \$180 billion, making it one of the largest luxury goods markets in the world. China's luxury market is expected to grow further in the coming years.

However, from the analysis of the overall market, although China's luxury market has been expanding in recent years, there are very few local luxury brands in China, and the market spillover is very serious. Looking at the entire luxury market, we find that luxury brands containing Chinese local culture have not appeared in the market. In addition, there are only a few related products.

2.2. Company and products

In terms of existing manufacturers and products, internationally renowned luxury brands are actively expanding in the Chinese market. The world's top luxury brands such as LV (Louis Vuitton),

Gucci, and Hermes have a wide market share and high recognition in China. These brands continue to meet the needs of Chinese consumers by opening flagship stores, and boutiques and partnering with department stores and other channels in major Chinese cities. In addition, some international high-end fashion brands such as Dior and Chanel also have a large share of the Chinese market and are sought after by Chinese consumers.

At the same time, domestic luxury brands have also begun to emerge and gradually win the recognition and love of domestic consumers. Some local Chinese designer brands and luxury goods companies have successfully attracted some consumers' attention through innovative design, quality assurance, and unique brand positioning. Some designers are trying to make their designs appear in public.

On the other hand, China is beginning to see the emergence of haute couture brands by domestic designers, such as Gao Pei. The designer has integrated Chinese cultural elements into the design to form characteristic clothing. But it seems there is no new domestic luxury brand become as famous as the international luxury brands such as Dior.

2.3. Progress of domestic brands

It is worth mentioning that the Chinese government's support for the luxury industry is also increasing. The government encourages domestic enterprises to internationalize and actively promotes the development of Chinese luxury brands. At the same time, the opening up of policies and economic development also provide a good environment for the luxury industry.

However, it should be pointed out that the Chinese luxury market still faces some challenges and problems. The first is the change in luxury consumption habits. As consumers become more rational and pay attention to individual needs, their choice of luxury brands and purchasing methods are also changing. In addition, the market competition in the luxury industry is becoming increasingly fierce, and the competition between international brands and domestic brands is becoming increasingly fierce, and brands are trying to innovate and enhance their brand value.

To sum up, at present, the scale of China's luxury goods market continues to expand, and well-known domestic and foreign brands are competing in the Chinese market, while domestic luxury brands are also rising and developing. With the growth of China's economy and the improvement of consumption power, it is expected that the Chinese luxury market will continue to develop rapidly, injecting new vitality and opportunities for the entire luxury industry.

3. The problems and solutions of domestic luxury goods

3.1. Problem

First, compared with international luxury brands, we find that the difference with international luxury goods is that international luxury brands have set different prices for the same type of goods, such as different styles of bags, which will set different prices for different consumers. Although the consumers of luxury are special, not all wealthy people are willing to pay extremely high prices for a non-essential item. As a result, many consumers cannot buy luxury goods in the true sense, making the market demand difficult to meet. Secondly, product quality is uneven: due to imperfect market supervision and lack of unified standards, some fake and shoddy products flood the market. This not only damages the rights and interests of consumers but also affects the reputation of the entire luxury industry. In addition, poor service experience: Compared with the international market, there is still a certain gap in the service of China's luxury industry, including inadequate after-sales service and low professional degree of consultants, which affect the purchasing experience and loyalty of customers. Finally, brand image construction needs to be strengthened: some Chinese luxury brands lag in brand image construction and lack international design concepts and sophisticated brand communication strategies, resulting in low brand awareness and influence. In addition, as a large production country, people will have a stereotype of China, such as the lack of original design ability, the uneven quality due to excessive production volume, and the particularity of luxury goods, China's

mass production mode makes luxury goods lose its scarcity. In the eyes of Chinese people, China is not only a big producer but also a big producer of fakes. There are countless fakes in different regions, and many shops copy the designs of international brands to gain profits from them. In the eyes of Chinese consumers, Chinese luxury goods will also lack originality like the above brands. There are also problems with China's marketing of luxury goods. To stimulate sales, the design of hot products is constantly imitated, and finally, the design of luxury goods tends to be sameness, making luxury goods lose their value. We can see that international luxury brands are selling goods with unique designs, so consumers are willing to pay for them. There are many international luxury brands in the Chinese luxury market, and the market competition is fierce, and some brands may face the challenges of saturation. Some consumers may buy luxury goods only to show their status, rather than truly appreciate the value of the product, which can lead to overconsumption and empty shopping motives. The high price of luxury goods and social pressures can cause some people to fall into debt as they try to pursue a lifestyle in line with society's luxury standards. In general, while the Chinese luxury market continues to grow, it also needs to deal with various issues such as consumer behavior, environment, and social responsibility to ensure the sustainability and healthy development of the market. Governments, brands, and consumers can all take steps to address these issues.

3.2. Solution

First of all, brands can set different levels of price to face different kinds of consumers: luxury brands can adjust pricing strategies and appropriately reduce the selling prices of products to expand the broader consumer market. To increase sales, brands can set similar goods at different price levels. At the same time, optimizing supply chain management and cost control is also an effective way to reduce costs and reduce prices. Secondly, the brand side should strengthen supervision: strengthen the supervision of the luxury market, crack down on the production and sale of fake and shoddy products, and maintain market order. The firms should establish a sound certification system and quality testing institutions, strictly control product quality, and improve consumer confidence in purchasing. Then the counter to improve the level of service: luxury brands should strengthen after-sales service, provide personalized customer experience, improve the professionalism and service quality of the consultant team, and enhance customer satisfaction and loyalty. Companies and designers can learn from international experience, introduce more advanced technology, and improve the service experience of online and offline integration. Finally, the Marketing Department should strengthen brand image construction: luxury brands should pay attention to design and innovation, create unique brand image and cultural connotations, and increase brand publicity and promotion. Cooperate with international designers and artists to strengthen the brand's international vision and enhance brand awareness and recognition. Also, for the Chinese brand, the company can expand Chinese traditional culture. For domestic luxury goods, the biggest problem in China is how to get rid of stereotypes. Chinese people must have a sense of identity with their own products so that they can go to the world and the brand can enter the international vision with a new image. Luxury brands can differentiate themselves by constantly innovating and offering unique products that appeal to different target audiences. Brands can be repositioned to adapt to market changes and re-establish their value and image. As a big country with a profound cultural heritage, China can make full use of its cultural advantages, integrate traditional culture into brand design, improve the recognition of domestic luxury goods, and establish a brand image to go further.

3.3. Prospects

Looking ahead, China's luxury goods market is expected to usher in a more healthy and sustainable development. First of all, with the continuous growth of China's economy and the improvement of people's living standards, the consumption potential of the luxury market will continue to be released. Especially driven by the younger generation, the demand for luxury goods will gradually increase, and the market size is expected to expand. Secondly, as the Chinese government strengthens intellectual property protection and market supervision, counterfeiting in the luxury market will be

effectively curtailed. This will help boost consumer confidence and encourage more people to choose to buy real luxury goods. In addition, as technology continues to advance, online sales and offline experiences will become more integrated, bringing consumers a more convenient and personalized shopping experience. At the same time, luxury brands will also increase their investment in social media and digital marketing, further improving brand exposure and influence. In short, China's luxury market has a broad prospect for future development. By solving the current problems, reducing prices, improving product quality and service levels, and strengthening brand image building, the Chinese luxury market is expected to achieve sustainable and healthy development and achieve greater competitive advantages in the global market.

4. Conclusion

This paper has studied the scale of China's luxury market in recent years and studied the reasons for the expansion of China's luxury market by analyzing Chinese consumer behavior. In addition, this paper also analyzes the development status of domestic luxury goods and why there is no rise in domestic luxury goods. Finally, this paper gives some suggestions and prospects for the development of domestic luxury goods.

Through the survey data, it is found that the main group of China's luxury consumption market is the high-income group, and the overall trend is younger. Chinese luxury goods lack unique design, and most people have a stereotype of domestic brands, and the uneven quality of products is exactly what domestic brands have to deal with. How to break the stereotype and stand out in the fierce international market competition is exactly what domestic luxury goods need to consider.

As a big country with a profound cultural heritage, China should integrate traditional culture into luxury design, integrate novel design and traditional culture, and create luxury goods with Chinese characteristics. Secondly, to strengthen market supervision, brands can more strictly supervise their partners in the Chinese market to ensure product quality and brand reputation. Establish an effective consumer complaint mechanism so that consumers can report quality problems.

While it is uncertain whether domestic luxury goods will emerge in China, the rapid growth of the Chinese luxury market and the rise of Chinese domestic brands suggest that the possibility is increasing. The inroads made by Chinese domestic brands in the luxury market are providing more choices for Chinese consumers and driving change in the global luxury market. In the future, as China's domestic brands continue to grow, we can expect to see more made-in-China luxury goods emerging in the international market.

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