



THE SECRETS TO SUCCESS FOR EMERGING CHINESE BRANDS

THE FASHION INDUSTRY

June 2021

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China's fashion industry overview

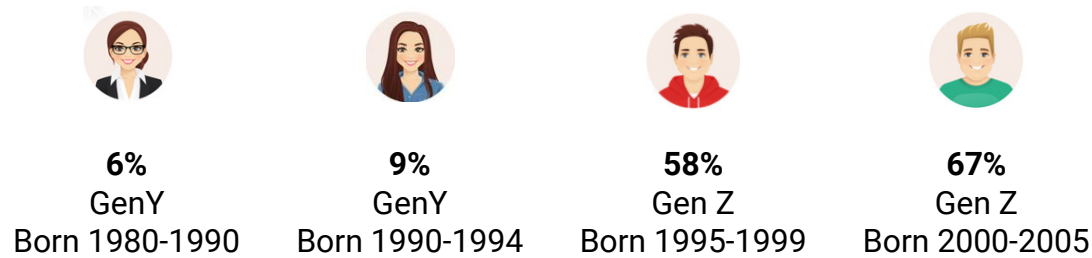
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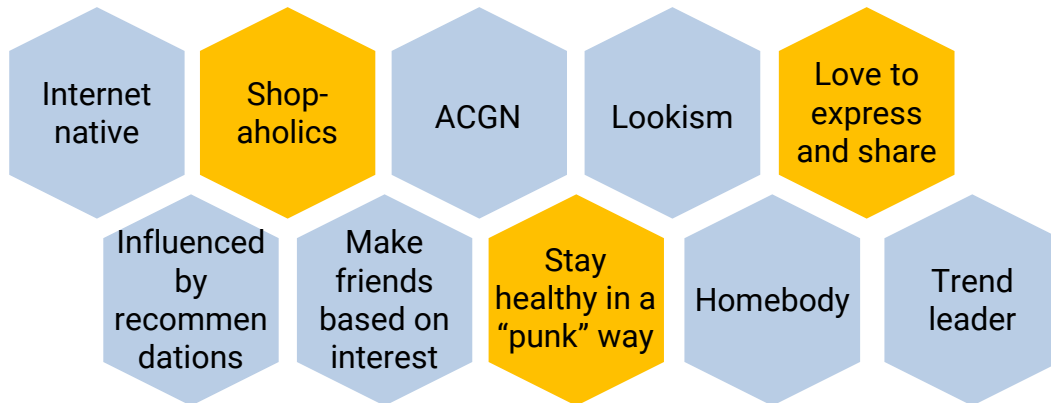
Gen-Z is the main consumer group in China's fashion industry

- Generation Z prefers both online and offline consumption, and are willing to invest in themselves and splurge on experiences.
- They focus on quality, identity, and express their values through consumption. They are shaping fashion paradigm with more diverse styles.

The proportion of China's fashion consumption by age (2020)



Personality traits of Chinese Gen Z



Generation Z fashion preferences

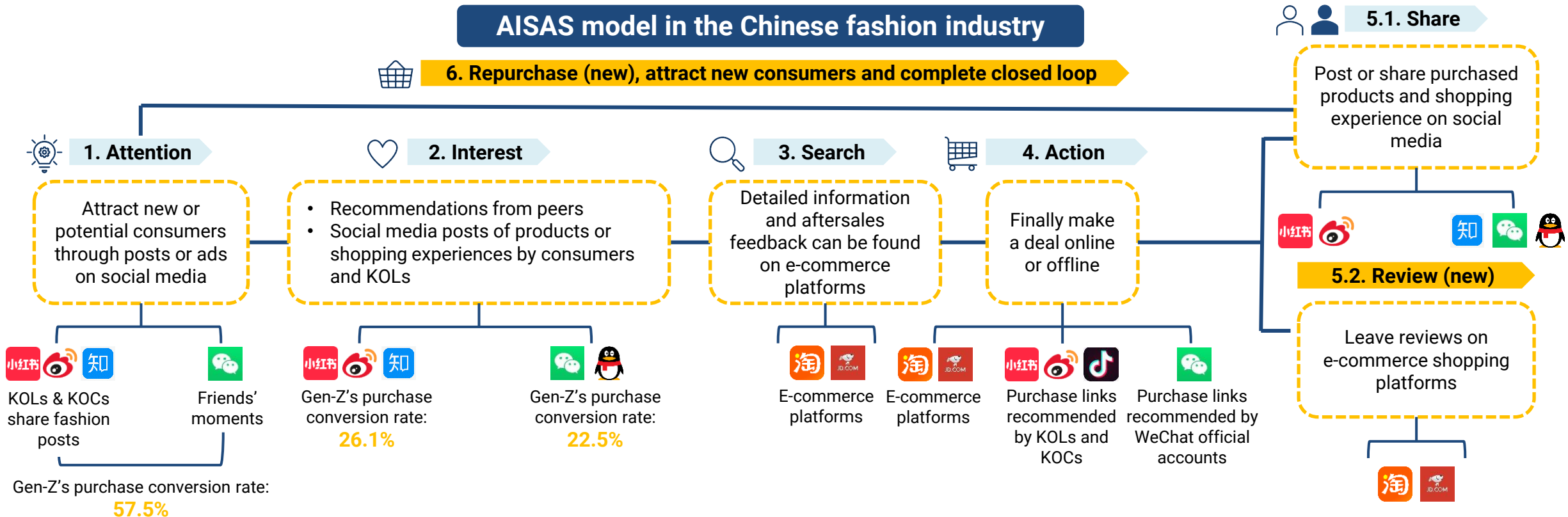
Fashion brand categories	Average purchase frequency (times/year)	% of respondents who prefer
Fast fashion Frequent updates, many SKUs, comfortable	12.5	17.9%
Affordable luxury Sense of design, young brands	9.8	21.3%
Sportswear brands Utility and minimalism, limited products	12.1	12.2%
International luxury Classic, intricate design, status symbol	7.7	6.9%
Domestic brands Celebrity endorsements, Guochao, national pride	13.6	17.3%
Streetwear brands Hip-hop rock, individuality	9.8	24.3%

Source: Online survey of Hylink, N=around 3,000 Gen-Z, 2020 designed by Daxue consulting

Source: Dewu App, Hylink x CBNDData designed by Daxue consulting

Gen-Z is easily nudged by social media

- The closed-loop marketing model is a combination of many social media and e-commerce platforms which exist only in China.
- This is known as the AISAS model (explained below) and targets Chinese gen-z. Because most of their consumption is done online their consumption data is easily collected.



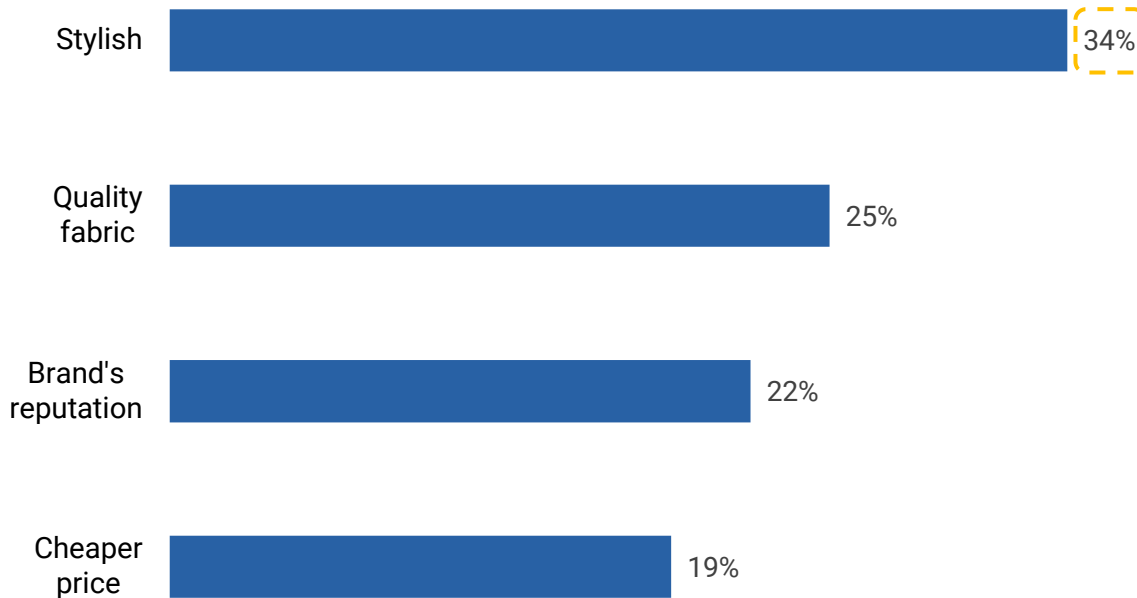
Source: Online survey of Hylink and Sina, N=around 3,000 Gen-Z, 2020 designed by Daxue consulting

Chinese women turn to fashion to show their personalities

- Chinese women are willing to spend more money on clothing. They are also more likely to focus on style, quality and brand reputation rather than cost. As a result, inexpensive clothing is becoming less popular.
- Generation Z (post-95s) is willing to try new styles, while the post-90s prefer elegant French style and the post-85s prefer the fashion style of Western socialites.

The key factors for women purchasing clothes

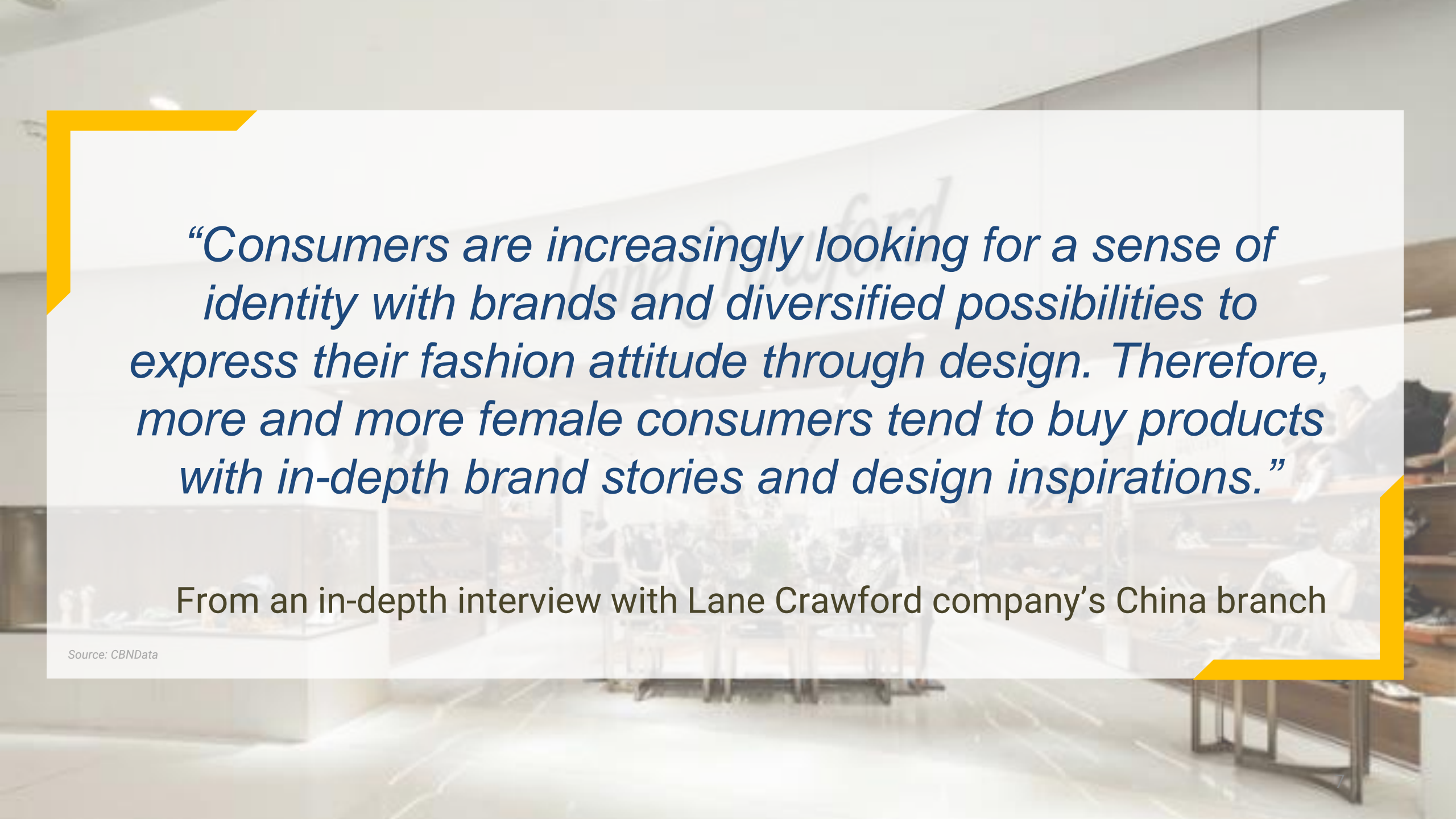
(online survey of CBNDData, N=848 female consumers, 2020)



Top 10 keywords women searched for purchasing clothes (2020)

	Gen-Z	Post-90	Post-85
1	Instagram	French	Stylish
2	HK style (港风)	Elegance	Chanel (小香风)
3	South Korean	Niche/minority	Fashion (时髦)
4	Niche	Romantic	Socialite fashion (名媛)
5	Sweet & cute	Vintage/retro	Foreign style (洋气)
6	Multi-match	Fashion (时髦)	European stops (欧洲站)
7	Japanese	Sweet	Commute
8	Vintage	Light mature	Minimalist
9	Chic	Effortless (心机)	Cartoon
10	Cool (潮)	Chanel (小香风)	High-qualified (重工)

Source: CBNDData designed by Daxue consulting



“Consumers are increasingly looking for a sense of identity with brands and diversified possibilities to express their fashion attitude through design. Therefore, more and more female consumers tend to buy products with in-depth brand stories and design inspirations.”

From an in-depth interview with Lane Crawford company’s China branch

Chinese fashion is becoming gender non-binary

- Fashion has increasingly moved toward genderless designs and silhouettes, especially when it comes to streetwear.
- According to JD's Big Data report in 2021, oversized clothing sales have increased **1.5-fold** year-over-year, with women contributing more than **65%** of the sales. Additionally, men contributed **88%** of the sales of floral printing T-shirts. Consumption of "unisex" clothing has increased by **4.3 times** in June 2021 compared to June 2020.

小红书
Xiaohongshu

中性风 | Genderless style | 搜索

中性风 60k+ posts | 6万+篇笔记

中性风 7,600+ commodities | 7600+件商品

中性风穿搭
中性风穿搭女
中性风店铺

Genderless dress wearing
Genderless dress wearing for girls
Genderless stores

Weibo

#中性风穿搭#
阅读1.8亿 讨论4.4万

Gender neutral look

180 million views
44k comments

Hot topic on social media

- A huge number of relevant content is showed in social media.
- Relevant terms about "Genderless" are also recommended.



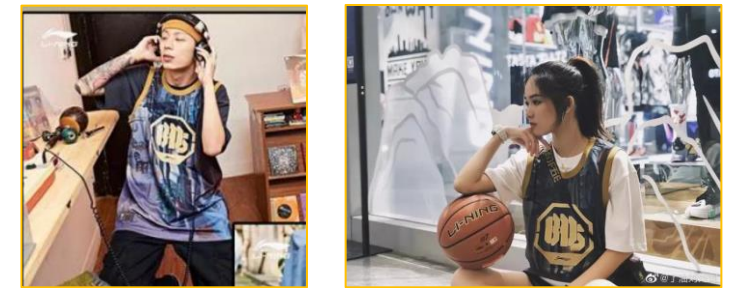
淘
Taobao

In 2020

Frequency of women searching for oversized blazers increased by **317%**

Number of men searching for lace increased by **119%**

Number of men searching for Sheer* has increased by **107%**



Gender differences in clothing **narrows**. Lining's basketball jersey matches both male and female consumers.

*Fabric filled with organza and mesh

The rise of Guochao redefines "Made in China"

Chinese designers are adding traditional Chinese elements into their designs. At the same time, consumers are increasingly embracing Chinese cultural designs and adopt "Made in China" as a symbol of pride and cultural resonance.

国潮 ➤ "GUO CHAO" (literally "national trend") refers to the increase consumer favoritism towards Chinese brands, designs and culture.

Chinese consumers increasingly prefer domestic brands

 Growth rate of product views on Xiaohongshu

- 70%** Affordable Guochao products
- 50%** Mid- and high-end Guochao products
- <20%** European and American products



Feiyue

Nike

As Chinese brands have made significant progress in **improving innovation, quality and technology**, foreign brands can no longer rely on foreign allure to earn attention in Chinese market.

Foreign products are increasingly including Chinese elements

By collaborating with local artists and using local elements, foreign brands are able to perfectly capture the **modern Chinese zeitgeist and avoid cultural blunders**.

Burberry: New Year's Eve Series



Burberry's 2021 New Year collection features the brand's signature plaid along with vibrant horns to celebrate the auspiciousness of the Year of the Ox and bring personal creativity to the everyday outfit.

Old Chinese brands use Guochao to revitalize themselves

Chinese consumers are turning away from foreign brands, giving **older 'forgotten' domestic brands a second-chance**.



Forbidden City Wenchuang (文创), an old Chinese stationary brand, launched its first makeup and sold out in a short period of time.

Streetwear is booming among young Chinese

- Combined with the power of social media, the influences of hip-hop art and stars in Asia has given inspiration to streetwear brands.
- Chinese streetwear brands are talented at sculpture a strong authentic identity. It has given rise to new brands fusing contemporary youth culture and ancient Chinese elements. Local designers regularly draw inspiration from Imperial China's aesthetics or Taoism for their collections.



The Rap of China



Street Dance of China

- Thanks to reality shows like “The Rap of China” and “Street Dance of China”, streetwear rose from unknown to mainstream.
- Young consumers rush to buy streetwear with logos which their favorite celebrities wear.

- Li-Ning, has proved its design power of streetwear of its SS21 collection on Shanghai Fashion Week.
- It has released more colorful, chunky sneakers that keep up with the global streetwear trend.



Li-Ning SS21 Shanghai Fashion Week



Poster with ethnic elements

Source: Heuritech, fashion review website designed by Daxue consulting

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Chinese fashion goes green

- The importance of sustainability leads more and more fashion crops and designers to focus on ethical sourcing and sustainable practices to meet the changing ethics of consumers.
- Fabrics such as linen and regenerated nylon are widely used as sustainable fabrics in fashion industry.

International brands



Armani goes fur free



Prada Re-Nylon bag

- Major luxury brands are also committed to make products and designs that are environmentally conscious.
- The move away from animal furs has become a way for luxury brands to make a statement and enhance their image.
- Use of ECONYL (regenerated nylon)

Domestic brands

ICICLE



Chinese brand ICICLE uses 100% organic or recycled materials to make its collections.

Main materials:
Cashmere, wool, flax, silk and cotton

NEIWAI



NEIWAI uses recycled paper pulp boxes to package its products. These boxes can be reused as household storage basket.

Main materials:
Paper pulp

Fashion activities in China



WWF (World Wide Fund for Nature) China and its parent company have proposed sustainable fashion event in 2021, inviting fashion, beauty, and footwear brands to become sustainable.

Source: Heuritech, fashion review website designed by Daxue consulting

2

NEIWAI

A women-empowerment lingerie brand



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NEIWAI: Liberates women from the inside to the outside

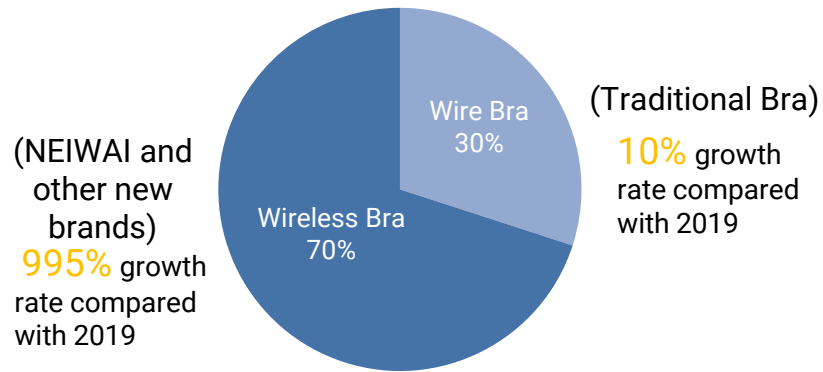
Established in 2012, NEIWAI started as a lingerie brand that sold only online and now has grown into a well-established brand with a full range of leisure-wear lines. Now Neiwai has over 110 stores covering more than 30 cities in China.



Comfort is the core of the product design

NEIWAI's slogan is "All is good, comfy inside and out". The concept of NEIWAI expresses that they focus first on women's comfort and freedom.

Bra market share on Tmall (2020)

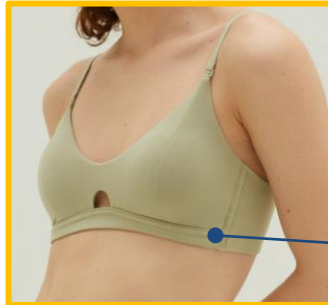


- 1) Chinese women's aesthetics improved, the demand of bras has changed from being "sexy" and "charming" into "natural" and "true self".
- 2) Wireless bra is faster and more convenient to buy due to the elasticity and high compatibility with size, which is more suitable for people's 'fast-paced' consumption habits nowadays.

Source: CBNdata, iimedia, sdrawberry pie

The "New" bra of NEIWAI VS Traditional bra

Pure Comfort



Wireless
Use sealing to replace the wire

Barely Zero®



Seamless design
No back buckles
Hidden washing label

Free size for everyone

Use low saturation colors



49.7% of Chinese consumers prefer lighter color bras

CloudFit® patent fabrics

44.2% of Chinese consumers consider breathability to be the key factor of bras

Traditional bra



With wire



Push-up

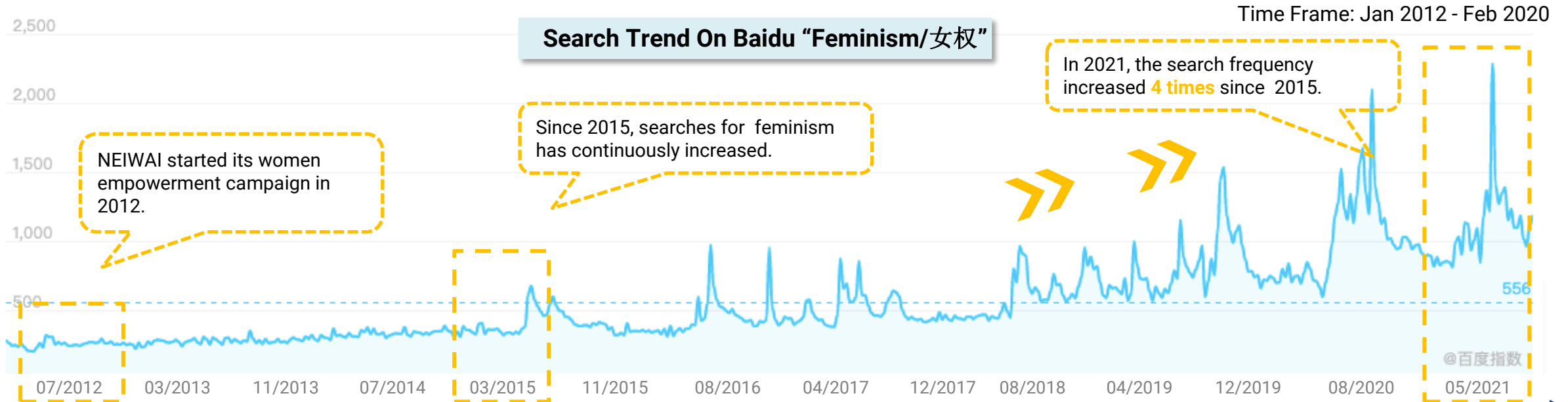


Lace surface

Source: Alibaba 2021.05.04-2021.06.04

Strategy 1: Feminism is in the brand's DNA (1/2)

Years before feminism became a social buzz in China, NEIWAI has already discussed it as one of its marketing strategies. Now feminism is in the brand's DNA.



NEIWAI's Her Voice Forum, 2012

Women from different areas shared their life experiences.

Guests:

Yang Yang (Olympic Champion)
Shen Yifei (Gender sociologist)



NO BODY IS NOBODY, 2020

The aim is combat appearance anxiety and body shaming.

Features:

Featuring Chinese women with different body shapes, and skin tones in their ads

Strategy 1: Feminism is in the brand's DNA (2/2)

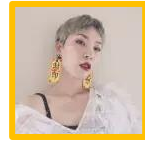
NEIWAI successfully launched an annual campaign NO BODY IS NOBODY in 2020 on the topic of body diversity. Consumer loyalty to the brand has further improved and brand reputation has increased significantly.

Release photo-shoot of diverse models with empowering slogans

The chosen models are at different stages of their lives, with different body shapes, ages with some "minor flaws", such as obesity, scars, tattoos, flat breasts. The models posed in proud positions showing genuine smiles.



Invite influencers to share their stories and voice out for body confidence



@Vivi可爱多

Followers on Bilibili: 1.86 million

Hashtags: young mom, telling truth



Vivi talked about her "flaws" and shared experience on how she gets rid of body shaming.



414k views
77.29k engagements

Video was tagged with "Lingerie".

NEIWAI official account commented below and provided a discount purchase link.

All platforms exposure: 100 million +



1 million+ views on the topic



Official account post: 67K views

WeChat index: +7800% daily

Lucy G 16
“独特的身体，微而足道；女性的力量，无分你我。”感动到泪目。这句话的力量，再次证明了内外是一个真正懂女性的品牌。

I am moved by this slogan. Again, NEIWAI proves itself as a brand that truly understands women.

纸片人 12
内外对人体的审美和包容让我喜欢这个品牌

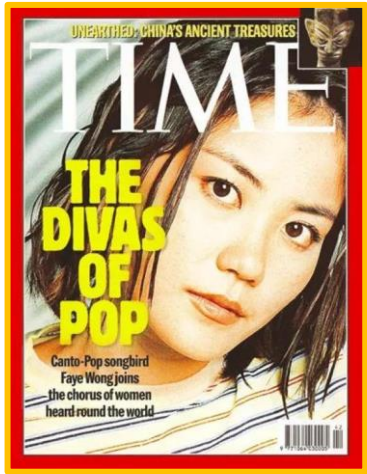
NEIWAI's aesthetic and inclusive approach to the human body makes me love this brand.

Source: Neiwai public account on WeChat

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Strategy 2: Inviting Faye Wong to be brand ambassador

By signing Faye Wong as the global brand ambassador, NEIWAI is able to approach more audiences and more deeply bound to the independent personality of the ambassador. This campaign also released a new brand slogan “All is well, be free and comfy” .



Faye Wong

Singer and actress

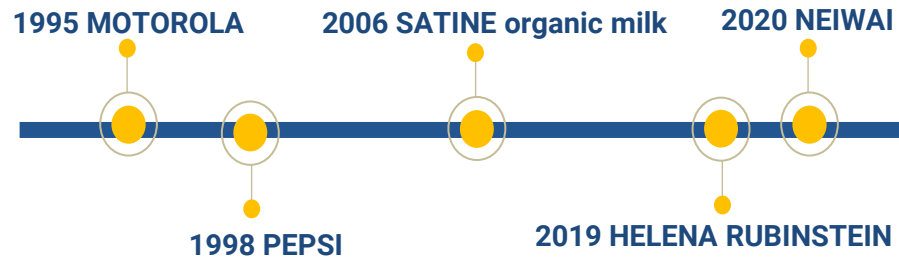
(1969 – present)

23 million followers

Often referred as the “Diva of Asia”, Faye Wong stays low-key with only one social media account, Weibo. It has not been updated since 2015.

Previous cooperation of Faye:

Faye Wong rarely collaborates with brands. Every time she appears then can create a buzz.



Key words of Faye:

#真实不做作 True and unpretentious

#独立女性 Independent women

#追求自我 Pursuit of self

“Good looking! This brand suddenly become high-end, which probably is the reason that they invited Faye as their ambassador.”



友记骑士

7 人赞同了该回答

很好看!莫名感觉这个品牌突然高端了起来,可能这就是请王菲的意义。

发布于 2020-08-



脸脸小聪明

王菲 @NEIWAI内外

三八节的时候在淘宝上买了,嘻嘻我终于买得起金典以外的代言了😂😂



“Got same style of Faye. Finally, I can afford a same style of her not only the milk that she collaborated with.”



思恩bobo

互联网杠精滚出我的动感地带

12 人赞同了该回答

old celine遗孤已经在内外门口排队了,毕竟王菲穿秋衣都是Celine

给内外抬咖了 赚了赚了

“Faye successfully helped Neiwai increased brand image.”

Strategy 3: Co-branding with popular brands

Since 2019, NEIWAI has been co-branding with brands from different industries such as food, beverage and home décor. The goal of NEIWAI's co-branding is to promote new products to potential consumers.

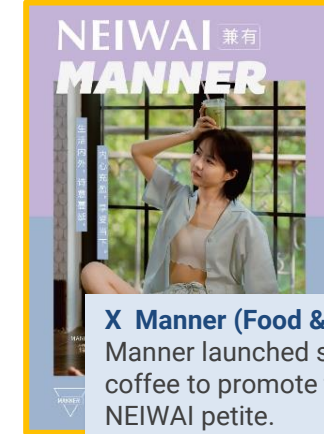


X BUYDEEM (Home Applicant)
Released campaign photos of both swimwear and the home appliances.



X 24KiCK (Boxing Gym)
Co-branded boxing courses at a discount.

X Tosummer (Fragrance)
Launched limited edition with Customized gift box of home-wear and fragrance.



X Manner (Food & Beverage)
Manner launched spring specialty coffee to promote the new line NEIWAI petite.

2020

2021



X Dr.Ci:Labo (Skincare)
Dujuan was the ambassador of both brands, NEIWAI launched a special set included a skin serum and an outfit



X SUPERMONKEY (Fitness Club)
NEIWAI launched special design of Invisible underwear for working out.



X THE LAUDRESS (Home & Living)
X TMALL (E-commerce Platform)
Customized set for women's day



X McDonald's (Food & Beverage)
Special set of low-calorie meals and NEIWAI ACTIVE products sold in combination

X @SavisLook (Fashion KOL)
Launched a leisure collection designed by fashion KOL



Strategy 4: Expand offline stores while traditional players were closing

NEIWAI launched its first offline store in 2016 in Shanghai. After 5 years of expansion, NEIWAI now has over 110 offline stores covering core business districts in the 1st-tier and 2nd-tier cities.

Expand in the right timing

1. Ahead of domestic DTC (direct-to-consumers) competitors:

- **Ubras** (established in 2016)
2019 - first store in Shanghai
2021 - 10 stores in 5 cities
- **Banana in 蕉内** (established in 2016)
2021 - first brick-and-mortar store in Shenzhen

2. Traditional retail competitors were closing stores:

- Cosmo Lady (established in 1998, one of the biggest domestic lingerie brands) closed 362 stores in 2017 and 743 in 2019.
- Victoria's Secret was closing inefficient stores in China.

Uplift brand image



1. Find opportunities for new product lines

- **30+** offline stores
- Contributed **10%** of total sales revenue (2018)
- Home-wear line contributed **>50%** sales of offline channel with a growth rate of **800%** (2019)
- Offline average price per order is **1100+ RMB**, **3** times higher than online



2. Improve the fitting experience

Fitting is the key decision-making factor for consumers buying bras. The 3D scanning device in store is to provide accurate suggestion of sizes



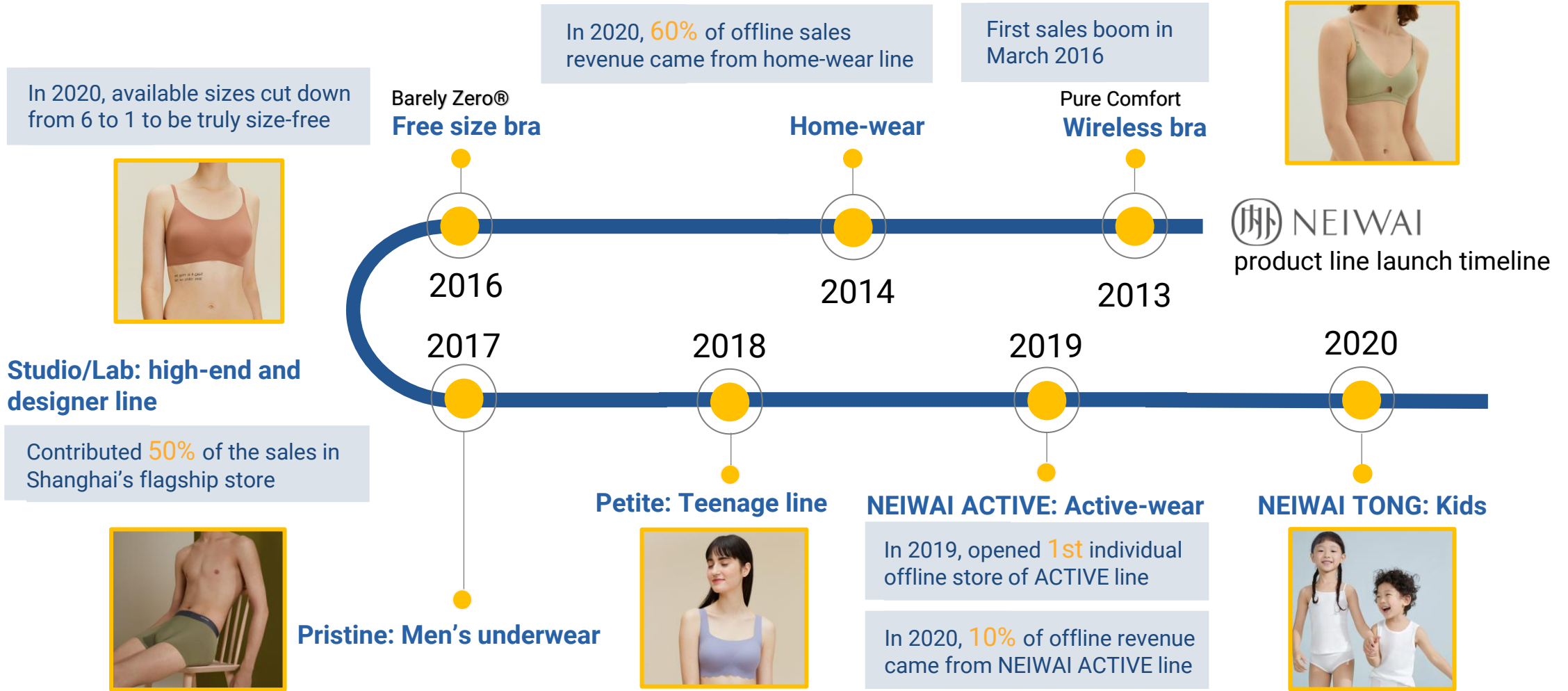
3. High-end minimalist decoration

Source: annual report of NEIWAI

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Strategy 5: Extend product lines to lengthen brand's life circle

NEIWAI started from its iconic product, wireless bras, but has kept growing the product lines and now has become a brand with full range of leisure-wear. This strategy helps NEIWAI find more growth opportunities.








Pain point 1: Stress from domestic competitors

NEIWAI has some strong competitors from domestic DTC (direct-to-consumers) brands, such as Ubras, Bananain. All are young brands but with strong market performance and financing.

Lists of NEIWAI's Domestic Competitors

In 2021, in Tmall's 6.18 shopping festival, Ubras, Bananain and NEIWAI ranked top 3 in the lingerie and home-wear category. NEIWAI's online sales was only half of the other 2 brands due to its higher price.

Bananain focuses on the comfortable fabrics and covers both genders, which gives the brand a wider range of consumers for future growth.

Domestic Brands	Brand Keywords	Best Sellers	Tmall Monthly Orders*	Bestsellers Price Range	Latest Financing Status
Ubras	One size fits all		517,364	120-200 RMB	(2020.09) B+ round: over 100 million RMB by Sequoia Capital
Banana in 蕉内	For both genders. High-tech fabrics		509,317	50-180 RMB	(2020.11) A round: over 100 million RMB by Genesis Capital
NEIWAI	Lingerie Design		166,805	120-250 RMB	(2019.10) C round: 150 million RMB
Queyi 雀衣	Teenagers Small size bras		134,347	50-150 RMB	(2017.12) A round: 45 million RMB
奶糖派	Only sells C-cup and above		46,693	160-250 RMB	(2020.08) Angel round: 9 million RMB

Ubras got financing from one of the biggest venture capital companies in the world, Sequoia.

Queyi and Candy La Vie both focus on niche market. The former is for smaller size and the latter is for bigger size. Compared with Neiwai, their prices are lower, and more detailed designs for specific needs.

Source: Alibaba, open data (2021.04.19-2021.05.19)

Pain point 2: Many other brands are using feminism in marketing

More and more competitors are using feminism, especially women self-joy, as a marketing strategy. Keeping the position as the leader of female consciousness without causing publicity problems is a challenge for NEIWAI.

OVERSEAS BRAND

Victoria's secret, one of the most well-known lingerie brands globally, rebranded itself in China in 2020.



DOMESTIC BRAND

MAIA ACTIVE released its 2020 September campaign that empowers women and promotes body diversity.



- ✓ Use figures with different sizes, they are not particularly models tagged with "Sexy" label.
- ✓ Slogans that empower women:
Support you to be yourself
Be whatever you want to be

Slogans that empower women:

I am not pretty, I am XXXXXL pretty
I am not pretty, I am curvy

3

Maia Active

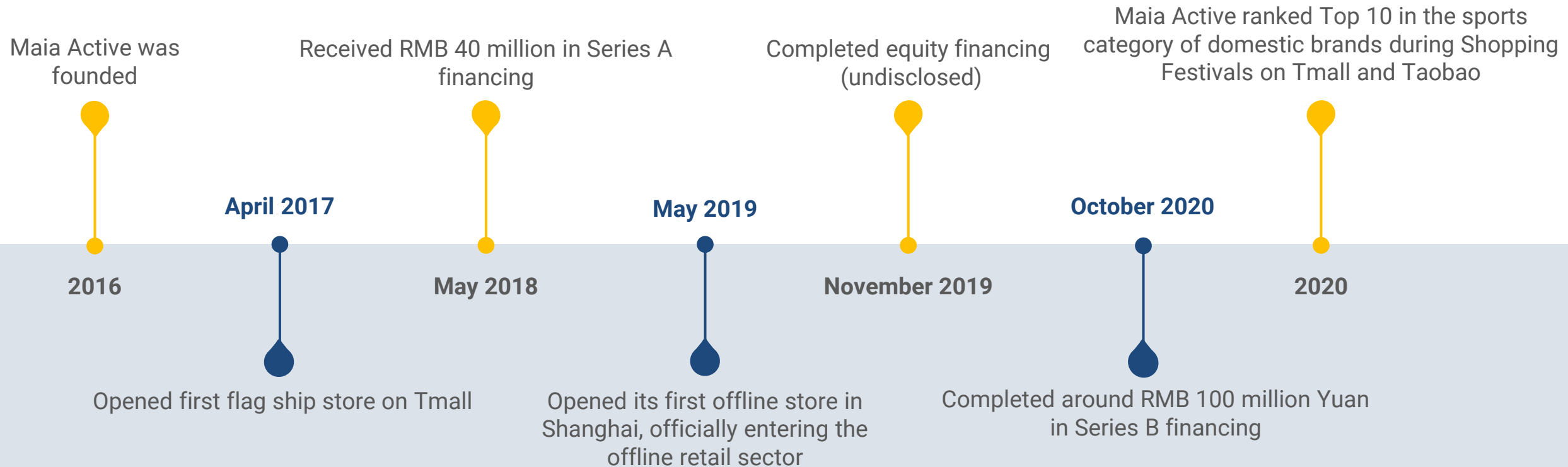
an Asian women-oriented activewear brand

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Maia Active: An Asian women-oriented activewear brand

- Maia Active is a designer activewear brand for Asian women with its slogan “Make every size beautiful”.
- Through the development of technical sports fabrics and the use of fashionable elements and colors, Maia Active designs activewear that fits Asian bodies and is regarded as a fashionable brand.



Source: Chinese companies information website Tianyancha, Jiemian news designed by Daxue consulting

Designed for Asian women's bodies

- Maia Active's products are inspired by the problems that Asian women face while exercising. This has led to the development of the sports bra with a zipper in front of body and the waist-cinching legging.
- Due to its unique design, this brand has become popular in a short time and gains a good reputation.

专为亚洲女生设计

追求符合亚洲女生身体曲线的舒适服帖度

Designed to fit Asian women

欧美女生

European and American girls

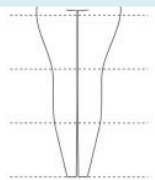
亚洲女生

Asian girls



▲ 胸围较大

Larger cups



▲ 腰线较高

▲ 腰臀差较大

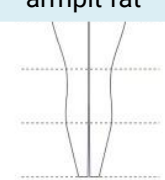
▲ 大小腿比例差较大

Higher waist line
Larger hips
Longer legs



▲ 副乳困扰

Disturb of
armpit fat



▲ 腰线较低

▲ 腰臀差较小

▲ 大小腿比例差较小

Lower waist line
Smaller hips
Shorter legs



- Many girls feel nervous at gyms due to the lack of confidence in their figures.
- With this in mind, Maia Active designed their waist-cinching legging (小腰精), which pulls in belly fat and makes girls look slimmer.



- In Asia's hot and humid climate, it's hard to remove athletic apparel after intense workouts.
- Maia Active designed this bra with a zipper in the front, making it much easier to take off.

Source: In-depth interview by Brandstar designed by Daxue consulting

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Strategy 1: Actively manage consumer relationships with events and surveys

- The brand applies a DTC (direct-to-consumer) strategy by collecting consumers' feedback of brand's clothing quality and shopping experience through questionnaires every three months. Then the brand adapts products based on this feedback.
- Maia Active holds offline community named MAIA FUN CLUB. The offline community is not sales-oriented, but focuses on building a connection between the brand and its consumers and strengthening their stickiness.

Get feedback from consumers

MAIA ACTIVE目标用户的调查问卷

<p>*23. What reasons affect you most when making a purchase?</p> <ul style="list-style-type: none"> <input type="checkbox"/> 颜色配色 <input type="checkbox"/> 外观设计细节 <input type="checkbox"/> 不容易撞衫 <input type="checkbox"/> 基础百搭 <input type="checkbox"/> 面料舒适 <input type="checkbox"/> 可以速干 <input type="checkbox"/> 耐穿, 不变型 <input type="checkbox"/> 价格优惠 <input type="checkbox"/> 品牌知名度 <input type="checkbox"/> 品牌态度 	<p>*26. Which channels help you to be informed about brands?</p> <ul style="list-style-type: none"> <input type="checkbox"/> 品牌官方媒体账号 <input type="checkbox"/> 亲朋好友介绍 <input type="checkbox"/> 线下实体店 <input type="checkbox"/> 淘宝等线上商城 <input type="checkbox"/> 微博搜索 <input type="checkbox"/> 小红书搜索 <input type="checkbox"/> 百度搜索 <input type="checkbox"/> 知乎 <input type="checkbox"/> B站
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- Color
- Design
- Unique
- Easy to make collocation
- Comfortable fabric
- Quickly get dried
- Resistance to wear
- Affordable
- Brand's fame
- Brand's attitude

- Official accounts
- Friends' recommendation
- E-commerce platforms
- Offline stores
- Weibo
- Xiaohongshu
- Baidu
- Zhihu
- Bilibili

- Taking consumer needs and feedback in all aspects of product development and design into consideration.
- All consumer feedback is collected and used as the basis for design and product iteration. For example, the popular leggings (小腰精) were adjusted at least 10 times based on consumers feedback and opinions.

Source: In-depth interview by Brandstar designed by Daxue consulting

Offline community



MAIA FUN CLUB

- The core of MAIA ACTIVE's community activities is based on the element of "fun".
- The brand hosts offline social activities, such as yoga with dogs, belly dancing and indoor bungee jumping.

Strategy 2: Inviting diverse consumers to be models in ads

- In terms of connecting with consumers emotionally, MAIA launched the “I’m not pretty” branding project and started experimenting by using its own consumers, not just celebrities, to endorse the brand.
- Maia Active invited 7 consumers to play in its publicity film and encouraged them to express their ideas about “beauty”, emphasizing its brand slogan “Make every size beautiful”. Consequently, this special strategy was succeeded in attracting more consumers to join comment on their social media posts.

Publicity video named “I’m not beautiful, I am ___”



6,853 shares

134 comments

1,719 likes



Weibo

- 陆喜安San: 我不是漂亮, 我是努力成为的漂亮。时刻记得得到的成果并不是只是靠努力, 这世界上有很多努力却得不到回报, 想努力却无从下手经历各种挫败的人 请只为自己努力, 不要把得天独厚的幸运拿来贬低不受幸运眷顾的人。请只为自己努力, 让自己活得漂亮, 你可以成为各种你想成为的动词名词形容词语气词!
- 2020-9-21 20:12
- 依然Toujours: 美并不局限 要完整地接受自己
- 2020-9-21 21:48
- ting说-ting说: 不断的完善自己
- 2020-9-27 15:45
- Cat春嬌_: #我不是漂亮#, 我是在不断学习爱自己。
- 2020-9-21 20:46
- 潘小闲-: 我觉得最后一句有点露怯了。应该有栀子花的精神, 老子就是要香得痛痛快快的, 你管得着吗? 不要问其他人尤其是男性视角, 你要不要重新考虑一下
- 2020-9-25 07:00
- 梦迪_Mendy: 我不是漂亮 我是不听从命运 #我不是漂亮#
- 2020-9-22 11:06

I am not pretty, but I work hard for myself, I enjoy my life and my perseverance.

Beauty should not be limited. We have to learn how to accept our own and unique personalities.

Gradually, I learn how to love and treasure myself.

I am not pretty, but I don't follow the trend.

Source: 36kr designed by Daxue consulting

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Strategy 3: Distinguish from competitors with clear product functions

- The product detail pages of many big brands nowadays only have a few pictures and just tell consumers the basic information of sizes and fabrics. On e-commerce platforms, Maia Active uses lively and detailed description photos to explain its products' functions to the consumers, distinguishing itself from other sportswear brands.
- Its content reached targeted consumers and led to high ROI* 7 in 2019.

Legging (小腰精) Taobao page



Comfortable and smooth



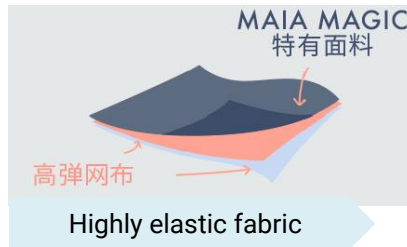
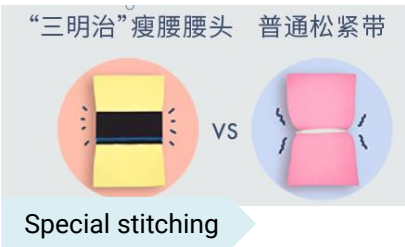
Quick-drying



Absorbs sweat



Elastane fabric



Sports bra Taobao page



Take off in one second



Show the shape of the bust



Shock absorbing



*Return on Investment, the benefit of an investment is divided by the cost of the investment. The result is expressed as a percentage or a ratio

Strategy 4: Provide hands-on shopping experience in offline shops

- The offline unit price is 1.5 times higher than online because it is easier to recommend and connect orders when selling offline, resulting in high turnover and high conversion rate.
- The “Fabric Lab” can be found in each offline store, where consumers can feel the unique fabrics used in their products.



5 offline shops in Tier 1 and Tier 2 cities

Maia Active opens offline stores located in high-end areas.

Offline stores



Marble pattern—
Highlighting the sports atmosphere

High-end department store:
Xintiandi, Shanghai

Butter yellow—
Highlighting the relaxed environment

High-end department store:
TaiKoo Li Sanlitun, Beijing



Each of offline stores has its unique theme and matching decoration style. Yet all offline stores maintain a consistent brand identity. They provide consumers with a feeling of freshness and novelty.

Fabric Lab



The “Fabric Lab” in offline stores lists its exclusive fabrics. It also provides opportunities for consumers to really understand the characteristics of the fabrics and craftsmanship, such as the cashmere-like texture and fine alignment. In order to emphasize products’ strengths.

Source: In-depth interview by Brandstar designed by Daxue consulting

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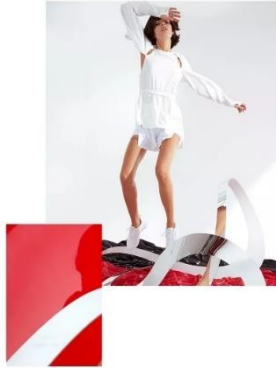
Strategy 5: Transform into a designer brand through co-branding

In order to promote the brand's tone of fashion and give the brand more exposure opportunities toward the target consumers, Maia Active collaborated with independent designer brands and brands with a large group of white-collar consumers in tier-1 cities, such as the bike-sharing brand MOBIKE and fitness club SUPERMONKEY.

October 2018

Maia Active x YIRANTIAN

YIRANTIAN: A ready-to-wear brand



"Sportswear capsule collection", a step away from the seriousness of sportswear. The capsule collection aimed to provide women with sportswear that **bridges the boundaries between fashion and comfort and could be worn for many occasions.**



October 2017

Maia Active x MOBIKE

MOBIKE: A bike-sharing brand

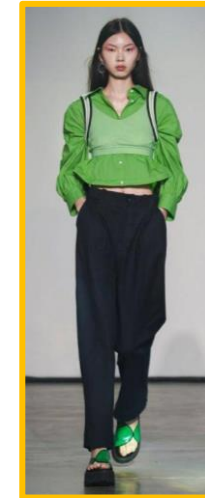
This collab provided and designed a collection of fashionable cycling clothing for **urban girls.**

October 2020

Maia Active x Short Sentence

Short Sentence: An independent (Luxe) Brand

This co-branding campaign aimed to give women **sportswear which takes into account both daily life and chic style.**



Source: Elle China designed by Daxue consulting

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Pain points: Poor after-sales service and design flaws

- Many consumers complain about the poor after-service and shopping experience.
- In addition, some people found the products such as leggings and bras are not as comfortable as Maia Active advertised.



“ I have worn it for a long time. Unexpectedly my waist bleeds.

Maia Active basic系列的瑜伽裤穿的时间久了居然把我的腰磨出血。

“ A clothing seller without even the most basic sizing guide, asking customer service to communicate and waiting for a reply for a long time

一个卖衣服的却连最基本的尺码指南都没有，问客服等回复到地老天荒，这是有多抠门多请几个客服能破产吗？

“ It has fatal design flaws. The zipper is not secure and can be painful on the chest. I hurt even when doing abdominal exertion. The size recommended for me felt small and I struggled with breathing while doing exercise. The sizing recommendations are very unreliable.

使用一个月感受：风很大，颜值高，但是存在致命的设计缺陷。1.胸前拉链头没有固定措施，趴下时拉链头会自然竖直，趴下后就会磕到胸口。2.后背太厚，做腹部训练之类的需要平躺用力的动作也会磕得很痛。3.我是军训身材，推荐的尺码小到全程训练喘不上气来，我不同意身材的朋友情况也是一样。说明整体尺码推荐就非常不靠谱。

定型效果很差，洗了一次就变形了。承托能力也不好，不会再买这个牌子了。宣传效果大于实际效果。

“ The sport bra deformed after one wash, I won't buy this brand again, it considers more publicity than actual effect.

#质量差# Poor quality
#缺乏原创精神# Lack of creativity

#穿衣不舒服# Uncomfortable wear experience
#产品不够人性化# Products are not user-friendly

Li-Ning

Sporting goods company transforms into fashion brand

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Li-Ning: Sporting goods brand gone fashion brand

- Li-Ning is a sports apparel company founded by Chinese gymnast Mr. Li Ning.
- Li-Ning managed to be regarded as today's "glory of Chinese products" (国货之光) by reconnecting the brand to its Chinese roots. As the global fashion community has now seen, it combines the western sportswear silhouettes and Chinese traditional elements.

Li-Ning was founded

May 1990

Launched first professional football shoes and basketball shoes

2004

Participated in New York Fashion Week, becoming the **1st** Chinese sports brand to appear.

February 2018

1992

Selected as the designated medal apparel and shoes for the Chinese delegation at the 25th Barcelona Olympic Games

January 2005

Li-Ning signed with the NBA as an official NBA marketing partner.

November 2020

Li-Ning ranked as the **No.1 domestic brand** in the sports category during the 11.11 Shopping Festival on Tmall and Taobao

Digital transformation: from brick-and-mortar to omni-channel

As the concept of new retail becomes popularized, Li-Ning seeks digital transformation to establish a strong online presence.



Around 2015, Li-Ning cooperated with Alibaba and built its own "Data Middle Platform" (数据中台) to construct omni-channel data system, which helped Li-Ning dredge the chokepoints of its supply chain and largely accelerated Li-Ning's digital transformation.

Source: Rongyi net, digital construction service provider for retail industry designed by Daxue consulting

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Shifting focus from the number of physical stores to operation efficiency:

Shut down **over 500 physical stores** as of the end of June 2020



According to Li-Ning's annual report in 2020:

E-commerce has risen to be the **second-biggest distribution channel**



Concessionaires contributed **29%** of the total revenue, increasing to 5% from 24% in 2019.



Sales contributed by the retail channel **fell from 27% to 23%**.



Strategy 1: Renew its brand image by incorporating more Chinese designs

Li-Ning has broken away from the “old-fashioned national product” label and **has established its own aesthetic image in design** to cater to the new trend of Guochao.

Minimalist and Retro style

- Li Ning creates a simple and casual sporty look through retro style.
- Drawing inspiration from national sports such as table tennis.

A blend of Chinese culture

- Spreading Chinese culture globally.
- Drawing inspiration from traditional Chinese culture, elements or history

Combination of clashing colors

- Uses a combination of clashing colors and lines to imitate China’s national history and treasures.
- Practical, natural, and with a hint of hip-hop.



Ping-pong print on clothing



Elements from Silk Road, embroidery, Dunhuang



The red-crowned crane



Strategy 2: Co-branding with domestic brands

- Co-branding is a very popular strategy in China that helps brands increase exposure among other brands' fans.
- The collaborations with other domestic brands also demonstrate that Li-Ning devotes itself to spreading Chinese culture. The design of its clothing shows the sense of national pride.



#Co-branding with domestic car brand Hongqi
The use of traditional Chinese characters and retro elements, shows the full of Chinese retro style.



#Co-branding with E-sports clubs EDG
The co-branding of traditional sports brand and "new trend of sports". E-sports has generated a great response among its fans and has reaped considerable traffic.

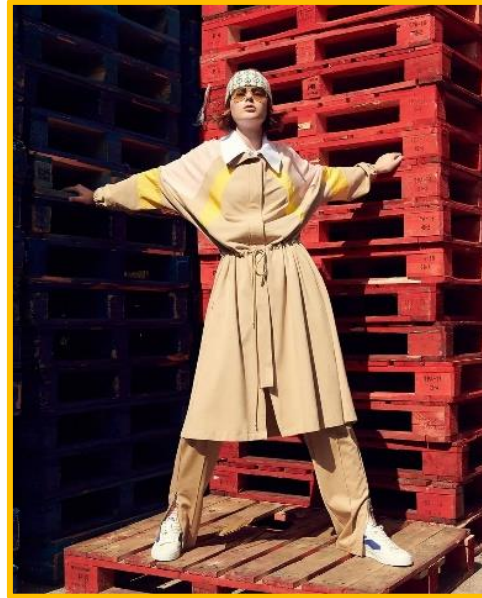


#Co-branding with domestic newspaper People's Daily
The clippings from old newspapers (People's Daily) about 'Li Ning' are cut and pieced together to create a full-print design.



Strategy 3: Broaden its product range to attract more consumers

Not limited to sports brands or sportswear, Li-Ning also produces trendy clothes and accessories fit for different occasions.



Street clothes

Knitted Suit Dress: Clashing colors make a bold statement while maintaining Li-Ning's brand image.

Khaki coat with open-front casual trousers for edgy streetwear

Long shirt with skirt, a new collocation with sports elements

Fashion accessories

The wristlet bag and the tote bag demonstrates the unique design and aesthetics of Li-Ning.

Li-Ning turned its previous core product, a ping-pong paddle, into a design along with phone lines to incite nostalgia.



Strategy 4: Slogans that appeal to national pride

During the brand's development Li-Ning has changed its slogan twice in order to focus on segment market and cater for new groups of consumers.

1990-2010

2010-2015

2015 till now



一切皆有可能
Anything is Possible

- With its slogan "Anything is possible", Li-Ning hopes to motivate consumers to be ambitious and perseverant.
- However, The company has received criticism over the years about how their slogan "Anything Is Possible" resembles Adidas' "Impossible Is Nothing".



- Since its peak in 2010, Li-Ning changed its slogan from "Anything is possible" to "make the change" so as to reposition the brand as fashionable and international and appeal to targeted post-90s generation consumers.
- "Make the Change" became Li-Ning's new brand motto, which encourages consumers to embrace change and make breakthroughs.

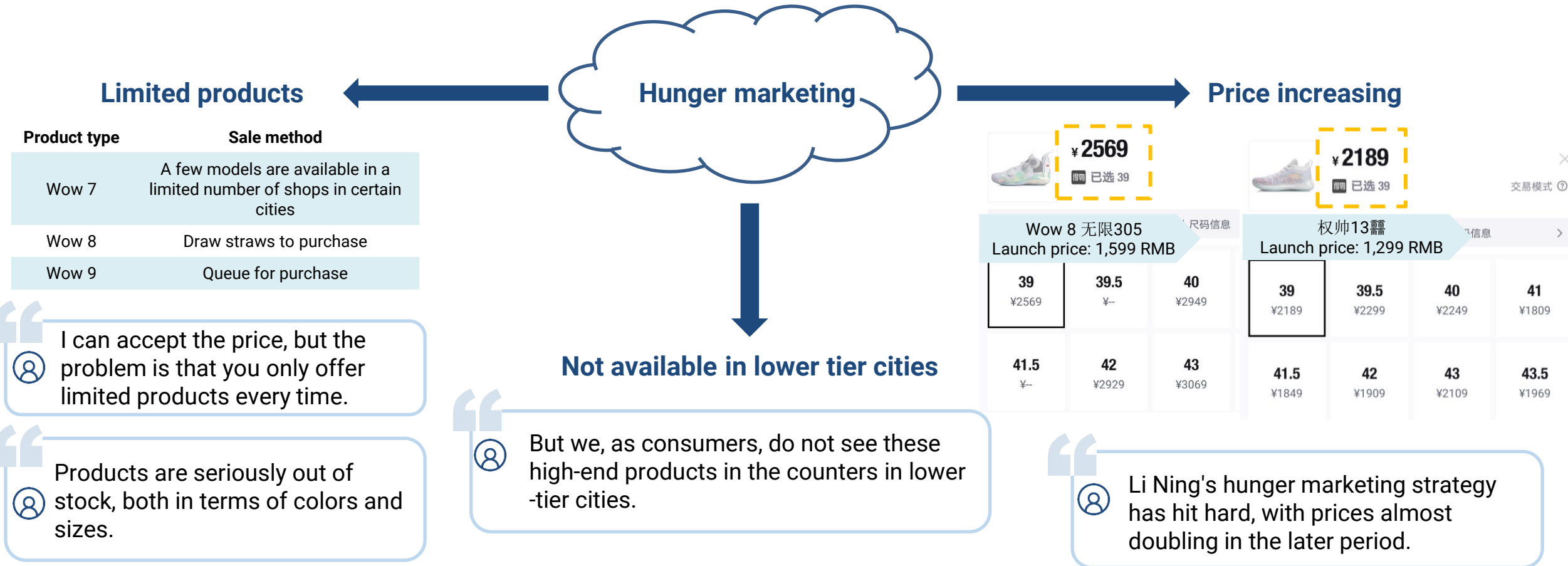


一切皆有可能
ANYTHING IS POSSIBLE

- Li-Ning not only failed to attract young people but also lost its existing consumers from the older generations due to its awkward transition. After several years of struggling, Li-Ning returned to its previous slogan.
- It includes a subtle outline of the "Li Ning Cross" gymnastic posture and loosely depicts the founder's initials.

Pain point 1: Hunger marketing strategy enrages consumers

- The newly designed sneakers increased consumer confidence. However, due to the limited product offerings, prices are deliberately higher, even higher than internationally renowned brands such as Nike and Adidas.
- The latest products are not available in Tier 3 to 6 cities, which caused some consumers to be left out.

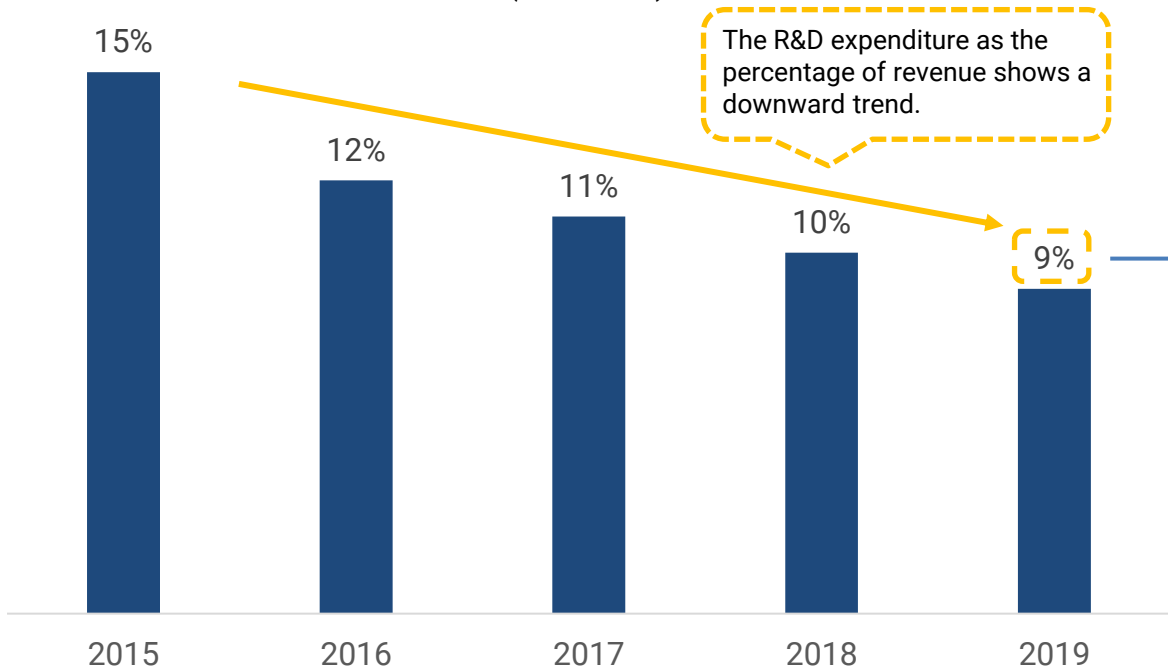


Source: Zhihu designed by Daxue consulting

Pain point 2: Underinvestment in research and development

Li-Ning has not invested much in research and development, which leads to the lack of capability to produce high-end sportswear. The new products always follow the previous designs, showing the insufficient of creativity.

Percentage of R&D expenditure in annual revenue
(2015-2019)



Doubt on its creativity



Lack of capability of producing high-end products

Not only the shows, but several important product launches this year have followed the same ideas, and the marketing approach has not changed much.

不光是秀场，李宁今年几次比较重要的产品发售，都沿袭了同样的产品思路，营销方式也没有过多的改变。

Li-Ning does not have the ability to mass produce high-end products, which is the biggest difference between Li-Ning and Nike. Li-Ning's expenditure on producing a pair of high-end shoes may be able to produce five or six pairs of Nike, and Nike can lower the price, while Li-Ning can only increase.

李宁并没有大规模生产高端的能力，这也是李宁和Nike最大的差别。李宁生产一双高端的钱可能够Nike生产五六双，Nike就可以压底价格，而李宁，只能涨，炒。

Source: Li-Ning's financial statements designed by Daxue Consulting

Pain point 3: Too closely tied with national emotions

The brand over-promotes national sentiment as one of its marketing points which has caused resentment on social media.



239 RMB



699 RMB



Li-Ning's trademark

每个群众都跟你一样 不支持国货
国产潮牌什么时候才能 摆脱没落?



Please support domestic products

Printing a "Chinese Li-Ning" on your clothes is your design? Are you selling patriotic sentiment? What I still don't understand is that the price of a simple T-shirt with a "Chinese Li Ning" printed on it is soaring rapidly.

在衣服上印上 "中国李宁" 是你的设计吗? 你是在推销爱国主义情怀吗? 我仍然不明白的是, 一件印有 "中国李宁" 的简单T恤衫的价格正在迅速飙升。

Overall, I don't see anything that appeals to me, other than the sentimental sense of belonging to China. **Li Ning has more than tripled its price due to its trademark.**

总的来说, 除了对中国的感情归属感之外, 我没有看到任何吸引我的地方。李宁公司由于其商标而使其价格增加了两倍多。

Li-Ning just takes the advantage of national tide. Just make it red and yellow, is Guochao means only printing "China" close to "Li-Ning" on clothing?

李宁公司只是利用了国家大潮的优势。只要把它做成红色和黄色, 就是国潮的意思, 直接把 "中国李宁" 印在衣服上?

Source: Zhihu, Taobao designed by Daxue consulting

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YIN

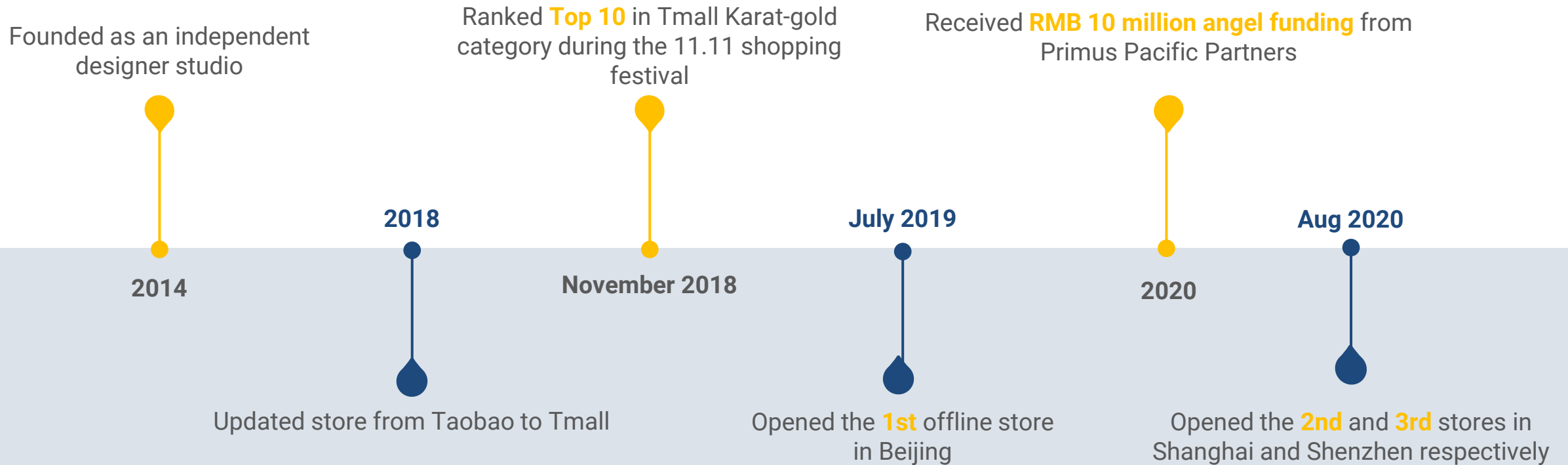
redefine the gold jewelry

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Yin: An emerging Chinese gold jewelry brand

- YIN offers 18 Karat gold jewelry with contemporary designs.
- Starting out as a niche independent designer studio on Tmall, YIN is working towards becoming a mass market brand.
- YIN targets **well-educated and classy women** who are willing to pay for luxury.



Fills a gap in the Chinese gold jewelry market with design, quality and price

- In China, most young people prefer fast fashion brands or foreign brands when it comes to select modern jewelry.
- The gold jewelry market is dominated by traditional domestic brands such as Chow Tai Fook (周大福) which are perceived by Generation Z as having outdated design.

International Luxury Brands

Cartier
CHANEL
TIFFANY & CO.
BVLGARI

- Materials: silver, diamond, 18-karat gold
- Price: > 1000 RMB/pc
- Brand image: premium
- Design: urban & modern

Domestic High-end Jewelry Brands

周大福
CHOW TAI FOOK

周生生
chow Sang Sang



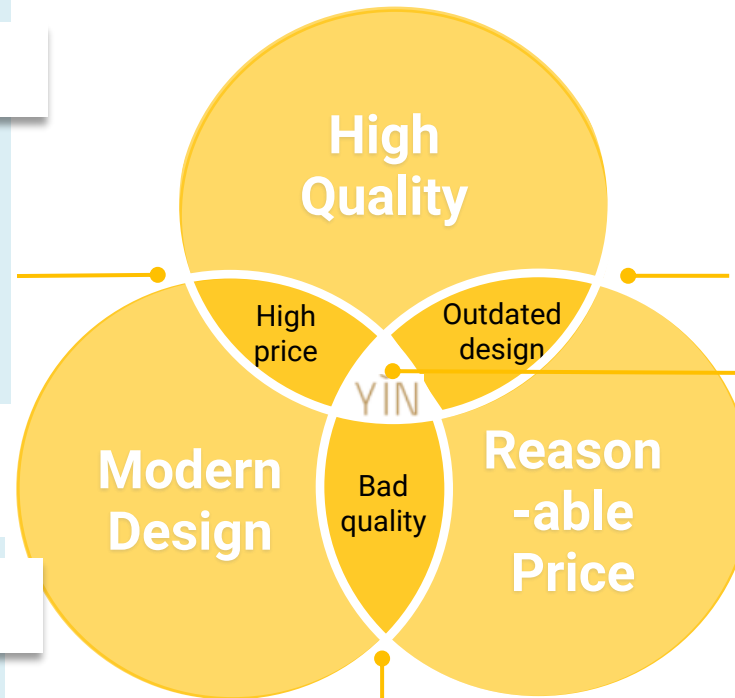
老庙
周六福珠宝

- Materials: gold, silver & jade
- Price: by weight plus craft fee
- Brand image: antique
- Design: Slowly updated, granny, outdated, cheesy

Fast Fashion Brands

ZARA
AJIDOU 阿吉豆
ZEGL

- Materials: Alloy or silver, artificial diamond
- Price: <200 RMB/pc
- Brand image: no
- Design: following the latest trend & quickly updated



YIN

- ✓ Materials: 18 Karat gold
- ✓ Price: affordable luxury
- ✓ Design: minimalism
- ✓ Brand image: modern

Strategy 1: Minimalist design and customized services

- Inspired by the symbols and signals of nature and the universe, YIN presents a collection of 26 designs.
- YIN meets understated and unique needs of urban women through customized services.

Design inspired by nature



The minimalist design encourages consumers to mix and match, which effectively increases the unit price of orders and user stickiness.

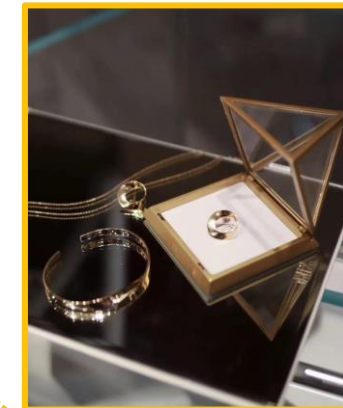


Pricing range: **1,000-50,000 RMB**



Average price per order: **3,000+ RMB**

All consumers receive a pyramid jewelry box made of glass and metal along with their orders. This box can be reused at home as a display box.



Customized rings: Neo-signet collection



A free engraving service is offered for most ring products, with 2 optional letter patterns to suit different consumer needs.



Source: YIN

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Strategy 2: Use social media to change the stereotypes about gold

- For centuries, gold has been a symbol of wealth in the minds of the Chinese, but today some see it as archaic, outdated, and bulky in size and weight.
- YIN has been working hard to connect with consumers to create a new interpretation of gold through simple design and sharing KOLs casually wearing their gold jewelry.

Traditional Chinese gold jewelry



The "three golds (三金)" of marriage literally mean 3 gold pieces: gold earrings, gold necklace and gold ring. They are used for weddings.

Wearing occasion: events, weddings

KOL wearing YIN's gold necklace during a workout



Gold is a stable metal that does not oxidize as easily as silver. YIN is hoping to bring this unique strength of gold into urban women's daily life, even for workouts.

Wearing occasion: daily

Choose urban style figures to model the jewelry



Guidance on how to select the gold color by skin tone



Source: YIN

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Strategy 3: Choosing premium offline locations to align with luxury brands

- YIN positions itself as fine jewelry and therefore carefully chooses its offline outlets to enhance the brand image.
- All locations are in tier 1 cities and only the most exclusive shopping malls with the best buying power of consumers are chosen.



Beijing, WF Central
(Chinese: 王府井中环精品店)

Shopping mall with Audemars Piguet, MOYNAT, Chaumet.



Shenzhen, MIXC Mall Shenzhen Bay
(Chinese : 深圳湾万象城)

Shopping mall with Christian Dior, Louis Vuitton, Chaumet, Burberry.

Shanghai, Grand Gateway 66
(Chinese: 港汇恒隆广场精品店)

Shopping mall with CELINE, MAX MARA, Chaumet.



Strategy 4: Create emotional resonance with customers through co-branding

- While many other jewelry brands target couples or people who are buying gifts, Yin targets women who have the means to buy jewelry for themselves.
- Based around the emotional needs of highly-educated female consumers, YIN makes co-branding designs to create more emotional value for its jewelries.



READING

#Co-branding with National Library of China

Design inspired by the traditional 5-elements of Fengshui: Gold, Wood, Water, Fire, and Earth.



SPORTS

#Co-branding with domestic gym

24Kick 格斗学院

The design of the boxing glove is a tribute to feminine strength.

MUSIC

#Co-branding with rock band Joyside

The design is inspired by guitar picks and the shape of a red heart represents the "beating heart".

Strategy 5: Precisely target well-educated women on social media

Being a domestic brand, YIN has a shorter brand history than most of its fine jewelry competitors. During its seeding period, YIN told the brand story in a more localized way and built a closer relationship with its core consumers: exquisite and highly-educated Chinese women.

Vlog is one of the most popular form of content on Bilibili. Ayur, one of the founders of YIN, shared her entrepreneurship story in vlogger's channel.



RED KOLs present lifestyles that align with the brand image, rather than simply sharing photos of the jewelry



Weibo is a platform for the fan-economy. On Weibo, YIN sponsors celebrities and integrates with them to maximize the exposure.



Vlogge profile: @一门的一天
Hashtag: ex-McKinsey consultant, Stanford MBA
Bilibili followers: 28k



Celebrity profile: @易立竞
Journalist, known for her sharp words in interviews and she is a representative of the highly educated women.
Weibo followers: 590k







👁️ 9432 views
💬 1256 engagements



Pain Points: Transparent gold prices and fierce competition

The price of gold is highly transparent and Chinese consumers tend to judge the value of gold jewelry by its weight. However, when consumers ask about weight, YIN avoids giving a direct answer.

Price Breakdown of Gold Jewelry (June. 2021)

Brand Name	Weight (g)	Final Price (RMB)	Cost Breakdown	
			Crafting Fee (RMB)	Price/g (RMB)
 Chow Tai Fook	5.8	3,422	488	505.9/g
 Chow Sang Sang	6.7	3,613	230	504.9/g
 Laomiao Gold	3.8	2,142.5	N/A	557.9/g
 YIN	/	960	N/A	/

Consumer service feedback:

YIN is a Chinese designer jewelry brand. Every piece of YIN is made of fine materials and handcrafted by jewelry experts with a handcraft costs. Thus, all products are not charged by weights.

Q&A of YIN's product prices on Tmall flagship store

Question to YIN's official Tmall store:
Hi, what's the weight of this bracelet?

TMALL 天猫

你好，请问这个有多少克呀？

已读

小雅

YIN隐是中国设计师珠宝品牌，每一件都是采用奢侈品珠宝的材质以及金匠师傅手工加工打造的，运营成本比较高，所出售的珠宝不按克重定价格。

Competitors are also increasingly targeting Gen-Z.

Sub-brand from the domestic brands



MINTYGREEN



Domestic designer brands

HEFANG

qeelin

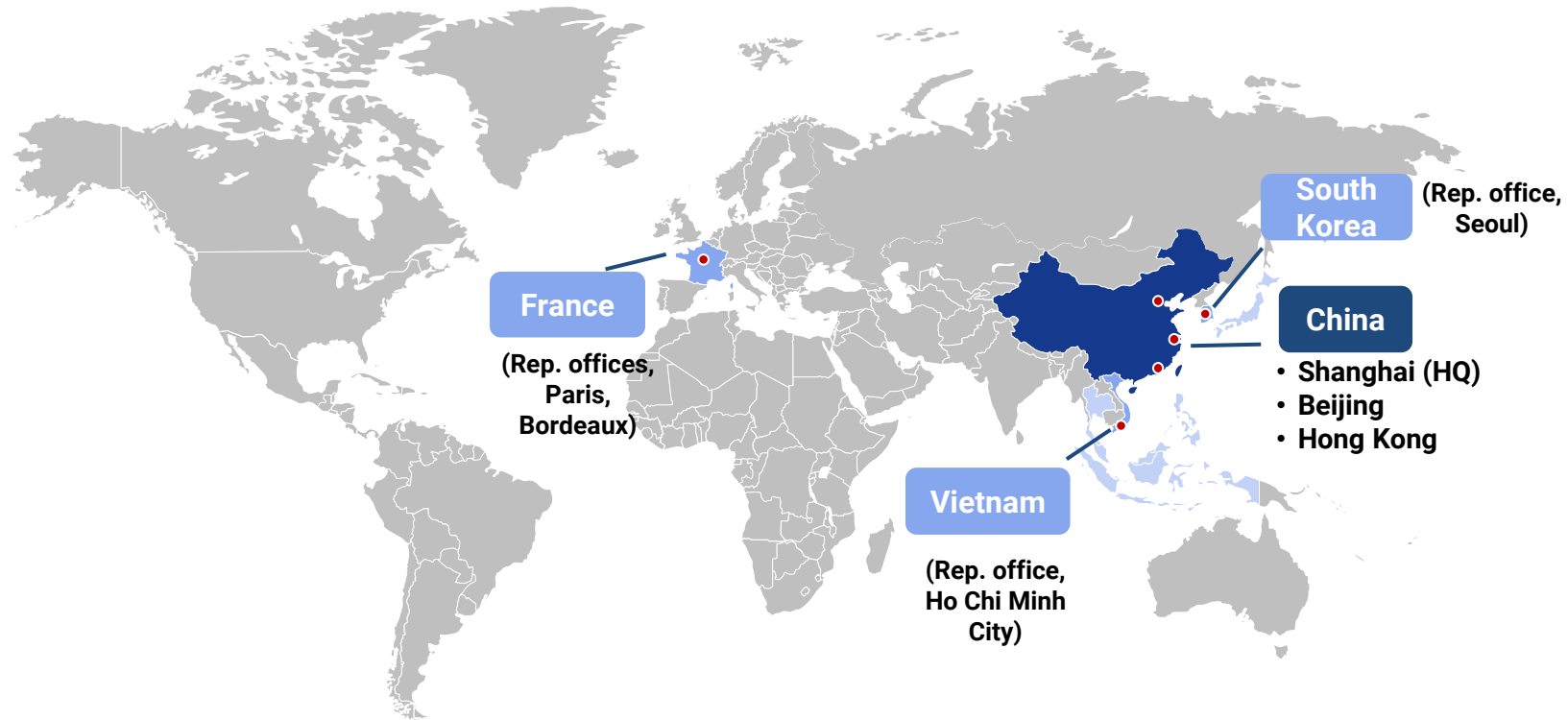


ABOUT



Our APAC network

A research and consulting firm headquartered in China, with an Asia-focus and a presence on three continents.



Partner offices:

- Philippines
- Malaysia
- Japan
- Thailand
- Indonesia
- Singapore

Our history



Our past and current clients

350+ clients with 600+ projects for the past 7 years



A recognized expertise on the Chinese market

Regularly featured and quoted in global publications

Daxue latest quotations in recent publications

The New York Times

TECHINASIA

Business of Apps

JING DAILY 精奢
THE BUSINESS OF LUXURY IN CHINA 商业观察

SBS NEWS

ASIA WEEKLY

FT FINANCIAL TIMES

英文中国新闻
The China Post

REUTERS

GLOBAL TIMES

SBS NEWS

theguardian

y net
news.com

Le Monde

THE WALL STREET JOURNAL

Les Echos.fr

THOUGHTFUL
CHINA

CHINA
ECONOMIC REVIEW

SWI

LE TEMPS

TechNode

CONDÉ NAST

TECHINASIA

FRENCHWEB.FR
Le magazine de l'innovation

LE FIGARO

CHINADAILY
中国日报

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BUSINESS SCHOOL

The New York Times

Guanghua School of Management
Peking University

Forbes

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TECH.CO

Voci Globali

JDN
JOURNAL DU NET

L'OBS

Wine News
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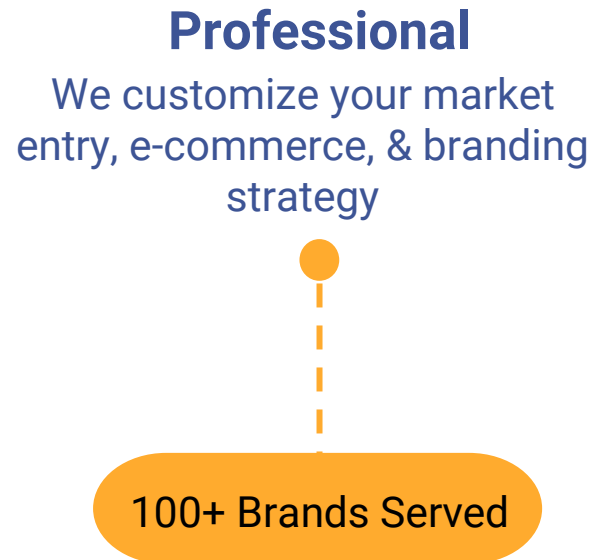
EL PAÍS

Double V.
Training & Consultancy

ABOUT

Who we are?

Double V Consulting - Your Insider into China market



How we can help you?

Double V Consulting - Your Insider into China market

TRAINING

We offer online courses and workshops through **CHINable Academy**, an affiliate of Double V.

CONSULTING

We provide brand & competitors analysis, and positioning & market entry strategy.

E-COMMERCE

We help DTC brands set up online flagship stores on Chinese major marketplaces and enhance social commerce.

BRANDING

We cover all major Chinese social media. We help design your communication strategy and provide customized content.

Brands we have worked with

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