



The 2022 Guochao Playbook

 Branding & Marketing in modern China

October 2022



ABOUT



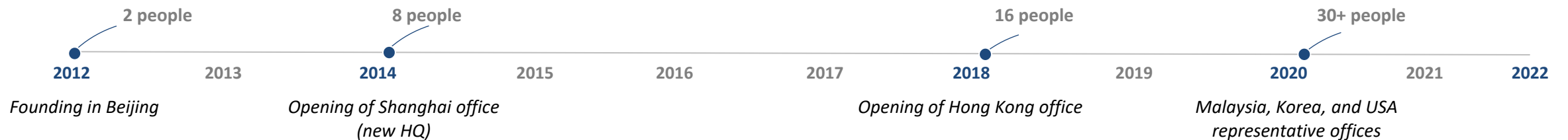
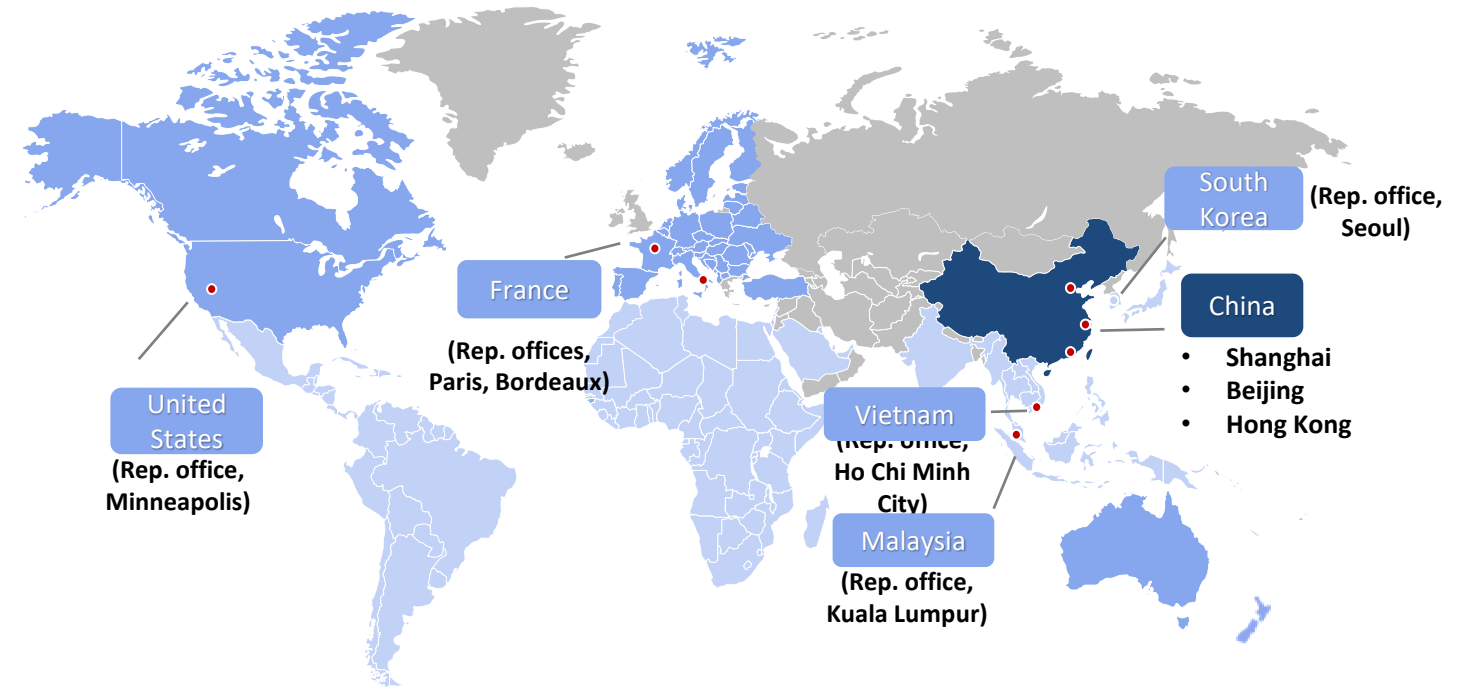
A China-focused presence expanding globally

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

CHINA PRESENCE



GLOBAL NETWORK



400+ clients for the past 10 years

Examples of references



Our services

ASSESSMENT

评估



BRAND AUDIT
品牌审核



SENTIMENT ANALYSIS
情绪分析



BRAND
BENCHMARKING
品牌基准

INSIGHTS

洞察



DECISION-MAKING
PROCESS
决策程序



TARGET AUDIENCE
PROFILING
目标人群画像



BRAND (RE)POSITIONING
品牌（重新）定位

STRATEGY

策略



BUSINESS INTELLIGENCE
商务智能



VALUE PROPOSITION &
MESSAGING HOUSE
价值主张&信息传播策略



IP COLLABORATION
知识产权合作

INNOVATION

创新



OMNI-CHANNEL
MARKETING
全渠道策略



PRODUCT CONCEPTS DEV.
& TESTING
产品概念开发和测试



MARKET ENTRY
市场准入

CONTENT OUTLINE

I. What Is Guochao

- Definition
- Evolution

II. Consumers Attitude

III. How To Leverage It

- Potential Elements
- Cases Studies, incl. Successful, Controversial
- Recap, Takeaways

[Book a call](#)

I. What Is Guochao

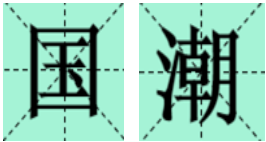
- Definition -

Guochao or “national wave” is the popularization of Chinese culture among Gen-Z

国潮 |



guó cháo



Noun.

Originally, the “GUO CHAO” (literally “**national trend**”) refers to the increase consumer favoritism towards **Chinese brands, designs, culture, spirits or products made in China**



>> 75% of Chinese consumers surveyed state they **like products that incorporate Guochao design** elements.

>> The trendy attire of the **top Chinese pop celebrities** pushes Guochao further to the public.

>> **Gen-Z is the main force of Guochao**, with the trend reaching 80% of Gen-Z consumers.

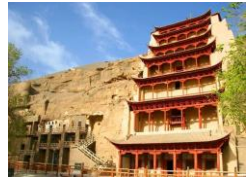


Survey source: N=7,531, Trendinsight, Survey of New Domestic Products' Consumption Attitudes in 2020

What is “GUO 国”

Representative image, expression of a “Country of origin”, Incl. value, features of the diversity, etc.

Chinese History & Culture

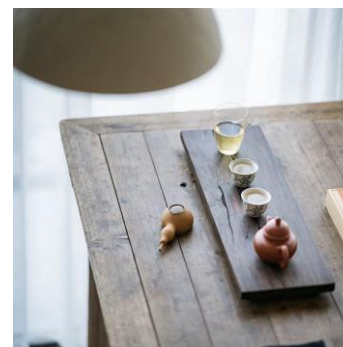


立春 雨水 惊蛰 春分 清明 谷雨
 立夏 小满 芒种 夏至 小暑 大暑
 立秋 处暑 白露 秋分 寒露 霜降
 立冬 小雪 大雪 冬至 小寒 大寒

National Spirit



Esthetics & Taste



Chinese Lifestyle



What is “CHAO 潮”

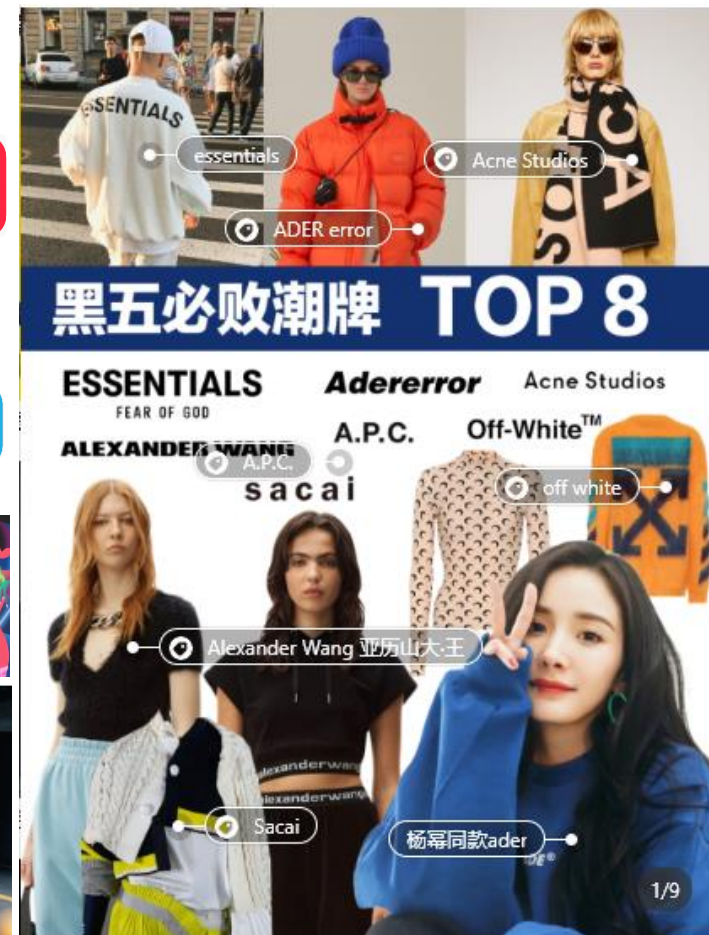
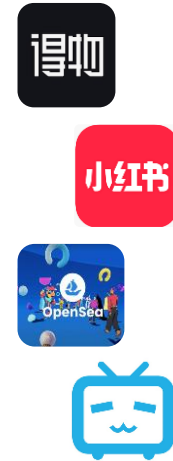
More than fashion, it's stylish, trendy & playful



Source: Keywords searching on Baidu, Red



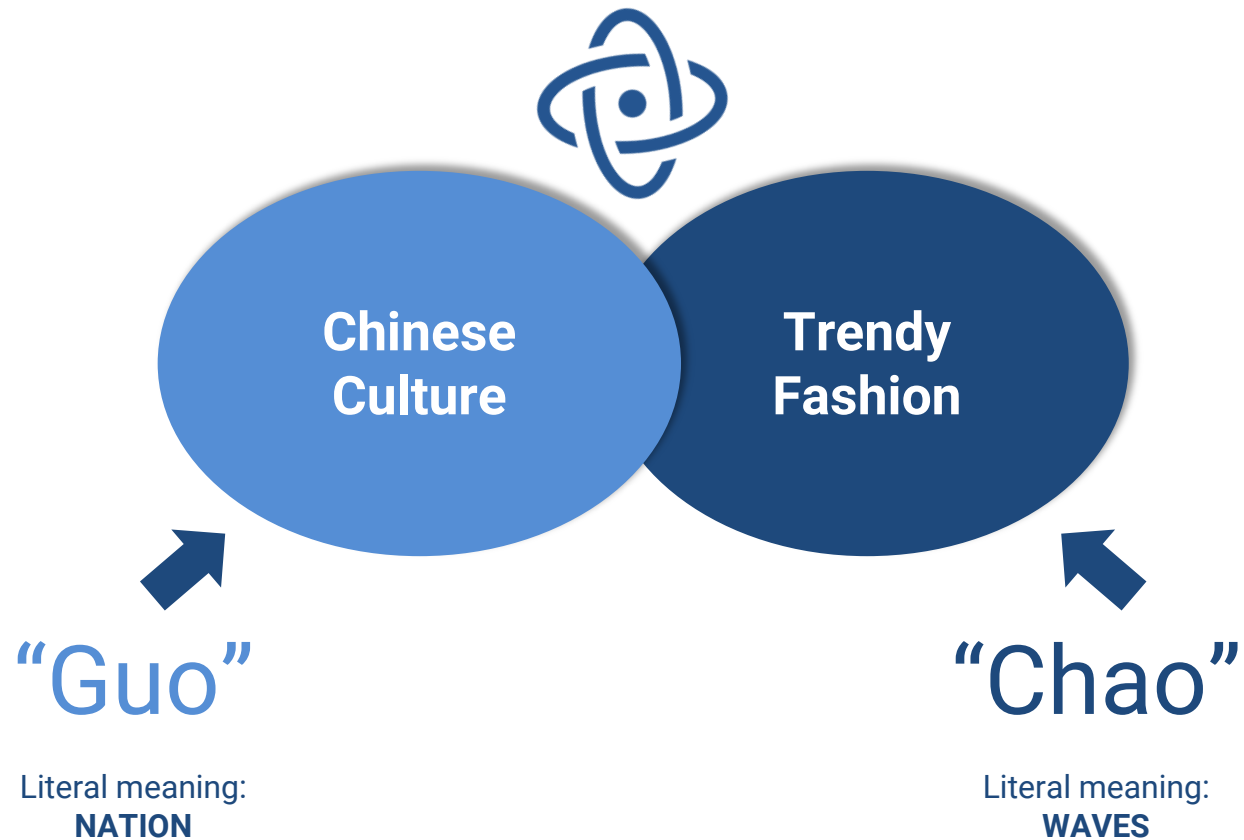
12 62 131 125



75 265 2833 3682

“Guo” + “Chao” 国潮

Integration of traditional culture and modern elements



I. What Is Guochao

- Evolution of Guochao -

Evolution - 4 main evolutions have been observed through the overall market in China

Chinese Brands
Since ~2018

rising

Both **new emerging** and **well-established** brands gained **more attentions** from the consumers (e.g., F&B, FMCG, Cosmetics) and, are taking more market share from the international brands

International Brands
Since ~2019

proactive

International brands are integrating **more granular Chinese elements**, with **higher speed** into product **innovation, design and, communication strategy**, thus being **better engaged**

Luxury Brands
Since ~2020

refining

Luxury brands trying to better **understand** Consumers' spirits, lifestyle. They are trying to work more on how to better **appropriate and illustrate** the Chinese culture in a more **authentic** way

Definition
Since ~2021

extending

The Guochao is **no longer** limited by its stylish design, such as for fashion. It's becoming a **positive spirit, value**, with **meaningful attributes** among the Chinese consumers and, this notion is **favorable by the domestic's overall policies**

Evolution - Guochao (国潮), domestic products (国货) and Chinese brands (中国品牌)

Search trends for "Guochao" started in May 2018, thanks to the State Council and Tmall

On November 20, 2018, the 2018 **National Tide Baby Show** was held in Hangzhou, with more than 30 "Guochao Kids Stars" performers with clothing evolution as the main line. Hundreds of media, guests and more than 100,000 people watched the event via webcast.

Since 2017, the State Council has designated **May 10th** as "**China Brand Day**". In response to this call, in 2018, Tmall launched the "National Tide Action" for the brand day.

H&M's "anti-Xinjiang cotton" in 2021, statement sparked strong discontent among **Chinese netizens**. Nike, Adidas, GAP and other companies also proposed a "boycott" of Xinjiang cotton. As a result, Chinese shoppers turned to **domestic brands Li-Ning and Anta**, and searches for Chinese brands spiked.



Evolution - "Old" & Emerging Chinese brands use Guochao spirits to revitalize themselves

Chinese consumers are turning away from foreign brands, giving some 'forgotten' domestic brands a second-life



Li-Ning released new series at Paris Fashion Week in 2018, which opened the **first year of "National Tide"** and became the benchmark brand of Guochao.



Founded in 1927, "Hui Li (回力)" gradually returns to young people's vision through co-branding.



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

Evolution - Chinese consumers increasingly prefer domestic brands

Domestic brands in general are benefiting from improved reputations



The **increasing tension between the US and China** has caused stronger domestic consumption because of the **strengthened patriotism**. A study by Nielsen in 2019 shows that almost 70% of Chinese consumer prefer domestic brands.

Growth rate of product views on on Xiaohongshu (小红书):

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

1

Chinese Gen-Z now don't consider the quality or appearance of domestic products to be inferior to foreign products. 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 China's market.

3

Taobao's new **emerging livestreaming KOL** Dongyuhui, who belongs to the **Oriental Selection** (~20m fans), an increase of 100% within only a week by the end of June 2022

E-commerce platforms have made domestic brands' penetration much more efficient because of the more interactive technology **between sellers and buyers** and the increased user stickiness. According to the China Internet Network Information Centre, online user penetration jumped to almost 79% in March 2020.

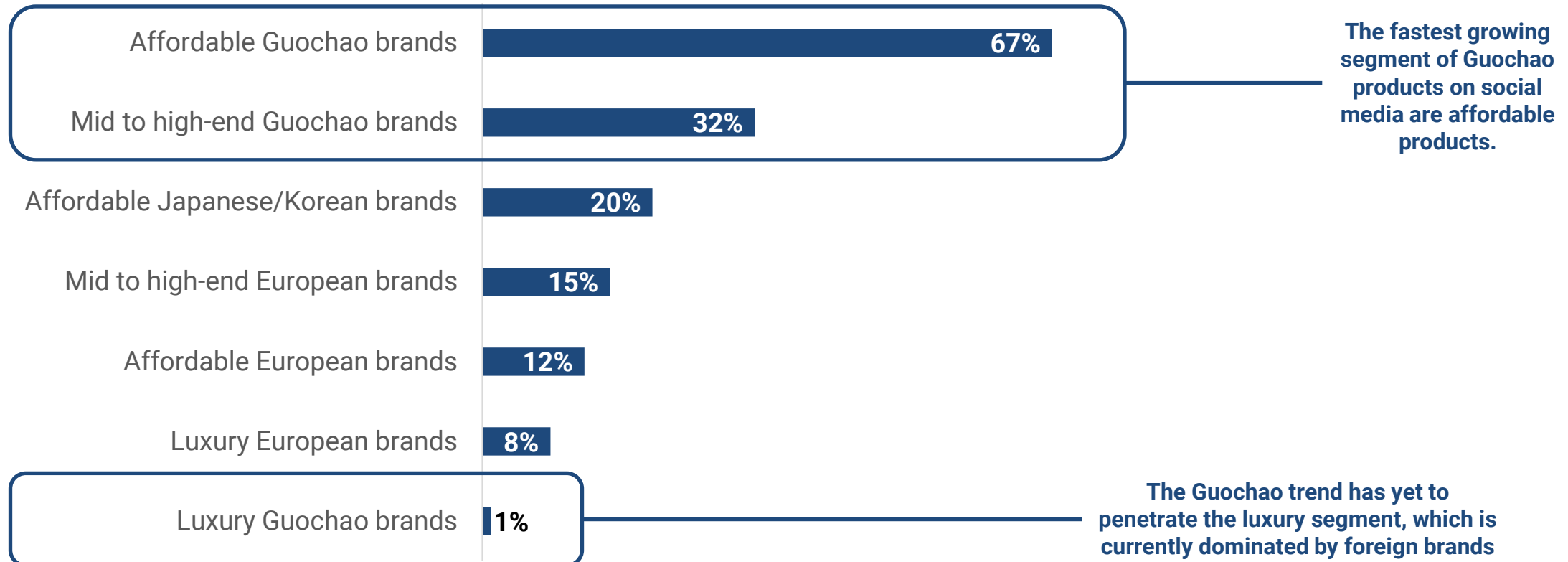
Evolution - Chinese brands are beginning to dominate the mass segment

Guochao brands gained great popularity because of **lower price** and **competitive quality**

COSMETICS



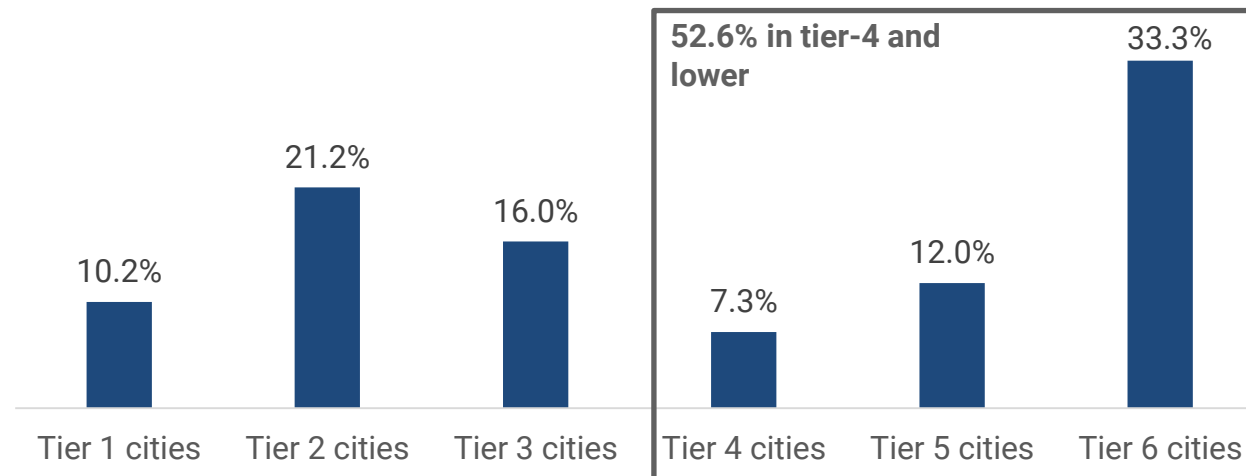
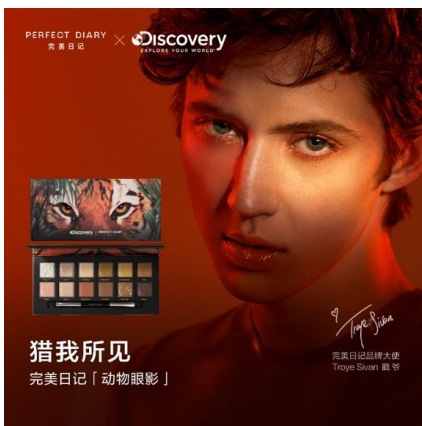
YoY growth of reading volume growth by category on Xiaohongshu (2020)



Evolution - The main domestic cosmetics consumers are Gen-Z who live in lower-tier cities

Domestic brand cosmetics consumption is higher in lower tier cities

Small domestic brand cosmetics consumption by region (2020)



- With the low-tier city consumer base being the **largest and have faster increasing consumption** growth, they are a cradle for the Guochao trend.
- Consumers in first and second tier cities have a relatively high unit price, and online consumption contributes nearly half of the total consumption, which makes top tier cities still the core main force as of now.

Evolution - Chinese luxury goes beyond nationalism, it is a revival of traditional customs & art

China as an innovation hub, consumers seek to become trendsetters

Guochao should not be interpreted as blind nationalism: it stems from the idea that Chinese **culture is unique** and Made-in-China is **not a synonym for copycat and low-quality** anymore.

国潮

Chinese consumers are no longer willing to passively emulate and adopt global trends, but rather want to **contribute to shaping and settling those trends**.

Consumers urge brands to adopt and represent **Chinese culture with Chinese eyes**, eliminating the patina of western orientalism which has for long filtered the way Chinese style was projected in the fashion industry.

Broader political and economic developments in the last few years have contributed to create a conducive environment for *Guochao*.



Guo Pei's designs feature traditional Chinese aesthetics and exquisite craftsmanship that brought Chinese haute-couture to fame.

LUXURY

The Three Elements of *Guochao*

Chinese brands

Chinese designs

Chinese culture

LI-NING 李宁: A Chinese sports apparel brand revitalized with Guochao

Usage of Chinese *national colors* and *cooperation with IPs*

Introduction:



- Founded in 1990 by Mr. Li Ning, the "Prince of Gymnastics" in China, it is now one of the leading sports brands in China
- As of June 30, 2020, there were 5,973 LI-NING sales points in China (excluding LI-NING YOUNG)

Challenges:



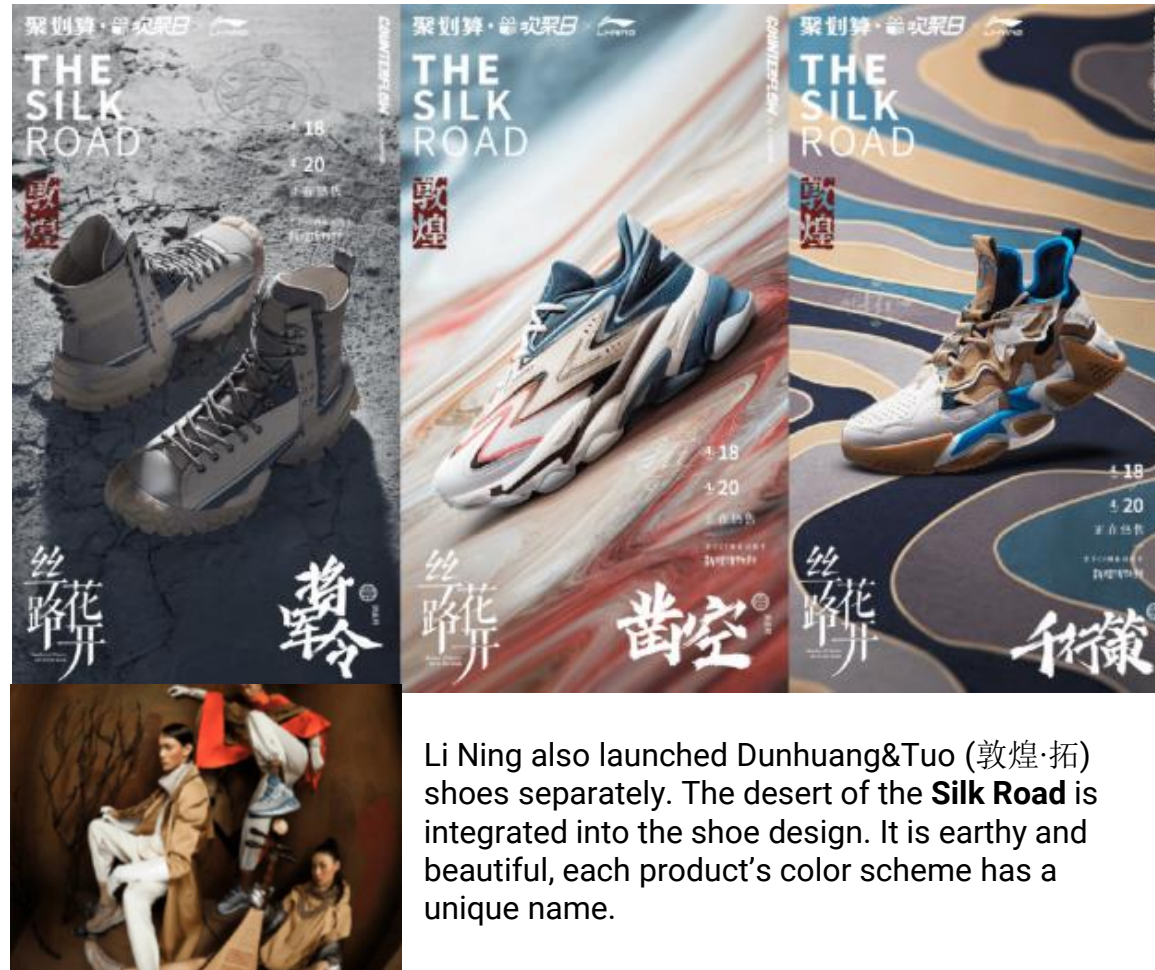
- The dilemma of being a **mid-end brand**, facing pressure from both international brands and domestic low-priced brands

Strategy:



- Well-played **story telling**, with Chinese **national colors "red"**, to demonstrate the national pride background
- Cooperating with **well-known IPs** to sit firmly on the throne of China's Guochao

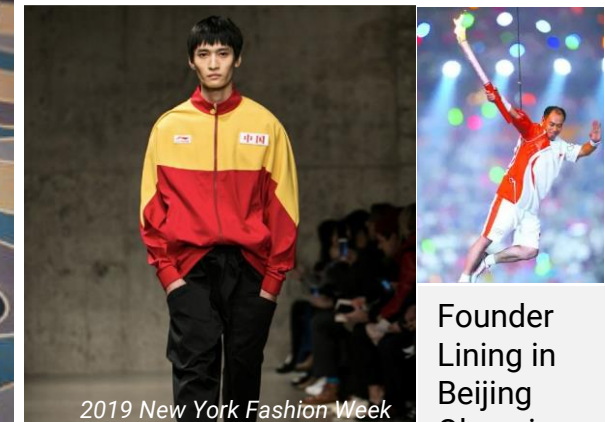
LI-NING's collaboration with DunHuang Museum



Li Ning also launched Dunhuang&Tuo (敦煌·拓) shoes separately. The desert of the **Silk Road** is integrated into the shoe design. It is earthy and beautiful, each product's color scheme has a unique name.

Source: Zhihu, Tmall, Isfashion, www.nbd.com.cn, www.lining.com

LI-NING's brand colors



2019 New York Fashion Week

Founder Lining in Beijing Olympic lighting ceremony

Li-Ning leverage **Chinese national colors red** and gold, contrasted with dark colors to stand out.

Florasis 花西子: A modern cosmetics brand with an ancient-Chinese touch

Well studied oriental beauty style, focus on brand positioning and influential expansion on minorities in China **using unique design**

Introduction:



- A makeup brand with **Asian oriental** and **flower makeup** as the concept, develops **healthy, skin-nourishing** makeup products suitable for oriental Asian women
- Florasis's products represents the aesthetic concept of the current fashion cosmetics

Challenges:



- Facing the crisis of **homogenization** of Chinese domestic beauty products due to a **lower-tech & competitive threshold**.

Strategy:



- Brand positioning: Florasis invited, Jennifer (Du Juan) - a **"high-end oriental face"**, as the **brand spokesperson**, uses Guochao design with traditional places of interests.
- Expanding influence on minorities in China: **"Miao Nationality Impression"** intend to give people a culture tour.

Spokesmen with Oriental beauty who are highly appreciated by Chinese people



Florasis pays delicate attention to the **style and perception of the spokesperson** rather than just popularity and to match the **brand tone**.

Florasis's Guochao-designed products



Unique design related to minorities in China



"Miao Nationality Impression (苗族印象)"

- **Theme:** Miao People's Intangible Cultural Heritage Discovery Tour
- **Items:** Intangible cultural heritage, Miao silver jewelry craftsmanship, customized products.
- Florasis also collaborated with the People's Daily on the documentary "Uncommon Intangible Cultural Heritage", which inherits the mysterious and fashionable national beauty.

Source: NETEASE, PINGWEST, Zhihu, Tmall, Douyin, Florasis official website

Pepsi 百事中国: A foreign brand's constant Chinese flavor innovations

Creative new products' taste and design related to Chinese traditional festivals

Introduction:

- PepsiCo was one of the first multinational companies to enter China, and its products have been sold in China for 39 years.
- In the past 10 years, PepsiCo and its business partners have invested more than RMB 53 billion in China

Challenges:

- **Other FMCG rivals**, such as Coca-cola also work hard on localization & Guochao topics, thus requiring **fast-move actions to compete with**.

Strategy:

- Pepsi invites popular celebrities to endorse to attract unconventional young generations in China
- Pepsi makes more **Chinese localized designs & popular local flavor** to attract more domestic consumers

The main brands of Pepsi China



Trendy design with Chinese characteristics

Lay's potato chips frequently launch new Chinese flavors such as **Spicy braised duck neck flavor, salted egg yolk meat dumpling flavor**, which has attracted lots of Chinese consumers.



Creative Pepsi-Cola with mid-autumn festival



Pepsi launched **Osmanthus flavor** for the mid-autumn festival. Osmanthus is a nostalgic flavor for many Chinese.



Pepsi China's drinks all have new can designs, incorporating elements such as **golden lions, koi, magpies**, which are festive and auspicious.

Source: NETEASE, Tmall, PepsCo

Yue Xin Yi (粤新意): Nestlé's Cantonese-inspired ice cream flavors

New ice cream brand aims to expand the influence of **regional culture** (southern Guangdong) through its products

Introduction:



- In March 2021, Nestlé Ice Cream launched a new **sub-brand-Yue Xin Yi**.
- It has multiple innovations in ice cream flavors, textures, and shapes, allowing people across the country to experience **unique Cantonese culture and lifestyle**.

Challenges:



- The brand has to well study the **concept, flavors**, in terms of communication categories' **innovations and taste authenticity**

Strategy:



- The launch of the Yue Xin Yi brand is a major move for Nestlé ice cream to meet consumer demand for **newer, more delicious, and more unique and richer high-quality ice cream** products.
- The products contain uniquely Chinese flavors, such as **lychee rice wine, Osmanthus, and condensed milk**.

Source: Nestle, Tmall, zguocaijing

Yue Xin Yi products with features of southern Guangdong cultures



Flying fish crispy skin ice cream comes in the flavors **lychee rice wine with sweet-scented Osmanthus** and **frozen mandarin duck milk tea**. It reinterprets the ancient "drunken concubine" with Guochao packaging.

The milk tea flavor combines mellow **Hong Kong-style milk tea and strong coffee**, presenting a double flavor and a richer taste with a special place in Chinese people's hearts.



The **lion dance stick series** is inspired by the eye-catching lion dance shape of Chinese traditional culture.

Flavors include **condensed milk and charcoal grilled yogurt flavor, toffee flavored milk sauce, sea salt flavor, condensed milk mango pineapple**.

Evolution - International luxury brands incorporate Chinese elements into product design

Foreign brands try to include Chinese cultural elements in the “**early**” stage. However, Chinese consumers judge the brand based on the **authenticity** of how they integrated the elements into the design.

LUXURY

Practices before year of 2020



Burberry, an iconic British luxury brand, has come out with the heritage check scarf **embroidered with a red Chinese character “福” (“fortune”)**. Chinese netizens had negative feedback as they believed that the British heritage check and the Chinese character are irreconcilable.



In celebration of Chinese New Year, **Nike** brought out the 2016 special edition trainers featuring Chinese characters “發” (becoming wealthy) and “福” (fortune). Despite the positive symbolism, the two words combined actually have a euphemistic meaning of “getting fat”.



Dior combining western and Chinese aesthetics in an elegant way. Though deemed outdated by many people nowadays, floral printing has been a Chinese folk art form. Dior used European botanical line drawing technique and designed a pattern inspired by Golden Crane Hydrangea for their limited edition handbag.

Evolution - Foreign products are increasingly including Chinese elements

Adaptation of Guochao should avoid cultural faux pas, aiming at capturing attention, adapting to include Chinese cultural elements

Why foreign brands embrace Chinese elements

- International brands are becoming more “China savvy” because the national purchasing power is increasing, and is overtaking the West as a **critical market** for luxury goods in the world.
- By collaborating with **local creators** and using local elements, foreign brands are able to perfectly capture the modern Chinese zeitgeist **and avoid cultural blunders.**

Source: Digitaling

Practices after year of 2020



Burberry: New Year's Eve Series

Burberry's 2021 New Year collection features a plaid element. The creative **baseball cap** is decorated with fun and vibrant horns to celebrate the auspiciousness of the Year of the Ox and bring personal creativity to the everyday outfit.

Adidas: New-Year Series for the Year of the Ox

In Jan 2020, Adidas has integrated **fish, bulls, pixiu (貔貅), peacocks, unicorns** into product designs, launching the New Year series for the Year of the Ox. In terms of marketing, Adidas invited many celebrities to create New-Year short films and New-year wish posters to get attention and **realize short-term sales growth.**



Evolution - Growing preference for the Chinese style streetwear & pop culture

Thanks to the young Gen's spirits of *inclusivity* for *diverse apparel styles, celebrities and KOLs*

STREETWEAR



Streetwear was originally limited to sportswear. As Chinese society becomes **more inclusive of diverse apparel styles, brands started to experiment with gender-neutral items**. According to PwC Consulting, in 2019, Chinese consumers spent 5x more on streetwear than on non-streetwear.



As Chinese **rap** is no longer an “underground” music genre with the rise of the popular show “Rap of China”, younger generations started to notice the combination of rap and streetwear on celebrities/rappers such as Lu Han and Kris Wu.



Chinese are not only celebrity-obsessed, they also rely on KOLs for recommendations. one of the female streetwear authorities in China, former **rap-show** contestants Lexie Liu has been leading the trend on social media.

As China has become the global superpower in the 21st Century, buying domestic products **contributes to the national economy**. In addition to being just “made in China”, streetwear brands are **incorporating innovative design in high-quality products** to express nationalistic pride with fashion elements.

Evolution - What makes a domestic product a part of “Guochao”?

Chinese consumers told us they view Guochao products as domestic products **with cultural attributes**



VS.



Why “Guochao” – Recent regulations that are favorable for national pride

The general direction focus on **cultural protection** (e.g., inheritance, ICH) and **domestic/rural specialties’ revitalization** (e.g., handicrafts)

	Date	Regulation	Influence	Actioning body
	Jan-17	Opinions on Implementing the Project of Inheriting and Developing Chinese Excellent Traditional Culture 关于实施中华优秀传统文化传承发展工程的意见	Elevates cultural inheritance and development to a core position by expounding cultural inheritance and development in the form of a central document for the first time	General Office of the CPC Central Committee, General Office of the State Council
	Feb-18	National Strategic Plan for Revitalization of Rural Areas (2018-2022) 国家乡村振兴战略规划（2018-2022年）	Provides specific requirements for implementing the rural revitalization strategy	Office of the Central Leading Group for Rural Affairs
high impact	Mar-21	“14th Five-Year” Plan and Outline of Vision 2035 “十四五”规划和2035年远景目标纲要	Programmatic document for building a culturally powerful country	National People's Congress (NPC)
	Apr-21	Opinions on Promoting Cultural Industry to Empower Revitalization of Rural Areas 关于推动文化产业赋能乡村振兴的意见	Specializes and refines rural revitalization measures leveraging 8 key areas such as handicrafts and digital culture	Ministry of Culture and Tourism and other five departments/institutions
	May-21	“14th Five-Year” Plan for the Protection of Intangible Cultural Heritage “十四五”非物质文化遗产保护规划	Promotes and guarantees the realization of the development goal of comprehensive protection of intangible cultural heritage projects by 2035	Ministry of Culture and Tourism
	May-21	“14th Five-Year” Plan for Cultural Industry Development “十四五”文化产业发展规划	Supports the innovative development and transformation of cultural industries	Ministry of Culture and Tourism
high impact	Jun-21	Law on the Promotion of Revitalization of Rural Areas 乡村振兴促进法	Provides legal guarantee for rural revitalization by raising legally-valid clear requirements for the protection and development of rural culture and other aspects, which marks the first year of rural revitalization	National People's Congress (NPC) Standing Committee
high impact	Jul-21	Double Reduction Policy “双减”政策	The status of English subjects in education declined	General Office of the CPC Central Committee, General Office of the State Council
	Aug-21	Opinions on Further Strengthening the Protection of Intangible Cultural Heritage 关于进一步加强非物质文化遗产保护工作的意见	Improve the protection and dissemination of intangible cultural heritage	General Office of the CPC Central Committee, General Office of the State Council

II. Attitude

Q: What impressions come to mind when you think of Chinese brands?

In our in-depth interviews, we asked Chinese Gen-Z what Guochao means to them



Guochao brands have gained great reputation and market share by relying on the advantages of **lower price**, **practical** and **competitive quality**, but have also suffered from the perception of being **“imitation”**.

Source: In-depth interviews with Chinese Gen-Z

Q: What's your first impression of Guochao?

Many participants associate Guochao with *"fashion" and "culture"*



Keywords mentioned more than once

Fashion	8
Culture	4
Clothing	4
Chinese elements	3
Young	3
Well-designed	3

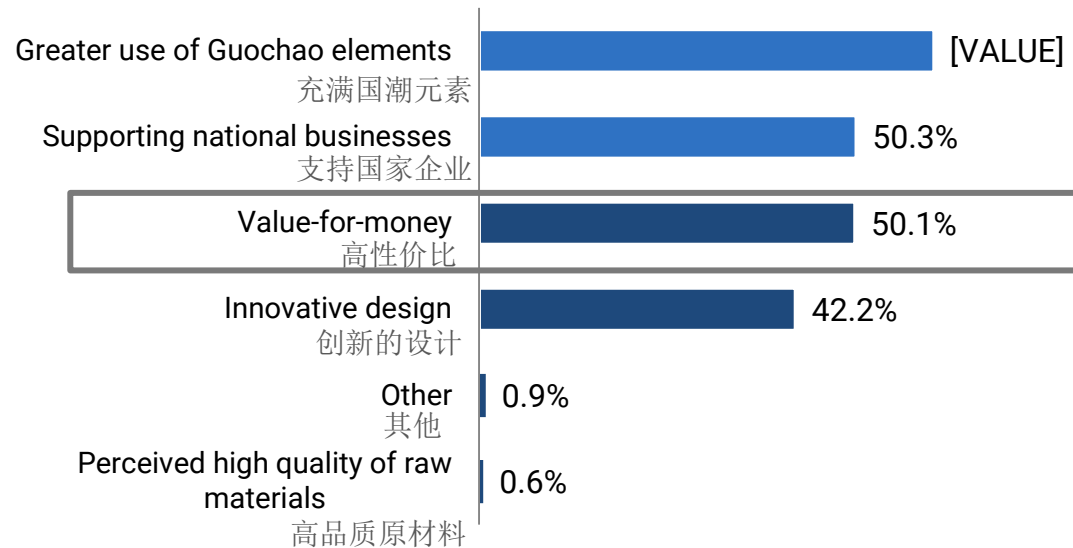
Source: In-depth interviews with Chinese Gen-Z

Guochao in luxury - includes both functional and emotional features

Beyond cultural **confidence and patriotism**, the **perceived higher value-for-money, more attentive customer care and wider range of customized services**

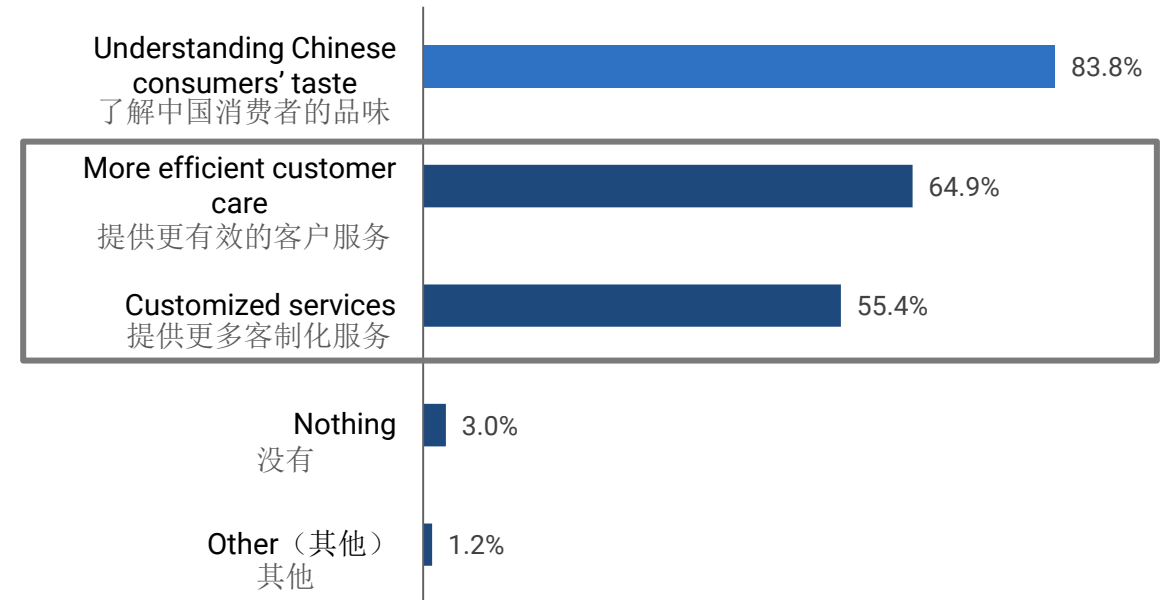
LUXURY

Reasons why respondents bought Chinese luxury goods



Source: Daxue Consulting Survey (2022), N=644, respondents were those who bought Chinese luxury goods

What Chinese luxury brands do better than foreign ones



Source: Daxue Consulting Survey (2022), N=1,000

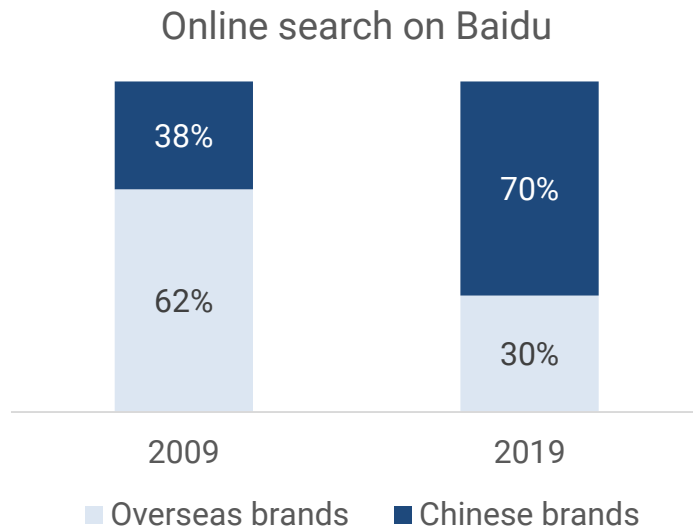
Guochao is not just about certain designs and supporting national businesses. In fact, Chinese brands are associated with **inherent elements**, such as a higher **value-for-money, more attentive customer care and a greater variety of customized services**, giving them a competitive advantage.

A prominent trend accelerating the emergence of many local brands

Guochao sparked the sentiment of nationalism and cultural confidence in consumption, and it has impacted the luxury sector

LUXURY

Increased interest in Chinese brands over the last 10+ years



Why do they prefer Chinese luxury brands?

Chinese consumers across all age groups prefer local luxury goods for:

- The use of **traditional cultural** elements in the product
- **Supporting local businesses**
- **Value for money**

62% Gen-Z surveyed purchased Chinese luxury brands' products

Source: Daxue Consulting (2022), N= 1,000

- Gen-Z consumers were born and raised as China's economy took off, thus they have **stronger confidence** in national identity and Chinese brands
- *Guochao* elements suit Gen-Z's need for realizing **self-expression** through luxury products
- The consumer sentiment of Gen-Z, which accounted for 15% of luxury spending in China, could impact the product offerings of the luxury sector

How impressions of Chinese brands compare to foreign ones

Source: In-depth interviews with Chinese Gen-Z

American



Characteristic	% who mentioned
Technology Brands	29%
Bold	13%
Oversized	10%
Low Price	10%
Innovation	7%
Fashion	7%

Korean



Characteristic	% who mentioned
Entertainment Industry	28%
Cosmetics	17%
Technology Brands	7%
Cosmeceuticals	7%
Aesthetic Medicine	7%
Low price	7%

Japanese



Good Quality	23%
Delicate	15%
House and living things	8%
Technology	8%
Cosmeceuticals	8%
Easy to use	8%

European



High Price	17%
Fashion	17%
Luxury	17%
Status	10%
Good Quality	10%
Long History	10%

Q: What do you think foreign brands misunderstand about Chinese consumers?

*Most suggested that **foreign brands understanding of Chinese culture is superficial***

“Dolce & Gabbana thinks that Chinese people are **fond of foreigners** and that high prices can attract Chinese people because Chinese people have a lot of money, but they **pay more attention to quality and cultural representation**.

-- Male, 20

“Samsung has misunderstood Chinese consumers perceptions of the spontaneous combustion of its cell phones, **thinking that Chinese consumers can turn a blind eye**.

-- Male, 20

Many Chinese Gen-Z feel foreign brands understanding of Chinese culture is **surface-level**. These elements are used **for pure promotional purpose**. When a brand misuses Chinese cultural elements or has offensive content in promotion materials, it would be difficult for the brand to survive in the Chinese market, let alone gaining more market share.

“Many foreign brands do not understand the **connotation of Chinese elements** very well. Their understanding is mostly **superficial**, making it difficult to attract most consumers.

-- Female, 24

“I can't think of any misunderstanding now. Maybe it doesn't happen that often because I think they conduct market research before product launch.

-- Male, 24

Q: Over the last 5 years, have you purchased more products from Chinese brands?

Females have been more inclined to increase their consumption of domestic brands

Yes

Females: 66%

Males: 14%

No

Females: 34%

Males: 86%

Yes, I've purchased more from domestic brands:

- 1** The quality, **innovation and marketing of** Chinese brands are all improving, so there's no need to prefer foreign brands blindly
- 2** The **price** is the most important factor that influences the buying decision.

No, I did not purchase more domestic brands:

- 1** I still only buy brands that I am **familiar with before**, regardless of whether it's domestic or foreign brand
- 2** For **daily necessities**, I may be more inclined to choose domestic products, but for more expensive items such as electronic products, I would 100% choose foreign brands

Source: In-depth interviews with Chinese Gen-Z

Q: What brands come to mind when you think of Guochao?

Fashion and New Energy Car brands seem to be the most relevant keywords

Apparel and beauty brands are the keystones of "Guochao"

Guochao brands that are already well-known in both Chinese and international markets:



Lining 李宁
% who mentioned: 52%



Warriors 回力
% who mentioned: 12%



AKOP 韩火火
% who mentioned: 8%

New energy cars are increasingly a source of national pride



NIO 蔚来
% who mentioned: 4%



Xiaopeng 小鹏
% who mentioned: 4%

New energy car brands are getting noticed. The rise of Xiaopeng and Weilai will give Chinese consumers more **local and affordable choices.**

Source: In-depth interviews with Chinese Gen-Z

Q: What Guochao brands have you purchased?

Brands that were mentioned were all **apparel or cosmetics**

I bought Li Ning shoes. I think the **quality is good**. After all, they are professional sports. I used to be a sprinter and I needed running shoes. I used to buy Nike.

-- Male, 20



Lining 李宁



AKOP 韩火火

MEI KING

Mei King 美康番黛



PERFECT DIARY

Perfect Diary 完美日记



花西子
florasis

Florasis 花西子

I bought MEI KING, lip gloss made in China, and Florasis. There are **cranes and reliefs** on the packaging, and it was endorsed by my **favorite celebrity** at the time.

-- Female, 21

Source: In-depth interviews with Chinese Gen-Z

Q: What brands incite national pride for you?

Brands either with a **long Chinese history**, or **innovative strategies**. Also many interviewees stressed the importance of **national artifacts**

“ Perfect Diary, the marketing approach is very much in line with Chinese consumers, their WeChat mini-programs provide links. **Many European and American makeup brands ignore the direct contact** with Chinese consumers

-- Female, 23



PERFECT DIARY

Perfect Diary
完美日记



故宫博物院
THE PALACE MUSEUM

The Palace Museum
故宫博物院



Lining 李宁



Huawei 华为

“ The products of **Palace Museum sold in Taobao are very suitable to add Chinese** elements, and the decorations of imperial palaces, city walls and other elements are very good.

-- Female, 21

Source: In-depth interview with the Gen-Z

Q: What foreign brands have you seen incorporate Guochao elements?

Most interviewees recalled Guochao by **Balenciaga, Gucci and Adidas**



Balenciaga adopted Chinese characters in the design of their bags, in celebration of Valentine's Day.



Every Spring Festival, **Gucci** brings out apparel products with zodiac elements.



Every year, sportswear brands like **Adidas and Nike** launch New Years limited edition products.

Luxury brands will launch seasonal products, like bags, clothes in **Spring Festival or Chinese Valentine's Day**. I remember there are elements like roses, or "I love you" in Chinese.

-- Female, 24

Sports brands such as Adidas launch apparel products with Chinese elements during **Chinese New Year every year**.

-- Female, 20

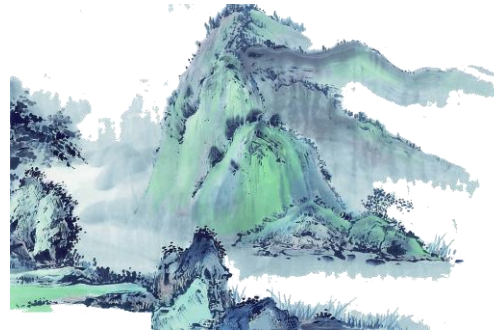
[Book a call](#)

Q: What elements can brands use to show understanding of Chinese culture?

Traditional elements have the potential to play an important role, esp. in connection building-up between brands & consumers



Chinese characters



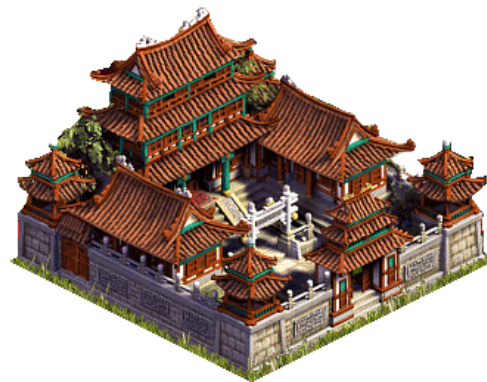
Ink paintings



Chinese silk



Chinese calligraphy



Chinese classical architecture

碧山樓
Green Mountain Perch
問余何意棲碧山
You ask why I perch in Green Mountains?
笑而不答心自閑
I chortle, don't reply, my heart at ease!
桃花流水窅然去
Peach blossoms fall, float to the horizon,
別有天地非人間
Here in this no men world.
李白 Li Bai

Chinese ancient poem



Interpretation of Chinese history

Book a call

Q: What do you think would be the future evolution for Guochao?

Overall **optimistic** about the future, though **few concerns were raised**

“Guochao is **becoming more popular** in China. However, there are many obstacles if Chinese brands want to break into the international market. Especially now in a **global pandemic**, promotion abroad will not go too smoothly.”

— male, 20

“The main thing is innovation, **imitation** is not enough to become a familiar trendy brand or even luxury goods, what is needed is the designer's **avant-garde design** concept and popular design style.”

— male, 20



“It will get better and better. It is **very popular among young people**, but they must pay attention to quality.”

— female, 21

Most participants have an **optimistic prediction of the future of Guochao**, believing it will become more and more popular.

- However, some people also raised **suggestions and concerns**, such as (local) Guochao brands' challenges in developing in foreign markets such as increasing consumer acceptance and gaining market share, the **lack of innovation and quality issues**.

III. How to leverage Guochao?

- Potential Elements -

The “new” well-known Guochao brands and designers/founders

Many of them are born in the 80s, seems that they have a deep understanding of both the market and the national culture

Samuel Guì Yang *fashion*

Yang Guidong 1988

Gentle and elegant, a minimalist Chinese style with a sense of mystery



- **“New Chinese” Style.** Ingenious compatibility of **Chinese elements** and modern clothing systems.
- **Undefined Female Images.** Break down stereotypes about **traditional oriental femininity** through fabrics, cuts and silhouettes.

Florasis 花西子 *makeup*

Hua Mantian 198x

Packaging with **oriental elements** and **flower-carved** makeup.



- **All-round Oriental Aesthetics** 东方美学, penetrates **product naming, appearance** and **packaging**.
- **Attractive Collaboration.** Co-branded with **Hanfu, Chinese animation, games** and other fields.

Sexy Tea 茶颜悦色 *F&B*

Lv Liang 1979

Chinese classical elements, the packaging and brand logo show oriental beauty.



- **Unique Positioning.** A tea brand with cultural attributes, expressing **Chinese Tea Culture** through **poetry** and **calligraphy**.
- **High Brand Recognition.** Integrates culture elements into **product naming, packaging, store interior, and logo**.

Pop Mart 泡泡玛特 *art & toy*

Wang Ning 1987

Sold in the form of a **blind box**. Trendy art toy products that young consumers love



- **Continuous Innovation.** Combining various elements, including **Chinese Zodiac, Journey to the West, National Treasure**, etc.
- **Blind Box Marketing.** **Scarcity & mystery.** Ignite curiosity and **promote (re)purchases**.

Choosing the right elements to a Guochao marketing campaign

Guochao is a **big "IP category"**, it could embrace a large amount of elements for brands to play

➤➤ The Right Guochao Campaign Could:

- ✓ Include **exquisite** features
- ✓ Endow **authentic** touch, feeling
- ✓ Have a **clear, up-to-date understanding** of the Chinese elements leveraged

ELEMENTS SUCH AS

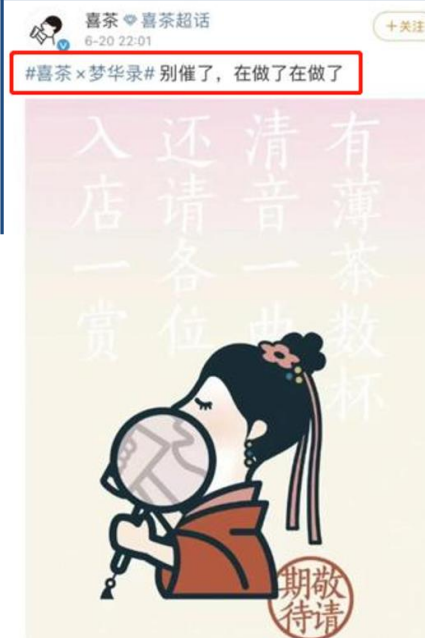
- **Featured visual** (e.g., Design style, color patterns)
- **Traditional sounds, music, instruments** (e.g., Guzheng)
- **History, story** (e.g., Dunhuang, Gugong)
- **Minority (ethnic) cultures** (e.g., Miao)
- **Chinese foods & gastronomy** (e.g., regionals, TCM type ingredients)
- **National unique animal** (e.g., panda, crane);
- **National Arts, Spirits & Lifestyle** (e.g., tea, calligraphic, Chinese pop culture). And more

➤➤ The Right IPs Help Brands:

- ✓ **Go viral**
- ✓ **Maintain the popularity**
- ✓ **Enhance the emotional connections with consumers**



1



#Heytea x Menghualu –
 "Don't rush. I'm doing it. I'm doing it"
 - Weibo Pub account



Popular TV series Menghualu

2

Heytea had **80+ IPs collabs** since **last 4 years**

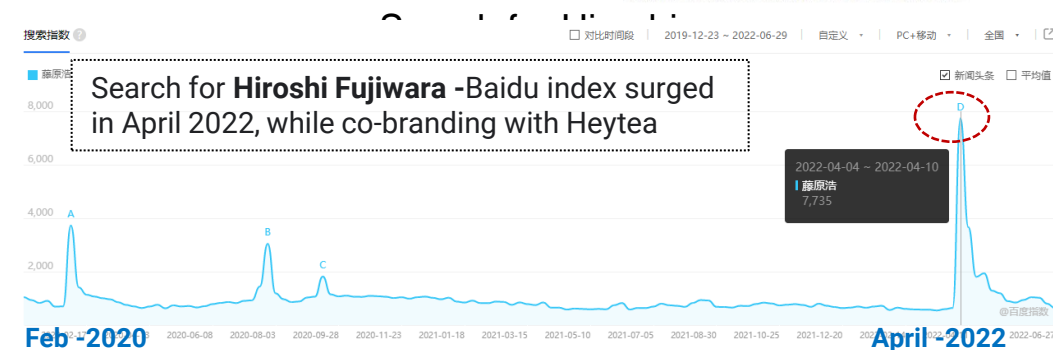
喜茶和藤原浩联名火了, 饮品销量超100万杯



4月7日, 喜茶与知名街头潮流引领者藤原浩及旗下设计单位FRAGMENT推出联名活动, 得益于喜茶的品牌势能、设计灵感、产品实力, 以及藤原浩的潮流影响力, 喜茶推出的藤原浩联名特调产品“酷黑莓莓”上市首日即卖出超过15万杯, 在物流运输、联名包材供应不足的情况下, 酷黑莓莓总销量到目前也已超过了100万杯, 在正常售卖的门店中, 酷黑莓莓平均单日店销量达到了200杯以上。



喜茶从2017年以来总共上过24次热搜榜, 其中2019年爆发式地上14次。



Source: Baidu index

Example elements #1- Traditional & nostalgic design

CHINESE COLORS

Guochao brands use a wide range of vivid, and sometimes high saturated colors such as gold, red, brown, purple and white.



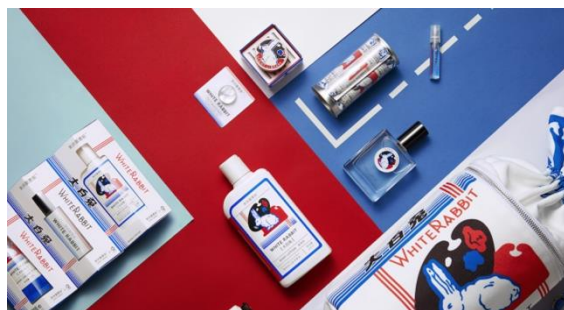
Traditional color pallet: Florasis

Colors inspired from traditional art, soft borders curved borders with gradient color blends.



Bold color pallet: Li-Ning

Chinese national colors red and gold, contrasted with dark colors to stand out.



Nostalgic color pallet: White Rabbit

Chinese elements from the 90s, muted primary colors, hard borders and straight edges, no gradients.



CULTURAL ELEMENTS

Chinese traditional cultural elements such as cranes, landscape paintings and phoenixes are used in the design



Chinese landscape paintings



Traditional patterns



Chinese floral patterns

Example elements #2- Dynasties and the relevant cultures (1/3)

An already, well-designed, conceptualized, and empowered storytelling, that is “ready-to-be-leveraged”



Example elements #2- Dynasties and the relevant cultures (2/3)

Both local and international brands joined the game

Mark Fairwhale x Sanxingdui 三星堆
2021.12



Sanxingdui bronze masks are integrated into clothing and matches the classic “Mark Fairwhale blue” to consolidate the brand's diversification and Guochao attributes.

Semir x The Classic of Mountains and Seas 山海经
2020.04



Semir takes **five mythical beasts with different meanings and stories** as the creative prototype, then uses the **technique of ink jet dyeing** to restore the original feeling of ink painting.

CLOT & Air Jordan x Terracotta 兵马俑
2021.02



The CLOT x Air Jordan “Terracotta (兵马俑)” series features terracotta as the main color tone, with the upper clad of a Terracotta Warrior armor plate.

Example elements #2- Dynasties and the relevant cultures (3/3)

Sometimes, “join venture” with a 3rd element (e.g., **traffic-based celebrities, iconic product lines**)

HLA x Romance of the Three Kingdoms 三国演义
2020.09



The Three Kingdoms series sweatshirts **integrate various well-known characters and stories in the book**

JOEONE x Designs of composite flowers 宝相花
2022.01



With the theme of “prosperous China”, JOEONE integrates Sui & Tang Dynasty elements, like **composite flowers** on men’s pants, combined with patterns like **auspicious clouds and lotus flowers**.

Converse x Blue-and-white porcelain 青花瓷
2020.11



Converse teams up with **Lay Zhang**, the brand ambassador for APAC and uses **blue-and-white porcelain patterns** to decorate the classic Chuck70’s **tongue, heel and sole**.

III. How to leverage Guochao?

- Cases Studies -

Successful Guochao - Events/Products/Campaigns/Branding (1/2)

The successful cases seem use the “most important” channel to communicate the message



LI-NING “Wudao悟道”

- **Channel:** New York Fashion Week FW18 Show
- **Concept:** “Self-examination, self-realization, **self-creation** 自省、自悟、自创”



SCENT LIBRARY x White Rabbit

- **Channel:** Omnichannel sales
- **Concept:** “**Retro Guochao** brings you back to childhood 复古国潮带你回到童年”



Adidas New Year-specific short films

- **Channel:** All major internet platforms
- **Concept:** “Create everything in the New Year 新年造万象”

2018.02

LI-NING’s stock climbed after the show. On March 16th 2018, it reached a **52-week high of HK\$8.49**, and its market value hit a **five-year high of HK\$18.3 billion** compared to HK\$12.5 billion on the day before the show, which is a **surge of nearly 6 billion in just 40 days**.

“As LI-NING’s **first “transformation” attempt**, I think this show is amazing, at least it has achieved the purpose of **attracting young people**. I really look forward to the future progress of the brand.

--a highly agreed comment from Zhihu @沉舟策

2019.05

The topics of #来点孩子气# has a total of **nearly 2 billion exposures**; the product sold over **10,000 bottles in 1 minute** and **100,000 bottles in 3 minutes**; SCENT LIBRARY’s Tmall store added **150,000+ followers**, performance **increased by 200%** compared with the same period in 2018 and offline store **increased by 80%**.

“The packaging is the White Rabbit toffee style from **my childhood memories**, which is **nostalgic**. The smell is also pure **White Rabbit** toffee, making me want to have it all in the whole series.

-- Red user @mmmmmmaby

2020.01

In just four days since the short films were released, the #新年造万象# topic has reached **220 million views**, **1.67 million discussions**, and **tens of millions of video views** on Weibo.

“**One of the most awesome branding videos I have seen this year**. The mix and match of modern and ancient style really did a great job 毫无违和感”

-- WeChat user

Successful Guochao - Events/Products/Campaigns/Branding (2/2)

*Runway, special editions, or advertising videos were leveraged, yet has to be done **right** (e.g., **relevant, appealing, sense of authenticity**) to avoid a bad buzz*



XTEP x Shaolin Collaboration Runway

- **Scale:** Mount Song Shaolin Temple
- **Concept:** “**Deconstructing** cultural traditions and **reshaping** the future 解构传统文化，重塑未来”

2021.06

In the first year of the cooperation, the **total topic exposure was 700 million+**; the related Weibo topics of brand spokesperson Fan Chengcheng were exposed to **over 400 million with 735,000 interactions**.

“The **shared genes and spirits of “sports”** of XTEP and Shaolin have laid a solid foundation for their cooperation. And Shaolin, a **classic cultural IP that had never joined forces with other brands before**, is a highlight of this cooperation.

--Digitaling



KENZO “The Year of the Tiger Capsule”

- **Scale:** Omnichannel sales
- **Concept:** “**Tiger plus tiger 虎上加虎**”

2022.01

The official Weibo topics #K虎年寅家# and #KENZOCNY# have a total reading volume of **over 30 million with over 13 million discussions**.

“Compared with other brands, KENZO is more proficient in the application of tiger elements, which is their **classic icon**. In the Chinese Year of the Tiger, the brand has brought **more changes to the original pattern**, attracting many young consumers.

--Red user @Darrrrcy



HEYTEA x Menghualu 梦华录

- **Scale:** All stores nationwide include four specific theme stores
- **Concept:** “Integrate the traditional **tea culture** into the new tea drink 让传统茶文化照进新茶饮”

2022.06

HEYTEA currently has collaborated with about **80 IPs**. This time, in less than 2 days after the topic of #喜茶梦华录# was released, there is a total of **30 million+ views** on different platforms across the Internet.

“The two drinks **perfectly present the effect in the teleplay** and they are so **good-looking** that I cannot bear to drink them. The most special is the pattern sprinkled with matcha powder on the “点茶”. There are **seven different patterns** to choose from, which is a **popular photo spot**.

--Red user @CHAICHA1

Practices with some controversial feedback (1/2)



NIKE 2016 Chinese New Year Series

2016.01

“The brand seems to have **misunderstood** the aesthetics of the Chinese market. 品牌对中国市场的审美好像有什么**误解**。

Looks like a **pirated copy**. 看上去像**盗版**。

–Weibo user @kkw的蜜糖罐子



Burberry 2019 Chinese New Year Campaign

2019.01

“Such **weird** family portraits, it gives me **goosebumps**. 好**诡异**的全家福，看得我起**鸡皮疙瘩**。

Obviously, this is **not about Chinese Lunar New Year**, which is a period of time for family reunion, joy and luck. These people look like **actors of horror movies**. 这显然与中国农历新年无关，中国年是合家团圆、喜气洋洋的日子。这些人看起来就像**恐怖电影的演员**。

–Weibo user @像风一般的筱豹



BALENCIAGA 2020 Qixi Festival Handbag Campaign

2020.08

“Balenciaga thinks that using the popular **“older-aged memes”** popular on domestic internet can humorously shorten the distance between the brand and young people, but in fact, it is **self-defeating**. 品牌方自以为使用现在国内互联网盛行的**“中老年表情包”**可以幽默地拉近和年轻人的距离，但实际上**弄巧成拙**。

–Weibo user @YangFanJame

As soon as the official Weibo promotion of the series came out, it received **over 2,500 replies and over 8,000 retweets**, most of which were **criticism**.

Within one day of the campaign's release, the topic **#BurberryChineseNewYear# had been viewed by over 500,000 users and commented on 74,000 times** on Weibo, which were **mostly negative**.

That day, the shares of Burberry **fell almost five percent to \$20.93 (16.45 sterling)**, with analysts citing signs of slowing demand in China as the major reason for the drop.

In two days after the campaign was released, the topic **#BalenciagaChineseValentineCampaignTasteless (#巴黎世家七夕广告土)** had garnered over **210,000 discussions and 170 million views** on Weibo, and the topic **#BalenciagaInsultsChina (#巴黎世家辱华)** had over **15 million views and more than 6,000 discussions**.

Practices with some controversial feedback (2/2)



2016.01

Giorgio Armani

Year of the Monkey Face Palette

"The font 'Fu' lacks a sense of design and is somewhat **perfunctory**. 黑体'福'字缺少设计感，有些敷衍。”

--Digitizing user @Zoe



2020.08

Louis Vuitton

Men's SS21 Show in Shanghai

"The use of the '**Dragon Dance**' element is a failure, paradoxically trying to narrow the distance between the brand and Chinese consumers, but I **feel offended** after seeing it. '舞龙'元素使用得很失败，似是而非地想拉近和中国消费者的距离，看了反而觉得冒犯。”

--Weibo user @唯一指定发泄平台

TIPS

>> The Chinese zodiac, traditional festival (e.g., CNY) elements could have a lower error tolerance

The Chinese Lunar New Year is a **big marketing node** that can best ignite festival enthusiasm and national feelings. Today, with the **rise of aesthetic confidence and national identity**, any "**appropriation**" or "**misuse**" of New Year elements may arouse resentment from local consumers.

>> A co-branding campaign need to be conducted cautiously

The new generation have begun to **reject marketing gimmicks**. Whether a brand can find an **appropriate collaboration partner** and co-develop **products that are not abrupt but innovative** is the key to leveraging consumers' purchasing power. Otherwise, it may just **backfire**.



2020.08

Adidas x HEYTEA

ZX 7000 Sneaker

"Like HEYTEA's **staff shoes**. 像喜茶的员工鞋。”

--Weibo user @___Adorable



2021.01

Balenciaga

Year of the Ox Ad

"Much like a **casino ads**. 很像赌场广告。”

--Weibo user @隐藏轨迹者

Book a call

III. How to leverage Guochao?

- Recap and Takeaways -

Recap - International brands using Guochao (1/2)

Guochao is **not a holistic solution** to winning the competition, the key is to know understand the expectations – boosting the **sales**, enhancing brand **image**, or maintaining the market **vitality**, thus selecting the **right strategies** (e.g., elements) to play...

I >>> BRAND CROSSOVER

✓ To Gain/Pros

× To Avoid/Cons

- ✓ Gain instant **exposure**
- ✓ Generate **popularity & visibility**

- × Potential risk with a **wrong IP, create bad buzz**
- × Unmatched co-branding/design may **lower down the brand tonality**

II >>> SUPPORT LOCAL CULTURE'S DEVELOPMENT

- ✓ Enhance the brand's domestic **credibility & legitimacy**
- ✓ A double win for the **qualitative image** on the market

- × High-level investment, sometimes with **untrackable "ROI"**
- × Projects with longer duration **need consistent monitoring**

III >>> DEDICATED DESIGN

- ✓ Build **connections** with local customers quickly
- ✓ Create a **diverse and inclusive** brand image

- × Misuse of elements cause consumer resentment
- × Bad design and taste can damage the brand image

Recap - International brands using Guochao (2/2)

Diversified practices are available to explore, based on consumers' focus and the nation's favorable policies

I. BRAND CROSSOVER

IPs Collaboration



1 Nike x Gugong

2 MAC x Honor of Kings

Co-branding



1 Pepsi-Cola x China Daily
daxueconsulting

2 Estée Lauder x SHUSHU/TONG

II. SUPPORT LOCAL CULTURE'S DEVELOPMENT

Support Ich* Preservation



1 LOEWE "Family Inheritance 家·承" short video series
Showcase paper cutting, shadow puppets, bamboo weaving, and other Chinese ICH in a documentary approach



2 B&H x Aspinal of London
Jointly develop Chinese ICH elements, integrate traditional Chinese ethnic cultural patterns and embroidery techniques into British fashion design, and bring Chinese ICH cultural symbols to the world stage

Inner-land Blending



1 LVMH
夏桐 Chandon Xi - Nining Xia, since 2013
傲云 Aoyun Yunnan Since 2017



2 High-level collaboration
Strategic cooperation in Yibin, Sichuan since 2019, on infrastructure, sales channels and potentially help the Chinese brands go oversea (Asia)



III. DEDICATED DESIGN

Design & Style



1 Dior Golden Crane Hydrangea handbag



2 HEAD China-limited skis with auspicious cloud pattern and archaic font

Designer & Taste



1 H&M x Angel CHEN "Chinese Kungfu" Collection



2 UGG x Fengchen WANG
Deconstructed design went viral on Chinese social platforms with celebrity branding

Takeaways - What brands should know about the Guochao trend

International brands' recognition of Guochao will be more appealing to Chinese consumers today

1

Domestic Guochao brands are taking a proportionally higher popularity in the **affordable and mid-market sectors**, the international brands still hold the highest perception in the luxury sector.

2

Guochao is not exclusive to domestic brands, thus the **opportunities for international brands** too. It started in fashion and is moving to more segments, (e.g., **cosmetics & skincare, automotive, tech, foods & beverage** and, more should come.

3

Foreign brands are held to need **more efforts of understanding the Chinese culture**, embracing the Guochao **“IP” through different practices** (e.g., crossover, incorporating traditional Chinese elements, supporting the locals, etc.). Implement it into **brand strategy, product innovation, and localized design** in a **more relevant way**.

4

Brands do not need to limit the Guochao among the Gen-Z, but for more generations (e.g., post-80s). Brands just need the **right elements to connect** with (e.g., a touch of “memories”, “vintage”).

5

Labeled as an “international” brand still holds great value in consumers’ eyes, yet **it is not enough anymore**. Leveraging Guochao can be considered an upskilled localization, helping to build a stronger emotional connection. Show **how good you are at understanding** the Chinese, culture& spirits, then the emotional connection is built.

Let's talk about your Guochao marketing strategy

Connect with us to continue the
conversation on Guochao marketing



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Our services

ASSESSMENT

评估



BRAND AUDIT
品牌审核



SENTIMENT ANALYSIS
情绪分析



BRAND
BENCHMARKING
品牌基准

INSIGHTS

洞察



DECISION-MAKING
PROCESS
决策程序



TARGET AUDIENCE
PROFILING
目标人群画像



BRAND (RE)POSITIONING
品牌（重新）定位

STRATEGY

策略



BUSINESS INTELLIGENCE
商务智能



VALUE PROPOSITION &
MESSAGING HOUSE
价值主张&信息传播策略



IP COLLABORATION
知识产权合作

INNOVATION

创新



OMNI-CHANNEL
MARKETING
全渠道策略



PRODUCT CONCEPTS DEV.
& TESTING
产品概念开发和测试



MARKET ENTRY
市场准入

STAY UPDATED ON CHINA MARKET INSIGHTS



WeChat



LinkedIn

<https://www.linkedin.com/company/daxue-consulting/>



Newsletter

<https://daxueconsulting.com/newsletter/>