TOP 50 MOST-SEARCHED FOR LUXURY BRANDS IN CHINA

Shanghai, 25 April 2012

In partnership with: LUXURY SOCIETY
Created as a way to provide luxury brands with a standardized way of measuring brand interest at an international level, Digital Luxury Group, in partnership with Luxury Society, unveils:

The World Luxury Index.

An international ranking and analysis of the most searched-for brands within the luxury industry.
“By 2015, China is expected to surpass Japan as the world's number 1 luxury market, accounting for more than 20% of the global demand.”

~ McKinsey Insights China, 2011

With new statistics on the luxury industry in China being shared each day, the time is right for a standardized benchmark. Introducing The World Luxury Index China...
The World Luxury Index China.

Covering:

400+ brands
150 million+ searches*

6 Key Segments
Cars  Fashion  Beauty  Hospitality  Jewelry  Watches

Unbiased insights from the top search engines in China:

* From November – December 2011
WHAT ARE THE MOST SEARCHED LUXURY BRANDS IN CHINA?
Top 50 Most-Searched For Luxury Brands in China.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
<th>Rank</th>
<th>Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Audi 奥迪</td>
<td>26</td>
<td>Swarovski 施华洛世奇</td>
</tr>
<tr>
<td>2</td>
<td>BMW 宝马</td>
<td>27</td>
<td>Maserati 玛莎拉蒂</td>
</tr>
<tr>
<td>3</td>
<td>Louis Vuitton 路易·威登</td>
<td>28</td>
<td>Armani 阿玛尼</td>
</tr>
<tr>
<td>4</td>
<td>Mercedes Benz 梅赛德斯-奔驰</td>
<td>29</td>
<td>Prada 普拉达</td>
</tr>
<tr>
<td>5</td>
<td>Chanel 香奈儿</td>
<td>30</td>
<td>Longines 浪琴</td>
</tr>
<tr>
<td>6</td>
<td>Lexus 雷克萨斯</td>
<td>31</td>
<td>Bentley 宾利</td>
</tr>
<tr>
<td>7</td>
<td>Estée Lauder 雅诗兰黛</td>
<td>32</td>
<td>Tiffany &amp; Co. 蒂芙尼</td>
</tr>
<tr>
<td>8</td>
<td>Dior 迪奥</td>
<td>33</td>
<td>Rolls Royce 劳斯莱斯</td>
</tr>
<tr>
<td>9</td>
<td>Porsche 保时捷</td>
<td>34</td>
<td>Jaguar 捷豹</td>
</tr>
<tr>
<td>10</td>
<td>Lamborghini 兰博基尼</td>
<td>35</td>
<td>Biotherm 碧欧泉</td>
</tr>
<tr>
<td>11</td>
<td>Lancôme 兰蔻</td>
<td>36</td>
<td>Omega 欧米茄</td>
</tr>
<tr>
<td>12</td>
<td>Volvo 沃尔沃</td>
<td>37</td>
<td>Versace 范思哲</td>
</tr>
<tr>
<td>13</td>
<td>Hermès 爱马仕</td>
<td>38</td>
<td>Sheraton 喜来登酒店</td>
</tr>
<tr>
<td>14</td>
<td>Chow Tai Fook 周大福</td>
<td>39</td>
<td>Lincoln 林肯</td>
</tr>
<tr>
<td>15</td>
<td>Infiniti 英菲尼迪</td>
<td>40</td>
<td>Clarins 娇韵诗</td>
</tr>
<tr>
<td>16</td>
<td>Land Rover 路虎</td>
<td>41</td>
<td>Acura 讴歌</td>
</tr>
<tr>
<td>17</td>
<td>Ferrari 法拉利</td>
<td>42</td>
<td>Moncler 蒙口</td>
</tr>
<tr>
<td>18</td>
<td>Clinique 倩碧</td>
<td>43</td>
<td>Borghese 贝佳斯</td>
</tr>
<tr>
<td>19</td>
<td>Gucci 古驰</td>
<td>44</td>
<td>Benefit 贝玲妃</td>
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<tr>
<td>20</td>
<td>Cadillac 凯迪拉克</td>
<td>45</td>
<td>Hilton 希尔顿酒店</td>
</tr>
<tr>
<td>21</td>
<td>Cartier 卡地亚</td>
<td>46</td>
<td>Rolex 劳力士</td>
</tr>
<tr>
<td>22</td>
<td>Burberry 博柏利</td>
<td>47</td>
<td>Anna Sui 安娜苏</td>
</tr>
<tr>
<td>23</td>
<td>Shiseido 资生堂</td>
<td>48</td>
<td>Salvatore Ferragamo 菲拉格慕</td>
</tr>
<tr>
<td>24</td>
<td>Coach 蔻驰</td>
<td>49</td>
<td>Guerlain 娇兰</td>
</tr>
<tr>
<td>25</td>
<td>Maybach 迈巴赫</td>
<td>50</td>
<td>Intercontinental 洲际酒店</td>
</tr>
</tbody>
</table>

www.dlgr.com/chinarank

November-December 2011
© Digital Luxury Group
# By Luxury Segment

<table>
<thead>
<tr>
<th>CARS</th>
<th>FASHION</th>
<th>BEAUTY</th>
<th>HOSPITALITY</th>
<th>WATCHES</th>
<th>JEWELRY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audi</td>
<td>Louis Vuitton</td>
<td>Estée Lauder</td>
<td>Sheraton Hotels &amp; Resorts</td>
<td>Longines</td>
<td>Chow Tai Fook</td>
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<tr>
<td>BMW</td>
<td>Chanel</td>
<td>Dior</td>
<td>Hilton</td>
<td>Omega</td>
<td>Cartier</td>
</tr>
<tr>
<td>Mercedes-Benz</td>
<td>Hermès Paris</td>
<td>Lancôme</td>
<td>InterContinental Hotels &amp; Resorts</td>
<td>Rolex</td>
<td>Swarovski</td>
</tr>
</tbody>
</table>
Overall, Chinese consumers show a strong interest for brands originating from Europe, comprising of 78% of the total searches:

TOP 5 COUNTRIES OF ORIGIN

- Germany: 32.8%
- France: 22.08%
- USA: 12.20%
- Italy: 11.72%
- Japan: 7.29%
Cars make up an impressive 54% of total searches for luxury brands in China:

![Pie chart showing the breakdown by segment]

- Cars: 54%
- Beauty: 18%
- Fashion: 17%
- Jewelry: 6%
- Watches: 3%
- Hospitality: 2%

Source: Digital Luxury Group
WHAT AUTOMOBILE BRANDS ARE THE MOST SEARCHED IN CHINA?
Audi is the most sought after luxury brand in China, with BMW closely following in 2nd place.

Chinese consumers search extensively for cars, representing 18 of the top 50 most searched for luxury brands.

The Audi A4
The Audi A6

Top two most-searched Audi models in China.
Audí in China

- Entered China in 1988 through a strategic cooperation with a government-owned company.
- This relationship with the government made Audi a major player in the market.
- Audi now produces the A6L and A4L sedans, as well as the Q5 SUV, in China and imports a slew of models such as the A8, Q7, A7, A3, TT and R8.¹
75% of Audi-related searches in China are for specific car models:

**BREAKDOWN OF SEARCH INTENTIONS FOR AUDI**

- Collections & Models: 73%
- Price: 11%
- Pre-Owned: 8%
- Points of Sale: 2%
- Brands & Products: 6%

**TOP AUDI MODELS**

<table>
<thead>
<tr>
<th>Model</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A4</td>
<td>22.40%</td>
</tr>
<tr>
<td>A6</td>
<td>22.04%</td>
</tr>
<tr>
<td>A8</td>
<td>10.33%</td>
</tr>
<tr>
<td>Q5</td>
<td>9.22%</td>
</tr>
<tr>
<td>A3</td>
<td>7.52%</td>
</tr>
<tr>
<td>TT</td>
<td>7.39%</td>
</tr>
<tr>
<td>A5</td>
<td>7.27%</td>
</tr>
<tr>
<td>Other</td>
<td>13.84%</td>
</tr>
</tbody>
</table>

Source: Digital Luxury Group
WHAT ABOUT CHINESE BRANDS?
Out of 85 brands analyzed, Chinese brand Chow Tai Fook is the most searched-for jewelry brand in China, far surpassing 2nd and 3rd ranked brands, Cartier and Swarovski:
INSIGHT # 2 Chinese brand stars in Jewelry.

- Chow Tai Fook, has more than 1,500 watch and jewelry outlets across 320 cities in China, Hong Kong, and Macau. Cartier has about 300.

- Over 70% of revenues are from products in a price range of HK $2,000 ($250) to HK $100,000 ($13,000).
HOW DO CHINESE SEARCH FOR LUXURY BRANDS?

Photo source: maosuit.com
Unlike the other parts of the world, Western brands in China often find that the public calls the brand something other than the official name. This is illustrated by looking at the names used when Chinese search for Burberry:

**BREAKDOWN OF SEARCHES BY BRAND NAME**

- **76%**: 博柏利 (Official Chinese name)
- **15%**: Burberry (English name)
- **9%**: 巴宝莉 (Unofficial Chinese name)

Source: Digital Luxury Group
Some brands are more recognized for shortened versions of their official names:

63% of searches for Louis Vuitton were made using “LV” instead of “Louis Vuitton”

Source: Digital Luxury Group
Other brands have adapted their names to paraphrases instead of using a literal translation of their brand name, to resonate more closely with Chinese consumers.

For example: Hermès in Chinese [爱马仕] means “an elegant man who loves horsing” and Land Rover [路虎] means “a tiger on the road.”
HOW ARE THE BIGGEST NAMES IN FASHION VIEWED IN CHINA?
The top 3 most-searched fashion brands in the Top 50 ranking, Louis Vuitton (#3), Chanel (#5), and Dior (#8) each lead through different segments:

Source: Digital Luxury Group
INSIGHT # 4 Top fashion brands show different strengths.

A look at the most popular product-related keywords in Baidu for these three brands uncovers further insights:

**LOUIS VUITTON**
1. 皮夹 LV wallet
2. Louis Vuitton bags
3. Louis Vuitton handbags

**CHANEL**
1. 香奈儿香水 Chanel perfume
2. 香奈儿包包 Chanel bags
3. Chanel Bags

**Dior**
1. 迪奥香水 Dior perfume
2. 迪奥真我香水 Dior J'adore perfume
3. 迪奥香水价格 Dior perfume price

Interestingly, Dior is most recognized for its fragrances, which come in at a potentially lower price point than the handbags and accessories which Louis Vuitton and Chanel are better known for. This may point to a possible difference in brand revenues.
WHAT ARE THE BIGGEST SURPRISES?
Borghese, a beauty brand not particularly well-known in the US and Europe is fascinatingly strong in China

Ranked #43, Borghese surpasses other notable beauty brands Benefit and Guerlain

Thanks to its highly regarded face masks, Borghese, has been the talk of beauty forums and blogs even long before the brand’s official entry into the Chinese market
French outerwear brand, Moncler, ranks a surprisingly strong #42, surpassing long-established brands like Rolex and Ferragamo.

Thanks to its sponsorship of the TV series *Naked Wedding* (裸婚时代) which achieved massive popularity in China throughout 2011, Moncler has captured the interest of luxury shoppers.
The World Luxury Index is an international ranking and analysis of the most searched-for brands within the luxury industry. Covering over 400 brands within six key segments (fashion, beauty, jewelry, cars, watches, and hospitality) in ten key luxury markets, the World Luxury Index provides insights on the unbiased search inputs coming from global luxury consumers in the world’s top search engines (Google, Bing, Baidu, Yandex). The result is a one-of-a-kind benchmark of the luxury brands capturing the attention of luxury-minded consumers around the world.

Digital Luxury Group has a history in luxury industry market intelligence. Since 2004, the WorldWatchReport™ has provided the luxury watch industry with unmatched insights and garnered attention from the world’s leading publications:
About

Digital Luxury Group.
www.digital-luxury.com

Luxury Society is the world’s most influential online community of top luxury executives. Based in Paris, with members in more than 150 countries, Luxury Society informs and connects CEOs, managers, journalists, consultants, designers and analysts from across the luxury industry.

With offices in New York, Geneva, Shanghai, and Dubai, Digital Luxury Group (DLG) is the first international company dedicated exclusively to the design and implementation of digital communication strategies for luxury brands.
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