

Localisation Marketing Strategy of Luxury Fashion Products

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Abstract. The global luxury fashion market facing the structural adjustment, such as resale market, experiential retailing and digital disruptions. The strategic positioning of Chinese market is relevantly stable compare with other countries, even though Chinese market faced a decline trend in 2025, but it may recovery in 2026 under the market uncertainty and unpredictable fashion trend. This study aims to analysis the marketing strategy of transferring global standardization to localization in the luxury fashion market, the change of Chinese's customer purchasing behaviour, such as Gen Z consumers and millennials consumer different buying behaviour, and luxury fashion brands adopt localization strategy to achieve brand consistency and the expansion in the Chinese market. This study discusses the potential challenges and risks of global luxury fashion market's localization strategy, such as brand dilution risks. Additionally, case studies of Ralph Lauren and Gucci are used to analysis the practice and effects of its Chinese localization strategies and compare differentiation of brand strategies, such as the sponsorships and omnichannel strategy of Ralph Laure and limited-editions and marketing strategy of Gucci.

Keywords: localization, glocalization, Chinese market, luxury fashion market, marketing strategy

1. Introduction

The global luxury industry is experiencing a profound structural adjustment. The global luxury market historically relies on standardization to achieve a consistent brand image and ensure its brand consistency. Currently, the global luxury fashion market is focusing more on localization, especially in Chinese market, which turning to focus on the local relevance. The luxury market slower its growth in the post-pandemic era, it is not only change in the environment factors, but also the market fragmentation and consumer behaviour also has adjustment. Due to the growth of digital platforms, consumers have more options and alternatives on the online platforms. The resale and second-hand markets change the consumer buying behaviour, especially for younger consumer segments, and the resale markets may further growth on 2027 [1]. In the global market adjustment, the most emerging market performance is relatively fluctuated, while the Chinese market' strategic positioning is still stable. This unreplacable structural strategy is based on digital shopping environment, domestic consumption and local culture. While localization enables market relevance, it may challenge brand consistency, also have the cultural difference and different customer

preferences. The over localization may dilute the luxury fashion brand's identity, image and storytelling.

2. Background

Global luxury market is experiencing a significant rapid expansion and a diversifying consumer base. This shift is driven by the strategic marketing, digital integration and innovative distribution models. Luxury fashion product is consists of clothing, accessories, beauty products and other lifestyle products that connected with power, exclusivity, high quality and price, and craftsmanship. Fashion businesses usually aim to create consumption value to enhance the customer engagement, such as economic value, social value rather than functional value, it can also be a competitive advantage. For younger consumers, like Gen Z and millennial luxury consumers, luxury market should meet the consumer's personal needs and social needs [2] and create the value for consumers. McKinsey' 2025 report noted that the luxury industry experienced as outstanding global market performance and created a higher profitability record over past 5 years [1]. According to the report of *The State of Fashion 2026*, due to the economic volatility, consumer behaviour changes and AI technological development, the growth of the global luxury market is remaining low, especially in the USA and Europe, while Chinese market is expected to be a low growth [3]. AI could be a competitive advantage for fashion businesses, such as trend forecasting, personalized recommendation and innovation, and AI can improve the production efficiency in the fashion industry [1]. The different market has different growth rate, but the Asia luxury market is relatively important in the global luxury market, especially in China. The Chinese luxury market declined by 3% - 5%, but it begun to recovery in quarter 3 in 2025, and the beauty products got a positive growth among other segments [4]. Western luxury brands leveraged their domestic production advantage and globally uniform offering to build a premium image in the Chinese market [5]. Luxury brand strategies have shifted from a unified global narrative to a local context, moving beyond the efficiency of standardization to purchase deeper brand value through adopting localization. Chinese markets adopt unique digital ecosystem and cultural dynamics to push this localization strategy. However, this model has faced some challenges if the luxury fashion retailers use the unappropriated strategies, and it may damage the brand reputations.

In recent years, luxury market launches accessible product lines, such as handbags, ready-to-wear, and shoes, and open the luxury online channels and e-commerce platforms through social media marketing, omnichannel and DTC to achieve luxury democratization. Chinese consumers purchase luxury goods with high prices to show off their wealth, success, personality and higher social status, and Chinese consumers focus more on external social needs rather than their individual needs [6]. Chinese consumers are more likely to be influenced by their social circle and social media, for example by imitating influencers, Chinese consumers are more confident to buy luxury products and purchase for identity consumption [6]. Additionally, to expand Chinese luxury market and achieve a brand growth requires a strategic marketing that needs to balance both unpredictable consumer demand and protection of brand positioning and exclusivity. Therefore, most luxury retailers adopt glocalization marketing strategy which is multinational brands maintain a global presence while securing local consumer loyalty by immersing themselves in local cultures and adapting their operational strategies [7]. Glocalization keeps the consistent global identity and making smart local adjustment in the luxury fashion market. Fashion businesses can globally recognizable while still feeling local relevant. In Chinese luxury retail market, the marketing communication approach is necessary, including PR tactics, such as flagship store events, fashion

shows and Chinese celebrity endorsement as brand ambassadors to increase brand awareness and brand image.

Flagship store is a highly effective marketing strategy to improve brand image, awareness and positioning by providing PR events and personalized services to build brand loyalty with consumers [8]. The adaptation of Chinese celebrity endorsement, the global luxury brands can attract Chinese social media users and improve customer loyalty. Meanwhile, fashion business use advertisings with celebrity endorsement to impulse the customer purchasing and attract consumers. Consumers tend to believe endorsers with the same ethnicity, values and preferences, it could bring a positive effect for the luxury marketing strategy [9], it could be imitation effect. Social media platforms have already been an effective approach in marketing strategy in China. Customers use social media platforms, such as Xiaohongshu and Douyin, to actively create contents to show their identity, performance and consumer behaviour, especially for Gen Z and millennial consumers. The KOLs (Key Opinion Leaders) and influencers with large followers, they foster a new digital social spatial form by creating aspirational contents to improve brand value and inspire their followers to imitate the same luxurious lifestyles [10]. KOLs as brand ambassadors to integrate luxury aesthetic into their personal lifestyle, it can effectively impact on consumer purchasing behaviour [10]. Fashion businesses also cooperate with KOLs and influencers to promote and popularize new products but usually with expensive marketing costs. In China, Xiaohongshu is a social media platform to allow users share luxury purchase and user experience to show their wealth, social status, taste and image with the peer groups. In this way, Chinese customers are more likely to purchase the expensive luxury products [10]. Fashion businesses usually create its emotional attachment and social value by using the digital platforms, in order to improve its brand loyalty and create a more experiential shopping experience. Therefore, the purchasing decision of Gen Z and millennial consumers is impacted on online engagement, celebrity endorsement and influencer's use experience.

3. Case analysis

3.1. Cultural localization

Gucci is an Italian fashion house founded in 1921 by Guccio Gucci in Florence, it is known for the iconic and contemporary aesthetics, and craftsmanship. The iconic products of Gucci including high-end leather goods, handbags, footwear, ready-to-wear and beauty products. As the rise of Gen Z and Millennials consumers, Gucci focus more on self-identity expression, digital interaction and cultural resonance with low brand loyalty, hence, Gucci faces brand image aging and declined market influence [11]. To attract younger consumers and maintain its brand positioning, Gucci adopts an innovative brand marketing strategy in Chinese market. Gucci expands its product lines based on the Chinese market's demand and launches limited-edition localized products with relevant Chinese elements [11]. For example, on the 520 Day, also Chinese Valentine's Day, Gucci launches special, red-themed collections through online platforms, such as Taobao or official website to attract customers and evoke the emotional value of consumers. Gucci's promotional strategies adopt advertisings and PR events in the Chinese market and carefully select brand ambassadors who suitable for the brand image and identity to do the endorsement. Meanwhile, Gucci communicate with customers through digital channels, such as social media and e-commerce platforms, to enhance the customer engagement and loyalty [11]. The advertising of Gucci also using WeChat platforms, Weibo and Xiaohongshu and invite the Chinese celebrities as brand ambassadors to achieve the expansion in Chinese luxury market [12]. At the same time, Gucci opens the official live broadcast for product sales in different social media platforms, usually for beauty products. Gucci

creates a new brand hotspot and publishes on the official Weibo platform to promote brand again and stimulate followers to purchase products and converts them into the potential consumers of Gucci [12]. Gucci also adopts related diversification to achieve the long-term growth by using the existing customer bases, such as launching its beauty and fragrance product lines, and it can increase the purchasing frequency and achieve cross-selling.

3.2. Ralph Lauren

Ralph Lauren corporation was founded in 1967 by Ralph Lauren with the production line of men's ties in New York. It is a global leader in premium American lifestyle, and the iconic products of Ralph Lauren including polo shirt, classic oxford shirts, cotton sweaters, baseball caps, handbags and bear shop [13]. The brand is known for its value quality, aspirational lifestyle, timelessness American heritage and exclusivity. Ralph Lauren operates a multi-tiered brand structure, the important product line including Purple Label, Ralph Lauren Collection, Polo Ralph Lauren and Double Ralph Lauren, from different market segments, apparel, accessories and home collections. The detailed market segmentation helps Ralph Lauren to maintain its brand value, consistency and exclusivity. Ralph Lauren using brand storytelling to reinforce its brand positioning, for instance, iconic lifestyle campaigns which including polo, yachting and country club to improve its sophistication and tradition brand image [14]. Ralph Lauren adopts sponsorships and innovative collaborations to attract younger consumers and combine modernity with its brand identity, such as Wimbledon and Olympics sponsorships and partnerships with Roblox [14]. In order to expand the Chinese market, Ralph Lauren open its flagship store with Ralph coffee shop in Chengdu IFS Shopping Mall, where is a place combine timeless and iconic style in a dynamic city. Ralph Lauren coffee shop provides experience with brand's unique hospitality offerings, including Ralph's roast, decaf and espresso, beverages and snacks, ice cream cookie sandwich, and so on [15]. Ralph Lauren coffee shop not only provide foods but also offer a curated collection of apparel and accessories, such as tote bags, hats and graphic T-shirts [15]. Additionally, brand combines local culture to launch a capsule collection which is featuring finishing touches of bamboo print in ink color tones to create a timeless product [15]. This successful glocalization approach could attract more Gen Z and millennials consumers who are pay more attention to the local culture. Ralph Lauren also using omnichannel marketing strategy to combine online and offline together, to improve convenience, consumer interaction and offer a seamless shopping experience for consumers, therefore, it maintains its brand positioning in the competitive luxury market [14]. Ralph Lauren adopts personalized marketing strategy to improve its exclusivity and quality and build a virtual shopping experience and innovative platforms. It can maintain its competitive advantages, deeply communicate with consumers and shows Ralph Lauren could adapt unpredictable consumer demand and market uncertainty. Also, Ralph Lauren focus on sustainability, brand also promote its sustainable products lines to attract customers who are focus on the sustainability, ethics and transparency.

4. Discussion

Localization is an effective approach to allow the global luxury market to enter in the Chinese market and attract more younger consumers to purchase its products. However, it may also cause potential risks and challenges for the luxury brands and retailers. Luxury brands deliver their brand value with its exclusivity and recognizable aesthetics, the excessive localization and glocalization strategies may dilute its brand value and prestige, and consumers may feel less aspirational for the

brand. Some consumers suggest that luxury brands could be selective in cultural adaptation, it can maintain its brand craftsmanship, heritage and aesthetics, also combine local culture [16]. Luxury market may lose its brand features when they use localization strategy and turn to be a mass-market products. Cultural sensitivity is also a risk of using localization strategy, for example, Dior's 2023 advertising shows an Asian model pulling the corner of her eyes, it identified as a racist action, and leads to a consumer protests, influencer-led boycotts and long-term brand reputational damage [16]. The cultural difference and customer preference mismatch can directly damage the brand's long-term image and reputation. Therefore, the proper way of localization is a challenge of luxury brand to implement its marketing strategy

Luxury fashion brands, like Gucci, they may over-commercialization when they use marketing strategies and it can cause a higher marketing cost. Gucci over rely on the social influencer and celebrity culture to promote the products and expand the Chinese market, it may result in the brand value decrease. Due to the brand aging problem, Gucci transfer to attract younger consumers by combining popular culture, the potential risk is the brand identity might be unstable after they follow the trend. Furthermore, the overuse of digital marketing strategy may cause brand exclusivity erosion, Gucci's products may be more accessible for consumer and lose the luxury scarcity and lead to the democratization of luxury. In the long-term, if the marketing strategy is ineffective, it may erode its profitability.

Currently, Chinese consumes focus more on cost performance and quiet luxury aesthetic, the dupe culture is a huge challenge in the global luxury market. Especially in the platforms, such as Xiaohongshu and Taobao, the retailers on these e-commerce platforms are good at imitating and producing similar garments and products for consumers who are unaffordable for the luxury products. It may directly influence luxury brand consumption and damage luxury brand image and reputation. In addition, the resale market can allow customers, especially Gen Z and millennial consumers, switch to buy more second-hand products and reduce the purchase for new products.

5. Conclusion

In conclusion, localization strategy for a global luxury fashion market can assist the fashion business to expand its global markets and find the growth opportunities by adopting different marketing strategies based on the relevant cultures, customer preferences and customer behaviours, which including the digital platform promotions, celebrity endorsement, influencer and KOL's marketing and so on. The effective and appropriate marketing strategy can improve its competitive advantages and profitability and allow local customers to accept the international fashion businesses and attract more customer segments. Meanwhile, the digital platforms and e-commerce directly impact on customer's purchasing behaviour and fashion industry strategies, fashion businesses have to cooperate with influencers to evoke the customer emotional and social value and build a stronger customer attachment. However, the cultural difference and customer preferences mismatch can disrupt the localization strategy and damage the customer loyalty and brand reputation. Luxury fashion businesses need to ensure the brand consistency, exclusivity and scarcity of its products and branding to prevent the risks and challenges of brand dilution. To utilize the localization strategy in different fashion market, fashion businesses should consider the market structure and customer preferences to decide the proper marketing strategy.

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