



The Beijing (Loyalty) experience

Loyalty is coming in China, but it will be in a different form and the drivers will act in another way than American or European experience will predict.

Commercial branding in China, especially western brands, have long been gaining strength and recognition in the ever expanding Chinese consumer market. The interesting question is; are we really experiencing a natural consequence of growth across the coastal regions of China? Or, is it the opposite, therefore, the consequence of multi-million dollar expansion and investment in the roll out of high end branded luxury goods?

Meandering through the now fashionable streets of an increasingly westernised Beijing, it's ever more evident these streets have seen much change in recent years. For example, the revered swiss clock makers have already established themselves, marking their arrival with highly impressionable state of the art retail outlets. Beijing has come along way since the days of shopping malls in Hong Kong and it's cousin Shanghai. Beijing is fast becoming a new generation of iconic city's, by developing its own unique iconic appearance in establishing itself as a mainstream competitor in the Chinese commercial retail market.

In sharp contrast to the traditional Chinese markets where cheaper second grade or a copy goods are still readily available, but no longer in strong demand. The increasing demand for more westernised culture alongside the old Chinese traditions, is now the growing aspiration for many younger adult Chinese who want to have the real thing.

The power of branding is present in Beijing, very present. But how about loyalty? The loyalty in China is very different from loyalty in the rest of the world. Everything in China changes very fast. The brand history and the products position are constantly changing and the classic segmentation has not yet reached the market.

To give an example. If you buy a Mercedes are you simply buying a Mercedes, not the history, not the whole brand position? It is still just a European car in the high end. A Chinese business man were asked why he chose to buy an Audi, and he replied " the man in the Mercedes shop were not there – so I went across the street and bought an Audi" Do I need to say this would never have happened in Germany, where the non targetable values associated with a car plays a major role in the decision and purchasing process.

In China loyalty is being build up – not towards a specific brand but towards a product group, or product constellation in the high end of the consumer market.

This development is been reflected in the airline market. KLM have done very well in getting Chinese passengers onboard their aircrafts in a combination of value for money, strong promotion and start your western travel experience in the airport. This has been achieved while other European airlines still are struggling just to get Chinese speaking cabin crew and food onboard.



Loyalty is coming in China, but it will be in a different form and the drivers will act in another way than American or European experience will predict. For most companies it will be a strong struggle of getting value for money aligned with the product offering.

If you are in doubt how wide your product can be defined, then Just remember air Asia is selling their merchandise to the Chinese market, so maybe the next generation of loyal passengers in china will start buying a cap or a T-shirt and not a booking...