

Chinese New Year: Mastering China's Most Important Sales Festival

By DR. DR. ANDREAS TANK

Being a consumer in China is a stressful business. Brands frequently use Western as well as Chinese holidays and integrate them into their marketing strategies. These include Christmas, Halloween, Valentine's Day in both cultures, Mother's and Father's Day, Children's Day or the Chinese Mid-Autumn Festival. Those in part traditional and cultural celebrations aside, there are many other sales events that drive consumption, the clear leader being Single's Day on 11.11. started by Alibaba in 2009 – now the world's largest online shopping day. While all this is predominantly about discounts and special offers, one celebration stands out from all the others: the Chinese Spring or New Year Festival.

For this festival, a population of over a billion people travel to their home cities – a travel movement of three billion journeys speaks for itself – and China, usually so fast-paced and busy, comes to rest as families celebrate their reunion and the beginning of the new lunar year.

China's most important holiday is full of symbolism: colors, decorations, customs and, of course, in the spotlight every year one of the twelve animals of the Chinese zodiac in combination with one of the five elements. On 5 February, 2019, the Earth Pig entered the stage for 365 days.

Delving deeper into Chinese culture

By analogy with Western Christmas, the Spring Festival is the peak season for sumptuous meals and gifts. Over the past few decades, and especially in recent years, the number of brands that launch seasonally designed gift boxes and special editions has skyrocketed. The same applies to the intensity with which these products are marketed, and the fight for consumers. Brands are willing to spend more money than ever before and create striking, impressive advertising campaigns and worlds of immersive brand experience. While just a few years ago it was enough to provide some red packaging and to integrate the respective zodiac animal, today one can observe not only an increasingly deeper exploration of the rich treasure trove of Chinese culture, ranging from witty puns to homophones, but also an impressive integration of a multitude of marketing elements. In addition to product and design, there is advertising in all kinds of communication channels, product visibility in the flagship store or in online and brick-and-mortar retail, the integration of influencers and brand ambassadors, cooperation between market players and with designers, new technologies, the parallel implementation of raffles and competitions, and intelligent time management as a maximizing link.

Zodiac animals as a central design element

The year's zodiac animal is used in all manner of eye-catching ways. Kinder Chocolate has released a gift box with a fluffy pig and at Coach the displays showed handbags, wallets and purses with pig applications or even in the shape of a pig's head. Starbucks has released the largest New Year's portfolio of all time, offering pink pig mugs, thermos flasks, glass baby bottles and piggy banks in its thousands of stores. The seasonal drink is a New Year Firework Latte. Anyone wanting to use the sign of the pig as a fashion statement could find a selection at Brooks Brothers: their T-shirts feature a pig with a top hat, bow tie and monocle. Swarovski had special pig crystals in their display case and drew attention to them with helium-filled balloons in the shape of a pig. Fluffy pigs were surrounding a pair of pink Gucci glasses, and at Steiff, cuddly toy pigs were at the very front of the display. In cosmetics, SK-II released a special series with curly tails as a central design motif, and Clarins honored the classic Chinese art of silk embroidery, having a golden pig with red wings fly from Paris to Shanghai in a commercial to introduce their special limited edition. Last but not least, Porsche has launched a special WeChat sticker series, which paid tribute to the legendary 917/20 "Pink Pig" design.

Red – the dominant color

Red is the lucky color par excellence in China and plays a central role in Spring Festival communication. Calvin Klein, Schiesser, Triumph or the Chinese brand Aimer – they all offered red underwear, some with golden appliques, the symbols for luck or prosperity, fish, clouds or, of course, pigs. Kate Spade exhibited red dresses and matching handbags, Adidas had red clothing in their stores, featuring the character for skills (能, neng), and Karl Lagerfeld promoted red sweaters and dresses: Karl Holidays. Of course, for the New Year, beauty must not be left behind. Bobbi Brown presented its red lipsticks with the motto "Festival of Luck" while a wheel of red envelopes rotated in the shop window. Sephora started a campaign for the color "New Year's Red" (新年红), in which special editions of popular cosmetics brands were highlighted – and a makeup brush with bristles in the shape of a pig's snout. Consumers wanting to stock up on cooking utensils before the feast were spoiled for choice with numerous red collections: a red WMF pressure cooker, a red Le Creuset set, a red Paul Bocuse steel pot by Staub or a red blender set by Fissler.

Rich treasure trove of Chinese symbols

In addition to the year's zodiac animal and the lucky color red, the symbolism of many other elements was used. For example, the lion which – in the form of dragon dances – is a classic element of the New

Year's celebrations. Evisu had embroidered a lion on its new jacket, and Caishen, the God of Prosperity, on the accompanying pants. Elements with a positive symbolic meaning could also be found on greeting cards, for example from Hallmark: gold bars, paper cut-outs, peonies, vases and Chinese knots. This year Ferrero Rocher was inspired by the latter and designed its new seasonal packaging in the shape of a knot. Nike, Zwilling, and Swatch delved deeply into the world of astrology this year, integrating the characters 己亥 (yi hai) into their product marketing, and even turning them into fashionable design elements. They represent the last of the Twelve Earthly Branches and the 36th year in the traditional 60-year cycle. Among numbers, the one that stood out most frequently is the "8". The positive meaning of the number "8" (八, ba) – it stands for "becoming rich" (发财, facai) – has been used ubiquitously for many years. Häagen-Dazs, for example, launched fortune packages for RMB 688 and 888, Costa Coffee sold its special pig mugs for RMB 198, 288 and 328 as well as a pink lunch box from Monbento for RMB 268.

The Confucian values of family and filial piety

With such a traditionally rooted holiday, it should come as no surprise that Confucian elements also play a role, such as the emphasis on family and respect for one's parents. Nestlé showed a scene in which a son gave his father a box of nutritional supplements. The son was represented by the table tennis star Zhang Jike. The advertisements of Master Kong and Thermomix showed families during the New Year's Eve dinner. Lego went the same way, releasing its very first Chinese Festival Special Edition in 2019 – a Dragon Dance and a Chinese New Year's Eve Dinner – and marketed them for all the family to play with: "Building the taste of the New Year" (年味一起造).

Influencers and collaborations are becoming increasingly important

More and more brands were relying for the marketing of their special editions on the wide reach of stars, personalities and influencers with millions of followers on their social media channels. For example, Longchamp cooperated with Chinese handbag guru Tao Liang, known as Mr. Bags. Swatch relied on its global brand ambassador, Wang Junkai, the 19-year-old singer of Chinese boy band TFBoys, to advertise their new red and gold watch. It was presented in a red box in the form of a pig, which grunted happily when the box was opened. The Alpenliebe brand from Perfetti made use of the actress Dilireba and Lindt of Xin Zhilei. At Borussia Dortmund some star players have diligently learned Chinese and sent a message to their fans – holding a black and yellow pig.

In addition to stars, working with artists and collaborations between brands have increased significantly. Rosenthal engaged the renowned iSHONi designer Manuela-Federica for its porcelain plates and cups, Hugo Boss collaborated with New York artist Jeremyville and Kiehl's had his New Year's products and campaign designed by British illustrator Jonny Wan.

Stimulating purchase through additional incentives

In order to further fuel the market in the face of fierce competition, many brands relied on additional purchase incentives and games. For example, L'Occitane had a wheel of fortune in its boutiques for its "Start a New Year of Beauty" campaign and Paulaner launched a WeChat-based memory game to market its wheat beer gift box, allowing attendees to win beer gifts totaling RMB 5,000. An additional incentive is provided by new technologies. The advertisement of Coca-Cola integrated Augmented Reality features. Consumers scanning them were mesmerized by virtual worlds and received digital red envelopes as a reward.

Use of linguistic means reached unprecedented levels

The Chinese language is known for its wit, which is based on equal-sounding syllables – homophones. This requires strong cultural competence and sensitivity on the side of the advertisers. This year the homophony of the syllable zhu = pig (猪) and zhu = wish (祝) was a welcome coincidence. Tous les Jours therefore called "Happy New Year" "猪你快乐". Godiva played both visually and linguistically with the symbolism of the fish, on the one hand with the syllable yu, which can mean fish (鱼), cheerfulness (愉) and excess (余) and on the other hand with the syllable li = carp (鲤) and li = advantage (利). Hörmann made use of the wish for a blessed house (wufu linmen, 五福临门), with the last character most appropriately expressing the core competence of the company: men (门) = Gates & Doors.

Spring festival travel as new sales occasion

Another novelty is that the world's largest annual migration is recognized by more and more companies as a gigantic sales opportunity (春运, chunyun). Snickers launched a massive advertising campaign this year in cooperation with China Eastern Airlines, China Railway Corporation, the Shell gas station network and influencer Wang Junkai. The central message: You can reach your destination fully energized, because during this year's Spring Festival travels, you have Snickers to satisfy your hunger: 春运, "饱"你回家.

Chinese New Year – an increasingly global sales event

The Chinese New Year is increasingly becoming a global sales event. More luxury manufacturers than ever before presented their special editions not only in China and Asia but also in other parts of the world, in their boutiques as well as in duty-free stores. Whether in New York, London, Zurich or Bangkok – pigs welcomed you everywhere! In order to increase sales, especially to Chinese consumers, Aveda, for example, emphasized that the products are not available in Mainland China.

Continuously perfecting cultural competence and operational excellence

Ever since Western companies became involved in doing business with China, starting as early as during Imperial China, cultural knowledge has been and will always remain a decisive competitive advantage. Today, more brands than ever fight for the favor of Chinese consumers, whose demands and expectations have risen significantly. The many examples clearly show the intensity with which companies have gone through tremendous learning curves. They have not only accumulated executional competence in regard to Chinese culture, market and consumers, but also operational excellence. Only those brands that master and continuously perfect this interplay will have the best chance of being perceived by consumers as positive and relevant, of gaining a competitive advantage over the competition, and of sustainably expanding their business in China.

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