

# Marketing Strategy of Chanel Advertisement in Chinese Market

Yusen Liu<sup>1,\*</sup>

<sup>1</sup> Shaanxi Normal University, Xi'an, Shaanxi, 710000, China

\*Corresponding author. Email: leonforyoung@foxmail.com

## ABSTRACT

Chanel's sales in China have skyrocketed in recent years. In all the strategies of Chanel, advertising strategy accounted for the most important part. The research background of this study is based on the advertising forms and advertising contents of Chanel in China in the past ten years, as well as the sales changes of Chanel in recent years and the growth of the number of physical stores. Through content analysis as the main research method, the researcher conduct in-depth analysis and discussion of Chanel's advertising strategy in China. In addition, this study not only reveals the influence of Chanel's advertising strategy in the Chinese market, but also provides many suggestions for Chanel to make better use of advertising as a means of business in the Chinese market in the future. And the study's recommendations can be applied to other brands as well. The researcher's in-depth analysis lead to two most important conclusions. One is that Chanel has gradually shifted the focus of its advertising platform to Douyin. The other is that Chanel pays much attention to the role of cultural construction and persuasion mechanism in advertisements in China.

**Keywords:** Marketing strategy, Chanel, Advertisement

## 1. INTRODUCTION

Chanel brand started in 1910, Gabrielle Bonheur Chanel opened an accessories shop in Rue Cambon Street 21 in France. Chanel launched hats, dresses and casual wear. In 1914, Chanel opened two fashion stores, the brand Chanel announced the official birth. In 1924, Chanel launched its first cosmetics collection. And in 1978 Chanel launched its first ready-to-wear collection. As Chanel is always chasing fashion, all Chanel products have good quality and are extremely distinctive. What's more, Chanel is also a feminist promoter, its simple and elegant design breaks the shackles of traditional women's wear, which make it highly praised by people. Today, Chanel is a famous luxury brand in all over the world. In December 2020, the World Brand Laboratory's "2020 World Brand 500" announced, Chanel ranked 34th.

In order to expand business territory, Chanel made a series of commercial marketing strategies. When we pay attention to the promotion activities in Chinese market, we find that Chanel focuses on marketing its products through advertising. One of the most successful advertisements is the Chanel No. 5 perfume series, which has received nearly 100 million views. Chanel No. 5 perfume also achieves the highest sales volume in the

Chinese market. The combination of online and offline advertising placement gives Chanel more opportunities to stimulate consumers' interest and desire for products. Offline ads are typically displayed on LED screens in shopping malls or on the walls of city financial centres. They are usually very colourful and eye-catching so that consumers can feel the charm and detail of the product. On the other hand, online ads are usually posted in the form of videos or pictures on TV, or on some social software. In China, Weibo has become the main promotion site for Chanel's online advertising. These ads are usually in collaboration with influencers, including stars, celebrities, and some KOLs. For example, Zhou Xun, a famous Chinese actress, is the first spokesperson of Chanel in China. Her campaign and ads have been widely circulated on Weibo.

China's first Chanel store opened in 1999 at the Peninsula Beijing Palace. On February 23, 2001, Chanel (China) Trading Co., Ltd. was registered in the free trade zone market supervision administration. The legal representative is Robert Wilkins. The company's business scope includes the warehousing (except dangerous goods) and distribution of consumer goods such as fashion, watches, jewellery and cosmetics. Since then, Chanel officially entered the Chinese market. Since Chanel entered the Chinese market 20 years ago,

Chanel has stuck to the top of the global luxury line. All its products are imported from France. At present, Chanel do not do a deputy brand and put the agent in China. At the same time, Chanel also found many celebrities in China to cooperate with to promote the product. Such as spokesperson Zhou Xun, brand ambassadors William Chan, Jing Boran, Liu Shishi and so on.

At present, Chanel has 23 ready-to-wear stores and more than 100 beauty stores in China. China has become the world's largest market in terms of sales volume and number of customers. Chanel's prices are also rising in China. Its famous Classic Flap Bag, for example, has risen by nearly 20,000 yuan in just three years. In addition, some of its coats cost more than 200,000 yuan. Chanel has become one of the top luxury brands in China. Despite the COVID-19 outbreak, the Chinese market has maintained an upward trend. This is closely related to Chanel's advertising strategy in the Chinese market. Through the analysis of Chanel's advertising strategy, the researcher can explore the business model and commercial value of Chanel, and better predict how to better develop the Brand in the Chinese market in the future.

## 2. LITERATURE REVIEW

With advertising playing an increasingly important role in people's life, many scholars have carried out research on advertising and its audience acceptability. According to Liu Jie's research, she combined the basic principles of semiotics and the theory of symbol mythology to explore the symbol construction system and symbol persuasion mechanism in luxury advertisements by analysing the symbol system in Chanel No. 5 perfume film and television advertisements. She also provides some ideas for the persuasiveness and influence of luxury advertising from the perspective of semiotics [1]. Other studies have focused on Chanel's global advertising media team. WPP's Plus exclusive team (Wei Mai) is its current global media agent. Wei Mai and its predecessor MEC have been responsible for Chanel's media affairs for a long time [2].

Although there are few studies about the advertisement of Chanel, there are many studies on advertising and marketing. There are more in-depth studies on the perspective of the new media environment. It discusses that publishers of advertorials achieve ideal marketing effect by constructing dynamic pragmatic identity through discourse. To WeChat public number respectively according to the men and women in the audience of a similar brand commodity's eight soft text ads for example, according to the address forms, content and characteristics of discourse and speech act three discourse strategy, a comparative analysis from the perspective of pragmatic identity publishers for different gender audience construct the same default identity and

different strategies of identity [3]. In addition, there are studies that define consumer social media engagement and its four dimensions: consciousness, emotion, rational thinking and identification based on the theory of participation and characteristics of social media [4]. However, both of these studies have certain limitations. They are too macro to carry out marketing strategies for brand advertising in specific cases. In Liu Xuanyu's discussion, he specifically studied Douyin (a short video software in China) in brand advertising communication methods. By analysing the current marketing advertising types and short video marketing methods of clothing brands, he summarized the characteristics of Douyin video marketing of clothing brands and put forward suggestions on making use of Douyin video to create marketing hot spots for clothing brands [5].

In addition, two studies have carried out in-depth studies on the connotation of Chanel's perfume advertisement, and obtained the conclusion of how the advertisement is successful by studying the connotation. The first is the study of Li Xiang, who studied the presentation and body language of women's bodies in COCO perfume, reflecting the dual attitude of feminist resistance and compromise under the traditional male gaze [6]. The other is a work by Li Huimin. From the perspective of semiotics, she analysed the symbolic meaning of Gabrielle perfume, the symbolic construction of the advertising and spokesmen of the perfume and the spiritual connotation of perfume [7].

Another focus of the theme is the metaphor of Chanel advertising. There are often many multimodal metaphorical cognitive constructions in Chanel advertisements. These metaphors have become an important support point of its advertising marketing strategy. Xue Mingyuan's research focuses on the cognitive construction of multimodal metonymy and metaphor and their dynamic relationship in advertising, taking the advertising text of Chanel No. 5 perfume micro-film as an example [8]. Judith Brown focuses on modernism in advertising [9]. Hafifah Siti takes a different approach, using a qualitative descriptive approach. The source of the data being analysed is 12 images: a group of photo teasers obtained from the official Website of Chanel, and the data is the visual element of each visual graphic [10].

These studies and theories above help the researcher understand some background information in advance. However, there still exist a research gap. There is a lot of information about Chanel's marketing strategy, but very little about how it works in the Chinese market. The purpose of the research is to better understand the development of Chanel in the Chinese market by analysing Chanel's advertising and marketing strategies in China. At the same time, through the analysis of Chanel's advertising, this study can also provide

reference for other brands on how to use advertising for better marketing.

In order to achieve the desired goals of this study and let the significance of this study can be put into practice. This research will study marketing strategy of Chanel advertisement in Chinese market through content analysis.

### 3. METHODOLOGY

The main method used by the researcher is content analysis. The researcher trawled online literature and observed Chanel's advertising over the past seven years, mainly for perfume. At the same time, the researcher also observed Chanel's new media platform broadcast in the Chinese market in the past 7 years, and analysed the data behind the advertising.

### 4. RESULTS & DISCUSSION

Based on Chanel's advertising design content and advertising communication methods in China, this study will put forward relevant suggestions for the future development of Chanel's advertising in The Chinese market. According to analysis, in recent years, Chanel in China mainly put advertising on Douyin platform.

There are five main reasons why Chanel is focusing its advertising on Douyin. First of all, from a macro point of view, the development of the Internet has overcome the limitations of traditional media. Take newspaper and TV advertisements for example, they are often one-way to the audience, the audience can only passively watch them. Besides, their content is monotonous. However, the development of new media, such as Douyin, has turned advertising into an interactive form. The audience can not only watch, but also comment and give feedback. According to data released in early 2020, Douyin has surpassed 400 million daily active users, making it the hottest new media platform in China. Second, there are many Internet celebrities on Douyin. Internet celebrities have a huge fan base, and they recommend their favourite products to fans through videos, which will greatly increase the purchase group. In China, Chanel's brand publicist pays Internet celebrities with more than 1 million followers on Douyin to promote their products, especially cosmetics, through videos. Thirdly, the popularity of Douyin livestreaming bolstered Chanel's marketing. Live broadcast can let the audience understand the product in all aspects, at the same time, live broadcast is more conducive to direct interaction between Chanel officials and buyers. What is more noteworthy is that celebrity live broadcasting has become the main way of live broadcasting. For example, although Chanel does not directly participate in Douyin Live stream, it has signed short-term cooperation projects with some popular stars, allowing them to broadcast live on their Douyin account to promote Chanel products.

What's more, in addition to videos, Douyin is also becoming an online shopping app. For certain themed activities or festivals, Douyin will offer some new products in advance of physical stores, and offer large discounts. For example, Singles' Day is a traditional Shopping festival in China. Chanel offers its new products to Douyin for sale in advance. Meanwhile, buyers can also receive many gifts when they buy the products. On this year's Singles' Day, for example, if consumers buy a 50ml bottle of perfume, they will also receive three 15ml bottles of different styles, which are not available in physical stores. Last but not least, Douyin allows marketing ads to be embedded in entertainment content. Because the content of clever design can let the audience into the story context. If implanted properly, whether they are small electric shadow sitcoms or brand fashion show, there will be a large number of bloggers and the fans focus on clothing, or the application of cosmetics, so as to cause the attention of consumers [5]. Chanel captures these advantages of Douyin, so primarily focuses its advertising strategy on Douyin in China.

Through Douyin advertising, Chanel has received a lot of benefits. The most direct point is that Chanel's sales are rising rapidly and its brand awareness is getting higher and higher through the promotion of stars and Internet celebrities. In addition, Chanel has greatly expanded its market share in China. However, there are still several negative effects. First and foremost, the promotion by Douyin bloggers has indeed enhanced Chanel's brand effect. However, the top bloggers are getting more and more expensive to advertise, and promotion costs are likely to be out of proportion to revenues. At the same time, there are surprises that can have the opposite effect on the brand. Last year, for example, a Douyin celebrity with 300,000 followers named Suannai Jing tried out Chanel's jelly air cushion and found it wasn't waterproof. As a result, the sales of this air cushion dropped dramatically. Besides, advertising through live broadcast of stars may also produce counterproductive effects if the stars selected are inconsistent with the brand image of Chanel. In a recent live broadcast, for example, Chanel chose a 30-year-old Chinese male star to promote its women's perfume, in conflict with Chanel's brand ideals of freedom, elegance and rebellion. After the live broadcast, many viewers gave bad comments. Also, the most serious impact is that the advertising of Douyin will reduce the brand value of Chanel. In China, Chanel has always been a high-end luxury brand, and its advertisements are often carefully shot and post-produced, with a certain cultural connotation and spirit. But ads on Douyin are often short and lack enough cultural connotations to impress the audience, failing to reflect Chanel's premium brand value.

To solve the above problems, researchers put forward the following suggestions. One is that Chanel's publicists should have contacted influencer bloggers in advance. In

order to avoid special cases, brand PR should first give these bloggers a trial run, and if the bloggers give positive comments, then carry out formal cooperative promotion. Chanel, for example, can send perfume samples to bloggers with huge followings. If bloggers give positive feedback, the brand pays them for advertising and helps them shoot advertising videos and write advertising copy. At the same time, Chanel is also targeting some of Douyin's potential bloggers, even if they don't have a lot of followers, not just those who already have a huge fan base. This can not only expand the spread of advertising but also reduce the cost of advertising. What's more, multiple factors must be considered when selecting stars for advertising placement, such as stars' dressing style, age and aesthetic presentation should be consistent with Chanel's brand concept. For example, in China, the famous actress Zhou Xun is a typical representative. Her free and rebellious personality is in line with the brand value Chanel delivers. She also has a kind of androgynous temperament. Another solution is Chanel should continue to maintain the line of high-end brand, carefully produce short videos on Douyin, and increase the introduction of cultural connotations symbols. For example, Chanel can partner with other luxury brands, or the current hot IP, and hire excellent directors and screenwriters to shoot high-quality videos that convey not only the product message but also the brand spirit.

In general, if Chanel wants to enhance the popularity of its products through Douyin, the first thing to do is definitely drainage. In order to attract advertising, Douyin's content is very important, and only high-quality content can get more attention. But to high attention, it is not enough to optimal qualitative content, Chanel also needs to understand the characteristics of the trill platform and trill the algorithm of the software system. The algorithm determines the cardinality of big data and can accurately meet the needs of each user. In fact, on Douyin, users are presented with comprehensive recommendations based on algorithmic attributes, real-time popularity and user relationships. For example, after the brand uploads a video, the platform will give us an initial flow and judge whether our video is popular according to the likes rate, comments rate and forwarding rate.

Another result is that the persuasion mechanism of Chanel's advertisements stimulates the emotional desire of Chinese customers, thus producing consumption behaviour. French philosopher Jean Baudrillard thinks consumerism is a special kind of consumer culture. Contemporary consumption, especially in luxury consumption great eye is a symbol of consumption, it also requires a brand for product promotion and brand communication in the moment the attention brand symbol building, done through advertising symbols transmitted campaign advertising persuasion and communication purposes [1]. Next, the researcher will take the perfume advertisements of Chanel as examples

to analyse how the symbolic persuasion mechanism in the advertisement stimulates consumers' consumption desire in the Chinese market.

Why did Chanel's persuasion drive the consumption of Chinese consumers? There are two reasons for this. First, Chanel alluded to the popular psychology based on the changing times. Chanel's advertisements always pay close attention to the changes of the times, and express the values corresponding to the times. For example, Chanel No. 5 perfume has always been a symbol of nobility and elegance, so the actors selected in the previous commercials were playing such an image of an upper-class lady. But with the change of times and the rise of female power, no longer only the upper-class ladies can wear perfume, but every independent and brave woman can represent it. In 2014, Chanel's advertisement named "The One That I Want featured" chose not a dowager, but a successful, courageous mother who is also a surfer who won't give up. In China, the status of Chinese women has been rising in recent years. More and more women have entered the workplace and enjoyed equal rights with men. Chanel's advertisement expresses the value concept that modern women can achieve themselves without relying on others, which is in line with the values believed by modern Chinese women. As a result, more and more Chinese women of all ages are buying Chanel No. 5 as their first high-end perfume. Second, according to Roland Barthes symbol cognitive theory, emotional symbols can stimulate the audience to produce a mood change, let the audience as well as the consumption desire to voluntary behaviour [1]. In recent years, cultural symbols in Chanel's advertisements have aroused the emotional resonance of Chinese audiences, thus expanding consumption in the Chinese market. In the past, Chanel's advertising videos featured no Chinese faces, and very few Asian faces. However, in 2019, Chinese model Li Jingwen shot a Chanel ad, which was the first time in 100 years that a Chinese face had been featured in a Chanel ad. At that moment, many Chinese customers were very proud that Chinese people could also ascend the stage of Chanel, which aroused emotional resonance. As a result, Chanel's sales soared.

Through the persuasion mechanism of advertising, Chanel has gained many positive effects. Most notably, Chanel is selling more and more because it delivers the right values with the times. Women of any age can find their own value and stimulate the desire to buy. What is more surprising is that more and more Chinese men are buying Chanel and boldly expressing their uniqueness. In addition, Chanel's brand image in the Chinese market has been greatly enhanced by its increasingly frequent use of Chinese actors and Chinese elements in its products and advertisements. More and more Chinese people see Chanel as a culturally inclusive high-end brand, so its share of the Chinese market is growing.

In order to better consolidate the brand image and gain more economic profits, the researchers put forward two main suggestions based on the advertising persuasion mechanism of Chanel. First of all, "advertising is essentially a symbol transfer behaviour, using language, text, sound and other visual and auditory elements to spread commodity information" [7]. Chanel should improve the construction of symbols in advertising, always pay attention to social changes, and express values in line with the times. Especially in the Chinese market, Chanel needs to always maintain the values and beliefs pursued by Chinese customers. Once out of touch with the customer's mind, then the product will not attract customers. In order to please the audience, Chanel can strengthen the connotation construction of symbolic culture in the following elements. For example, in the aspects of advertising music, actors, pictures and so on, consumers can interpret the symbolic meaning behind the products and the lifestyle and attitude they represent. In addition to the appearance or quality of the product itself, consumers are more willing to spend for its symbolic meaning. Secondly, Chanel should use More Chinese elements in its advertisements in the future, so as to create a better brand image and Chinese customers will be willing to pay for it. For example, there are many traditional festivals in China, such as Spring Festival, Lantern Festival and Mid-Autumn Festival. In these festivals, Chanel can combine the traditional culture behind the festival with the product itself to make special advertisements that can only be broadcast in China, or produce products that are limited to China. Moreover, Chanel can choose to use More Chinese actors or cooperate with Chinese celebrities in its future advertisements. Through the measures mentioned above, Chanel can create a good brand image in China and expand the market share in China. Chinese customers will also stimulate their inner emotions through advertisements with Chinese elements and have a stronger desire to buy.

## 5. CONCLUSION

According to the above analysis, Chanel's advertising and marketing strategy in China has helped Chanel expand its commercial territory in the Chinese market, but also has a few negative effects. This study also provides corresponding solutions and suggestions, which can also be used for reference by other luxury brands. There are two main conclusions in this study. First, Douyin has become one of the main advertising platforms for Chanel, which has both positive and negative impacts on Chanel's sales and brand image. The second point is that the persuasion mechanism and cultural meaning in Chanel commercials have very good market effect. Take the advertisement of Chanel perfume as a specific example, the persuasion mechanism and cultural implication in the advertisement have aroused

the emotional resonance of Chinese customers and stimulated their purchase desire.

## REFERENCES

- [1] Ge Yongwei, Yang Jie, Study on Symbol Persuasion Mechanism of Luxury Advertisement -- Take Chanel No. 5 Perfume as an Example, Package & Design, (2021).
- [2] Unilever, Advertising and Marketing, Global Brand Insight, (2021).
- [3] Huang Jingjing, Pragmatic Identity Construction and Adaptation in Advertorials under New Media Environment, Journal of Zhejiang Sci-Tech University (Social Sciences Edition).
- [4] Hou Tianyi, Deng Fumin, Wang Xiaoyan, The Influence of Brand Social Media Advertising Content on Consumer Social Media Engagement, Journal of Guizhou University of Finance and Economics.
- [5] Liu Xuanyu, Strategy Analysis of Douyin and Video for Clothing Brand Marketing Advertising in the We-media era, West Leather, (2021).
- [6] Li Xiang, Image Advertising under the Theory of "Gaze" -- A Case study of Chanel Coco Mademoiselle Perfume Advertising, Culture & Communication.
- [7] Li Huimin, Advertising Symbol Construction of Chanel's Capriel Perfume, Media Forum, (2021).
- [8] Xue Mingyuan, Cognitive Construction of Multimodal Metonymy and Metaphor in Micro-film Advertisements: A case Study of Chanel No. 5 Perfume Advertisement, Journal of Kaifeng Vocational College of Culture & Art, (2016).
- [9] Judith Brown, Glamour in Six Dimensions: Modernism and the Radiance of Form, Cornell University Press, (2018).
- [10] Hafifah Siti, A Visual Grammar Design Analysis of Chanel's Spring-Summer 2021 Campaign Teaser Pictures in the Pandemic Era, Ninth International Conference on Language and Arts, (2021).