



## “Going Out” to Capture Belt and Road Opportunities (Expert Opinion 3): Hong Kong as a Fashion Capital

Chinese enterprises are attaching increasing importance to enhancing their product design capability in order to further expand in both the mainland and foreign markets. Recent *HKTDC* surveys show that mainland enterprises have strong demand for Hong Kong’s design services through which they hope to strengthen competitiveness and achieve transformation and upgrading.

According to Tony Lau of the *Hong Kong Designers Association*, the consumers demand for various consumer products and services is on the rise, both in the mainland as well as emerging markets. While their purchasing power still lags behind that of consumers in developed countries, they have their own requirements where product design and service quality are concerned. This is an important point not to be overlooked by industry players wishing to develop these markets.

### Requirements of Belt and Road Consumers

At an interview with the *HKTDC Research*, Tony Lau[1] said: “Many mainland enterprises hope to make use of excess production capacity to develop emerging markets in order to make up for the flat domestic sales and exports to mature markets brought about by global economic downturn. However, while the product grade demanded by some emerging markets may not be on a par with mature markets, the majority of consumers still wish to buy value-for-money quality products in order to raise their living standard.



Tony Lau pointed out that consumers demand is on the rise in the mainland and emerging markets. (Photograph provided by NowHere® Design Ltd.)



The majority of consumers along the Belt and Road wish to buy value-for-money quality product. (Photograph provided by NowHere® Design Ltd.)

“In view of this, when mainland enterprises develop Belt and Road markets, they must take into consideration whether the product design and quality are reasonable and should



also provide the appropriate sales service locally. If they only want to sell excess inventory, it would be difficult for them to truly tap the local markets.”

Lau pointed out that in both mature and emerging markets, consumers not only seek quality and functions, but also hope to buy trendy, fashionable products. He said: “Unlike mature consumers in developed countries, consumers in the mainland and certain Belt and Road markets may not be able to completely master product trends. For this reason, products with hardly any design elements may still sell well due to price or other factors.

“But when new competitors join the fray and try to suit the purchasing power of consumers, cut-throat competition will ensue and industry players selling poorly designed products may find it hard to sustain business development. Hence, mainland enterprises must enhance their product design and quality before they can effectively maintain consumer support for the product and the company.”

### **Feeling the Pulse of Fashionable Lifestyle Trends**

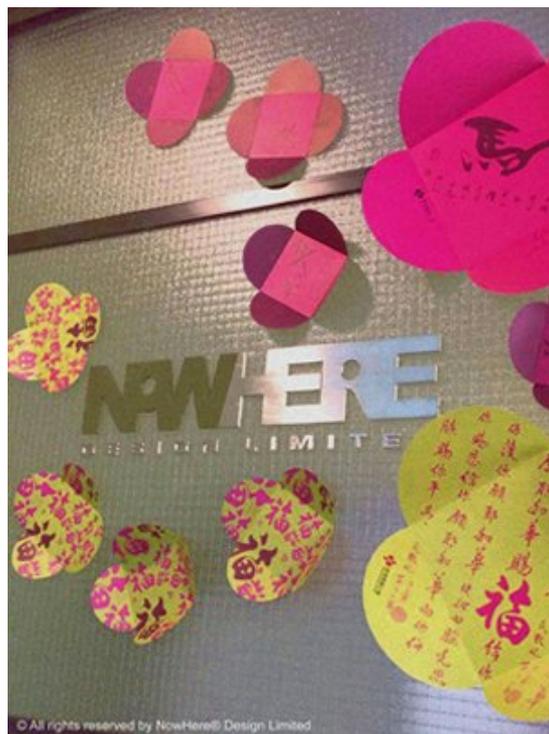
“There are quite a lot of designers with fashion sense in the mainland and Asian countries, yet they lack the soil for growing trendy lifestyles. Actually, Hong Kong is not only an international city where Eastern and Western cultures meet, it is also a fashion capital of Asia. Middle-class consumers in the mainland and Southeast Asia in particular view Hong Kong as Asia’s lifestyle trendsetter.

“When well-known foreign brands enter the mainland market, most of them would use Hong Kong as a springboard. Consumers in the region and other Belt and Road markets would frequently refer to Hong Kong’s lifestyle trends and practices in order to master the fashion trends in Asian and Western countries.”

According to Lau, Hong Kong can provide mainland enterprises with professional designer services in such areas as product design, style, sales and marketing. This not only helps mainland products to catch up with international fashion trends, but also to meet international market standards, such as environmental requirements, recyclability of materials, minimising material waste and pollution in production process, as well as causing no harm to human health.



Hong Kong designers can help mainland products to catch up with international fashion trends and market standards.  
(Photograph provided by NowHere® Design Ltd.)



Hong Kong designers can help mainland companies to build a positive image in the market.  
(Photograph provided by NowHere® Design Ltd.)

Hong Kong can also assist mainland enterprises in conveying the message that they meet the internationally recognised code of Corporate Social Responsibility (CSR), and build a positive image for their product and company in the local market.

Tony Lau is chairman of the *Hong Kong Designers Association Global Design Awards (GDA)* (2015-2016) Judging Panel. The *Hong Kong Designers Association*, with over 700 designer members, first organised the *GDA* in 1975. For many years, the *GDA* has not only honoured global design excellence, but has also become one of the most established multi-disciplinary design competitions in the Asia-Pacific region and helps to enhance Hong Kong’s status as a key creative centre.

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[1] Tony Lau is founder and creative director of *NowHere® Design Ltd*, which is a Hong Kong design company mainly engaged in architectural and interior design and branding design.

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