

Inside China's Handbag Market Reset.



Foreword

Based on the latest reports, the global luxury market remained flat year on year in 2025. China showed early signs of a rebound: the contraction in the domestic market narrowed (-3% to -5%), while overseas luxury spending continued to rebound. Yet this phase of recalibration is also rewriting the industry's former playbook. Shifting mindsets and evolving consumer expectations are placing new demands on brands across product, experience, and strategy.

Once the most resilient pillar of luxury fashion, handbags are now at an inflection point. While the category is showing tentative signs of recovery, growth is becoming increasingly selective — favouring premium disruptors and culturally resonant labels over traditional luxury incumbents. This divergence signals a deeper shift in how Chinese consumers define value, relevance, and justification in handbag purchases.

In response, DLG and Re-Hub are launching the whitepaper *Inside China's Handbag Market Reset*. Powered by data from SPECTRUM and other proprietary tools — tracking both brand-owned channels and the grey market — the report unpacks the current momentum of China's luxury handbag demand and examines the new premium challengers reshaping the category.

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01

The Handbag Demand Reset.

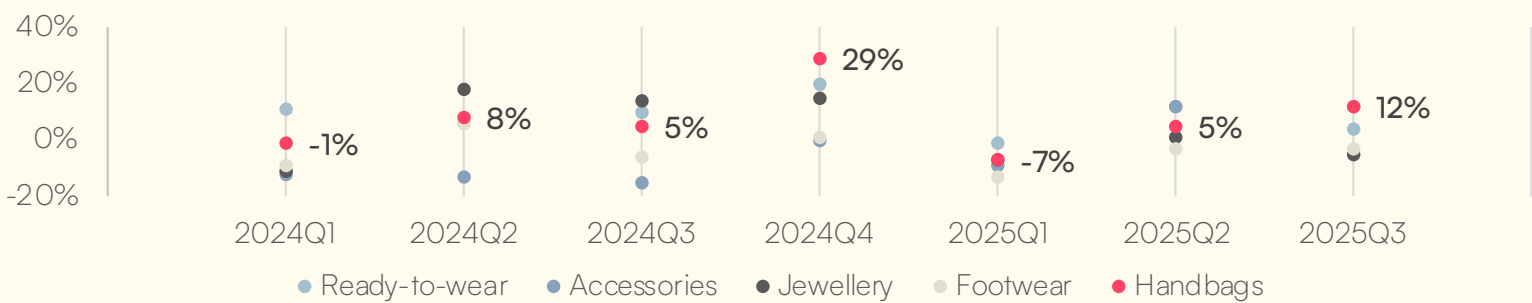
Softening demand for luxury handbags reflects a mix of pressures, including outbound spending, the rise of the grey market, and a changing consumer mindset. Some factors are temporary while others are structural, and distinguishing between them is essential.



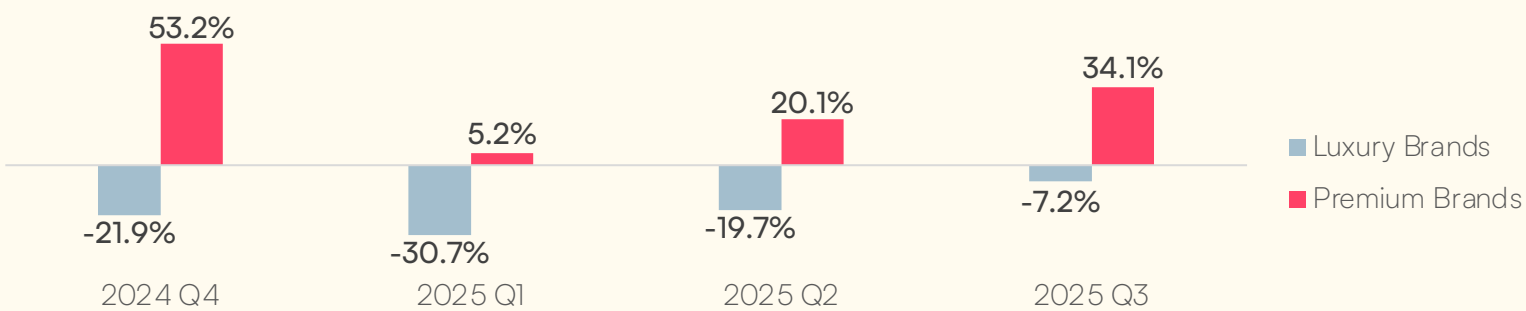
Bags show signs of recovery on Tmall, driven by strong double-digit growth from premium brands, while luxury continues to lag

- On Tmall, handbags remain the second-largest category in the luxury and premium segment, trailing only ready-to-wear.
- Across 2024 and 2025, first-quarter performance, shaped by the Lunar New Year, has shown consecutive slowdowns.
- While the category is rebounding, growth is primarily driven by a surge in premium brands (e.g. Coach, Songmont) and hype brands (e.g. Miu Miu, Lemaire). By contrast, luxury has experienced overall declines.

QUARTERLY YOY PERFORMANCE COMPARISON ACROSS CATEGORIES 2024 Q1-2025 Q3¹



QUARTERLY BAG REVENUE GROWTH (YOY) ON TMALL²

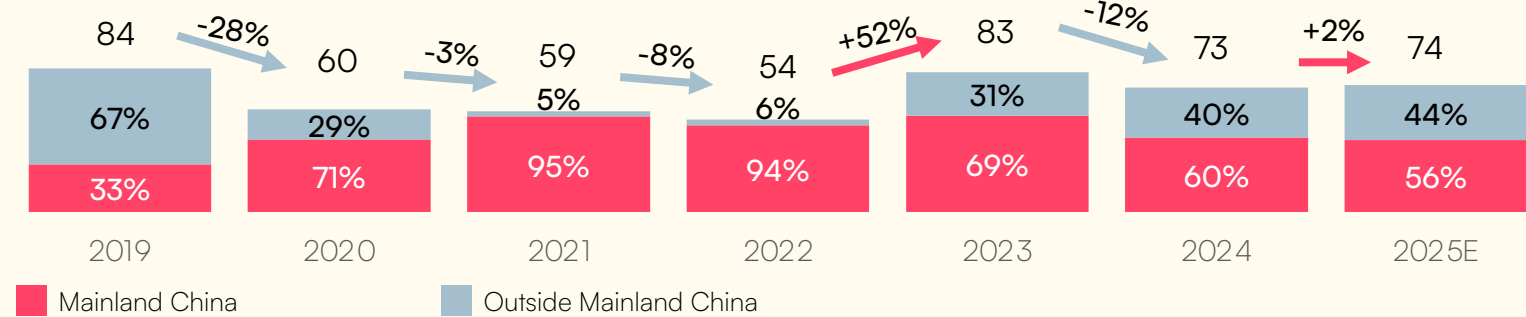


Source: DLG analysis
Note: 1. 102 brands were included, including all store types; 2. The sample comprises 65 luxury brands and 37 premium brands, all with available revenue data from September 2023 across all store types.

Domestic consumption has stabilised; outbound spending is recovering much more slowly than expected

- Following the reopening, the reallocation of luxury spending stands as the most direct factor in the contraction of China’s luxury market.
- While arbitrage opportunities vary by brand, price gaps between China and overseas shopping destinations have generally narrowed following waves of global price harmonisation.
- However, the domestic vs. overseas distribution split may never return to pre-COVID levels due to tightened consumer relations, remaining price differentials, assortment availability, and stricter customs controls.

LUXURY GOODS EXPENDITURE FROM CHINESE CONSUMERS
2019-2025E, € bn












HANDBAG PRICES IN MAINLAND CHINA (RMB) AND REGIONAL DIFFERENCES

	CHANEL 25 Small Handbag	LOUIS VUITTON CarryAll PM	MIU MIU Arcadie Regular	BALENCIAGA Rodeo Mini	LEMAIRE Belted Hobo Bag
Mainland China	50,200	23,000	24,300	22,900	12,900
Hong Kong SAR	-10.2%	-6.8%	-7.7%	-5.2%	-4.9%
France (Ex-VAT)	-12.9%	-12.3%	-28.8%	-20.2%	-18.7%
Japan (Ex-VAT)	-15.1%	-20.2%	-26.0%	-19.8%	-26.5%

Source: Bain — Altagamma Luxury Goods Worldwide Market Study; DLG analysis
Note: Prices are based on local retail pricing and applicable tax rebate policies by region. Currency conversion is as of 11 December 2025.

Polarisation will intensify as the macro environment and consumer mindsets continue to shift

	2025 Q3 Earnings Snapshots ¹	2025E (Mainland China)	2026E (Mainland China)	Drivers and Challenges of 2026 Performance
Absolute Luxury	<ul style="list-style-type: none"> Hermès: Asia (ex-Japan) +0.3% Brunello Cucinelli: Asia +23.1% 	 		<ul style="list-style-type: none"> HNWIs increasingly shop domestically to seek exclusive experiences and maintain strong BA relationships Ongoing price harmonisation across regions reduces arbitrage incentives
Aspirational Luxury	<ul style="list-style-type: none"> LVMH: Mainland China “turning positive” Kering: Asia (ex-Japan) -10% 		  <i>(Continued polarisation)</i>	<ul style="list-style-type: none"> Creative leadership changes bring both growth opportunities and brand risk Leading maisons reinforcing value propositions Wide pricing gaps vs. overseas and grey channels continue to influence middle-aspirational spending choices
Premium Luxury	<ul style="list-style-type: none"> Tapestry: Greater China +19% Capri Holdings: Asia +25.4% 		 	<ul style="list-style-type: none"> Consumers prioritising value-driven choices amid an uncertain macro environment Brand-owned outlets and seasonal promotions diminishing grey-market and overseas spending appeal Successful brand refreshes driving renewed interest and higher ATVs

Source: Brand press releases; DLG analysis

Note: 1. The fiscal quarter for Tapestry and Capri Holdings ended on September 27, 2025.

02 Mapping China's Grey Market Dynamics.

China's grey market, driven by discounting, instant availability, and strong consumer trust in platforms, continues to undermine both brand revenue and equity. In an increasingly polarised market, aspirational luxury brands bear the greatest pressure.



Continuous year-round markdowns in the grey market are cannibalising brand-owned channels, especially in aspirational luxury

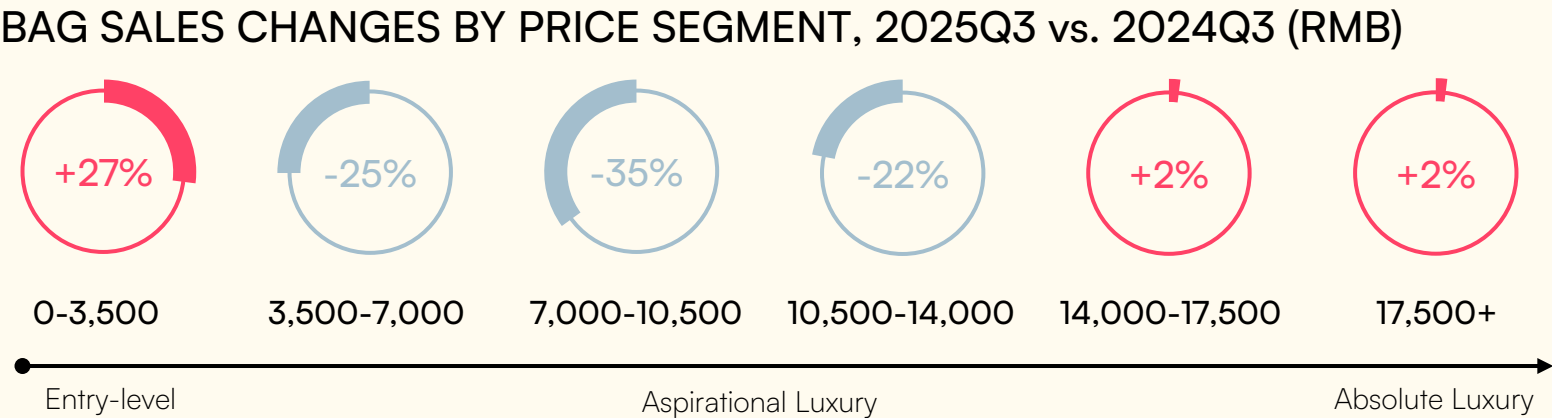
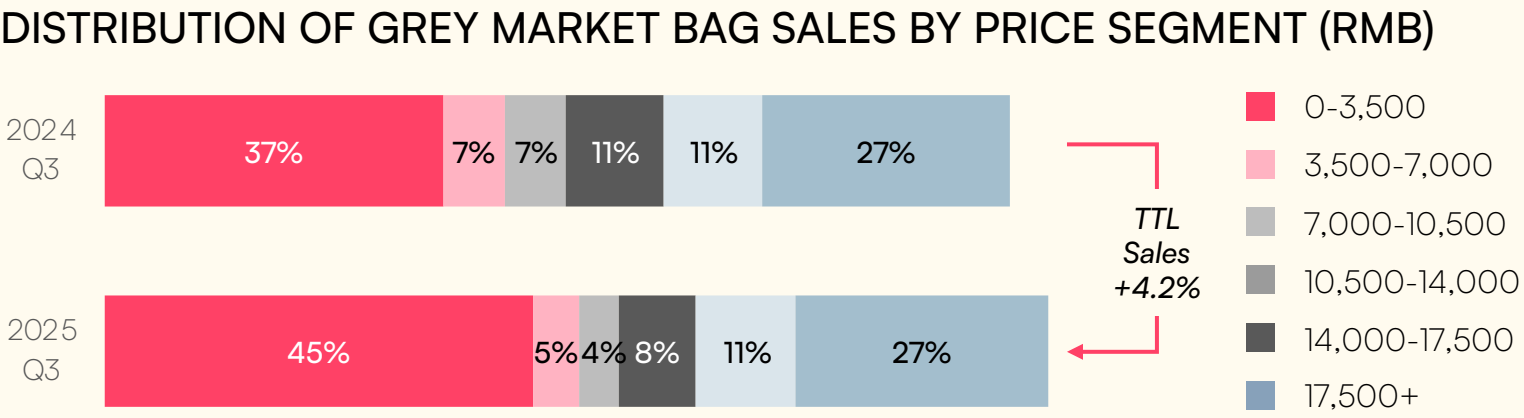
While channel arbitrage causes almost all products to trade below retail on the grey market, the actual variance (ranging from discounts to premiums) depends on channel control and market appetite. The chart below displays the average price difference between grey-market and official retail prices for handbags in 2025.



Source: SPECTRUM (DLG & Re-Hub)
Note: Discounts reflect the average discount level across all brand listings in the grey market in 2025.

In a cautious climate, consumers gravitate toward either top-tier options or strong value-for-money deals

- Premium and absolute luxury products still account for the majority of grey market sales.
- Consumers are becoming increasingly price-conscious, driving continued growth in the grey market as a preferred discounted channel.
- Demand for both entry-level and absolute luxury products has risen. In contrast, sales for items priced between 3,500 and 14,000 RMB, a range dominated by aspirational luxury goods, have contracted.



Source: SPECTRUM (DLG & Re-Hub)
Note: 21 luxury and premium brands with a significant contribution from handbags were included.

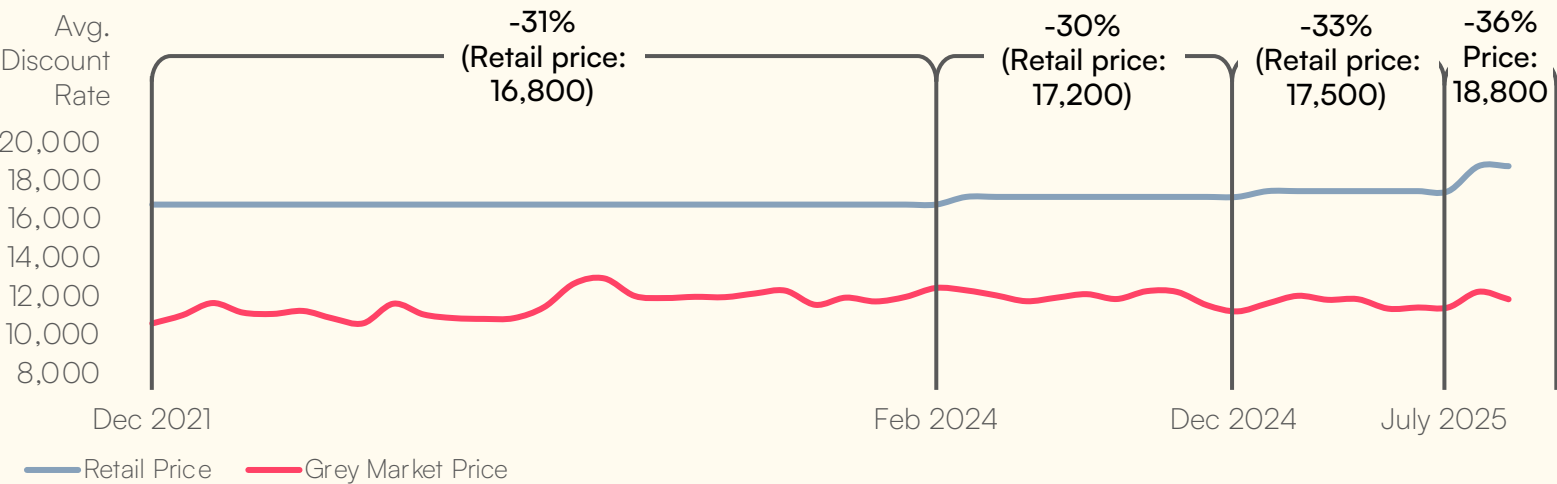
Bigger implied discounts emerge as official prices rise while grey-market levels hold — a sign of demand fatigue

- For most iconic models, prices on grey market platforms have remained flat over the years, with only slight fluctuations.
- Most brands have implemented waves of price increases, creating a widening gap between grey channels and brand-owned channels.
- The heightened discount levels also correspond with softening demand across both discounted and full-price channels.



Brand: Saint Laurent
Product: LE 5 À 7 In Smooth Leather
Price (Mainland China): RMB 18,800

THE EVOLUTION OF RETAIL PRICE AND AVERAGE GREY MARKET PRICE
Dec 2021 — Sep 2025 (RMB)

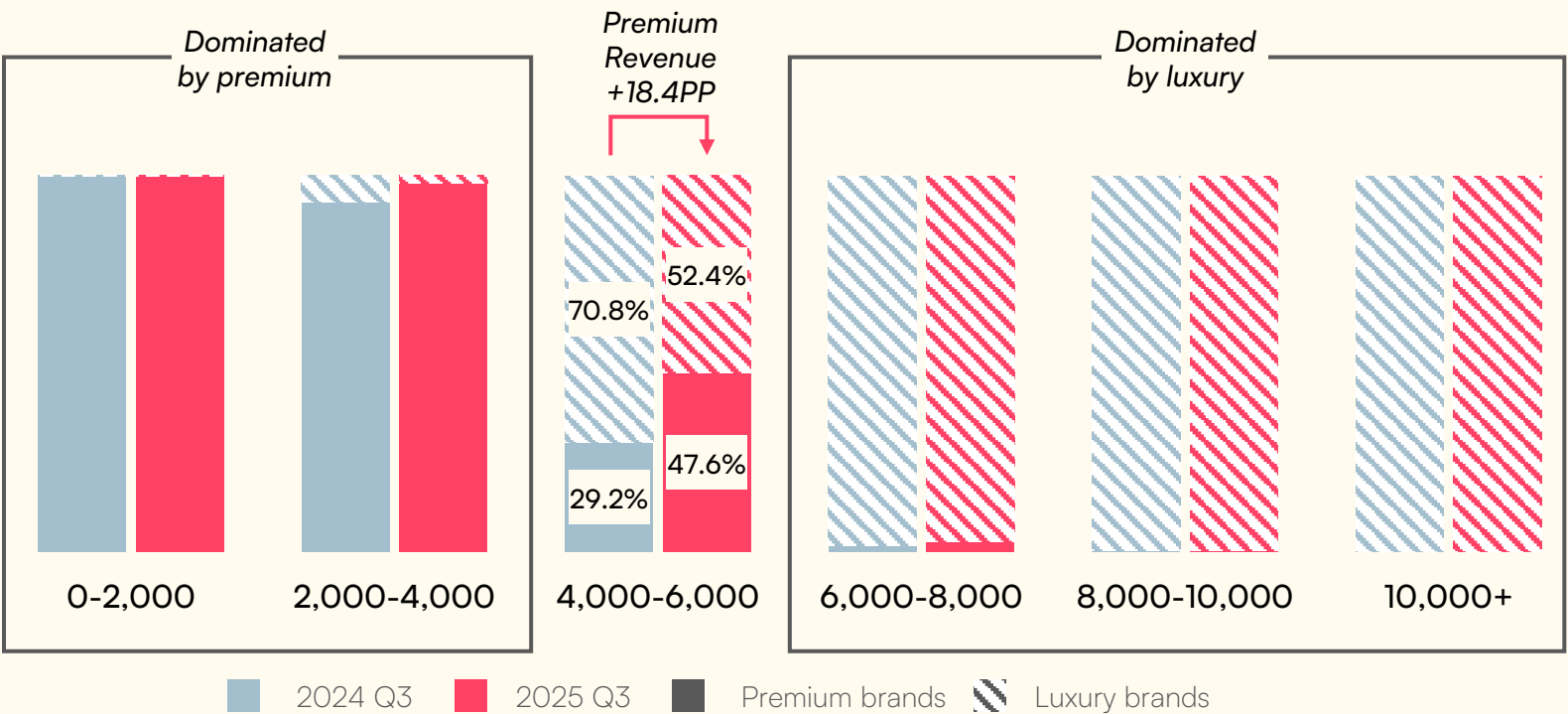


Source: SPECTRUM (DLG & Re-Hub)

The widening price overlap between luxury and premium intensifies direct competition between the two segments

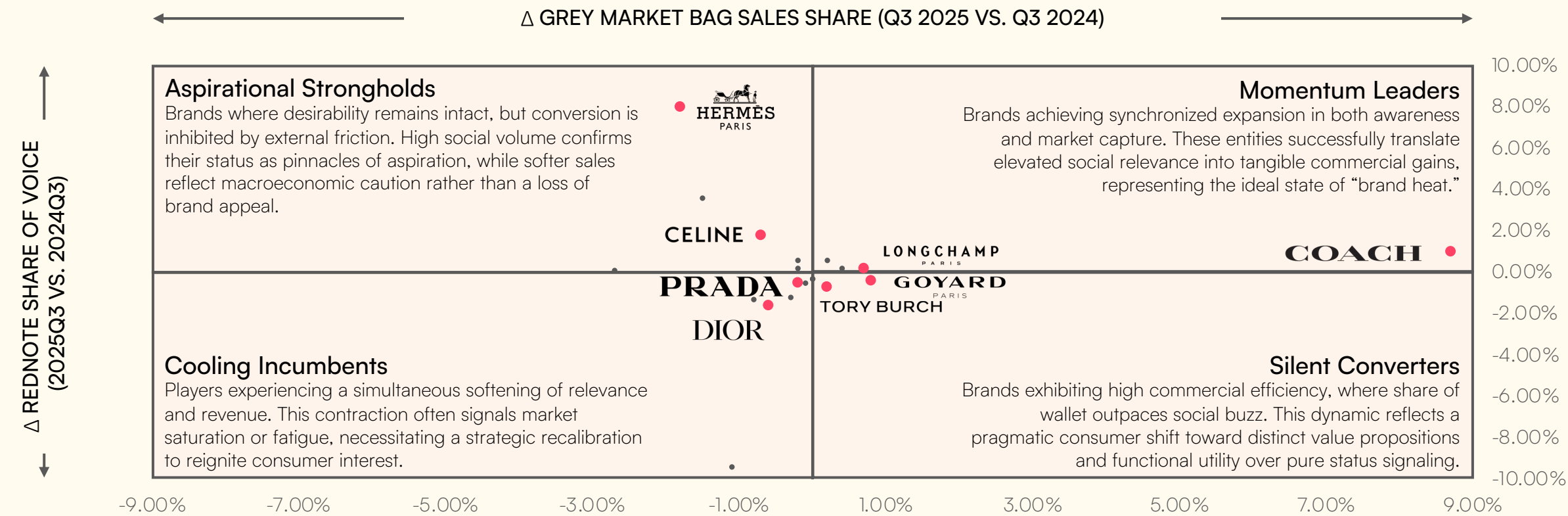
- While luxury item prices remain flat, the premium segment shows strong upward momentum. Revenue share in the 4,000-6,000 RMB range climbed from 29.2% to 47.6%, a trend boosted by consumer inclination and product elevation.
- The 4,000-6,000 RMB segment is where luxury and premium brands compete most fiercely.

SHARE OF REVENUE BY PRICE SEGMENT, PREMIUM VS. LUXURY



Source: SPECTRUM (DLG & Re-Hub)
Note: 21 luxury and premium brands with a significant contribution from handbags were included.

Current market dynamics reflect a widening divergence between social buzz and conversion, reshaping brand performance archetypes



Source: SPECTRUM (DLG & Re-Hub)

03 The Premium Players Changing the Rules.

The premium handbag resurgence is global. Brands like Coach, Longchamp and Songmont are gaining share not just through pricing, but through sharper operations and more relevant value propositions.



Coach, Longchamp, and Songmont are demonstrating the resilience of the premium handbag segment amid the market downturn

COACH



How can a premium brand simultaneously anchor scale with evergreen icons while sustaining momentum through fast, hype-driven product drops?

LONGCHAMP PARIS



How can a single, timeless icon be leveraged as an accessible entry point, while still expanding consumers into a broader, higher-value brand universe?

Songmont



How can a locally rooted brand translate manufacturing proximity, market intuition, and speed into a scalable market disruption?

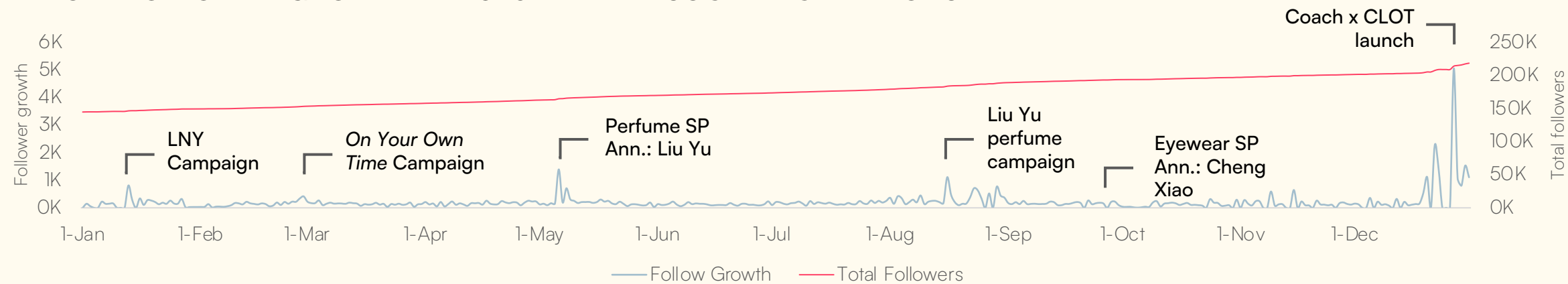
Transitioning into a hype brand: category expansion, celebrity endorsement, and drop strategy



Coach set a clear direction for brand rejuvenation in 2022 with the concept of “*Expressive Luxury*”, designed to resonate with Gen Z and their evolving shopping norms. Since then, the brand has moved away from its outlet-driven “mom bag” image, instead driving virality through product novelties (Empire, Tabby), snappy visuals, high-profile runway shows, and category expansion into ready-to-wear, eyewear, and

fragrances — sustaining momentum despite an industry slowdown. As a brand already commanding 150K followers on RedNote, Coach still achieved an impressive 34% follower growth in 2025. Beyond amplification from its official account, the brand generated a substantial share of voice through UGC on the platform, underscoring its relevance and desirability among younger generations.

REDNOTE FOLLOWER GROWTH IN 2025 AND KEY SOCIAL ACTIVATIONS



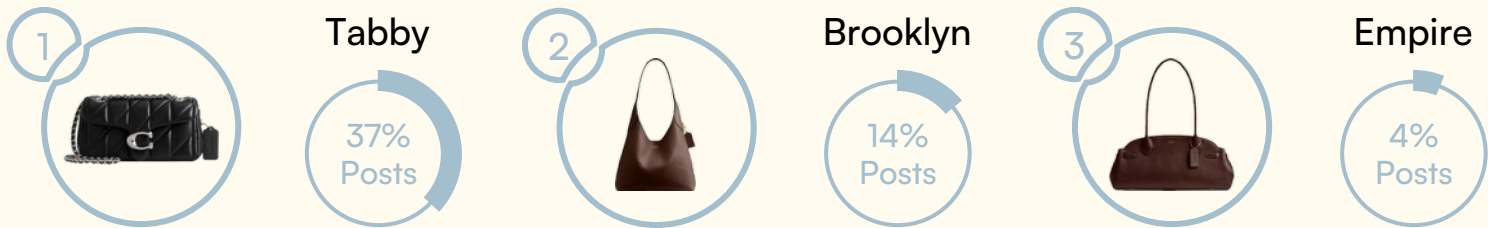
Source: Xinhong

Tabby, the icon of the new Coach, anchors social buzz and leads sales

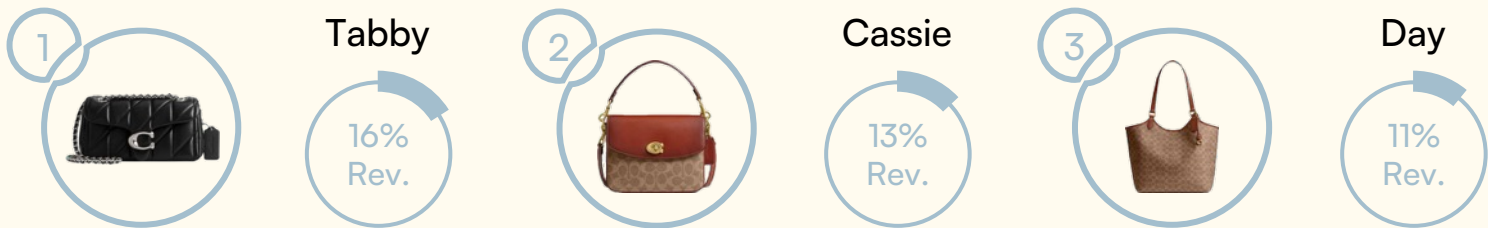


- Tabby has emerged as Coach’s core icon, topping sales and dominating social attention through continuous iterations and celebrity exposure.
- Cassie and Day, two legacy collections, remain key revenue drivers on Tmall, though performance is largely supported by discounting.
- Empire and other new launches have sparked strong social buzz, with Coach deliberately tightening supply to preserve desirability.

MOST-COMMUNICATED COLLECTIONS ON THE REDNOTE ACCOUNT (2025)



REVENUE CONTRIBUTION OF BEST-SELLING COLLECTIONS ON TMALL (JAN-SEP 2025)



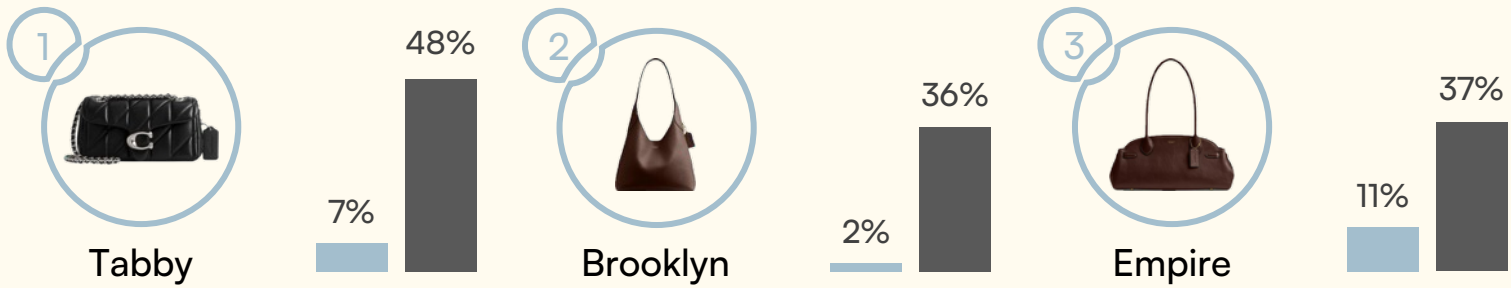
Source: DLG analysis, Xinhong
Note: Brand performance on Tmall reflects results from the brand’s Tmall flagship store only, excluding Tmall Outlet and Tmall Global. Sales performance is measured at the listing level. Each listing may include multiple similar product variants with different price points.

A two-pronged approach: balancing novelties and legacy collections

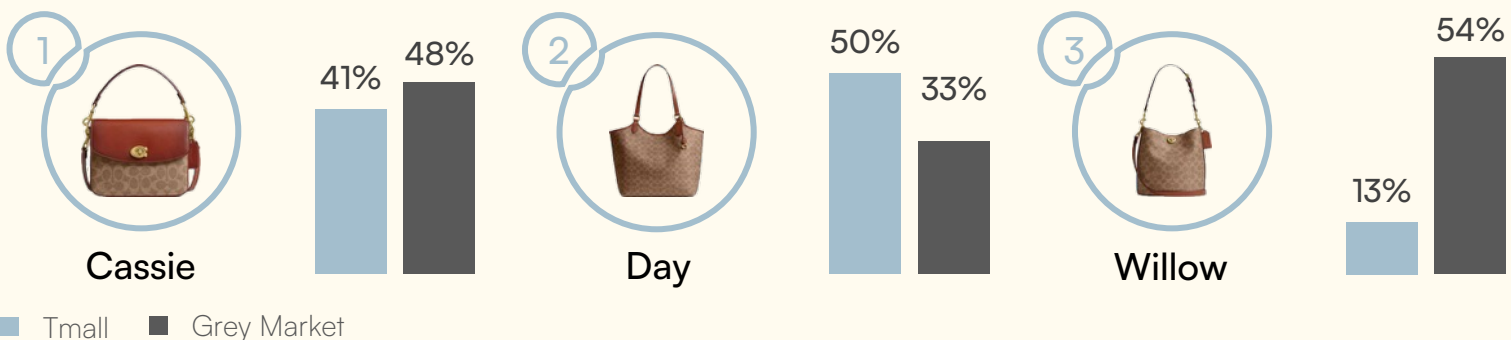


- A differentiated discount strategy reflects dual objectives: sustaining brand excitement while securing commercial performance through promotions.
- Novelty collections are selectively discounted to preserve exclusivity, particularly for hyped models with runway and celebrity exposure.
- The relatively small discount gap between Tmall and the grey market for legacy collections helps drive traffic to brand-owned channels, reducing consumers' incentive to seek parallel markets.

NEW COLLECTION DISCOUNTS: TMALL VS. GREY MARKET (JAN-SEP 2025)



LEGACY COLLECTION DISCOUNTS: TMALL VS. GREY MARKET(JAN-SEP 2025)

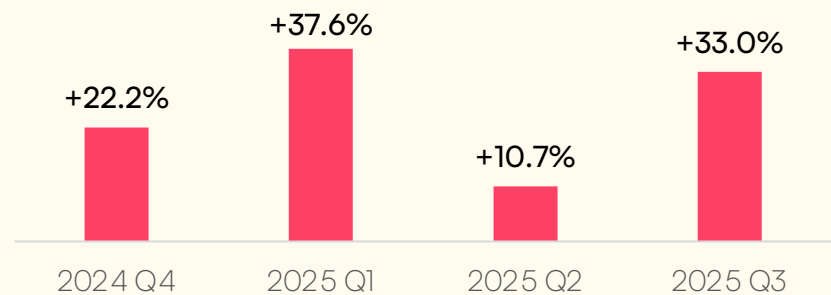


Source: DLG analysis, Xinhong
Note: Brand performance on Tmall reflects results from the brand's Tmall flagship store only, excluding Tmall Outlet and Tmall Global. Sales performance is measured at the listing level. Each listing may include multiple similar product variants with different price points.

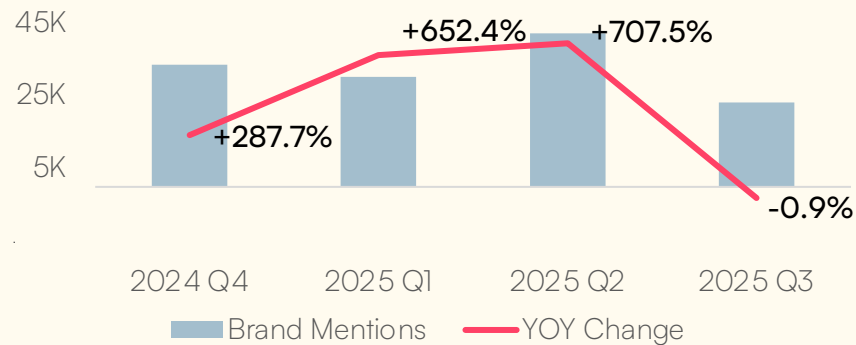
Snapshot: Coach



TMALL BAG REVENUE GROWTH (YOY)



REDNOTE UGC VOLUME GROWTH (YOY)



TOP 3 LISTINGS ON TMALL
2025 Q3



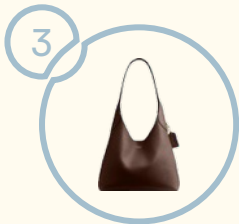
Day Tote

Listing Price: 2,090 RMB
Rev. Contrib.: 12.5%



Cassie Crossbody
Bag 19

Listing Price: 2,450 RMB
Rev. Contrib.: 7.9%



Brooklyn Shoulder
Bag 28

Listing Price: 3,200 RMB
Rev. Contrib.: 6.7%

TOP 3 NOVELTIES RELEASED IN
2025 ON TMALL (Q3)



Brook Flap Chain
Bag

Listing Price: 2,950 RMB
Listing Time: 05/2025



Swinger 20

Listing Price: 2,600 RMB
Listing Time: 03/2025



Waverly Bag

Listing Price: 2,600 RMB
Listing Time: 08/2025

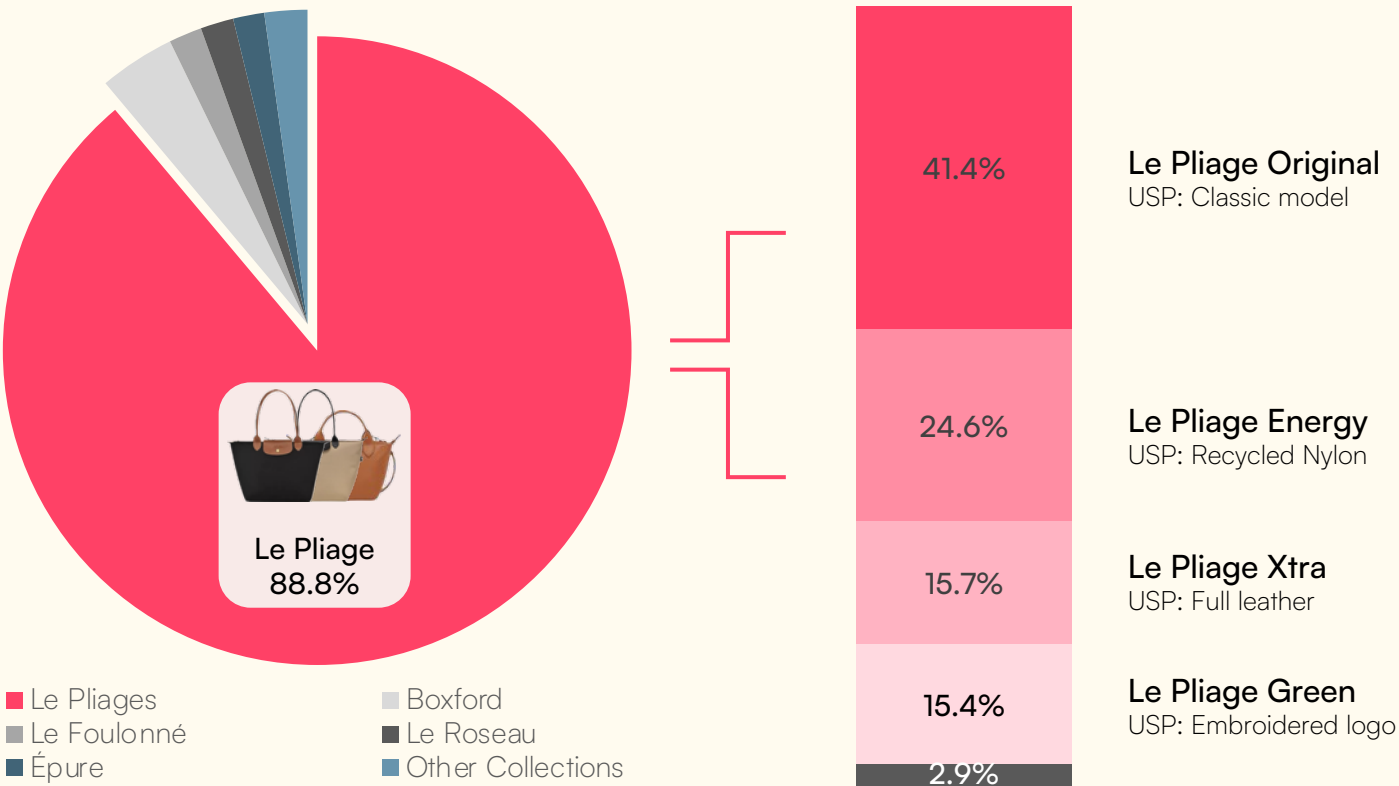
Source: DLG analysis, Xinhong
Note: Brand performance on Tmall reflects results from the brand's Tmall flagship store only, excluding Tmall Outlet and Tmall Global. Sales performance is measured at the listing level. Each listing may include multiple similar product variants with different price points.

Le Pliage dominates brand revenue, with classic models as the primary growth engine

LONGCHAMP
PARIS

- Le Pliage, Longchamp’s most iconic collection, accounted for 88.8% of total brand revenue in 2023.
- Modern iterations — including Energy, Xtra and Green — are gaining momentum, collectively capturing a growing share of revenue.
- Le Pliage Xtra, positioned at the highest price point within the franchise, has achieved a strong revenue contribution, reflecting the success of its elevation strategy.

TMALL REVENUE BREAKDOWN BY COLLECTION IN 2025



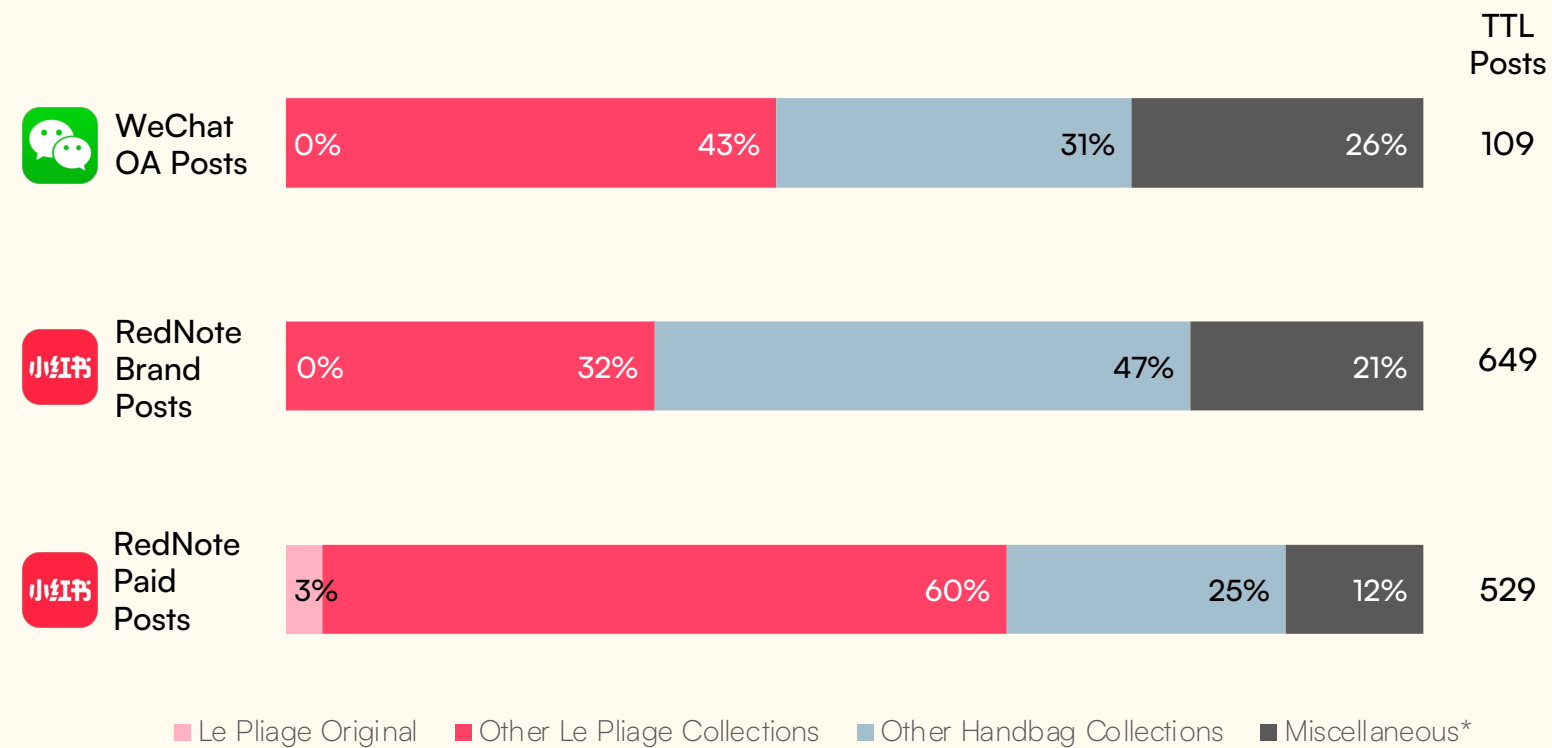
Source: DLG analysis

The brand places greater emphasis on high-value collections than on Le Pliage Original in its social activations

LONGCHAMP
PARIS

- While Le Pliage remains the core revenue driver, other collections generate a disproportionately high share of social exposure.
- Across WeChat and RedNote, the brand’s accounts show a deliberate shift beyond Le Pliage, broadening brand storytelling to other leather goods, ready-to-wear, culture, and *art de vivre*.
- For purchase activation, paid influencer posts on RedNote remain the only channel receiving dedicated investment for Le Pliage Original, mostly co-created with KOCs.

ALLOCATION OF SOCIAL PUSH ACROSS COLLECTIONS IN 2025



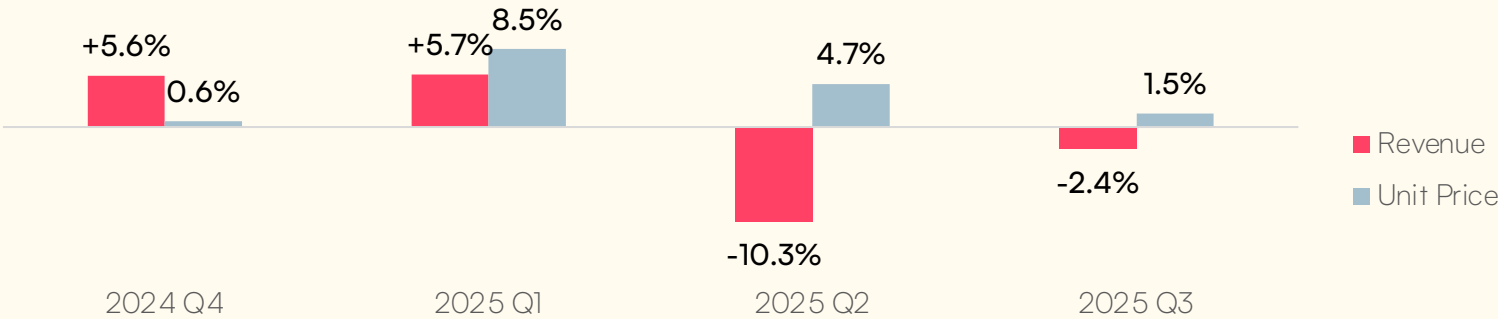
Source: Pugongying
Note: *Miscellaneous refers to content that does not focus on a specific collection, instead showcasing a mix of collections, brand events, or broader brand storytelling.

Unit price expansion persists despite slowing revenue growth

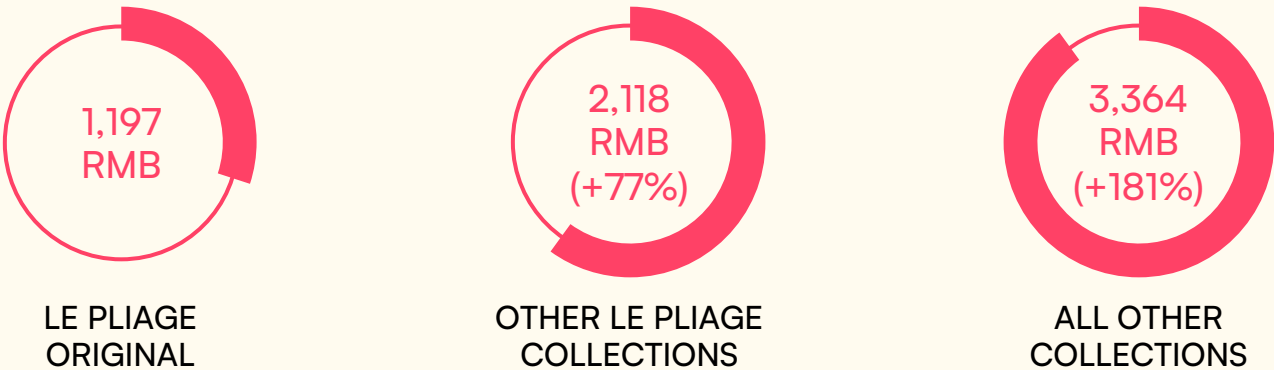
LONGCHAMP
PARIS

- Le Pliage Original remains the brand’s moat: tightly defended through strict price discipline and minimal discounting, preserving its role as a stable, high-trust entry point.
- Within Le Pliage, Xtra and limited editions act as trading-up levers, gaining strong social traction and lifting average transaction value without eroding the icon.
- Beyond Le Pliage, other leather collections (Le Foulonné, Épure, Le Roseau) sit in materially higher price bands, enabling Longchamp to elevate brand perception beyond a purely basic and utilitarian positioning.

QUARTERLY YOY GROWTH IN REVENUE AND AVERAGE UNIT SOLD PRICE



UNIT SOLD PRICE COMPARISON (VS. LE PLIAGE ORIGINAL)

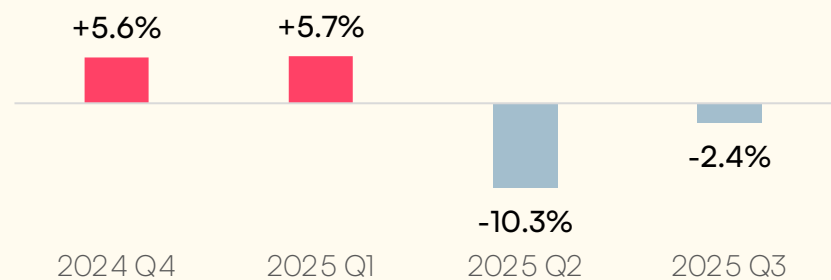


Source: DLG analysis

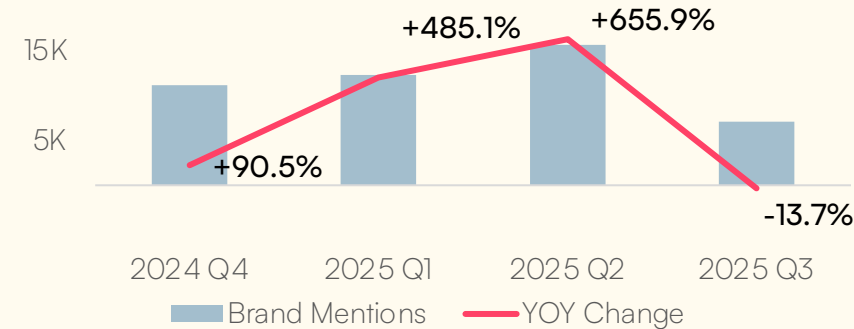
Snapshot: Longchamp

LONGCHAMP
PARIS

TMALL BAG REVENUE GROWTH (YOY)



REDNOTE UGC VOLUME GROWTH (YOY)



TOP 3 LISTINGS ON TMALL
2025 Q3



Le Pliage Original M Tote Bag
Listing Price: 1,200 RMB
Rev. Contrib. : 13.3%



Le Pliage Original L Tote Bag
Listing Price: 1,400 RMB
Rev. Contrib. : 9.4%

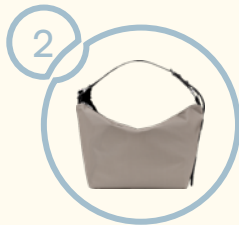


Le Pliage Energy L Handbag
Listing Price: 2,500 RMB
Rev. Contrib. : 6.6%

TOP 3 NOVELTIES RELEASED IN
2025 ON TMALL (Q3)



Le Pliage Céramique XS
Listing Price: 5,400 RMB
Listing Time: 05/2025



Le Slouchy-T M Hobo
Listing Price: 2,300 RMB
Listing Time: 07/2025



Le Foulonné S Handbag
Listing Price: 6,100 RMB
Listing Time: 07/2025

Source: DLG analysis, Xinhong
Note: Brand performance on Tmall reflects results from the brand's Tmall flagship store only, excluding Tmall Outlet and Tmall Global. Sales performance is measured at the listing level. Each listing may include multiple similar product variants with different price points.

Is China redefining luxury, one handbag at a time?

In September, Bernard Arnault, chairman of luxury behemoth LVMH, paid a visit to Songmont and purchased two handbags in Shanghai. The trip quickly made headlines across major news outlets. While the visit could be interpreted as an expression of curiosity towards a local Chinese label from a Western eye, it also signals something deeper: growing scrutiny of new consumer behaviours that may challenge the long-standing dominance of Western luxury maisons in China.

“Designed in China” is no longer a novel concept. Across categories such as beauty, consumer electronics, toys and automobiles, Chinese brands have gained strong traction not only domestically but increasingly in overseas markets. Yet Songmont stands out. Why? Because handbags sit at the very core of luxury’s value proposition, often representing the most tangible and emotionally resonant purchase for consumers.

Songmont is among the few Chinese handbag brands that have successfully built a holistic brand narrative, offering consistent storytelling across both online and offline touchpoints, alongside a well-curated product portfolio comparable to its Western counterparts. This level of brand maturity elevates Songmont beyond the typical “local brand” label and places it closer to the luxury conversation.

That said, Songmont is not the only force reshaping the market. A growing number of merchants on C2C marketplaces (Taobao, Weidian) and social media (WeChat, RedNote) are steadily eroding market share through dupes and, in some cases, counterfeits, targeting entry-level consumers. More importantly, many of these sellers are using capital accumulation and branding strategies to transition into proprietary brands, positioning themselves as the next wave of competitors in the evolving luxury landscape.



Songmont is the tip of the iceberg among Chinese manufacturers that are stealing market share

Songmont

REPRESENTATIVE BRANDS

BUSINESS MODEL

WHAT IT TAKES TO LEVEL UP

ESTABLISHED BRANDS

Songmont GROTTO

- Online & offline retail network
- Coherent brand positioning
- Potential overseas expansion
- Celebrity and influencer endorsement

DIGITAL-NATIVE BRANDS

JEAYSI



- Digital-first (online-only) retail model
- Community- and influencer-driven amplification
- Agile supply chains and rapid product iteration

- Move beyond viral product logic to a portfolio of repeatable products
- Introduce consistent brand storytelling and visual consistency
- Expand into offline retail scenarios

WHITE-LABEL PRODUCTS

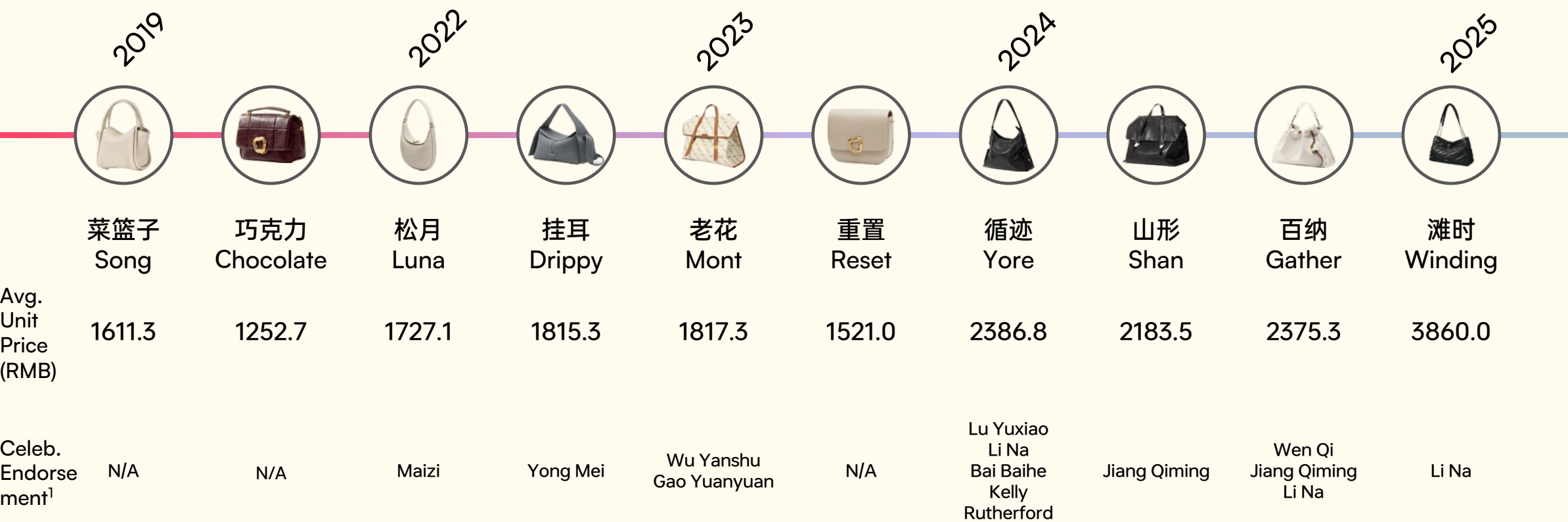
Songmont
(In early stages)

- Digital-only retail model
- Minimal branding
- Trend-reactive with no consistent design language

- Introduce basic branding elements
- Reduce reliance on price competition
- Engage consumers beyond the transaction

Songmont’s brand elevation is supported by higher-priced launches and celebrity endorsements.

Songmont



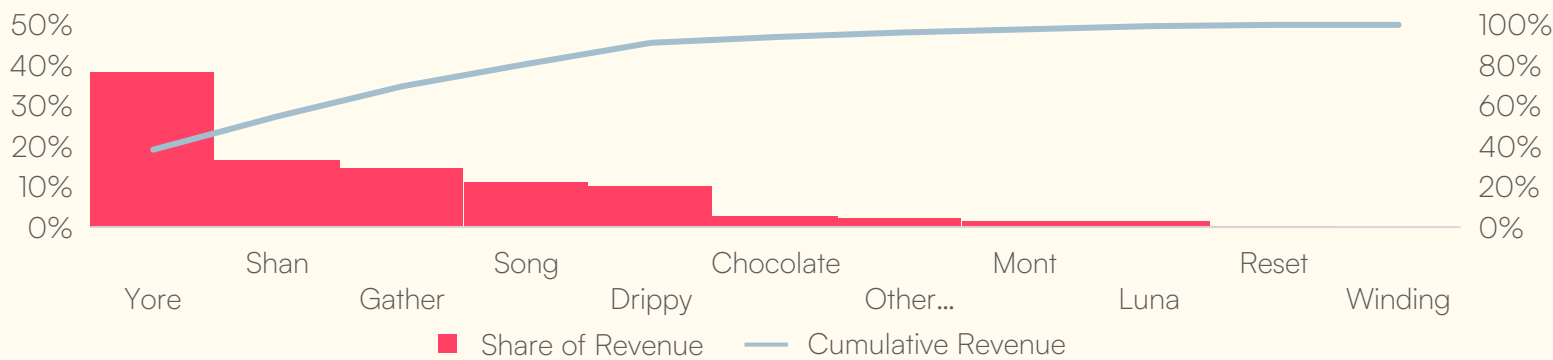
Source: DLG analysis
Note: 1. Celebrity endorsements are limited to product launch activations only.

Songmont’s new launches have scaled rapidly, translating novelty into meaningful revenue contribution.

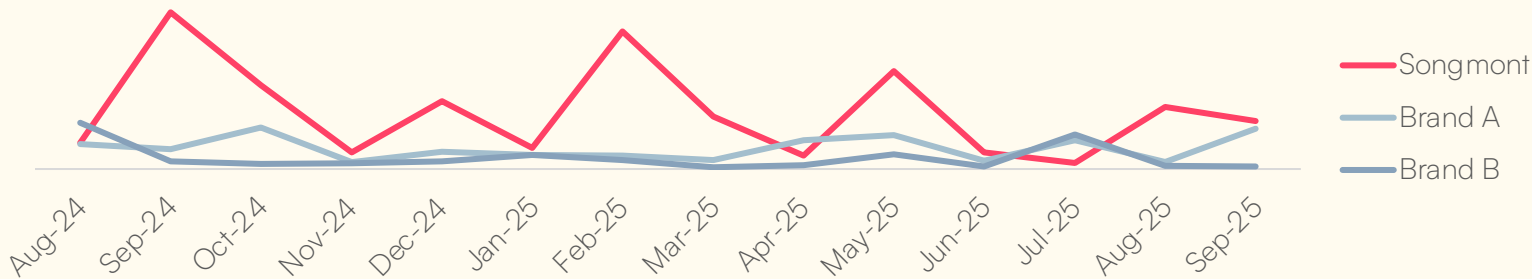
Songmont

- Collections launched in 2024 (Yore, Shan and Gather) accounted for approximately 70% of Songmont’s total Tmall revenue in 2025.
- These new launches, supported by a more aggressive celebrity marketing strategy, achieved rapid market traction.
- Compared with other premium peers, Songmont’s new launches gained outstanding momentum, driven by its concise portfolio and strategic launch plan.

REVENUE DISTRIBUTION BY COLLECTION ON TMALL IN 2025



REVENUE FROM NOVELTY RELEASES OF SONGMONT AND OTHER BRANDS¹

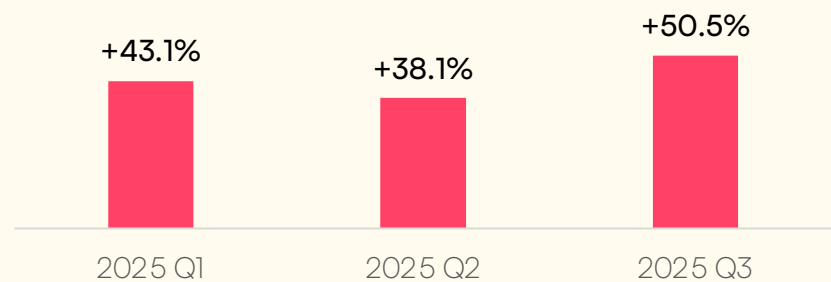


Source: DLG analysis, Xinhong
Note: 1. Revenue represents the cumulative sales generated by new launches within the first three months following release.

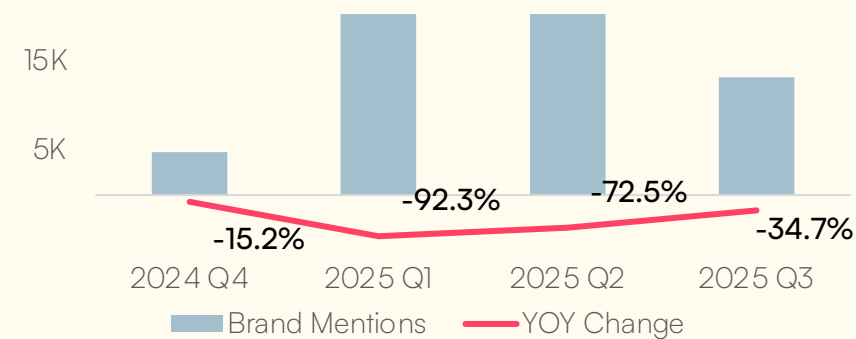
Snapshot: Songmont

Songmont

TMALL BAG REVENUE GROWTH (YOY)



REDNOTE UGC VOLUME GROWTH (YOY)



TOP 3 LISTINGS ON TMALL 2025 Q3



Yore Hobo Bag
Avg. Listing Price: 2,507 RMB
Rev. Contrib. : 11.3%



Yore Hobo Bag
Avg. Listing Price: 2,797 RMB
Rev. Contrib. : 8.5%



Shan Briefcase
Avg. Listing Price: 3,969 RMB
Rev. Contrib. : 6.6%

TOP 3 NOVELTIES RELEASED IN 2025 ON TMALL (Q3)



Yore Hobo Bag
Avg. Listing Price: 2,797 RMB
Listing Time: 05/2025



Gather Bag Set
Avg. Listing Price: 3,229 RMB
Listing Time: 02/2025



Gather Backpack
Listing Price: 1,980 RMB
Listing Time: 03/2025

Source: DLG analysis, Xinhong
Note: Brand performance on Tmall reflects results from the brand's Tmall flagship store only, excluding Tmall Outlet and Tmall Global. Sales performance is measured at the listing level. Each listing may include multiple similar product variants with different price points.

“Premium” is no longer just a price tier — it now signals modernity, agility, and individuality

Premium luxury has long been defined by attainable pricing — offering high-quality, prestige-looking products that bridge mass market and luxury. Yet, during previous luxury booms, some premium brands lost traction as mainstream consumers began viewing “luxury” as a tangible investment, choosing to save rather than settle for something merely “accessible.”

A new generation is now reigniting this segment: consumers who reject status hierarchy and do not buy luxury for its symbolism alone. Still largely price-bounded (typically topping out around \$1,500), premium luxury has grown more complex. Brand rejuvenation and designer-brand momentum have reshaped expectations — value and desirability now go far beyond simply getting a good deal.

PREMIUM BRAND ARCHETYPES BY VALUE PROPOSITION



04 Winning the Next Chapter of Luxury Handbags.

Luxury fashion brands must respond to the shifting dynamics of the handbag market by sharpening their value proposition, refining merchandising, and strengthening strategic agility.



How luxury brands should recalibrate to withstand premium brand competition?

Luxury is facing an irreversible structural shift:



GENERATION

Status-driven consumption
→ Value-conscious, identity-led, and participation-driven engagement



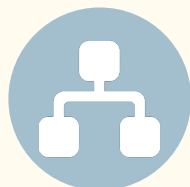
CONSUMER CONFIDENCE

Overall optimism driving impulse buying
→ Cautious spending, selective trade-offs, and heightened value scrutiny



LUXURY HIERARCHY

A clear top-down pyramid
→ A flatter competitive landscape where premium brands challenge entry luxury



CHANNELS

Brand-controlled messaging and linear funnels
→ Platform-driven discovery, price transparency, and fragmented authority

Recalibration imperatives to weather the change:

(RE)ASSERT

Reinforce symbolic value through co-creation, culture, and community, rather than one-way brand authority



(RE)FINE

Sharpen merchandising architecture by clarifying icons, disciplined novelty, and controlled variations



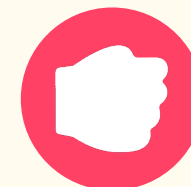
(RE)BALANCE

Recalibrate pricing ladders to protect core value while maintaining strategic accessibility



(RE)GAIN

Reassert control over distribution, pacing, and narrative to limit parallel markets and value leakage





DLG is the strategic growth partner for luxury and lifestyle brands — fusing AI, strategy, and creativity to shape the next era of brand performance.

Grounded in deep cultural fluency and over two decades of luxury expertise, we transform complexity into clarity and intelligence into influence through a proprietary AI platform and a fully integrated delivery model spanning strategy, technology, creative, and media.

From Geneva, Shanghai, and New York, we empower brands to craft the right moves, scaling with purpose and impact.



Re-Hub, a DLG company, delivers AI-powered business intelligence that helps luxury brands navigate China's luxury market. Combining proprietary analytics with Shanghai-based market expertise, Re-Hub provides actionable insights across social media, e-commerce, grey markets, and pre-owned channels — enabling brands to optimise strategy and commercial performance.

Business Enquiries

Max Peiro.

CEO, Re-Hub, a DLG company

E-mail: maxpeiro@digital-luxury.com

Press & Media Enquiries

Alexander Wei.

Research Director

E-mail: alexanderwei@digital-luxury.com

To learn more about our insights and services, please contact:

hello@digital-luxury.com