

Business

Partying Like It's Their Business

On a Saturday afternoon at Beijing's China Grand Hotel L'evenement's chairman assistant, Yang Nan, is marshalling an army of caterers, decorators, and entertainers, putting the finishing touches on the evening's gala celebration for the haute couture brand's third anniversary. Just eight hours from now, L'evenement's party will be in full swing. They have invited 600 guests, but 800 will show up, among them high government officials, society darlings, and the hottest celebrities. For Yang Nan, a party like this, which requires three million RMB and several months of planning, cannot be left to a PR firm.

In order to do it to their own standards, L'evenement needed full creative control. "We control every step of the process," Yang Nan says. "We guarantee the food and wine are plentiful and served right. We even make sure every light bulb shines with an equal luminescence." Yang Nan is proud of putting together a first-class affair and doing it the old-fashioned way – on his own.

But the era of do-it-yourself public relations is ending. Corporate-sponsored parties are now big business in China, and the PR agencies and events planners that organize them may soon be as indispensable a part of Chinese business culture as name cards and all-night negotiation dinners. Parties allow purveyors of top-shelf alcohol, high fashion, and other big-ticket goods a new way to reach that elusive demographic: the trend-conscious, upwardly mobile, urban Chinese consumer. The Shanghai-based Riviera Events has captured these consumers with a series of splashy parties for clients like Johnny Walker, Solid Vodka, and Wyborowa. Riviera director Benoît Thebaut says the guests at the parties not only speak about the brand, but they also take photos and videos cementing exposure to it in their memories.

Special projects director for the marketing firm Confucius Says Ben Shipley, who works with clients such as 42 Below Vodka agrees. "You can advertise to them, but once you get them into the room with your brand, that's the most impact you can have," he says.

Cosmetics brands in China are increasingly turning to event planners. In particular, flashy gatherings with well-heeled partygoers are a natural way to draw media attention. Zhang Hezeng, a project manager at the international public relations firm Weber Shandwick has worked with Hugo Boss perfume, Anna Sui, Cover Girl, and Oil of Olay – all of which have developed solid long-standing relationships with fashion magazine editors. Zhang says these companies' parties help guarantee media promotion targets.

Even if you're handing out free party favors, it's good business. "For the cost of one printed ad, (your party) can have coverage in 30 to 40 magazines," Thebaut figures.

Furthermore, corporate parties draw more than just paparazzi – they gather together members of a brand's target demographic and let them interact naturally, right in front of marketers' eyes. "We get to understand more about who's drinking what, what flavors are more popular with what sorts of groups, how they understand the brand– do they get it? – that sort of thing. So from a marketing research perspective, it's a great tool," says Aaron Marsich, director of The Lab, a marketing research company focused on the Chinese market. "You use your own sight to do grassroots research into what customers are actually doing, what they're drinking, and how they're feeling about it."

But not all companies are as willing to relinquish control over their image. To cede control of a party to a PR firm, L'evenement Chairman Li Cheng says, is to relinquish the assured quality and creativity of the party. When it comes to guest lists, L'evenement clashes with PR firms over L'evenement's high standards, rejecting the sort of average folks the PR companies are willing to bring in. The people at a party are always the most important aspect of an event, Li Cheng says. And PR companies simply don't have the same connections.

Crafting the right mix of customers, media representatives, and celebrities is an important task. "We have several types of databases, according to whether you want to have an event for 5,000 or for 200 people, if you want 100% Chinese, or if you want to have a mix of foreigners and Chinese," fellow Riviera events director Stephane deMontgros says.

“The most important feeling that luxury brand parties should give the public is its international nature,” says Annie Xiao, events manager for Louis Vuitton China. Shipley, of 42 Below, further explains, “Obviously, we—like most brands—are interested in the Chinese market rather than the expat one. But part of an international brand’s appeal is that it’s from another country, so you need to try and capture that in your party as well.”

Targeting the perfect venue is another challenge. Most any luxury product launched at a popular venue will draw punters – and nightclub parties make the best venues, says Zhu Zhen, website manager of Yeshixiang the first online party site in China and, with two million registered users, the biggest of its scope in the world today. Zhu Zhen explains that car and clothes companies love night parties best because the people who go out at night are also the biggest consumers. “Vero Moda, Only, and Jack & Jones – you can see them at almost any nightclub.” Companies like Chivas and Johnnie Walker painstakingly pick the bar and bring their own international DJ, says Zhen.

But brands can try too hard. “The problem when you get to a high-end brand is that the temptation is to do very expensive, very lush, very slick events, and they are really, really expensive,” Marsich says. “So you take all the creativity out of it and you must make sure everything is bling. And the bill at the end of it, most of the time, is not going to produce any return at all.”

Summer Zhang, a consultant for Weber Shandwick, agrees. “Brand parties are a direct way to build up a positive image of the brand; especially the mouth-to-mouth propaganda effect will be very good. However, at the same time, the budget and calculated value are not direct ratio. It often happens that a small-scale activity has a better result than a big party when you calculate the value.”

The solution is to get creative. “When we started off the 42 Below parties, the first one we threw was at a brothel, and we sent out invites printed on the back of women’s underwear,” Shipley recalls. The key is for the events to embody what you want your

brand to be. And in China where competition for attention is so routine that it has led to a degree of commercial ennui, events have to be fresh.

With China's passion and hunger for new things, and with brands keen to saturate the Chinese market, companies are open and ready to push the boundaries. Although many companies are easily discouraged and retreat after a few shindigs go sour, major brands are here to stay. And despite the fact that not every luxury retailer is swayed by glossy PR spreads or professionally planned events, there's a lot happening here. The party's just begun.

By Summer Block (Shanghai)

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