

# Laopu Gold: Case Study

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## *Cultural Heritage as the New Luxury Capital*

How Laopu Gold transformed traditional goldsmithing into a global luxury proposition and what the evidence reveals for India's jewellery industry

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- May 21<sup>st</sup> 2026



INDIA  
GOLD POLICY  
CENTRE

# A Market in Contraction. One Brand, Extending Its Waitlists

## CHINA GOLD JEWELLERY MARKET

**-26.7%**

Year-on-year decline in demand, H1 2024

Worst performance in over a decade. Rising gold prices (USD 1,393 - 2,700+/oz, 2019-2024) drove cost-sensitive consumers to redirect spending toward investment gold bars. Major chains, Chow Tai Fook, Lao Feng Xiang, closed hundreds of outlets and revised growth targets downward.

**RMB 8,506M**

Laopu FY2024 Revenue

+167.5% year-on-year

## LAOPU GOLD · 36 BOUTIQUES

**×18**

Store Productivity vs. Chow  
Tai Fook

36 boutiques vs. 6,990

**41.2%**

Gross Margin

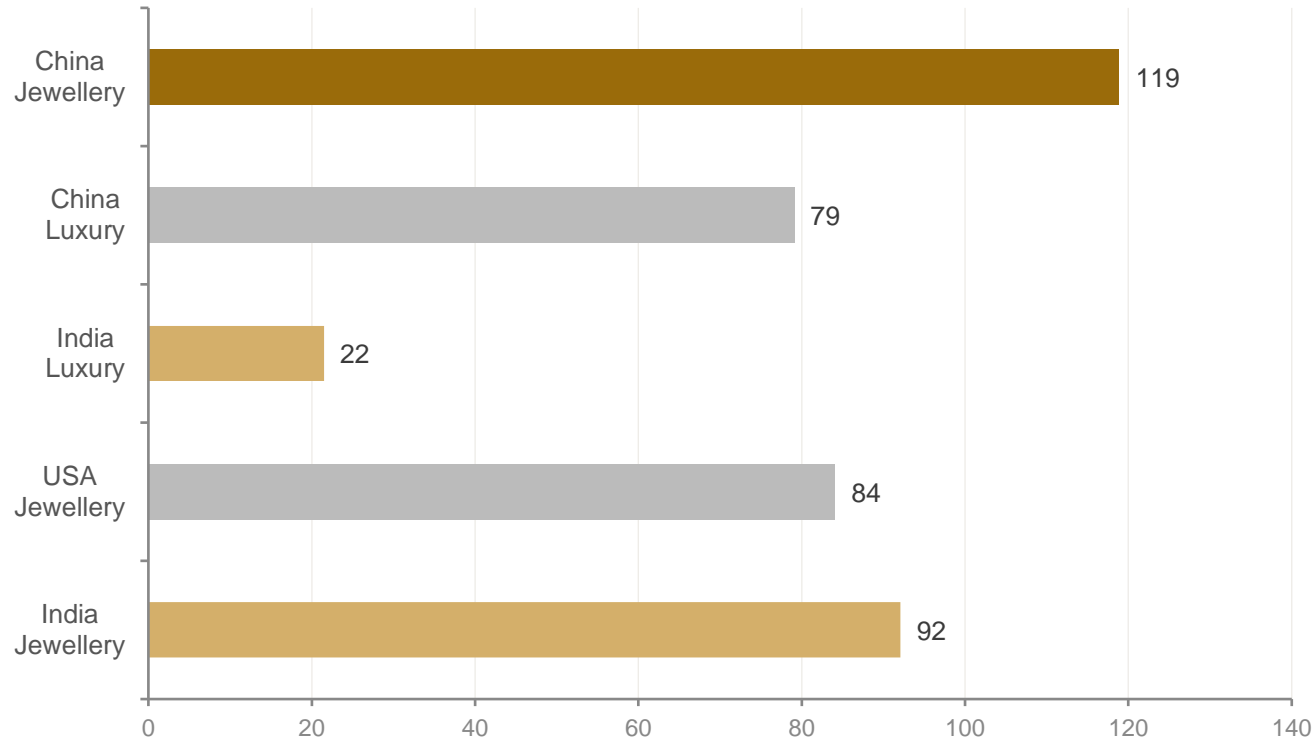
Sustained across all years

RMB 190M average revenue per boutique in 2024. Same-store sales growth: 115% (2022-23), ~142% in H1 2025. Waitlists extended. IPO on the Hong Kong Stock Exchange (6181.HK), June 2024.

*What made this possible and do the answers hold strategic lessons for India's jewellery industry?*

# Asia Is the Centre of Global Jewellery and Luxury

Market Revenue by Geography (USD Billion, 2024)



**\$358.5B**

**Global Jewellery Market (2024)**

Projected to ~\$475B by 2030 · CAGR 4.8%

**\$118.9B**

**China Watches & Jewellery**

Largest single-country market globally

**\$92.1B**

**India Watches & Jewellery**

World's second-largest; fast-growing

**\$39.0B**

**China Luxury Jewellery (2024)**

Projected \$40.5B by 2030

**56%**

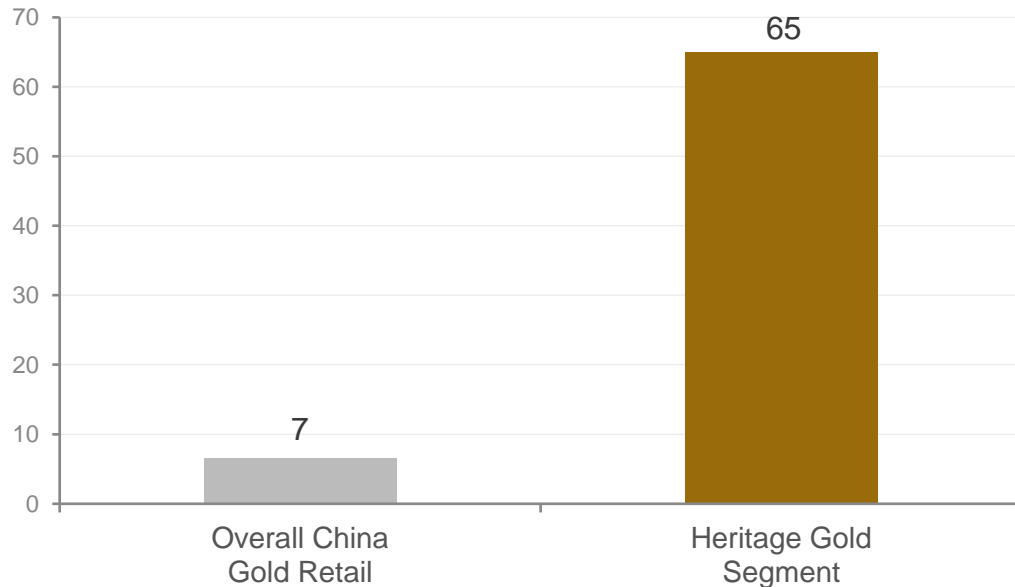
**China + India Combined Share**

Of global watches & jewellery revenue

# A Sub-Segment Growing at 65% CAGR Within a Contracting Market

China's jewellery market (RMB 330B total, 2024) is bifurcating structurally. Beneath the aggregate, a heritage gold sub-segment, 古法金 (Gǔfǎ Jīn), or 'ancient-method gold', has grown at a pace the mainstream industry failed to anticipate.

Segment CAGR Comparison 2018-2023 (%)



65%

**Heritage gold CAGR (2018-2023)**

vs. ~5-8% for overall market · Source: Frost & Sullivan / JP Morgan

82.6%

**Chinese Gen Z citing guochao purchases as cultural identity expression**

2024 survey · Source: Zhang Wei (2024)

45%

**Gold jewellery sales under 10 grams (2024)**

Up from 37% in 2023 · Self-wear shift · World Gold Council 2025

37%

**Retailer revenues from self-wear (H1 2025)**

Up from 27% in H1 2024 · Wedding share fell 24% → 19%

# Laopu Gold · Founded Beijing, 2009 · HKEx: 6181.HK

*"We are not a gold jewelry brand. We are benchmarking against international luxury brands. Our ambition is to be the World's No. 1 Gold Brand."*

- Xu Gaoming, CEO, Laopu Gold · 2025 Annual Performance Briefing

**RMB 8,506M**

**FY2024 Revenue**

Company filings

**+167.5%**

**Revenue Growth YoY (FY2024)**

JP Morgan (Aug 2025)

**41.2%**

**Gross Margin (FY2024)**

Stable since founding

**17.3%**

**Net Profit Margin (FY2024)**

vs. ~6% peers

**36**

**Boutiques (end-2024)**

100% self-operated

**54.2%**

**Return on Equity (FY2024)**

JP Morgan estimate

**93,000**

**Loyalty Members (end-2023)**

96% of total sales

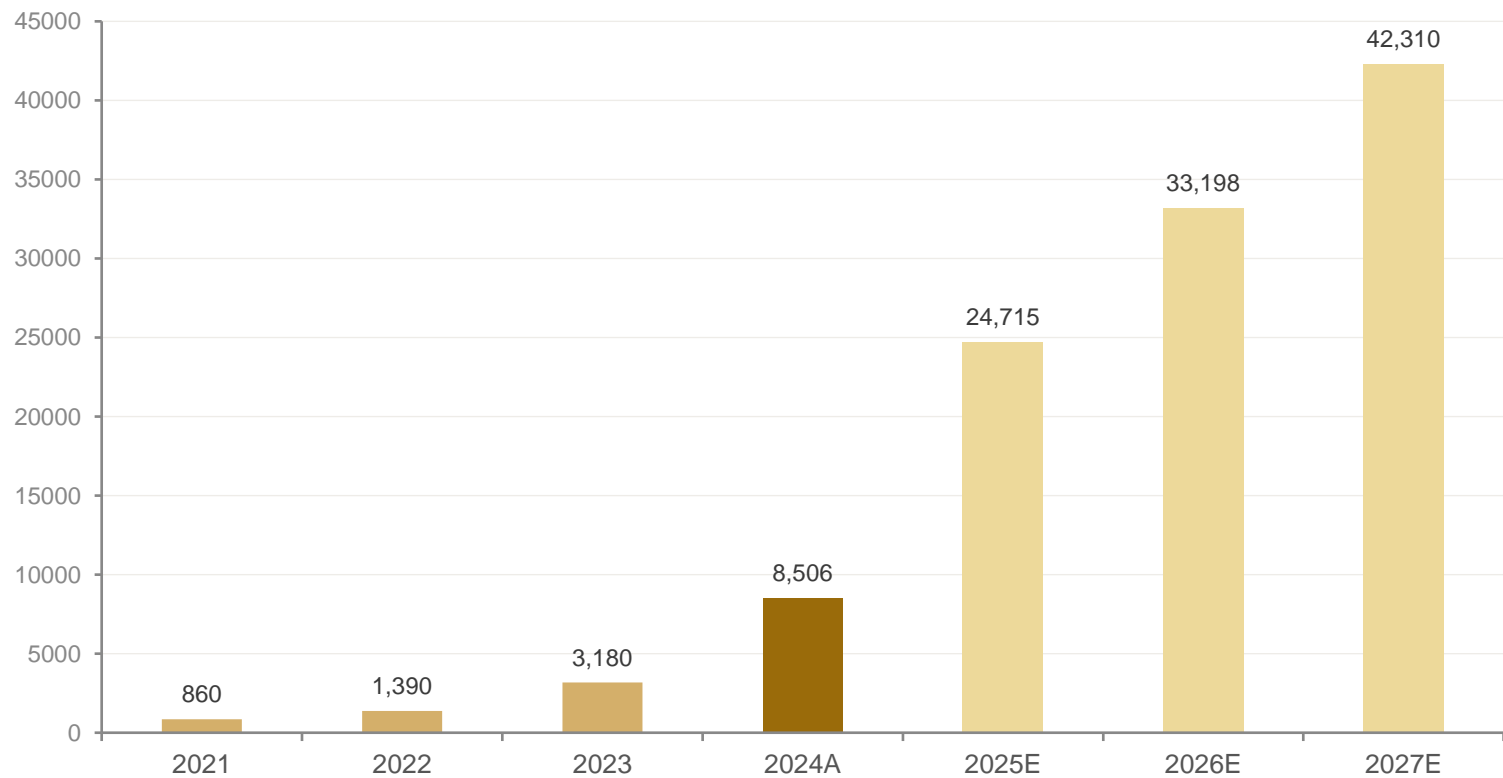
**229 / 1,073**

**Patents / Copyrights (2023)**

China registrations

# Near-Tenfold Revenue Growth in Three Years - Margins Unchanged

Laopu Gold Revenue 2021-2027E (RMB Million)



Key Annual Metrics (from company filings & JP Morgan)

Year	Revenue	Gross Margin	Net Margin
2021	~860M	~41%	~12%
2022	~1,390M	~41%	~11%
2023	3,180M	41.9%	13.1%
<b>2024A</b>	<b>8,506M</b>	<b>41.2%</b>	<b>17.3%</b>
2025E	24,715M	40.3%	19.8%
2026E	33,198M	40.5%	20.0%

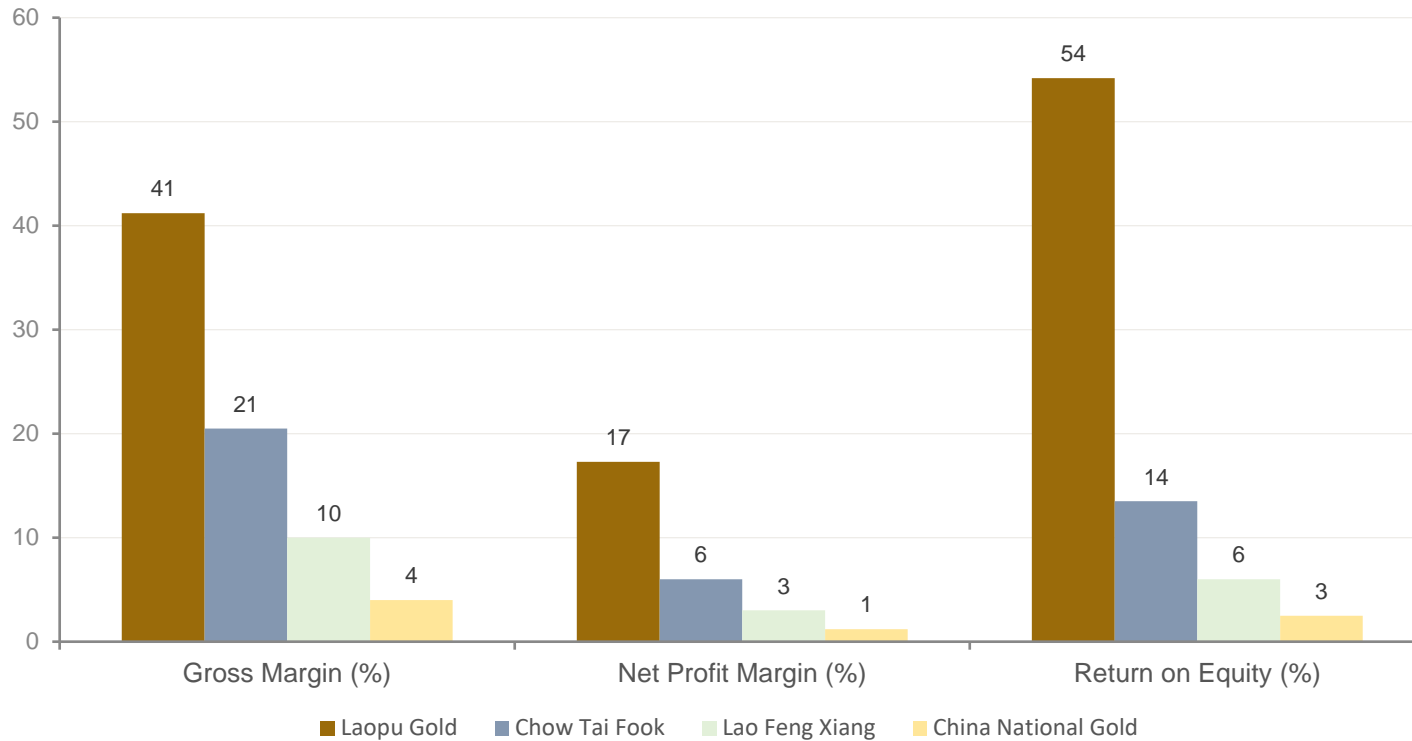
2025E-2027E: JP Morgan analyst estimates (Aug 2025). Not guarantees.

*Gross margin has remained at ~41% across near-tenfold revenue growth, confirming the profitability is brand-driven, not operationally engineered.*

Sources: Laopu Gold company filings; JP Morgan Equity Research (Aug 2025). RMB mn. 2021-22 figures approximate.

# Margin Superiority Derived from Brand Premium - Not Financial Engineering

DuPont Metrics Comparison - FY2024 (%)

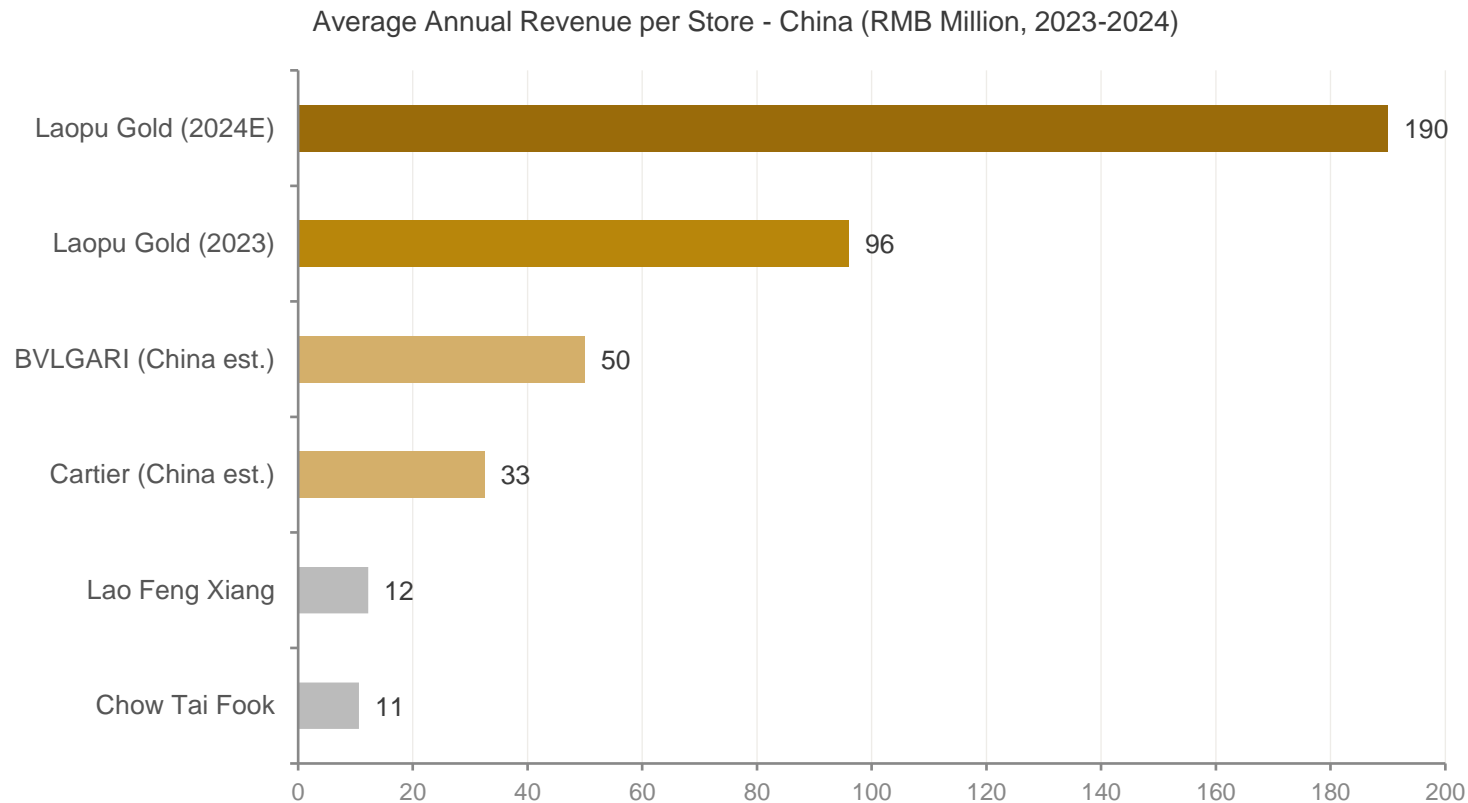


Full Competitive Benchmarking · FY2024

Brand	Gross Margin	Net Margin	ROE	Stores
Laopu Gold	~41%	~17%	~54%	36
Chow Tai Fook	~20.5%	~6%	~13%	6,990
Lao Feng Xiang	~9-12%	~3%	~6%	5,838
China Natl Gold	~4%	<1.5%	~2%	~4,266

Sources: Company filings; JP Morgan Equity Research (2024-25); Shenwan Hongyuan (2024). China National Gold estimates.

# Laopu's Per-Store Revenue Exceeds Cartier's Chinese Boutiques



**RMB 190M**

**Avg. revenue per boutique (FY2024 est.)**

Frost & Sullivan: ranked #1 in China - 2022, 2023, H1 2024

**~6 months**

**Average cash investment payback period**

Two boutiques reached net profit within first month of operation

**115% SSSG**

**Same-store sales growth (2022 to 2023)**

~142% SSSG in H1 2025 - JP Morgan Aug 2025

**>60%**

**New customers as % of 2024 sales**

Indicates early-stage market penetration, not saturation

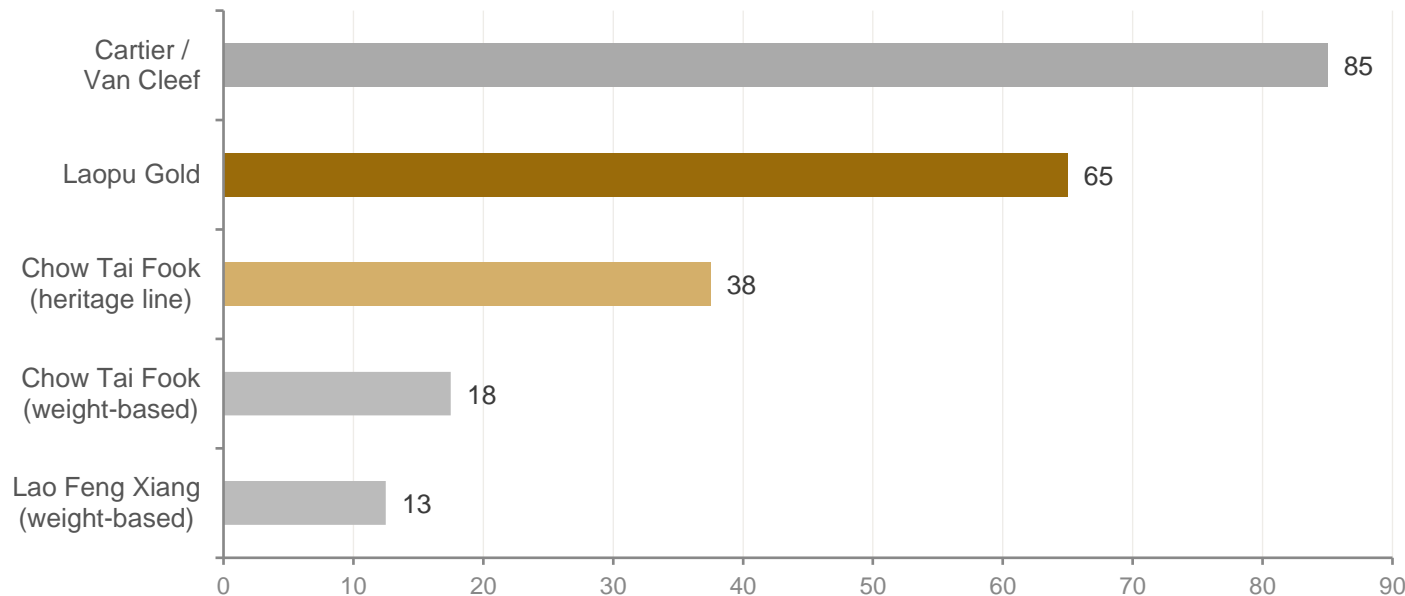
*Store productivity comparison (Exhibit 6, JP Morgan): Laopu 2023 at RMB ~96M exceeded Cartier (RMB 25-40M) and approached BVLGARI (RMB 40-60M) - brands with decades of global prestige.*

# A New Metric: Quantifying the Economic Value of Cultural Capital

$$\text{Heritage Premium Ratio (HPR)} = (\text{Retail Price} - \text{Intrinsic Gold Value}) \div \text{Retail Price}$$

where *Intrinsic Gold Value* = gold weight × prevailing spot price · The HPR captures the share of retail price attributable to brand narrative, artisanal labour, design complexity and cultural positioning.

Heritage Premium Ratio by Brand (% , Illustrative)



**~60-70%**

**Laopu Gold HPR**

Majority of retail price derives from cultural assets - not the metal itself

**~15-20%**

**Chow Tai Fook (weight-based)**

Primarily commodity pricing with a small labour premium

**~80%+**

**Cartier / Van Cleef (China)**

Century-old brand heritage; Laopu's medium-term aspiration

*For India: if HPR is currently ~5-10%, the gap between heritage assets and current pricing is the opportunity.*

# Fixed-Price Luxury: Decoupling Brand from Commodity Cycles

Across most of China's gold jewellery sector, retail price follows a transparent formula: spot gold price per gram × weight + making charge. This ties revenue and margins directly to gold price movements. Laopu rejects this architecture entirely.

## Direct Price Comparison - Laopu vs. International Luxury (Source: JP Morgan, Exhibit 9)

Brand	Product	Gold Content	Price (RMB)	Note
Laopu Gold	Sunflower bracelet	7.8g (999.9%) + 0.15ct	11,230	Fixed-price luxury
Laopu Gold	Buddhism series pendant	15.2g (999.9%) + 0.2ct	23,090	Fixed-price luxury
Cartier	Love bracelet	18K + 0.03ct	20,200	European luxury
Tiffany	T Smile necklace	18K + 0.1ct	24,500	European luxury
Van Cleef	Alhambra pendant	18K + agate	26,100	European luxury

### RMB 1,400+/gram

#### Laopu's effective per-gram price

vs. RMB 700-900 for mass-market weight-based peers. The premium is not gold content - it is brand and craft value.

### 40% Gross Margin Floor

#### Management-stated minimum

Annual price increases applied up to 2-3 times per year to protect margin as gold prices rise. The inverse of commodity retail logic.

### 2-3× per year

#### Frequency of deliberate price increases

Raising prices in a market where gold is already elevated at USD 2,700+/oz is the hallmark of luxury brand management, not commodity retailing.

# Five Consistent Themes Across Laopu Customer Interviews

Qualitative interviews with three Laopu customers (Violet Xu, Shanghai; Zhang Yating, Guangzhou; Chen Li, Beijing) reveal five themes that map directly onto the brand's strategic logic.

**Violet Xu · Shanghai**

*"Normally with gold jewellery people think about weight and resale value, but for this purchase I was more interested in how it looked and what it represented culturally. The story behind the design and the traditional techniques made it feel more special."*

**Zhang Yating · Guangzhou**

*"It felt more like buying a piece of art than just buying gold. I felt like I was paying for design and heritage, not just gold."*

**Chen Li · Beijing**

*"The staff explained the background of the designs. It made the bracelet feel more thoughtful as a gift - not just something expensive."*

## Five Consistent Research Themes

### 01 Cultural identity over investment

Gram price displaced as primary decision criterion. Cultural meaning took precedence.

### 02 Digital media as discovery channel

All three first encountered Laopu via Xiaohongshu or Douyin - craft process content generated initial interest.

### 03 Artisanal labour as value signal

Process visibility (showing filigree wire-pulling, carving) increases perceived value and willingness to pay.

### 04 Price recalibration accepted

All acknowledged the premium; none expressed regret. HPR accepted as cultural investment, not cost.

### 05 Retail as cultural encounter

Store described as 'like an exhibition space' - not a jewellery shop. No gram weights or making charges mentioned.

# The Heritage Premium Model: Five Self-Reinforcing Drivers

The case develops a Heritage Premium Model to explain Laopu's performance. Each driver is interconnected - remove any one element and the system degrades. This is why surface-level heritage branding consistently fails to replicate the economics.

<p><b>01 Cultural Authenticity → Brand Equity</b></p>	<p>Laopu positioned as custodian of traditional Chinese goldsmithing - not a vendor. Cultural legitimacy is accumulated over time; it cannot be purchased or manufactured quickly. Certified in 2024 by China Gold Association as 'No. 1 Brand of Traditional Chinese Handmade Goldware.'</p>	<p><i>Heritage narrative must precede commercial proposition</i></p>
<p><b>02 Craft Scarcity → Supply Constraint</b></p>	<p>4 core techniques (filigree, carving, inlay, cloisonné enamel) - all UNESCO / ICH-recognised. Each requires years of accumulated skill. Cannot be meaningfully accelerated through industrial methods without destroying the quality that justifies the premium. Scarcity is real, not manufactured.</p>	<p><i>Supply-side barrier unrelated to gold prices</i></p>
<p><b>03 Narrative Depth → Perceived Value</b></p>	<p>Every piece carries a cultural story - Tang dynasty aesthetics, Buddhist symbolism, imperial court iconography. Research confirms narrative layering substantially increases perceived value by enabling consumers to interpret products as cultural objects rather than commercial goods.</p>	<p><i>Transforms transaction into cultural participation</i></p>
<p><b>04 Identity Alignment → Consumer Demand</b></p>	<p>Growth trajectory aligns precisely with the guochao movement. 82.6% of Chinese Gen Z cite domestic brand purchases as cultural identity expression. Laopu did not create this phenomenon - it was positioned precisely to benefit from it and to reinforce it.</p>	<p><i>Timing and cultural positioning inseparable</i></p>
<p><b>05 Integrated Experience → System Coherence</b></p>	<p>From Xiaohongshu discovery (craft process content) through gallery-style boutique (sparse display, cultural context from staff, no gram-weight discussions) to post-purchase social sharing. Each touchpoint amplifies the same narrative. Most brands fail at execution consistency.</p>	<p><i>All five drivers must operate simultaneously</i></p>

# India's Craft Heritage:

## *Assets Without a National Brand Architecture*

India possesses one of the most geographically dispersed and technically sophisticated jewellery craft ecosystems in the world. An estimated 4-5 million artisans work in the gems and jewellery sector. The raw materials for a Laopu-equivalent proposition exist in abundance. What does not yet exist is a brand architecture capable of converting them into a national luxury narrative.

### Meenakari

Jaipur, Rajasthan

Enamel applied to gold. Mughal-era origin.  
ICH / GI-recognised.

≈ Chinese Cloisonné

### Kundan

Rajasthan / Gujarat

Uncut gem-setting in gold foil. Core bridal  
heritage technique.

High-value; bridal

### Jadau

Gujarat / Rajasthan

Setting gems into gold through fusion.  
Requires specialised multi-year skill.

Technically demanding

### Thewa

Pratapgarh, Rajasthan

Intricate gold work fused over coloured  
glass. GI-tagged.

GI-protected

### Odishan Filigree

Cuttack, Odisha

Fine gold wire twisted into delicate  
latticework. GI-tagged. UNESCO-noted.

≈ Chinese Huasi

### Temple Jewellery

Tamil Nadu / Kerala

Elaborate repoussé goldwork. Religious-  
cultural figurative motifs.

Deep heritage roots

### Navratna

Rajasthan / Maha.

Nine-gem astrological compositions.  
Spiritual + craft significance.

Astrological prestige

### Dhokra

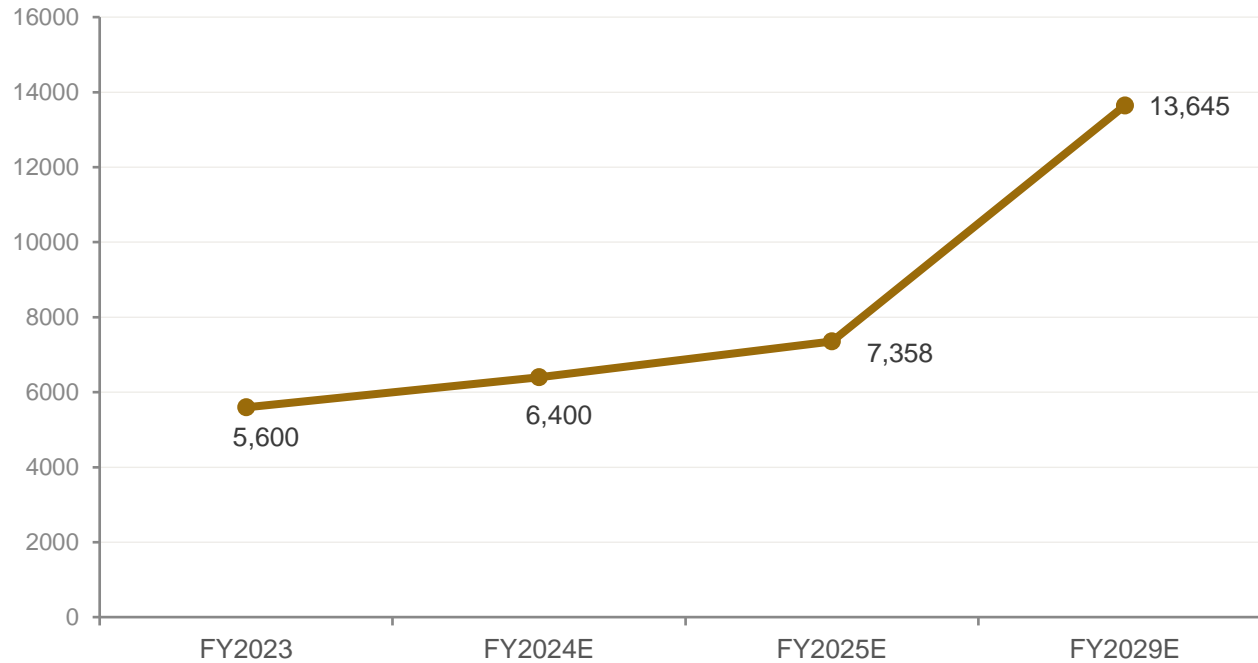
Chhattisgarh / WB

Lost-wax metal casting. One of the world's  
oldest documented techniques.

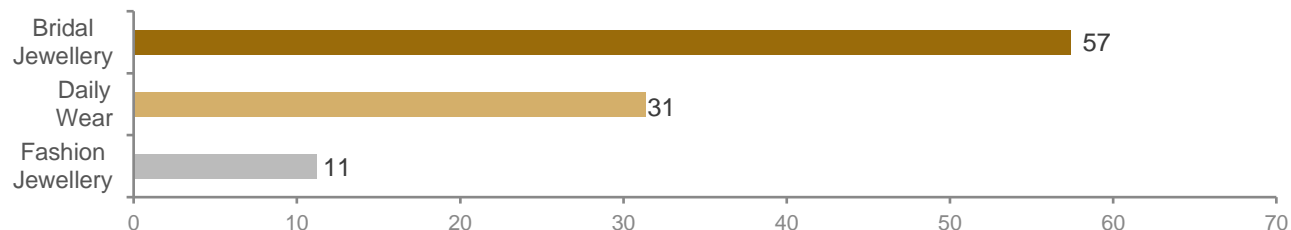
UNESCO-level antiquity

# The World's Second-Largest Jewellery Market - Projected to INR 13,645B by 2029

India Jewellery Market Size (INR Billion, Netscribes 2024)



India Jewellery by Occasion (% of Market, FY2023)



**INR 13,645B**

**Projected market by FY2029**

CAGR ~16.35% · Netscribes (2024)

**802.8 MT**

**Gold demand in 2024**

World Gold Council; recovery from pandemic trough

**57.4%**

**Bridal jewellery share (FY2023)**

INR 3,080B; projected INR 7,830B by FY2029

**~30%**

**Organised market share**

Growing rapidly with hallmarking regulation

**3.6M**

**High-net-worth individuals**

Hurun India (2024); comparable to China's 3.93M

# India and China: Parallel Heritage - Divergent Monetisation

Dimension	China · Laopu Context	India · Current State
Dominant demand driver	Self-wear + cultural identity (rising)	Bridal / wedding (~57.4% of market)
Heritage craft segment growth	<b>65% CAGR (2018-2023) · Frost &amp; Sullivan</b>	Nascent - artisanal but highly fragmented
Dominant pricing model	Fixed-price luxury (Laopu) + weight-based (peers)	Weight-based dominant; making charges negotiated
Premium pricing acceptance	<b>Very high - RMB 1,400+/gram achieved</b>	<b>Low - per-gram premium sensitivity high</b>
National luxury gold brand	<b>Laopu (cultural luxury - fixed price)</b>	Tanishq (organised retail; trust, not luxury)
Cultural identity narrative	<b>Strong - Guochao + unified 'palace gold'</b>	<b>Regional / religious - no national umbrella</b>
Craft IP framework	<b>Formal - MOC government-supported; ICH designations</b>	GI tags exist - IP enforcement weak
HNW population (addressable base)	3.93 million · Bain (2024E)	3.6 million · Hurun India (2024) · Comparable scale

## Five Structural Barriers Between India's Heritage Assets and Luxury Economics

The case identifies five distinct structural barriers to replicating the Laopu model in India. These are not insurmountable - but they are the specific conditions that any credible heritage luxury strategy must address.

### 01 The Investment Logic of Gold

The most fundamental barrier. Buyback culture means the 'making charge' is treated as a cost - not a cultural investment. Even aspirational urban millennials expect to recover most of the metal value. Heritage luxury pricing can coexist with this logic but cannot simply override it.

*Consumer-side barrier*

### 02 Fragmentation of the Karigar Ecosystem

4-5 million artisans operating informally. No IP protection for techniques, no skill documentation, no brand attribution. The karigar who executes exceptional meenakari work is invisible to the consumer; the retailer captures the margin. Cultural capital is economically invisible.

*Supply chain barrier*

### 03 Consumer Education & Price Recalibration

Indian consumers expect gram-weight pricing. Shifting this expectation requires sustained digital content (process visibility), physical retail environments that communicate prestige before price, and brand communications that consistently frame the making charge as cultural investment.

*Demand-side barrier*

### 04 Absence of a National Heritage Narrative

India's traditions are inherently regional - Meenakari is Rajasthani, Kundan is associated with specific communities, temple jewellery is South Indian. No single brand has constructed a 'Indian heritage gold' narrative analogous to Laopu's 'palace gold' concept. This is both a barrier and an opportunity.

*Brand architecture barrier*

### 05 The Scalability Paradox of Craft Luxury

At some point, growth requires either compromising craft quality or constraining ambition. The resolution likely involves accepting a genuinely boutique model targeting a narrow but high-value urban segment - a different ambition from that which drives India's organised jewellery chains.

*Structural/commercial barrier*

# Five Strategic Lessons from the Laopu Case for India's Jewellery Industry

The case derives five direct strategic lessons. These are not aspirational frameworks - they are the specific conditions the Laopu model demonstrates are commercially necessary for heritage luxury positioning to generate premium economics.

## 01 Heritage as Primary Value Driver - Not Decorative Backdrop

An Indian brand that markets itself as heritage-inspired while continuing to price primarily by gram weight has not made the leap Laopu made. Specificity is essential: 'the living tradition of Rajasthani meenakari, presented as contemporary luxury' is a brand identity. 'Indian jewellery heritage' is not.

*Case Study Section 12.1*

## 02 Elevate and Attribute Craft - Make Karigars Visible

Laopu's model makes artisanal labour visible, legible, and prestigious. Indian brands can move from anonymous production to named artisan attribution. This converts the making charge from a cost signal into a prestige signal - a significant commercial innovation for the Indian context.

*Case Study Section 12.2*

## 03 Digital Craft Storytelling as Consumer Education

For all three Laopu consumers interviewed, digital content showing the process of making jewellery generated initial interest. India's digital ecosystem - Instagram, YouTube, emerging platforms - is capable of the same education function at scale. High-quality process content is not just marketing; it is the mechanism for price recalibration.

*Case Study Section 12.3*

## 04 Bridge Heritage Positioning with Investment Logic

Rather than treating investment value and cultural luxury as competing propositions, Indian brands can develop explicit dual positioning: heritage premium as a cultural layer above the gold price floor. This fits India's market reality and is the most distinctively Indian strategic adaptation required.

*Case Study Section 12.4*

## 05 Create a New Category - Not a New Product

Laopu did not create a better jewellery product. It created a new category - heritage luxury jewellery - operating under different competitive rules. The analogous aspiration for India is a category in which the dominant frame of reference is cultural value and craft distinction, not making charges or gram weight.

*Case Study Section 12.5*

# The Enabling Conditions That Policy Can Build

The case identifies enabling conditions that government and industry must construct together. The 2024 duty reduction to 6% addressed import economics. The next frontier is converting craft formalisation into cultural luxury value.

## Government-Level Actions

### Strengthen GI Enforcement

Formalise a national ICH designation framework analogous to China's MOC system. Make heritage authenticity commercially defensible, not just aspirationally listed.

### Karigar Formalisation Infrastructure

Create structured pathways for artisan registration, skill documentation, and supply chain formalisation. Establish a national registry of master karigar traditions.

### Craft Incubation Policy

Support emerging heritage luxury brands through dedicated export promotion, craft cluster development, and luxury brand management capacity-building programmes.

## Industry-Level Actions

### Heritage-First Brand Architecture

Commit to a brand identity rooted in specific, documented craft traditions. Avoid the trap of heritage-themed products priced on gram-weight logic.

### Named Artisan Attribution

Feature specific master karigars in brand communications. Convert making charges from cost signals to prestige signals. Invest in long-term artisan partnerships.

### Digital Content Investment

Build high-quality, platform-native content documenting craft process. Instagram and YouTube can function as India's Xiaohongshu - but only with editorial-grade investment.

## Structural Catalysts (Already Present)

### 15% Import Duty

### HNW Population at Scale

India's 3.6 million HNW individuals (Hurun 2024) represent a numerically comparable base to the Chinese market. Laopu has barely penetrated (93,000 loyalty members from 3.93M HNW pool).

### Digital Discovery Ecosystem

India's social media penetration and consumption of craft content is growing rapidly. Consumer education infrastructure is available - it requires quality content investment.

# India may already possess one of the world's richest jewellery heritage ecosystems.

*It still monetises gold largely as a commodity rather than as cultural luxury capital.*

## The Proof of Concept

Laopu Gold achieved gross margins of 41.2%, revenue growth of +167.5% YoY, and per-store productivity ×18 that of Chow Tai Fook - in a market where overall jewellery demand fell 26.7%. The mechanism is documented: cultural authenticity + craft scarcity + narrative depth + identity alignment + integrated experience.

## The Parallel Opportunity

India's HNW population (3.6M) is comparable to China's. Its craft traditions - Meenakari, Kundan, Odishan Filigree, Temple Jewellery - carry GI tags and UNESCO recognition. The digital discovery infrastructure is developing rapidly. The addressable market by 2029 is INR 13,645 billion.

## The Unresolved Gap

Laopu built a global luxury category from four craft techniques with a Heritage Premium Ratio of 60-70%. India's craft canvas spans dozens of techniques. If its HPR remains at ~5-10%, the gap between heritage assets and luxury economics is not a market failure. It is the world's largest untapped cultural luxury opportunity.