

RETAIL

Alibaba continues high-end ecommerce push with Luxury Pavilion launch

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The Luxury Pavilion will launch with Burberry, Hugo Boss and La Mer, among others. Image credit: Burberry

By DANNY PARISI

Chinese ecommerce giant Alibaba has announced the launch of a new invite-only platform designed explicitly and exclusively for luxury brands.

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The platform is part of Alibaba's larger "New Retail" push to emphasize its luxury offerings. The invite-only Luxury Pavilion is geared toward high-net-worth Chinese consumers and will launch with products from Burberry, Hugo Boss, Zenith and others, with more on the way in the future.

"Luxury brands increasingly want to use new retail technology and consumer insights to connect with younger consumers, as well as drive business-model innovation," said Liu Xiuyun, the head of Tmall's fashion unit, in a statement.

Luxury Pavillion

Alibaba is one of the most popular ecommerce sites in China with millions of customers throughout the country.

Similar to its Western counterpart Amazon, Alibaba carries a vast array of products from every level of price.

Now, Alibaba is using its considerable resources and reach to provide customers with a way to shop for luxury goods through the site in an exclusive section called Luxury Pavilion.

This platform will be hosted on Tmall, a subsidiary of Alibaba and its primary brand-to-consumer site.

Luxury Pavilion will launch with Burberry, Hugo Boss, La Mer, Maserati, Guerlain and Zenith but more brands are expected to join the platform in the future.



Hugo Boss is one of the brands launching with the pavillion. Image credit: Hugo Boss

Alibaba will curate this list of brands, keeping it exclusively among high-end products.

Luxury Pavilion is not just a marketplace. In keeping with the luxury theme, the platform will allow brands to create much more robust and unique experiences that match with the luxury shopping experience in-store but applying it to a digital space.

Brands that use luxury pavilion can give customers personalized homepages, VIP rewards and other customized services that one would normally expect from a physical store.

This announcement comes after Alibaba has been experimenting with a see-now, buy-now model for fashion shopping and other services that combine online and offline shopping.

Alibaba is planning even more options for the Luxury Pavilion in the future, offering brands more ways to leverage omnichannel services to improve the customer experience.

Online to offline

Alibaba's commitment to luxury brands with the Luxury Pavilion is somewhat surprising given the online retailer's somewhat lax attitude toward stemming the tide of counterfeit luxury goods sold through its platform.

In January of this year, Alibaba founder Jack Ma announced the formation of an Anti-Counterfeiting Alliance with brands including Louis Vuitton and Swarovski, but the coalition has done little to curb the sale of counterfeit luxury goods on the Chinese ecommerce site.

Since the announcement, Mr. Ma and Alibaba have been notably silent on the anti-counterfeiting measures.

Meanwhile, the number of counterfeit goods sold through the brand's eBay-like marketplace Taobao has grown ([see story](#)).

The announcement of the Luxury Pavilion is also potentially a boost for luxury shoppers on mobile.



Zenith is another brand launching products with Tmall. Image credit: Zenith

As a part of its Global Shopping Festival, Alibaba celebrated a massive boon of more than \$7 billion gross merchandise volume (GMV), all settled through its Alipay payment platform.

The news comes on the heels of news that HTC is expanding the scope of its Vive virtual reality platform with the debut of a virtual Alibaba store. The two developments evince a stalwart dedication to mcommerce on the part of the Chinese retail giant, which is attempting to expand its reach outside of national boundaries into Amazon's territory ([see story](#)).

With this mobile pedigree established, Alibaba is poised to debut one of the biggest mobile luxury retail platforms in the industry.

With the overwhelming popularity of mobile and online commerce in China, Luxury Pavilion could end up being a huge success.

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