

ADVERTISING

## Kate spade tries global marketing via new partnership

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By RACHEL LAMB



Liz Claiborne-owned kate spade new york unleashed a

comprehensive marketing plan in China to tap into the potential of one of the fastest-growing economies worldwide.

Kate spade is joining with E.Land Group to significantly increase the brand's presence in China. The operation will exist under the name kate spade china and will commence around June 1.

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“China will be the largest luxury market in the world and this joint venture will give us the ability not only to market to our Chinese consumer in her own market, but also to ensure a consistent global brand message and to round out our Asia strategy,” said Craig Leavitt,

CEO of kate spade new york, New York.

“Aside from the macroeconomic trends highlighting the increased consumer spending, the Chinese consumer is at a critical point in her evolution of engagement with international brands,” he said. “We see this as an opportunity to really build a relationship with her and to become a key brand for her as she evolves.”

Kate spade has additionally agreed to reacquire its kate spade new york business from Globalluxe in mainland China during 2011 and its businesses in Southeast Asia in 2014. This will further establish the company’s marketing strategy for the region.

Until 2014, Globalluxe will continue driving kate spade new york's business in Southeast Asia, including the territories of Hong Kong, Taiwan, Macau and Singapore, where business remains very strong, per E.Land Group.

Kate spade new york first entered greater China and Southeast Asia in 2001 through a distribution agreement with Globalluxe Limited.

Queen of spades

Kate spade is using this as an opportunity to bolster its global marketing strategy.

The brand plans to use a multifaceted approach using traditional media, social media and events.

The marketing will be tailored to fit the local market, which is an important part of going global.

“We will focus on educating the Chinese consumer about the unique aspects of our brand and we will work hard to develop dialogue and an on-going relationship with her,” Mr. Leavitt said.

Currently, kate spade has two freestanding stores and three shop-in-shops in China.

The brand plans to reach approximately 300 points of distribution by 2020.

Kate spade has grown a significant presence in Asia and operates 70 full-price locations as well as eight outlets stores.

This is the brand’s second joint venture in Asia. The first was in Japan, which ended in December 2009.

Partnering up

Many brands are expanding to other countries via digital or physical means.

Luxury brands Ralph Lauren, Mandarin Oriental and Barneys New York are expanding their footprint by attempting a global marketing strategy ([see story](#)).

Although there are some hesitations about going global, namely pricing, transactions and language barriers, kate spade believes that its partnership with E.Land Group will be a successful one.

In addition, the brand has learned how to position itself as a global lifestyle brand from its stint in Japan, as well as how to work in a partnership.

“We know now that the key to success is finding a strong partner and communicating openly [and] we are very confident that we have found the right partner in E.Land,” Mr. Leavitt said.

“This is a quickly evolving market and we feel [that] by entering it in a meaningful way early on in its evolution, we will mitigate any potential pitfalls,” he said.

“We have partnered with an organization that has a far-reaching infrastructure of branch offices throughout mainland China and significant experience in the market already and we hope to benefit from that expertise.”

Final Take

*Rachel Lamb, editorial assistant on Luxury Daily, New York*

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