

RETAIL

At risk of being left behind, Prada finally sells online in China

January 17, 2018



Adding ecommerce is integral to Prada's evolving strategy as it tries to recover from declining profits in recent years. But will the new online store be enough? Image courtesy of

By [Ruonan Zheng](#)

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

Following the footsteps of [Gucci](#), [Bally](#) and [Louis Vuitton](#), Prada has finally launched an [official online store](#) in China.

[Prada](#) says the rationale for the move is to hasten the company's digital transformation with the goal of recovering from declining profits and sales in the past few years.

When [asked](#) "Why not ecommerce?" in 2014, Prada CEO Patrizio Bertelli responded that he had "more important things to do, like opening stores, for example."

But the store expansions did not add substantial value to the group, which includes Prada, Miu Miu, Church's and Car Shoe. Its profits [fell](#) 27 percent in 2016 to their lowest levels in five years. Profits in China, one of the largest markets for the group, fell 16 percent with low foot traffic through the stores. During the same period, sales at Gucci and Louis Vuitton saw [a significant turn-around](#) in the region.

Prada blamed costly retail space and slower economic growth. Analysts [urged](#) the group not to focus on building new stores but innovating new, exciting designs. Unlike Gucci, which has made some drastic creative changes, Prada tends to do things more [incrementally](#), leaving consumers unimpressed and dissatisfied.

Mr. Bertelli has since [admitted](#) that Prada was late to understand the importance of the digital market for luxury sales.

[According to](#) Chiara Tosato, general manager and digital ecommerce director at Prada, the new Web site will drive global online sales, create an omnichannel shopping experience that integrates online and offline shopping, and increase Prada's communications presence online.

These goals are reflected on the site, which includes mobile-first navigation perfect for people out shopping who want to check product details online and richer media content that ensures the store does not diminish the brand's visual identity online.

A wide range of products is available, along with personalized concierge services, such as a virtual assistant chatbot and the ability to book in-store services. Items can be purchased online for pickup in-store, and payments can be made using Alipay and WeChat.

A Prada retail store manager told us that every sales associate is now equipped with an iPhone with a **WeChat** account to communicate with interested customers. Prada also conducts the deep analysis of customers' WeChat post and add any notable information to CRM system.

IT APPEARS THAT Prada is not taking digital transformation lightly and holds a rather conservative attitude towards the progress.

Ms. Tosato **projected** that ecommerce will account for only 5 percent of total sales by the end of 2018.

*Ruonan Zheng is luxury business and fashion reporter at **Jing Daily**, the leading digital publication on luxury consumer trends in China. Reproduced with permission and adapted for style.*

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.