

RETAIL

Brand alliances essential to finding international, online success

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Peter Thomas Roth ran special promotions for Lunar New Year. Image credit: Peter Thomas Roth

By SARAH RAMIREZ

NEW YORK With a growing number of ways to reach Chinese-American consumers and other Asian shoppers, high-end brands continue to rely on affiliate partners who better understand marketing to diverse audiences.

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In a discussion at Luxury Interactive on Oct. 15, executives from Chinese ecommerce site Dealmoon and skincare brand Peter Thomas Roth discussed how understanding cultural cues is crucial to finding success with Chinese consumers. From collaborating on editorial features to managing customer service efforts, partnering with Dealmoon has led to financial success for Peter Thomas Roth.

"Selling out is a good problem to have," said Thais Schaller, executive director, ecommerce at [Peter Thomas Roth](#). "You still have to balance it."

Reaching out

Without using Chinese social media platforms such as Weibo and WeChat, luxury brands have no hope in reaching Chinese affluents. Through Weibo alone, Dealmoon reaches more than 20 million consumers.

With its reliance on product recommendations, Dealmoon offers a digital meeting place for Chinese KOLs. Unlike their Western counterparts, many Chinese consumers discuss the entire shopping process, from placing online orders to delivery.

Live-streaming shopping trips is extremely popular among younger consumers, and it is not uncommon for these broadcasts to last more than two hours and attract 1 million viewers. Unboxing videos and styled product photos are also frequently shared online ([see story](#)).



WeChat is hugely popular among Chinese millennials. Image credit: Swarovski

International sales can be intimidating for retailers and shoppers alike, making customer service more important than ever.

To build better relationships with Chinese consumers, it is crucial that customer service representatives are able to communicate a brand's messaging in Mandarin. To facilitate the process, PTR has its most frequently-used messages already translated to avoid subpar, automated translations.

"Brand integrity has to be there when translating," Ms. Schaller said.

It is also important to educate customers on the different systems and regulations in place in varied regions.

For instance, the expiration dates for beauty products in China is no more than a year, compared to two years in the United States. Chinese laws also require animal testing for personal care products, while American shoppers continue to seek out cruelty-free cosmetics ([see story](#)).



Peter Thomas Roth counts masks and eye patches among its most popular products. Image credit: Peter Thomas Roth

One common consumer behavior that has caused confusion among some luxury brands is group shopping.

Typical of many Asian shoppers, and especially the Chinese, this involves purchasing multiple products units for the purpose of sharing and gift-giving to others who may not have the resources to shop online, whether it is a shipping address or an American credit card account. While this habit may trigger retailers' fraud alerts, it contributes very little, if at all, to the gray market and product re-marketing, according to Dealmoon.

"Brands need to understand this behavior," said Rose Blackmore, senior managing director of business development and partnerships for the U.S. and Canada at [Dealmoon](#).

Product partnerships

When launching new products on affiliate platforms, brands and retailers need to find methods to make products successful without resorting to discounts.

In some instances, platforms like Dealmoon may receive higher commissions on new merchandise. Extra units are also used for raffles and sweepstakes to make shoppers feel special by receiving exclusive products.

While customers today expect free shipping, even with high sales volume, that cuts into margins for international

orders.

As a survey by Dotcom Distribution finds, luxury clientele have higher expectations of the ecommerce delivery service, making fast shipping, packaging and communication key to winning repeat business. However, shoppers are also willing to raise their shipping price to receive a package early ([see story](#)).

Content creation is another way brands and retailers will work together to capture shoppers' attention.

Site editors and influencers will receive products ahead of their release and create full editorial articles around the products, as was the case when Dealmoon editors wrote about their favorite eye patches from PTR. However, Dealmoon encourages its partner brands to focus on what Ms. Blackmore refers to as "mini-influencers."

"Influencers' is becoming a dirty word in China," she said.

Each type of influencer presents brands with different pros and cons. Shareablee categorizes influencers into tiers based on their audience size and availability. There are only hundreds of celebrities with more than 20 million followers, while there are hundreds of millions of "micro" influencers with followings of 250,000 and less.

With more than 180,000 posts of branded content online, brands need to be selective and work with influencers who are authentic, trustworthy and engage with their audiences. These traits also need to coincide with campaign goals to make the partnership valuable ([see story](#)).

"The best partnerships involve trust," Ms. Schaller said.

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