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## 5 key takeaways on successful ecommerce strategies in China

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DLG China chief Pablo Mauron speaking at Luxury Society's Paris Briefing

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*The growing interconnectivity between Chinese consumers and digital ecosystems has led to major shifts on ecommerce marketplaces and social media.*

*The second edition of Luxury Society's Briefing series in Paris saw experts giving insights on these shifts, and offering tips on creating impactful sales and marketing strategies in the world's largest market for luxury.*

"Brands should invest more on content marketing, while ensuring that it has a concrete sales impact."

This was the message that Pablo Mauron, partner and managing director for China of DLG (Digital Luxury Group) put across in his presentation about omni-content marketing.

Impact of content goes beyond marketing

Unlike in Western societies where ecommerce platforms tend to directly feed customer acquisition and sales, Chinese ecommerce platforms serve a spectrum of purposes from raising awareness, to engaging and acquiring customers.

This makes it even more important for brands to optimize the content circulated on such platforms, and ensure that it not only helps to generate awareness and build brand equity, but ultimately drives conversions.

As a result, content required in China tends to be starkly different from the communication directives set at a global level.

Brands need to accept that, and empower their local teams to make decisions without necessarily relying on feedback from the top.

Only by doing so can brands keep pace with the fast-moving trends and stay on top of their ecommerce game in China.



*Luxury Society Paris Briefing panel discussion*

## Technology can enhance operations and brand building

Understanding consumers is paramount for brands to reach their sales and marketing goals, and to do so they need to engage them across different digital touch points.

Setting up an ecommerce presence on marketplaces such as Tmall which is visited on an average of 20 times per week by Gen Z consumers presents a huge opportunity for companies in driving sales and strengthen their brand equity.

But this alone is not enough.

High performance on Tmall does not come without innovative consumer engagement. By binding creativity with consistency, brands can create digital engagement-focused content, including live-streaming, retail-tainment, 3D mappings, AR filters, interactive personalization that will favor both sales and branding.



*Tmall Luxury's Nicolas Cano speaking at Luxury Society's Paris Briefing*

According to Nicolas Cano, international senior business development manager at Alibaba Group's Tmall Luxury, "Innovation should meet heritage."

Tmall needs to be approached as a brand-building platform, where technology and 360-degree touch points can be leveraged to deliver consistent messages and maximize returns of investment.

To do so, brands must make their customers their main asset, use data to digitalize their journey, increase precision targeting and provide them with experiential content and messaging.

## Discounting is not a must on ecommerce

For a long time, luxury brands were focusing their efforts on marketing activations rather than ecommerce. They also lagged in entering ecommerce marketplaces out of fear that their models were incompatible with the promotional activities of the platforms.

However, marketplaces such as Tmall actually present unique opportunities for attracting new customers.

The common misconception about ecommerce platforms is that there is an obligation to participate in sales.

"Discounts are what you give your customers when you don't have anything else to give," said Jacques Roizen, Baozun's executive vice president of digital transformation and new ventures.

Mr. Roizen explained that brands achieve success on ecommerce platform by taking actions that generate traffic without engaging in sales.

During the recent 11.11 shopping festival, luxury brands such as Burberry and Valentino were among the top-selling brands, even though they did not participate in discounting. Instead, they took the chance to create unique activations for customers.

Ecommerce strategies need to consider the ROPO model

Because of the differences between the digital landscapes of China and the West, brands struggle to adapt their operations to global audiences and maintain a strong brand message.

The complexity of Chinese platforms, combined with the rise of content-to-commerce models, accentuates the disconnect between global and local teams.

As China shifts away from being a secondary market and demands more exclusive products and tailored content, luxury brands need to give more flexibility to their Chinese teams to catch up to the speed of this market.

During the panel discussion at the conference, experts revealed that the main trend that is disrupting ecommerce in China is the ROPO research online, purchase offline model, and that brands need to adapt operational and marketing capabilities according to this omnichannel consumption model.



*Baozun's Jacques Roizen (left) and Breitling's Antonio Carriero (right) at Luxury Society's Paris Briefing*

Of course, an omnichannel experience is not something brands can build up overnight, and it is recommended that they consider their options in steps: from first establishing a social media presence, to opening a Tmall store for customer acquisition, then rolling out CRM initiatives on WeChat, before finally thinking about making use of WeChat as a sales channel.

"While Tmall is a great place for customer acquisition, the WeChat ecosystem closes the loop between online and offline," said Antonio Carriero, Breitling's chief digital and technology officer.

Tmall should be considered as an event and marketing platform

Tmall is more than just a marketplace. It is an asset that brands need to grow in the Chinese market and to understand their customers.

"Tmall is part of the Alibaba ecosystem, and consumer insights are becoming an increasingly important asset to build a strategy in China," Tmall Luxury's Mr. Cano said.

Attracting customers to a brand store remains a challenge, so it is paramount that brands play their cards right to raise awareness.

With Tmall's high customer traffic in mind, brands should consider leveraging the platform's extensive range of events to capture traffic and attention. In October alone, 15 events took place on Tmall.

INSTEAD OF trying to participate in Tmall events when the festival is aligned with their global communications plan, brands should think about shaping their China marketing and communications strategy around Tmall events. This will allow them to fully maximize the platform's calendar of events and reach an even broader audience.



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