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## How niche brands can compete on Chinese ecommerce platforms

January 21, 2020



*Smaller, niche luxury brands may not necessarily have the financial or marketing clout to compete on Chinese ecommerce platforms. Image credit: Pexels*

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Maserati sold 100 SUV Levantes on Alibaba Group's Tmall Luxury Pavilion in 18 seconds. Tod's partnered with Chinese KOL, Mr. Bags, to create a limited edition handbag, which sold out, and totaled 4.7 million RMB in sales.

These are some of the case studies that ecommerce platforms, such as Tmall and JD.com, like to showcase when selling the China opportunity to European and North American brands.



*Chinese influencer Mr. Bags touting Tod's. Image credit: Tod's*

What these platforms do not necessarily divulge is that many of the marketing events that are generating these sales, like Tmall or JD's Super Brand Day, are not available to every brand.

In fact, brands need to submit an application that includes a full proposal to bring traffic to the platform. This begs the question: How can small brands compete when larger brands have much larger marketing budgets?

Create content specific to the Chinese audience

In an era where Chinese brands are gaining popularity, and Chinese consumers are becoming more nationalistic, brands need to adapt their content.

Chinese consumers are becoming more discerning, and are expecting to be communicated to directly, and not as a secondary global market.

Furthermore, content for Chinese ecommerce platforms needs to be created with a different approach from Western shopping platforms.

On Western ecommerce platforms, the purchase intention is much stronger than on Chinese platforms, as search and discovery is happening on search engines including Google, making conversion optimization the main goal of ecommerce platforms.

In China, Tmall and JD play a similar role to search engines, with more consumers going directly to platforms to look for new products and brands that address their needs.

As such, content needs to be more informational, and educational to build more awareness and a deeper connection with consumers who may be unfamiliar with the brand.

Compete on newness and uniqueness

The China market is notoriously competitive, and Chinese consumers are perhaps some of the **most fickle consumers in the world**.

When thinking about how to compete with larger brands in the market, brands need to be hyper consumer-centric to gain market share.

While brand is still the leading factor driving the purchasing decision of Chinese consumers, younger generations have become more sophisticated, being relatively more influenced by product design and quality.

With endless product alternatives at multiple price points already in the market, small brands will quickly die if they do not provide a unique product offering.

Many brands have created exclusive products for ecommerce platforms, such as Marni's limited edition mini trunk handbag for Tmall, or **Carl F. Bucherer's** exclusive Patravi ScubaTec edition for JD with a bezel in JD's iconic shade of red, building their ecommerce value proposition and in turn winning platform resources such as traffic.



*Carl F. Bucherer created an exclusive Patravi ScubaTec edition for JD, with a bezel in JD's iconic shade of red. Image credit: Carl F. Bucherer*

Test ecommerce through other models

Online retail sales in China is estimated to have reached **\$1.5 trillion** last year, growing at 24 percent over the last two years.

The coveted Chinese millennial and Gen Z consumers contributed largely to this growth, and are expected to make up **45 percent of the Chinese luxury market by 2025**.

As such, launching an ecommerce store is a must for brands that want to get visibility among their target audience. But such an endeavor can be expensive, and might not be a wise investment for brands with limited resources that are looking to drive profitability quickly.

Furthermore, even if brands have the resources to launch a JD or Tmall store, the platform may not send them traffic if they have not yet built up demand or search volume on the platform.

An option that is available for new brands in China is entering the market through other retail models within these large platforms, such as Tmall's Net-A-Porter or Tmall Select portals, which allow small brands to gain visibility without taking on inventory risk.

Given the competitiveness of the China market, and the saturation of brands on ecommerce platforms, niche players cannot count on a templated ecommerce strategy to build their brand.

Instead, they need to focus on what makes them unique, and develop a platform and content strategy that allows them to effectively communicate these points of differentiation with their target consumer.

ONE ADVANTAGE niche brands have over larger competitors is a flatter hierarchy, which gives them the ability to be more agile. This means they would be able to adapt to changes in market trends and industry requirements at a much faster pace than their counterparts.

Given their relatively more modest resources, it is imperative that these brands get creative in order to stand out. This can be achieved by working with the right local partners and agencies to effectively define and execute a market entry strategy. Following which, the brand would then be able to build a strong community of followers, and eventually drive sales conversions.

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