

BEAUTY

## Is Tmall Global the right platform for beauty brands to enter China?

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*Tmall Global can be a quick gateway for beauty brands to enter the China market. Image credit: Alibaba*

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When we think of China's digital platforms, we often try to make a close comparison to a Western counterpart.

For Tmall, [the assumed counterpart is Amazon](#).

And yet when brands think of Tmall, there is the notion that it is a discount and promotions destination considering the packed online events calendar that exists in China, it can appear as though there is yet again another sale going on.

But, in truth, there is much more to all of it than we take from these false comparisons and misconceptions.

The Tmall marketplace garners more than [800 million monthly active users](#) from top to lower-tier cities across the China market.

While Tmall Global is a sub-section for cross-border commerce on the platform, the hundreds of millions in consumer traffic is shared.

For beauty brands looking to set up shop on Tmall Global, it is crucial to work closely with partners in the market to set the right strategies to capture the most relevant audiences, and drive success.

Tmall for sales, as well as brand building

The average user opens the Tmall application more than eight times a day. So, the platform is more than just a destination for consumers to buy goods.

Consumers also go on the platform to search and discover new trends, brands, and products through a variety of content and activities that are housed within the Tmall environment.

For that reason, brands should be leveraging Tmall's different resources and tools to reach consumers throughout the platform including functionalities such as livestreaming and [AR try-on technology](#); content marketing on Weitao and livestreaming with Key Opinion Leaders (KOLs); performance marketing tools; and beauty-specific events such as Ins (China's short-form for Instagram) Beauty and Supernova, both of which aim to incubate beauty brands

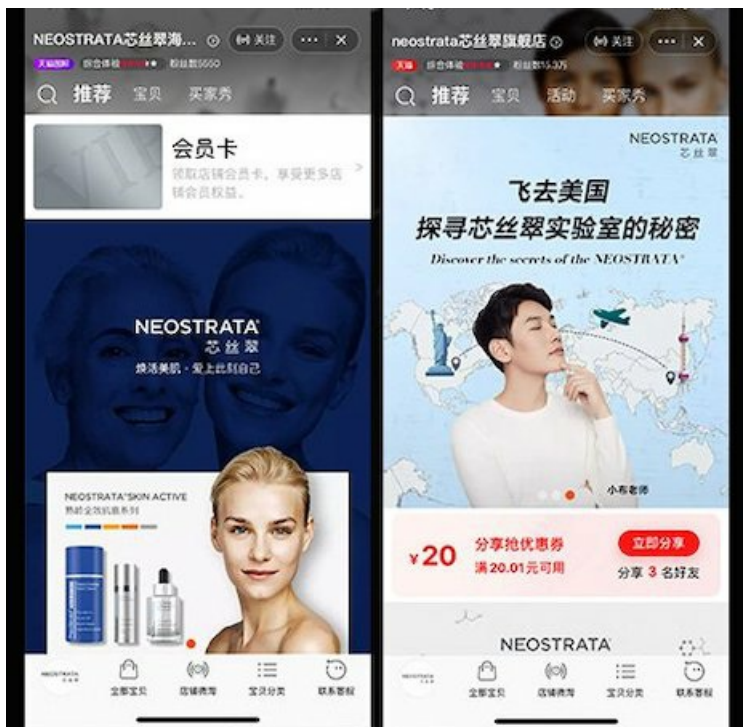
relevant for China's Generation Z.

Not only can brands reach relevant consumers on Tmall, they can also leverage the platform to generate deep local insights.

When it comes to setting a price and merchandising strategies, it is important for brands to understand trends in the category, as well as interests and preferences among consumers. This will aid beauty brands in identifying sweet spots for pricing, unique offerings to put together or even develop products specifically for the market.

Tmall Global offers brands a space in the China market without requiring local business and product registration which, for cruelty-free beauty brands, is currently the best solution. This also allows brands to test and learn, identifying which of their products work in the market, and which ones do not.

This can be especially relevant for beauty brands looking to eventually enter the local market such as Johnson & Johnson brands NeoStrata and Dr. Ci:Labo, which have taken the approach to run both Tmall Global and Tmall Classic stores with differentiated merchandising.



Johnson & Johnson brands NeoStrata and Dr. Ci:Labo run both Tmall Global and Tmall Classic stores with differentiated merchandising. Image credit: Tmall Global, Johnson & Johnson

Success requires all-round investment

Investing in Tmall is only part of the equation.

When Tmall assesses brand applications to join the platform, they look at brand investments both within Tmall and outside of Tmall.

A similar discussion happens when brands search for a Trade Partner (TP). The point is to set brands up for success and to do so, a holistic approach to entry is still as relevant as it would be for any other market.

The wider China digital landscape is very fragmented with many platforms reaching different audiences.

Brands can build an official presence and develop digital activities across platforms such as Weibo, WeChat, Douyin (), Little Red Book () and Bilibili (), and support those activities with media investment. They can also invest into creative partnerships with KOLs, artists and retailers.

There is no limit to the creativity take for example **Fenty Beauty's collaboration** with local milk tea chain Heytea.

Prioritizing which platforms to start with and which ones to build over time depends on a brand's market entry strategy.

How much is invested ultimately varies by brand and individual capacity to invest, but a good starting point to estimating the initial outlay is by forecasting your Tmall store's annual Gross Merchandise Value (GMV).

Develop trusted brand partner relationships

The pandemic has certainly catalyzed brands' interest in the ecommerce opportunity in China, and for many Western beauty brands, their interest is in Tmall Global.

For each brand, it is important to first understand what they are walking into, the customers they are going after, and with what to go in.

Yet this market moves and changes so quickly that until brands make a concrete decision to move forward, it can be easy to get stuck in perpetual cycle of assessing and reassessing the opportunity for years.

This is why turning to partners with market expertise is so important to a brand's development in the China market.

The Tmall marketplace itself is a brand partner, and an alternative to brands trying to garner the same kind of traffic to a brand.cn.

The relationship with a TP, that handles third-party logistics (3PL), customer service, merchandising, and IT infrastructure, is understandably a deeply integrated relationship.

Agencies and experts that deliver on strategy and planning through to development and execution services are instrumental in navigating a market that is in continuous change.

Working with trusted partners is more often the case, than not, for large and for small brands in China.

Whether it is accessing and interpreting data across a fractured digital landscape to fuel strategies and actions, successfully delivering on logistics and customer service at scale, or identifying and prioritizing opportunities and pivots to take in the market.

Brands develop trusted partner relationships in order to define, implement, and optimize their roadmap in the market, with measurable growth and performance.

I spoke with Demi Shi-Guth, category leader of beauty and personal care at Tmall Global and Kaola.com, Alibaba Group's two cross-border ecommerce platforms, in more detail about the opportunity that Tmall Global presents to luxury and premium beauty brands seeking substantial growth potential and tapping into the China market.

Watch our latest DLG China's Digital Market webinar series on "Leveraging Beauty E-Commerce with Tmall Global" and find out how to get started.

*DLG webinar: "Leveraging Beauty E-Commerce with Tmall Global"*

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