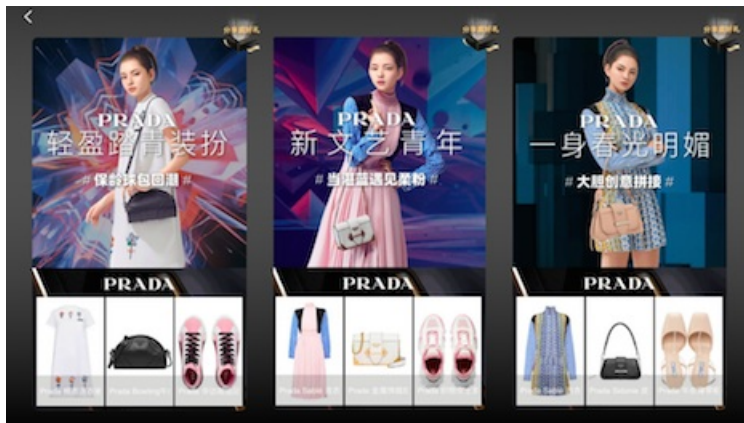


RETAIL

How Tmall continues to empower luxury brands in China

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Tmall's virtual model Aime endorsed Prada's Spring 2020 collection in a series of pop-up posters. Image credits: Tmall, Prada

By SARAH RAMIREZ

NEW YORK With an audience of about 900 million, Alibaba's Tmall Luxury Pavilion has become indispensable for high-end brands hoping to reach Chinese affluents but the platform's appeal goes beyond its audience.

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In a presentation at the Future of Luxury eConference on Sept. 24, an Alibaba executive explained how Tmall functions differently than its Western counterparts and how it helps brands engage more authentically with consumers. The coronavirus pandemic has not deterred more brands from launching on Luxury Pavilion as they look to successfully navigate the crisis and further entrench themselves in the world's largest luxury market.

"A lot of the last three years has been about building digital champions' with our luxury brands," said Christina Fontana, head of fashion and luxury for Europe at Alibaba. "There's a lot of work that goes into helping luxury brands determine two things: the merchandising mix and the marketing mix."

Future of Luxury eConference was produced by Luxury Daily

Luxury on Tmall

Unlike ecommerce giant Amazon, Alibaba's Tmall is unique for being targeted solely to Chinese consumers and being a dedicated marketplace. Tmall itself does not buy and sell goods at any point for the brands.

"It's the brands that act directly on our platform," Ms. Fontana said. "I think that's a very big difference from what we see in Western ecommerce."

While China has largely returned to normal since the pandemic's peak, it has still experienced dramatic digital acceleration, including within the luxury sector.



The mobile interface of Cartier's store on Tmall Luxury Pavilion. Image courtesy of Alibaba's Tmall

"We've seen a lot of brands, come on to Tmall just within the period of COVID," Ms. Fontana said. "We've seen a very strong acceleration and a complete elimination of all those questions that have plagued luxury in the past.

"Should I be on digital? Should I sell on ecommerce? How am I going to maintain exclusivity? How am I going to engage with my consumers? How am I going to do all of these things once I come online?" she said. "And what we've seen is those fears, brands have decided, needs to be overcome."

French jeweler Cartier debuted on Tmall Luxury Pavilion at the start of the pandemic, and had to shift gears from an offline and online events to purely digital. More recently, U.S. fashion label Marc Jacobs launched its Tmall flagship last month ([see story](#)).

Once luxury stores reopened in China, consumers were eager to shop and lined up outside of boutiques. As Ms. Fontana noted, however, shoppers did more research online before shopping in-store, resulting in less time at bricks-and-mortars but higher spending.

Consumer engagement

Tmall also empowers brands by offering more insights into different types of consumers within China.

For instance, a Gen Z shopper in Shanghai may be interested in a different type of handbag than an older consumer in a Tier 3 or Tier 4 city but both may be equally valuable in terms of their luxury purchases. While one shopper may be influenced by certain celebrities or KOLs, another shopper is more interested in word of mouth.

Previously, China's army of professional influencers and KOLs had been more dependent on brand sponsorships, paid posts or endorsement deals, but ecommerce represents a growing segment of their market. KOL marketing or brand collaborations with influencers who are experts in their field is a powerful tool in China because consumers tend to trust recommendations from third parties over the brands themselves ([see story](#)).

Digital engagement is also crucial because younger consumers in Tier 3 and Tier 4 cities may be less familiar with luxury brands since they do not have a physical presence in those urban centers. This is also why it is important for brands to provide elevated experiences online.

In August, Luxury Pavilion announced plans to launch new features to help brands better reach young Chinese affluents, ranging from live streaming, editorial content and personalization.

Soho Live will be a daily live-stream focusing on luxury shopping. Soho Live will be complemented by Soho Mag, a source for fashion news curated by fashion editors and influencers ([see story](#)).

"The power of Tmall really is about helping brands go out and find those different target audiences in China, and be sure that they are marketing and communicating in the right ways to the right consumers," Tmall's Ms. Fontana said.

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