

APPAREL AND ACCESSORIES

Moschino pushes ahead in China with help from Alibaba

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Rainie Yang for Moschino. Image credit: Moschino

By ELLEN KELLEHER

Italian fashion brand **Moschino** is making substantial headway in China by leveraging its collaboration with **Alibaba's** Tmall Luxury Pavilion to reach discerning and tech-savvy affluent consumers.

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Speaking at the National Retail Federation's Big Show on Jan. 14, senior executives from Alibaba and Moschino discussed strategies for brands to widen their appeal in what will soon be the world's largest luxury market. Adaptations and improvements to a brand's digital approach are essential to drive growth in this lucrative luxury market.

"The partnership with Alibaba has been very successful," said Stefano Secchi, managing director at **Moschino Spa**, Milan. "We both believe in the potential and the vision that we can create together."

China considered the answer for luxury brands

An Alibaba partner since 2018, Moschino was one of the first luxury brands to grow its presence among Chinese millennials by launching a shop on Tmall Luxury Pavilion ([see story](#)).

Chinese luxury consumers are becoming increasingly important as international travel has slowed to a crawl. Prior to the COVID-19 crisis, many often purchased luxury products on travels to Los Angeles, London or New York.

The current pandemic underlines the need for brands to push ahead on the digital front in China as many of the country's consumers now depend on online portals to purchase goods.



Tmall is the ecommerce gateway to luxury brands entering the China market. Image credit: Alizila, Tmall

The potential of such outreach efforts is enormous as Tmall Luxury Pavilion alone now boasts an audience of 700 million Chinese consumers, according to Christina Fontana, head of Fashion and Luxury at Alibaba's Tmall Luxury Division, Milan.

The youth culture in China lends itself to the expansion of Moschino's branding efforts in the country as the Italian label is also "fun and young," per the speakers. Eager to widen its reach, the brand's footprint in China accounts for 60 percent of its presence across Asia.

"What's really exciting about working with Moschino is that even though it's an iconic brand for us, there's still a lot of space to bring that message home to the Chinese," Ms. Fontana said. "Young Chinese consumers are looking to fashion as a way of expressing their own personal identity."

For its part, Moschino says the average Chinese luxury consumer is "very, very demanding, very discerning and very up-to-speed with fashion."

Working with Alibaba, the Italian label is intent on fine-tuning its omnichannel strategy to reach younger consumers there.

"Obviously, we need to have a deep knowledge of the Chinese clients and much of that comes thanks to the partnership with Alibaba," Mr. Secchi said.

Under creative director Jeremy Scott, Moschino emerged as one of the first luxury brands to embrace streetwear and a more casual ethos as part of its DNA.



Moschino marks Chinese New Year in 2019. Image credit: Moschino

"In a way, this is a perfect match with the potential Chinese consumer," Mr. Secchi said.

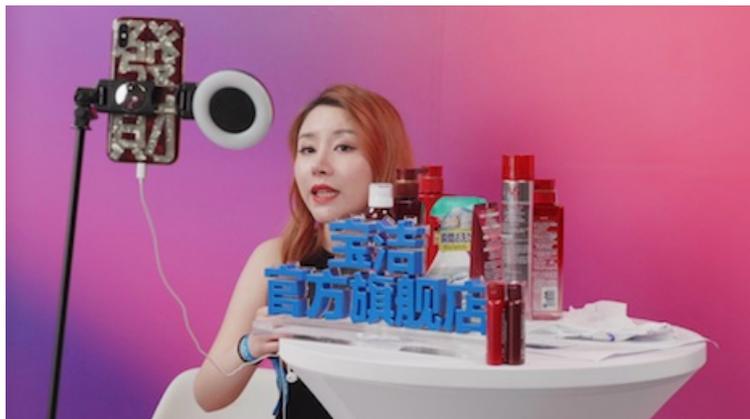
Made popular by Alibaba, Singles' Day in China, which is held annually on Nov. 11 and also known as 11/11, offers a popular route for Moschino and other luxury brands to engage in livestreaming and market their wares to the Chinese.

Ms. Fontana reported that younger people born after 1990 made 70 percent of all purchases on 11/11.

"We call 11/11 the global shopping festival because specifically when we're looking at luxury brands it's about creating an experience for our consumers," Ms. Fontana said. "11/11 is about finding a new way to make shopping fun."

More than 200 luxury brands participated in 11/11 in 2020, with 65 brands making their debuts, per Alibaba.

To push ahead, brands introduced tailored capsule collections and made products available for the first time in China. According to Alibaba, more than 100,000 short brand teasers were shared by 1.5 billion people in China.



Livestreaming is very popular in China. Image credit: Alibaba

Luxury brands embraced digital pushes in a moment of crisis. However, in 2021, digitization will evolve to include supply chains, logistics and merchandising, particularly as in-store shopping remains challenging Mr. Secchi noted.

"You'll see brands embrace digital through every layer of their organization to improve efficiencies," Ms. Fontana said.

Mr Secchi agreed. "With physical shopping still challenging, digital is not only an opportunity, it's a necessity," he said.

The local shopper is also expected to be influential in 2021, as consumers continue to spend domestically. Americans will be shopping more in the U.S., the French in Paris and more Milanese will frequent stores in Milan, Ms. Fontana noted.

To appeal to Chinese consumers, for instance, luxury brands are touting goods emphasizing craftsmanship and artisanship to differentiate themselves from mass-produced items.

"Young luxury consumers in China are in a period of exploration and discovery," Ms. Fontana said. "It's important for brands to present themselves to this new cohort of buyers in their voice."

Mr. Secchi also emphasized the importance Moschino is placing on authenticity as it looks to broaden its appeal across China, labeling it as. "necessary when you adapt your strategy to new markets."

China's recovery

As China continues to mitigate the spread of the coronavirus, daily life has relatively returned to normal and the economy has begun to recover quickly ([see story](#)). This has accelerated luxury brands' investments in the domestic market, whether by moving inventory, building presences on ecommerce marketplaces or reaching shoppers through WeChat and other Chinese social media.

The strength of the recovery in Asia, particularly mainland China, has contributed to luxury groups' stronger sales in recent months.

For Kering's directly-operated stores, revenues were up 44.1 percent in North America and up 18.5 percent in Asia-Pacific during Q3 2020 buoyed by revenue growth of 80 percent in mainland China ([see story](#)).

Ecommerce marketplace Farfetch, Alibaba and Richemont also recently announced a global partnership, capitalizing on the strengthening of the China market as well as accelerating the digitization of the industry ([see story](#)).

"It's really about the rush by brands to connect to a younger consumer because luxury consumers in China tend to be much younger than they are in the West," Alibaba's Ms. Fontana said.