

天猫 Tmall (Heaven Cat)

tmall.com

→ Stats / Facts

"Chinese Amazon for Brands "

OWNERS	Alibaba Group
YEAR FOUNDED	2008
BUSINESS MODEL	E-commerce
MONTHLY ACTIVE USERS	/
BRANDS ON TMALL	150000
INTERNATIONAL BRANDS ON TMALL	18000
ANNUAL REVENUE	/
CORE USER DEMOGRAPHIC	24-32yrs 70%
ACCOUNT TYPES	/
% OF MOBILE USERS	82%



→ Fundamentals

WHAT IS IT?

Tmall.com is the largest business-to-consumer (B2C) retail platform in Asia enabling businesses to sell directly to millions of consumers throughout China.

CORE FUNCTIONALITY

E-commerce, online storefront, Advertising, Product search, product rank,

CAN BUSINESSES OUTSIDE CHINA USE IT?

Foreign Businesses with no presence in China cannot use Tmall, but can use Tmall Global. See <https://www.china-briefing.com/news/selling-to-china-without-having-a-physical-presence-opening-up-an-online-shop-on-tmall-global/>

Five Advantages

- 1 Excellent reputation for genuine branded goods.
- 2 Highest Chinese E-commerce market share.
- 3 Seller can customise images and information, and provide branded content which is displayed on the detail page.
- 4 Multi-product sellers can implement a full branded store within Tmall, allowing customers to browse products.
- 5 Protection from non-branded copycat sellers means higher conversions and more sales.

Five Disadvantages

- 1 Listing your products as a foreign business is challenging and time consuming.
- 2 \$25,000 deposit required to open a Tmall Global Store.
- 3 To be paid on Tmall Global you need to sign up to Alipay which takes a 1% on all transactions.
- 4 Tmall Global Annual also has an annual fee of \$5000 - \$10000 and commissions of 0.5 - 5% per transaction.
- 5 Once you have a store page, you will need to drive traffic to it. Without presence in China this can be challenging. It can pay to have an audience already built before you launch.

→ Verdict

Despite Alibaba's mission statement "to make business easy to do anywhere", it is surprising Tmall is still so difficult for foreign brands to list on. Whilst the fees are small change for big companies, for the majority of small to medium sized businesses it represents a huge barrier to entry, not to mention the time to process all the paperwork. If you manage to open your stall, the battle has only just begun as you will need to find a way to get traffic to it. Therefore despite being the most popular E-commerce channel in China with a number of advantages, you should not expect Tmall to be an easy option. If you go for it, you should treat it like an investment which may result in losses. Have a plan and budget for marketing and a clear timeframe for expected results.