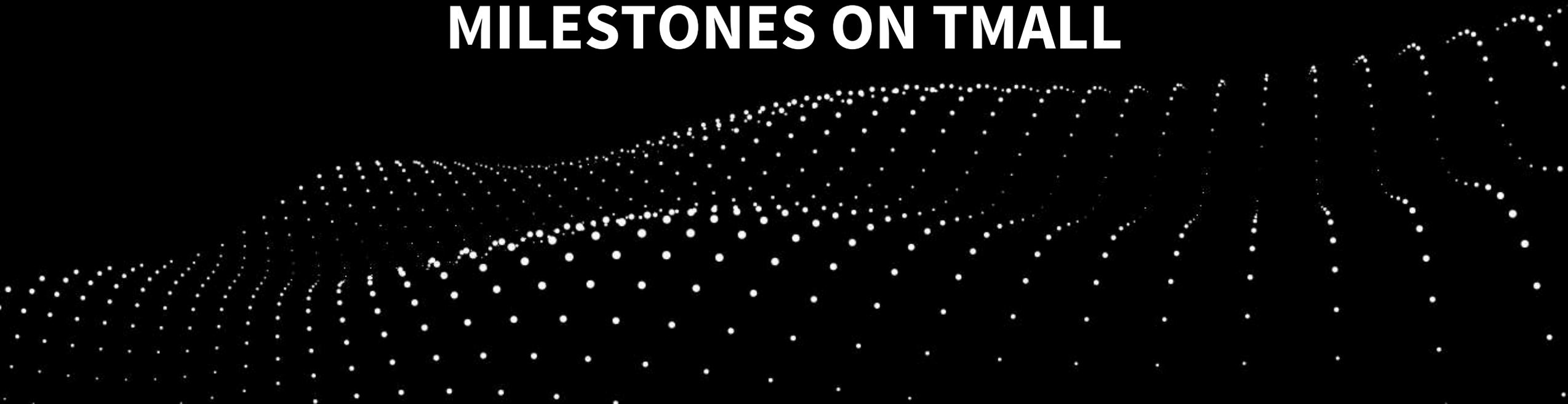


DL  
G.

**LEVERAGING LOCAL FESTIVALS AND  
MILESTONES ON TMALL**





# FOREWORD.

## AN INTRODUCTION

As the world gradually recovers from the pandemic and lockdowns ease, offline store foot traffic is finally picking up and may return to pre-pandemic levels over time. That said, COVID-19 has irrevocably changed consumer attitudes towards e-commerce – and brands **can no longer ignore the importance of fully leveraging this channel.**

The e-commerce market in China is set to reach a value of US \$3 trillion by 2024, with a projected growth rate of 17.2 per cent in 2021 alone\*, making it the **fastest-growing and largest in the world.** As the market matures and comes into its own, it has become a trendsetter of sorts, setting the pace for other e-commerce markets around the world. Over the years, e-commerce platforms in China have started coming up with their own shopping extravaganzas and focusing on local festivals instead of tapping on global ones – effectively serving to shape the consumption behaviours and patterns of Chinese shoppers. As a result, globally recognised shopping milestones like Valentine’s Day, Black Friday or Christmas no longer resonate as strongly in China. In its place are local celebrations like Chinese Valentine’s Day (*Qixi*), and shopping festivals such as 618 and Singles Day (11.11).

**Leveraging these local milestones and shopping events have become paramount for brands looking to grow their e-commerce business in China.** While participating in the latter used to come with negative connotations of discounting – discouraging luxury brands that were trying to maintain their image and positioning – this is no longer the case. Platforms have come up with a range of other ways for high-end brands to participate in such events without compromising on price and exclusivity as well. So how can brands go about this?



**PABLO MAURON.**  
Partner & Managing Director China  
pmauron@digital-luxury.com



**LYDIANNE YAP.**  
Marketing & Research Director  
lyap@digital-luxury.com

\*Source: GlobalData, <https://www.globaldata.com/e-commerce-market-china-will-reach-us3-trillion-2024-forecasts-globaldata/>

**1**

# THE E-COMMERCE LANDSCAPE IN CHINA



**AN OVERVIEW**



**TMALL: FROM AWARENESS TO LOYALTY**

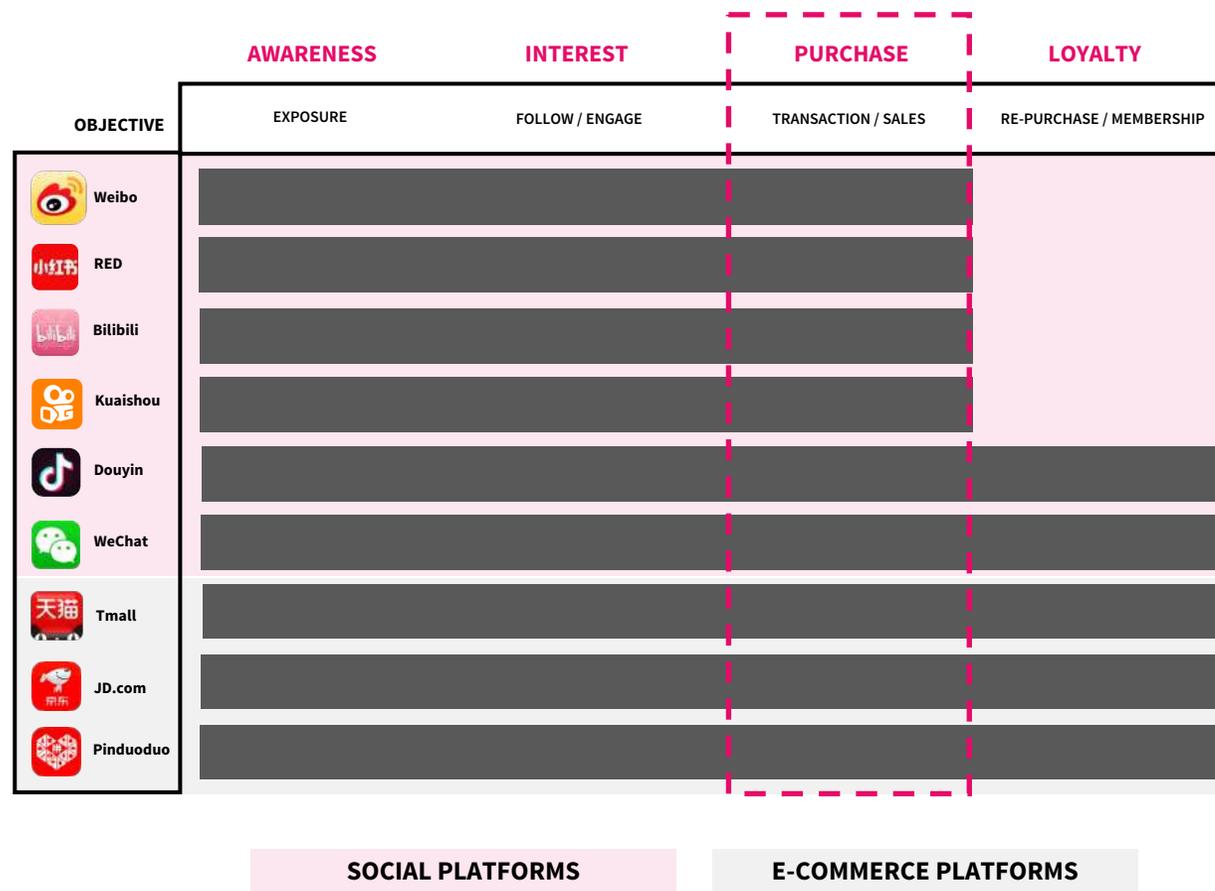
# THE E-COMMERCE LANDSCAPE IN CHINA.

## AN OVERVIEW

The digital landscape in China is a fast-paced and ever-changing one. In the past, the prescribed role of social platforms was to generate awareness and interest before driving consumers to an e-commerce platform or offline store to complete the purchase. The former was made possible with third-party e-commerce integration available on nearly all social platforms, with redirection links to marketplaces like Tmall or JD.com.

But with the evolution of consumer shopping behaviours and the rise of social commerce, **an increasing number of social platforms have started to offer in-platform e-commerce functionality on top of external redirection options.** This has resulted in a far more **fragmented e-commerce landscape**, with purchases taking place on a wide variety of platforms – and not just the leading e-commerce marketplaces. As such, brands have also started to shift their focus towards developing customer journeys within a single platform instead of cross-platform.

Despite these changes, marketplaces like **Tmall and JD.com remain the largest drivers of e-commerce revenue for brands** given the huge volume of consumer traffic passing through its platform on a daily basis.





# THE E-COMMERCE LANDSCAPE IN CHINA.

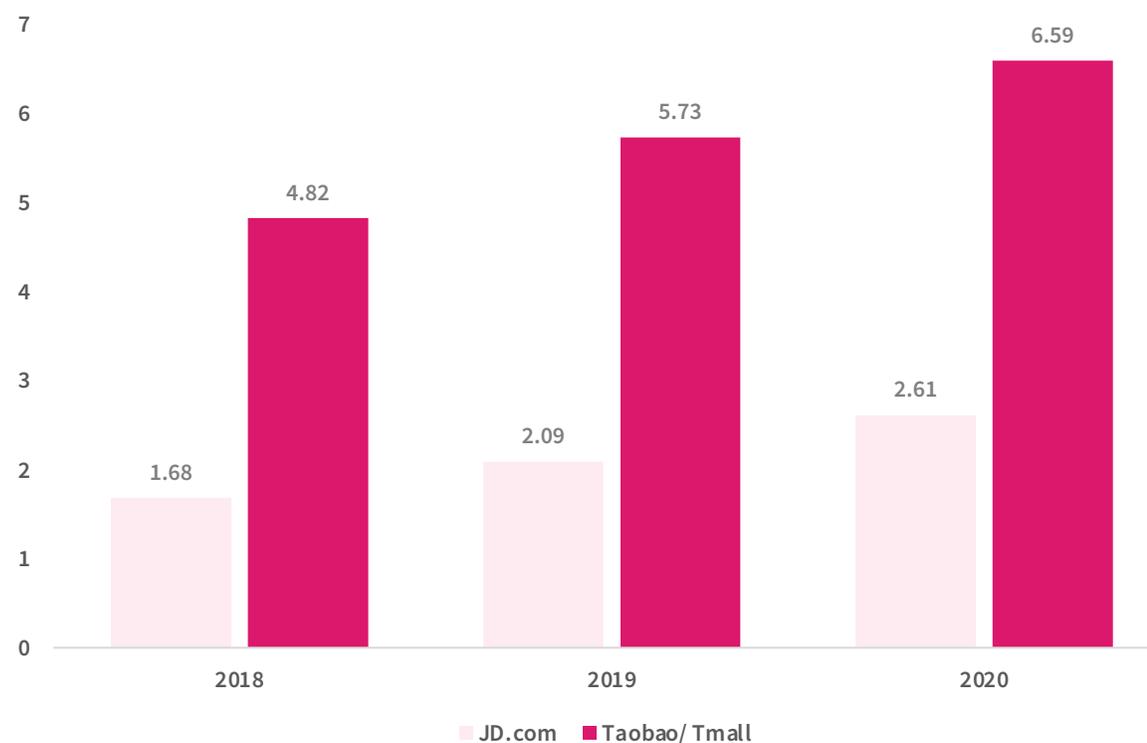
## AN OVERVIEW

Marketplaces Tmall and JD.com have consistently been leaders in the e-commerce race in China, with the annual gross merchandise value (GMV) generated on these platforms far exceeding that of any other social platform in China. While both platforms have been growing over the years, Tmall stands out as the clear leader – a total **GMV of 6.589 trillion RMB** was generated across its platform in 2020, **almost 2.5 times more than its closest competitor JD.com's 2.6 trillion RMB.**

The traction Tmall has with local consumers can no longer be denied, and once-wary international luxury brands have started to come round to the idea of retailing on a marketplace. As of today, **over 200 luxury brands currently have flagship stores on Tmall** – the majority of which were launched last year, at the height of the pandemic when offline traffic was strongly impacted.

While developing brand-owned e-commerce channels (such as WeChat stores and a brand.com website) remain important from an image and product diversity standpoint, **Tmall is still the most relevant platform for luxury brands to focus their efforts on when looking to make an impact** and grow their e-commerce business in China.

GMV (IN TRILLION RMB)



# THE E-COMMERCE LANDSCAPE IN CHINA.

## TMALL: FROM AWARENESS TO LOYALTY

While the role of Tmall used to be more focused on the purchase and loyalty stages of the customer journey, initiatives rolled out by brands and the platform alike, as well as overall changes to consumer shopping patterns, have helped to **develop the awareness and interest phases of the journey on Tmall.**

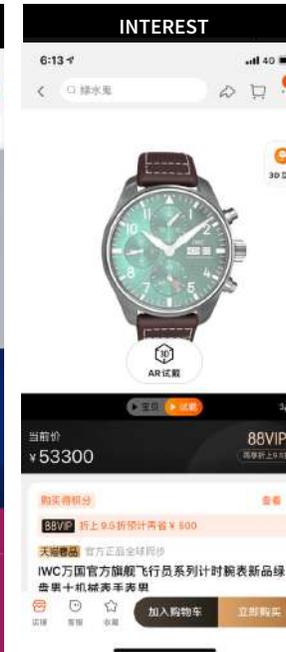
Besides **paid advertising options** on Tmall, brands can also leverage the platform's **marketing IPs (shopping events and festivals) such as Super Brand Day and Singles Day** to help drive awareness. During these activations, collaborations with top tier KOLs on livestreams can help to take things a step further. **Technological advancements and the introduction of Mini Programs** on Tmall have also allowed brands to better capture consumers along the interest phase. These tools serve to bridge the online and offline experience – including AR/VR and 3D viewers to product customisation engines – and help to bring consumers closer to that act of purchase.

**Alternative payment options** (such as interest-free instalments) are also helping to drive conversions for luxury brands without the need for discounting. At the same time, brands are increasingly developing robust **loyalty programmes** on Tmall to aid in consumer retention as well.



### RIMOWA

Brands can leverage festivals like Super Brand Day, work with KOLs on livestreams, or make use of paid ads to increase awareness and exposure.



### IWC SCHAFFHAUSEN

The brand offers a 3D viewer and AR/VR try-on function on its Tmall store to help consumers visualise the timepiece on their wrist.



### CARTIER

The brand offered an interest-free instalment option during the recent 618 shopping festival. This is usually offered only during events.



### PANDORA

The brand offers a loyalty programme on Tmall, complete with a tiering and point system to inspire return purchases.

**2**

# LOCAL FESTIVALS AND MILESTONES



**GMV EVOLUTION**



**CULTURAL CALENDAR**

# EXPERT OPINION: AD VERBATIM.

## THE FESTIVAL OPPORTUNITY ON TMALL



**JAMES LIN**

Head of Fashion and Luxury for North America  
Alibaba Group

“

*The importance of shopping festivals in China cannot be overstated. There are both long-held traditional holidays as well as modern shopping festivals such as 11.11 for brands to activate around. Unlike discount-driven holidays in the West, **these festivals are critical occasions for brands to launch new products, introduce innovative shopping experiences and create touchpoints with loyal and new customers alike.** While 11.11 is the most important shopping festival, it is crucial that brands develop a cadence of strategies around other holidays throughout the year and fine-tune their tactics for the long-term.*

”



# LOCAL FESTIVALS AND MILESTONES.

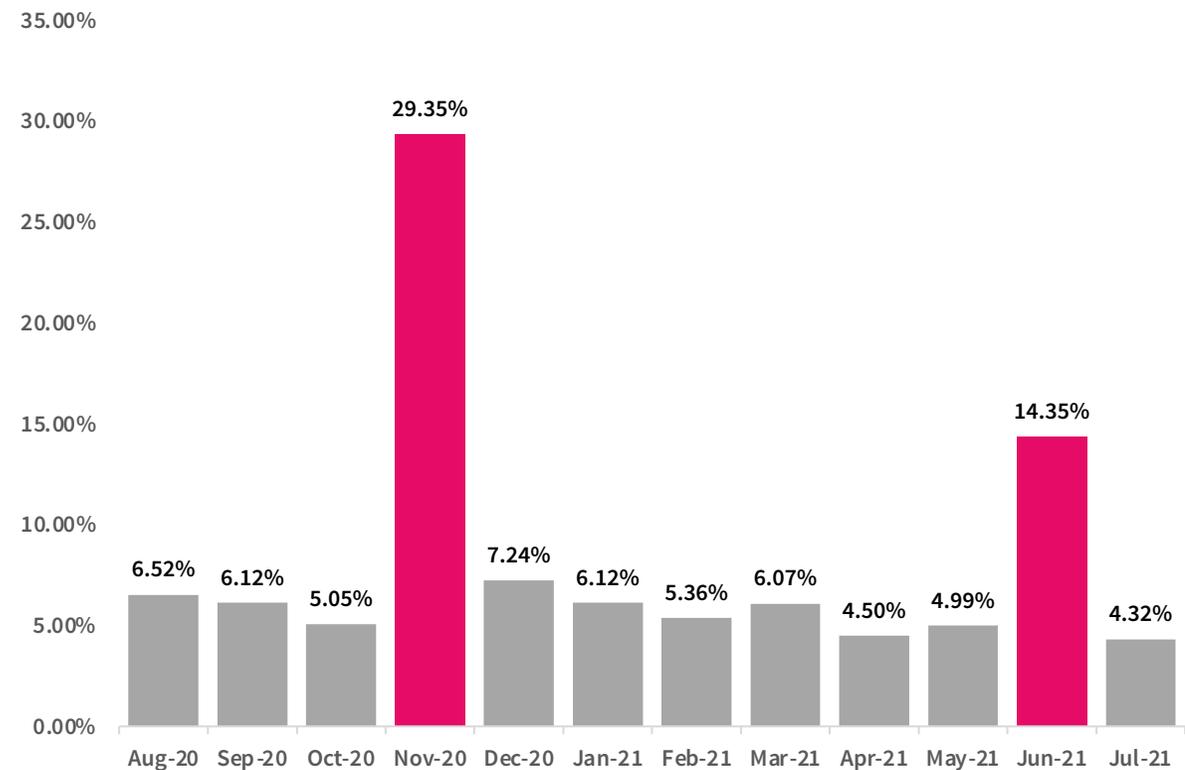
## GMV EVOLUTION

Data collected between July 2020 and June 2021 from a sample of 30 top beauty brands on Tmall demonstrated that sales on the platform peaks significantly two times annually – each coinciding with a **key shopping event on the platform** (Singles Day in November and 618 in June).

While sales figures on the platform throughout the rest of the year are fairly consistent, months that accounted for a relatively higher percentage of annual sales performance are typically **tied to either a local celebration or festival** as well – including Chinese Valentine’s Day (also known as *Qixi*) in August. It should be noted, however, that varying performance trends over the course of the year are to be expected across different product categories.

That said, the importance of leveraging such milestones in China remains, and brands need to do more to ensure they are getting the most out of them on e-commerce platforms. However, **these festivals are primarily built upon the idea of deals and discounts, and brands need to carefully craft marketing strategies** so as drive revenue performance without negatively impacting value perception.

PERCENTAGE OF ANNUAL SALES (%)





# LOCAL FESTIVALS AND MILESTONES.

## CULTURAL CALENDAR

### 2.2.1 CHINESE NEW YEAR

**WHAT:** Chinese New Year

**WHEN:** Starts on the first day of the Lunar Calendar (typically in January or February), and lasts for 15 days

**SIGNIFICANCE:** The most important festival in China and for Chinese around the world, the celebration signals the end of a year and the dawn of a new one

#### CULTURAL RITUALS

It is customary for families to prepare for the new year ahead with a bout of spring cleaning before the first day of the new year. After which families will avoid cleaning so as not to “sweep away” good luck.

On the day before the new year, families typically gather for a large reunion dinner. Dishes consumed at this dinner vary across regions and countries. Over the course of the next 15 days, families will dine together and congregate, give out *hongbao* (red packets) to the younger generation and light fireworks/ firecrackers. Red and gold hues are favoured during the occasion.

The 15th day of Chinese New Year is known as 元宵节 (*Yuan Xiao Jie*) and rice dumplings are usually eaten to celebrate the last day of the festival.

#### CONSUMPTION TRENDS

In China, most companies give out annual and performance bonuses just ahead of the Chinese New Year (instead of at the end of the financial year like in the West). This encourages **shopping for oneself; a personal reward for the past year of hard work.**

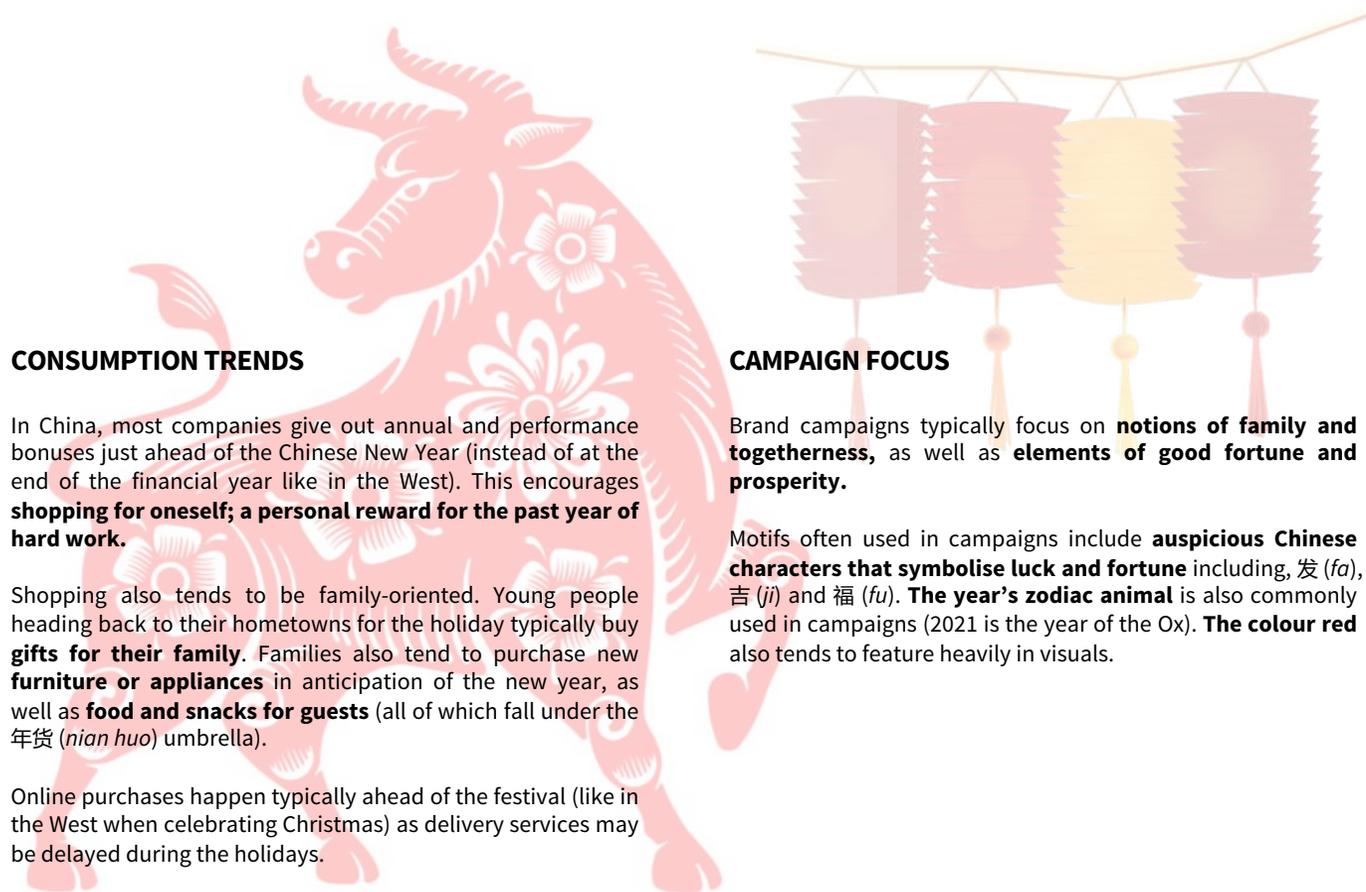
Shopping also tends to be family-oriented. Young people heading back to their hometowns for the holiday typically buy **gifts for their family.** Families also tend to purchase new **furniture or appliances** in anticipation of the new year, as well as **food and snacks for guests** (all of which fall under the 年货 (*nian huo*) umbrella).

Online purchases happen typically ahead of the festival (like in the West when celebrating Christmas) as delivery services may be delayed during the holidays.

#### CAMPAIGN FOCUS

Brand campaigns typically focus on **notions of family and togetherness**, as well as **elements of good fortune and prosperity.**

Motifs often used in campaigns include **auspicious Chinese characters that symbolise luck and fortune** including, 发 (*fa*), 吉 (*ji*) and 福 (*fu*). **The year’s zodiac animal** is also commonly used in campaigns (2021 is the year of the Ox). **The colour red** also tends to feature heavily in visuals.





# LOCAL FESTIVALS AND MILESTONES.

## CULTURAL CALENDAR

### 2.2.1 CHINESE NEW YEAR

Festive discounts or promotions in form of shopping bundles or special packaging are usually offered by brands during Chinese New Year – both online and offline. **E-commerce platforms tend to host shopping events ahead of Chinese New Year** to encourage consumption ahead of the holiday as well.

Many brands release **Chinese New Year limited editions** on this occasion. While some brands make use of the **zodiac animal** for that year as a basis for its designs (e.g. Burberry and Louis Vuitton both launched ox-themed capsule collections), others leverage **auspicious symbols and motifs** (e.g. Pandora's Chinese New Year collection) and incorporate them into products.

There are also brands that take the Chinese holiday as an opportunity to release **other types of special edition items** that are not necessarily related to the festival – such as Gucci when it launched its Doraemon **collaboration capsule** this year.



# CONSUMER VOICES: AD VERBATIM.

## SHOPPING DURING CHINESE NEW YEAR



**YU**

Female, 30  
Manager

“

*Of course I shop during the festival period. There are more discounts so there will be a lot of hoarding. It is very convenient. I shop during the bigger festivals because the discounts are very big. I look at daily necessities, clothes and bags, some famous brands are also cheaper then. Every night I tune in to several livestreams to see if there is anything I need to buy.*

”



# LOCAL FESTIVALS AND MILESTONES.

## CULTURAL CALENDAR

### 2.1.2 “I LOVE YOU” 520

**WHAT: “I Love You” 520**

**WHEN:** 20 May

**SIGNIFICANCE:** 520 emerged as an unofficial Valentine’s Day celebration in recent years as the pronunciation of 520 in Chinese sounds similar to “I Love You”

#### CULTURAL RITUALS

As 520 in Chinese sounds similar to the pronunciation of “I Love You”, the festival places a significant amount of attention on **the notion of the spoken word and verbalising “I love you” – in other words, confessing your love for someone.**

As such, individuals tend to take this day as an opportunity to show their love for a partner or even expressing their feelings for someone new. This can be done in a variety of ways, from declarations on social media, to traditional Valentine’s Day gifts (e.g. flowers and chocolate).

#### CONSUMPTION TRENDS

**Giftng tends to be the focus of this festival.** As consumers tend to buy gifts for their significant other, sales and merchandise from brands often consider this in their promotions. Couple wear (e.g. clothing and jewellery) tends to be in demand during this festival as well.

Digital *hongbaos* (red packets) are commonly exchanged between couples during this festival. *Hongbao* amounts are usually reflect the theme of the festival (e.g. 520 RMB), and WeChat typically lifts the transfer limit of digital red packets on its platform from 200 RMB to 520 RMB for that day.

#### CAMPAIGN FOCUS

Brand campaigns play around with the numerals 520 and are largely centered around the idea of **love and romantic relationships**. However, some brands also choose to focus on the topic of **self-love, and treating yourself well.**



# LOCAL FESTIVALS AND MILESTONES.

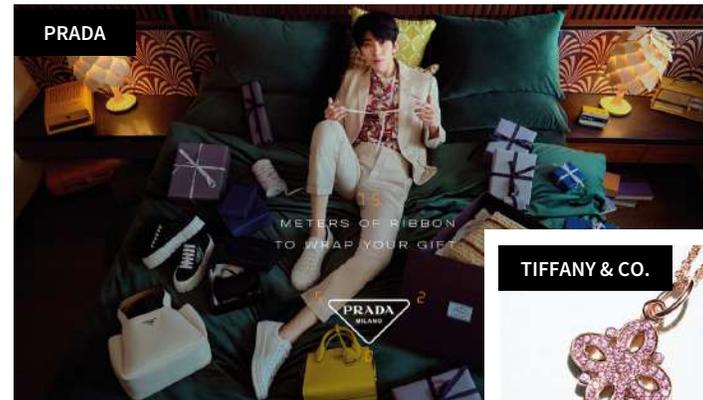
## CULTURAL CALENDAR

### 2.1.2 “I LOVE YOU” 520

As the festival is mainly about gifting, brands typically do not offer promotions or discounts but instead focus their efforts on **developing interesting narratives, limited edition capsule collections** or take it as an **opportunity to debut new products**.

For instance, Prada’s 520 campaign last year was built around the theme “The Mathematics of Love” and played around with numerals in a nod to the festival’s numerical origins. Other brands like Dior and Tiffany & Co. released special edition items – Tiffany & Co. launched a WeChat Store exclusive Tiffany Victoria Key Necklace adorned with pink sapphires while Dior’s capsule collection featured love-related motifs.

Loewe, however, leveraged the attention around 520 to make the global debut of its Nano balloon bag this year. The bag came packaged with an exclusive gift box from premium florist The Beast, giving the new product launch a Valentine’s Day spin as well.





# LOCAL FESTIVALS AND MILESTONES.

## CULTURAL CALENDAR

### 2.1.3 618

**WHAT: 618**

**WHEN:** 18 June

**SIGNIFICANCE:** Initially created as JD.com's version of an annual shopping extravaganza, 618 has become a mid-year discounting event for almost all e-commerce platforms

#### CULTURAL RITUALS

618 is now seen as one of the biggest shopping festivals in China, with consumers focusing their shopping for the first half of the year on it. A pre-sale period is common, with specific items from brands being made available for pre-order ahead of the sale's commencement. In order to secure an item during the pre-sale period, consumers have to put down a non-refundable deposit. The balance will have to be paid once the sale starts officially. As demand during a festival like this tends to be high (and stocks limited), there is a very strong notion of "snatching" for items at the stroke of midnight, making it almost like a competition among shoppers. Livestreams are also especially popular during such shopping events, with top KOLs livestreaming for hours on end.

Shopping during such festivals is also seen as a social activity, with consumers often comparing notes with friends and colleagues on the best deals during this period.

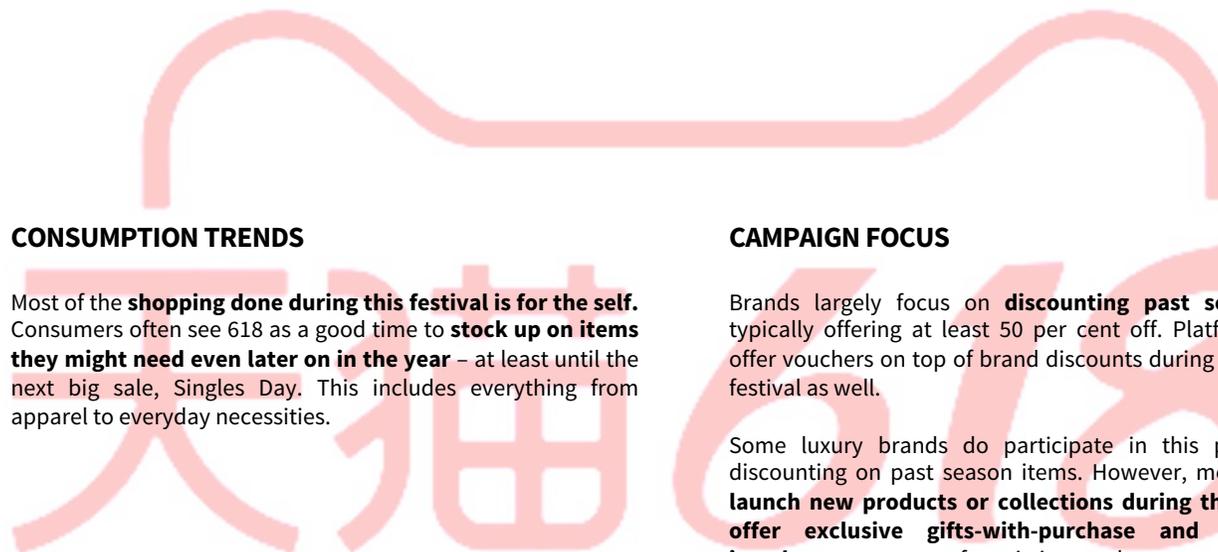
#### CONSUMPTION TRENDS

Most of the **shopping done during this festival is for the self**. Consumers often see 618 as a good time to **stock up on items they might need even later on in the year** – at least until the next big sale, Singles Day. This includes everything from apparel to everyday necessities.

#### CAMPAIGN FOCUS

Brands largely focus on **discounting past season items**, typically offering at least 50 per cent off. Platforms tend to offer vouchers on top of brand discounts during this shopping festival as well.

Some luxury brands do participate in this platform-wide discounting on past season items. However, most choose to **launch new products or collections during this period, or offer exclusive gifts-with-purchase and interest-free instalment payments** for existing products.





# LOCAL FESTIVALS AND MILESTONES.

## CULTURAL CALENDAR

### 2.1.3 618

As 618 revolves the idea of shopping, **most brand campaigns during the period tend to be designed to drive the act of purchase.** Some luxury brands try to stay away from the notion of discounting so as not to dilute their brand value, and instead offer other benefits to consumers during the sale festival. This includes **gifts with purchase (GWPs)** – as illustrated in the example of Montblanc and the free pen refills they offered with minimum 2,500 RMB spend – or even alternative payment options such **as interest-free instalments** (e.g. Valentino).

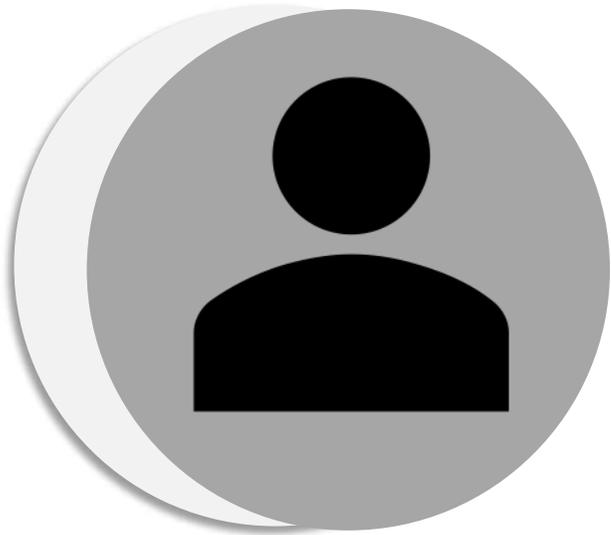
Other brands took the festival as an opportunity to **promote new collections and products**, such as Bottega Veneta. The brand launched its Bottega Veneta Wardrobe 02 collection during 618 this year. Diane von Furstenberg also did the same, and even had its namesake founder appear in its Tmall livestream a few days ahead of the main shopping event to introduce its new spring/summer collection to audiences.





# CONSUMER VOICES.

## SHOPPING DURING 618



**MONA**  
Female, 39  
Professional in PR Industry

“

*For 6.18 and 11.11. I start to plan my shopping list half a month beforehand. When I need to buy bigger items, I make use of shopping festivals to get more discounts. I also use this chance to store up some daily necessities and buy other items. The latest I start comparing products and putting things in my shopping cart is two to three days in advance.*

”



# LOCAL FESTIVALS AND MILESTONES.

## CULTURAL CALENDAR

### 2.1.4 CHINESE VALENTINE'S DAY (QIXI)

**WHAT: Chinese Valentine's Day (Qixi)**

**WHEN:** 7th of the seventh lunar month, typically in August (14 August in 2021)

**SIGNIFICANCE:** Seen as the most traditional Valentine's Day celebration in China, with most couples celebrating this over the 14 February version

#### CULTURAL RITUALS

Based upon the legend of the weaver girl and the cowherd, a pair of star-crossed lovers that can only meet once a year on the seventh day of the seventh lunar month on a bridge of magpies, *Qixi* used to come with a complex set of traditional rituals that included prayers and offerings to relevant deities for a good spouse. However in modern day China, *Qixi* is mostly seen as the Chinese version of Valentine's Day and largely regarded as a commercial holiday for couples.

Not unlike 520, *Qixi* is seen as a time for couples to celebrate and express their love for one another. This has also made it a popular date for couples to get married.

#### CONSUMPTION TRENDS

A highly gift-oriented festival, *Qixi* often sees couples buying gifts for each other and brands often consider this in their promotions. Not unlike 520, couple wear (e.g. clothing and jewellery) tends to be in demand during this festival as well.

#### CAMPAIGN FOCUS

Brands focus their communication on relationship and love-themed narratives, and often take this occasion as a chance to roll out new products or festival exclusives. As couples typically do not spare expense on gifts during such festivals, promotions and discounts are typically not offered.





# LOCAL FESTIVALS AND MILESTONES.

## CULTURAL CALENDAR

### 2.1.4 CHINESE VALENTINE'S DAY (QIXI)

International luxury brands tend to pull out all the stops and roll out special editions and capsule collections on the occasion of Qixi as **bargain hunting is not the theme of the season**, and **consumers are willing to spend on exclusive gifts** for their loved ones. Besides promoting these products on e-commerce platforms, brands also typically plan offline activations in tandem, including pop-up stores or physical events.

Competition has been heating up among luxury brands for consumer attention during this key gifting festival and last year's Qixi saw a large number of brands releasing **limited edition items during the festival**. While some brands like Dior and Fendi launched **capsule collections** (the former was a love-inspired line while the latter was a collaboration with British illustrator Sam Cox), others like Prada **released exclusive colourways for existing product lines**. Luxury powerhouse Gucci went as far as **restyling its iconic interlocking Gs logo** just for Qixi, designing it to resemble an apple in reference to the phrase "apple of my eye". A variety of items were restyled with this logo, including small leather goods, bags, accessories and shoes.



DIOR



GUCCI



FENDI



PRADA

# CONSUMER VOICES.

MARKETING DURING CHINESE VALENTINE'S DAY, QIXI



**ZHI XUAN**  
Male, 26  
Photographer

“

*Brands can do better in terms of style. They need to be more creative instead of simply using a traditional image. Cosmetic brands know Chinese preferences very well. They offer products especially designed around Chinese festivals like Qixi or launch other meaningful designs, like the lipsticks from Florasis, which carry design elements from the Miao people cultural heritage.*

”



# LOCAL FESTIVALS AND MILESTONES.

## CULTURAL CALENDAR

### 2.1.5 SINGLES DAY (11.11)

**WHAT: Singles Day (11.11)**

**WHEN: 11 November**

**SIGNIFICANCE:** Seen as the biggest annual shopping extravaganza in China, with GMV generated far surpassing that of any Western shopping holiday including Black Friday and Cyber Monday

#### CULTURAL RITUALS

Initially conceived by Tmall/ Taobao as a day targeted at singles for shopping and self-reward, Singles Day has since grown into a nation-wide shopping extravaganza for all. The shopping event is often compared to Black Friday in the West, but is **far larger in terms of scale and revenue generated**.

Similar to 618, pre-sales for the main 11.11 event start weeks before, with consumers given the option of pre-ordering items with a non-refundable deposit. Like 618, the notion of competing with other shoppers to “snatch” for items at the stroke of midnight is very strong and livestreams are also highly popular, with top KOLs livestreaming for hours in the lead-up to 11.11, and on Singles Day itself.

#### CONSUMPTION TRENDS

Singles Day is largely built around the idea of **shopping for the self**; to reward oneself. While all consumer categories tend to experience a peak in consumption levels during this period, categories like **beauty and womenswear are particularly popular**, possibly owing to the large number of KOL and brand livestreams surrounding such product categories during Singles Day.

#### CAMPAIGN FOCUS

Most of campaigns during Singles Day are focused **on offering customers irresistible deals** to inspire purchases during the 24-hour shopping festival.

However, luxury brands tend to **stay away from the element of discounting** and are typically not included in platform-wide sales. Instead, most choose to launch **new products or collections** during this period, or offer **exclusive gifts-with-purchase and interest-free instalment payments** for existing products.



# LOCAL FESTIVALS AND MILESTONES.

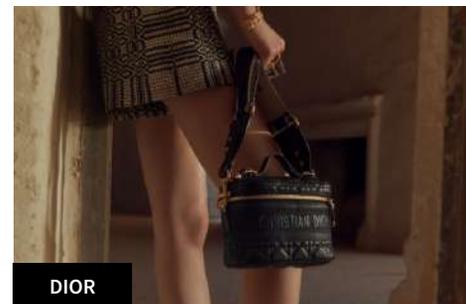
## CULTURAL CALENDAR

### 2.1.5 SINGLES DAY (11.11)

Singles Day is the biggest shopping festival in China and not unlike 618, brands typically try to stimulate consumer purchase intentions through a mix of **online experiences, limited edition products, interest-free instalments and gifts-with-purchase.**

The festival has been **growing year-on-year in terms of GMV generated**, and this has raised the stakes for luxury brands. Last year, American luxury label Coach launched an immersive 3D shopping feature (modelled after its New York Fifth Avenue store) during 11.11 via the Tmall Second Floor feature to drive awareness and interest in its products. The brand reported that consumers that accessed the feature doubled the time spent on its store\*.

Brands like Alexander Wang and IWC Schaffhausen took the interest-free instalment and GWP approach, with both brands offering exclusively customised free gifts for consumers during the shopping festival. Others like Burberry launched limited edition items (in this case, a scarf), and Dior released a special 11.11 capsule collection – the brand's first for the festival.



\*Source: Alizila; <https://www.alizila.com/coach-goes-virtual-for-11-11-shopping-day/>

# CONSUMER VOICES: AD VERBATIM.

SHOPPING DURING 11.11, SINGLES DAY



**JASMINE**  
Female, 29  
Consultant

“

*I buy all sorts of products, especially brand hero products. Livestreaming is becoming increasingly important for me too. During festivals, I look at 3C items (I bought my current computer and phone during the sales), skincare, and daily essentials.*

”

**3**

# PRODUCT STRATEGY



**NEW COLLECTIONS & LIMITED EDITIONS**



**GIFTS-WITH-PURCHASE (GWP)**



**PAYMENT OPTIONS**

# PRODUCT STRATEGY.

## STIMULATING PURCHASE INTENTIONS

### 3.1 NEW COLLECTIONS AND LIMITED EDITIONS

Many brands tend to look at online shopping festivals as a way to dispose of excess inventory. But the only way to do this is through promotions and heavy discounting – something that luxury brands frown upon for fear of negatively affecting the brand image and equity. As such, **luxury players should look to alternative tactics to stimulate purchase intentions, rather than discount.**

Given that such e-commerce milestones come with huge traffic and consumer attention, luxury brands can leverage this opportunity to release **new products, limited editions and special collections.** This not only helps the brand maintain its prestigious image during sale season, but also **creates a sense of urgency** for consumers to purchase these items as they are made available for a limited period of time only.

For instance, Burberry offered **early access** to a limited-edition silk scarf on its Tmall store during this year's 618 shopping festival, while Swiss watchmaker Breitling launched a white dial version of its Avenger GMT 43 **exclusively on e-commerce channels** (available on Tmall, JD and WeChat) during the event.



**BREITLING**

The new Avenger GMT 43 in stainless steel with white dial was made available exclusively on e-commerce channels during 618



**BURBERRY**

Burberry offered early access to a limited edition silk scarf on Tmall

# CONSUMER VOICES.

## GWPs DURING FESTIVALS



**YAN**  
Female, 26  
Entrepreneur

“

*I prefer samples of new products, so I can try whether they suit me. For skincare products specifically, I prefer gifts from the same series because I know they suit my skin type. Other gifts maybe can be something one can keep using and won't throw away immediately – like a make up bag – provided the size is big enough. That also makes the gift more sustainable. If the gift is not worthy enough, I just prefer a discount.*

”



# PRODUCT STRATEGY.

## STIMULATING PURCHASE INTENTIONS

### 3.2 GIFTS-WITH-PURCHASE (GWP)

Another tactic that many brands have leveraged to stimulate purchase intentions is that of gifts-with-purchase (GWPs). Some brands, typically beauty brands, tend to make use of this method to **avoid discounting but still offer additional value to consumers** during such shopping events. For instance, SK-II offered additional travel-sized bottles of its Facial Treatment Essence, facial foam, toner, as well as sheet masks, with every purchase of its special edition Facial Treatment Essence created in light of the upcoming Tokyo Olympics. Communications about these GWPs emphasised on the additional value of these travel-sized items, and **how consumers essentially get more product for the same price**.

Other brands, like Maison Margiela's MM6, emphasise on the exclusivity factor of its GWP. During the 618 shopping festival, it offered two different GWP tote bags – one for every purchase of its new Fall/ Winter pieces, and another design for every 8,000 RMB spend. Alexander Wang, took things a step further during last year's 11.11, designing a special deck of poker cards that was part of its campaign theme for the festival. The limited edition playing cards were offered to the first 350 customers with orders above 1,500 RMB.



#### SK-II

Additional travel-sized products were offered with purchase of its special edition Facial Treatment Essence



#### MAISON MARGIELA (MM6)

The brand offered limited edition tote bags depending on the product(s) purchased and total spend during 618



#### ALEXANDER WANG

Specially designed poker cards were given with purchases above 1,500 RMB during the 11.11 festival



# EXPERT OPINION: AD VERBATIM.

## ALTERNATIVE PAYMENT OPTIONS



**IRIS CHAN**

Partner, Head of International Client Development  
DLG (Digital Luxury Group)

“

*Playing around with payment options is an interesting way for brands to **reach a wider base of consumers without having to resort to straight-up discounts.** While interest-free instalment plans help to make big-ticket items much friendlier on the wallet for young luxury consumers, the concept of deferred payment gives customers the option of experiencing a product before buying, which is especially helpful for brands when engaging with first-time consumers that do not necessarily have access to its offline points-of-sale.*

”

# PRODUCT STRATEGY.

## STIMULATING PURCHASE INTENTIONS

### 3.3 PAYMENT OPTIONS: INTEREST-FREE INSTALMENTS

Tmall allows consumers to pay for products through a debit model (through mobile wallet Alipay, which is linked to a consumer's bank account), or through a credit model (via Huabei, a consumer credit product offered by Ant Group\*). One tactic often embraced by luxury brands on Tmall during e-commerce shopping festivals is offering consumers the option of **paying for items via interest-free instalments with Huabei.**

This is especially relevant for brands with **hard luxury products**, such as watches and jewellery, as their **price points are typically much higher.** Such brands typically offer 12-month interest-free instalment payments during shopping festivals (e.g. Cartier during the recent 618 shopping festival and Piaget during Singles Day last year) or special brand campaigns.

Luxury fashion brands with comparatively more affordable products (compared to hard luxury) tend to offer three- to six-month interest-free instalment periods instead (e.g. Valentino during the 618 shopping event).



**CARTIER**  
The brand offered 12-month interest-free instalments during 618



**VALENTINO**  
6-month interest-free instalments was offered during 618



**PIAGET**  
12-month interest-free instalments was offered during Singles Day

\*Note: Alipay and Huabei are both subsidiaries under Ant Group

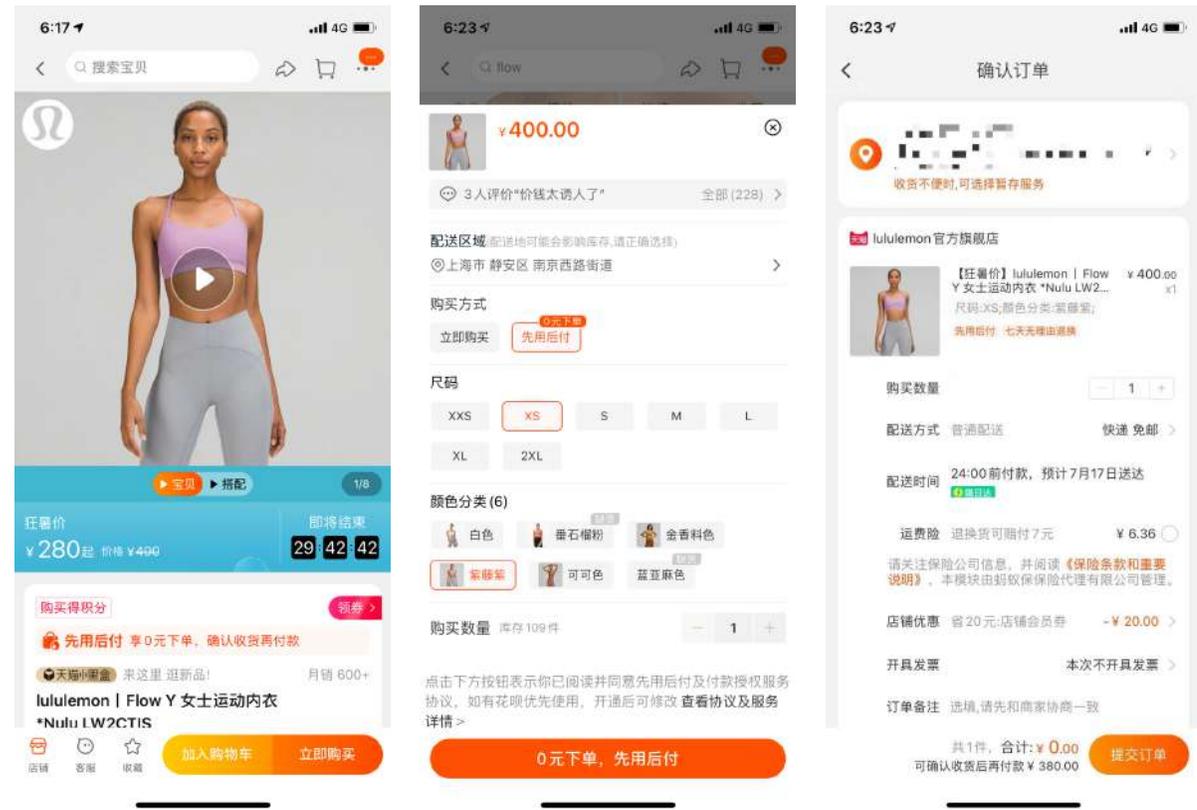
# PRODUCT STRATEGY.

## STIMULATING PURCHASE INTENTIONS

### 3.3 PAYMENT OPTIONS: DEFERRED PAYMENT

Last year, Tmall launched a new feature that allowed brands to offer customers with good Zhima Credit (Alibaba's private credit scoring system) the option of **deferred payment**. This function allows customers to **order an item at no cost, and then decide upon receipt of the item if he or she wishes to keep or return it**. If the consumer decides to keep the item, he or she will have to pay for the product within the time frame stipulated by the brand. If no payment is made within the stipulated time, the money will be automatically deducted from the customer's linked bank account.

Some premium brands have already started offering this for a selection of their products. For instance, Lululemon provides this alternative payment option for a portion of its items on Tmall. Once consumers select the "use first, pay later" option, he or she will be able to check out the item with no payment required. This function gives **customers the opportunity to experience a brand's products at no cost before making a decision**, which can be very helpful for **converting first-time customers on Tmall**.



**4****CONTENT STRATEGY****STORE DESIGN AND EXPERIENCE****LOCALISED CONTENT ASSETS****LIVESTREAMING**

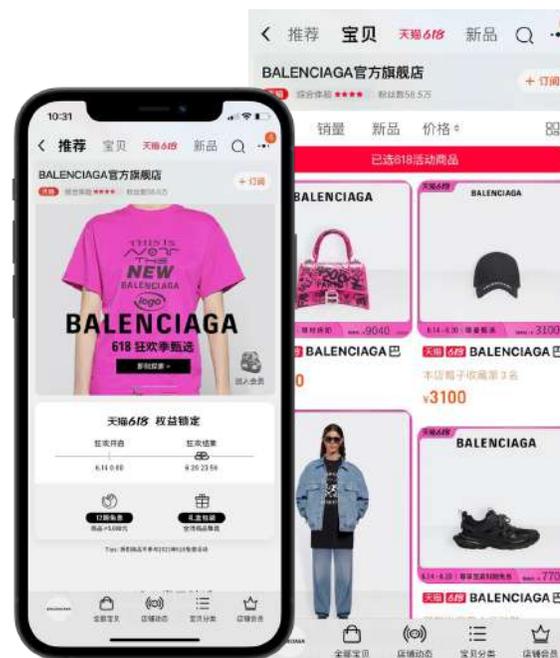
# CONTENT STRATEGY.

## ENGAGING WITH THE LOCAL AUDIENCE

### 4.1 STORE DESIGN AND EXPERIENCE

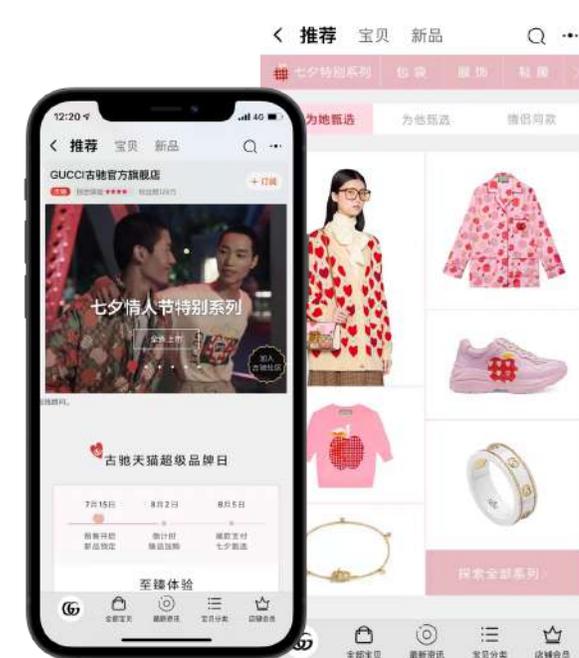
When participating in such shopping festivals, the **design of its Tmall store homepage and PDPs** is just one of the many elements that brands need to consider in order to captivate consumer interest. Besides showcasing new products, limited editions or even GWPs available during the festival, brands also need to clearly communicate about the shopping festival's timeline (e.g. pre-sales period, actual sale period, and when consumers can expect delivery, etc).

Some brands build their activations around the festival theme and **completely redesign store assets accordingly**. For instance, in light of the upcoming Chinese Valentine's Day (*Qixi*), Gucci redesigned its Tmall store homepage in a light pink hue, and gift recommendations are made the key focus on its storefront. Others take a more straightforward but also effective approach of **editing certain store elements to stand out**. For example, Balenciaga's Tmall store during the 618 shopping festival sported a distinctive magenta hue. Items that were on promotion were also highlighted in this shade so as to help shoppers easily differentiate between participating and non-participating products.



#### BALENCIAGA

During 618, its store was redesigned with magenta accents, unifying products on promotion and the homepage



#### GUCCI

Its Tmall store during *Qixi* was revamped in a light pink hue, with specific emphasis on his and her gifts for the festival



# EXPERT OPINION: AD VERBATIM.

TMALL STORE DESIGN AND EXPERIENCE



**VANESSA LI**  
Marketing Vice President  
*Pandora Jewelry China*

“

*The role of Tmall is not limited to capturing users with a purchase intention and converting them – a lot of our first time customers also discover us through this channel. However, it can be a challenge to deliver the right brand introduction online without the assistance of sales associates. Our Tmall Mini Program allows us to guide users through the personalisation process that defines Pandora: building a unique bracelet with charms that tell your story. This feature not only gives consumers a better understanding of the brand – it also further stimulates their interest, which translates to a much higher conversion rate.*

”

# CONTENT STRATEGY.

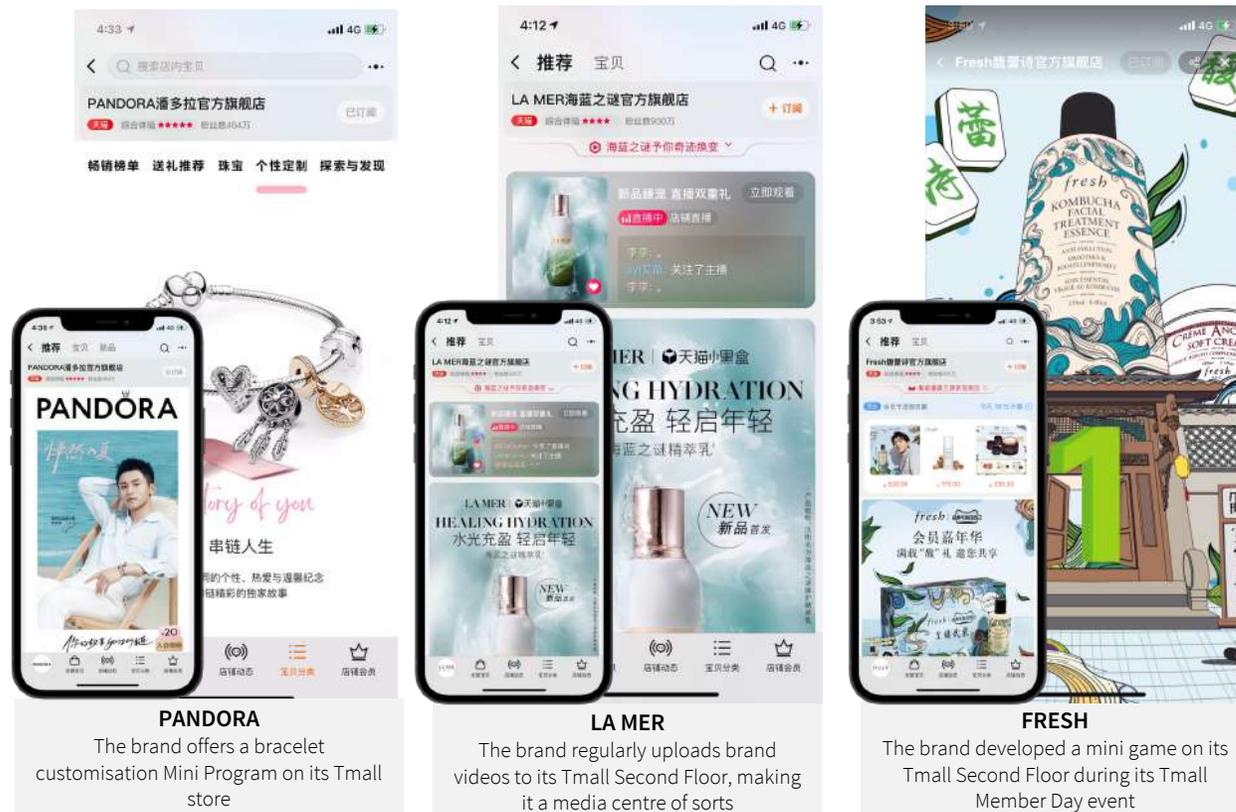
## ENGAGING WITH THE LOCAL AUDIENCE

### 4.1 STORE DESIGN AND EXPERIENCE

Brands can also consider making use of Tmall's **Second Floor** function to create an even **richer store experience** for consumers during shopping festivals. Experiences that can be built on it include everything from AR/VR to mini games – like Fresh did for its recent Tmall Member Day event. Other brands like La Mer make use of the Second Floor space as a media centre of sorts instead, updating it with brand videos on a regular basis.

While the way in which brands make use of Tmall's Second Floor has evolved over time, it remains an important space for the creation of immersive digital experiences for consumers within the Tmall ecosystem, especially during big shopping events or special brand campaigns.

The introduction of **Tmall Mini Programs** has also given brands the option of taking digital experiences out of the Second Floor environment and offering them to consumers on an ongoing basis. For instance, Pandora currently offers a bracelet customisation function Mini Program that is always accessible on its Tmall store.





# EXPERT OPINION: AD VERBATIM.

## LOCALISED CONTENT ASSETS



**ANTONIO CARRIERO**  
Chief Digital & Technology Officer  
Breitling

“

*It is important to get close to your Chinese customers, understand the Chinese communication codes and how they translate in the digital ecosystem. This means **localisation of content, calls to action, as well as tools and systems to better engage with Chinese customers anywhere and anytime**, from any digital or physical touchpoint. This is the first step in one-to-one consumer engagement because it is what customers expect: Personalisation, unique experiences, anticipation. **Empowering customers is a brand responsibility**, and this is even more critical with today's digitally connected customers.*

”



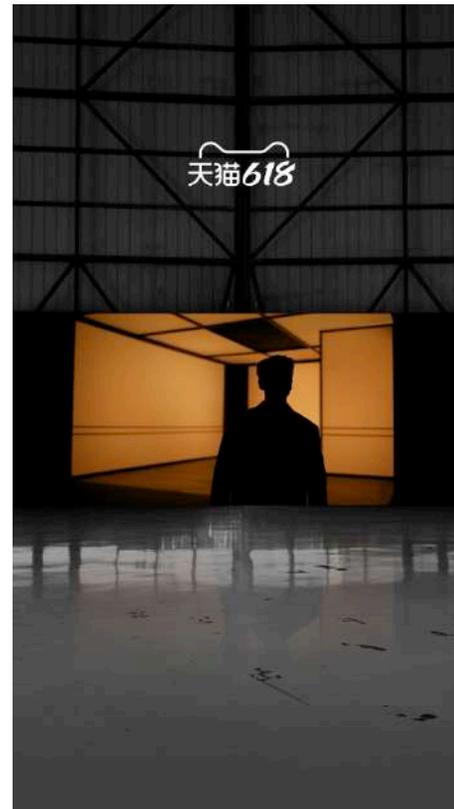
# CONTENT STRATEGY.

## ENGAGING WITH THE LOCAL AUDIENCE

### 4.2 LOCALISED CONTENT ASSETS

Creating **localised content that resonates with the Chinese audience** has become critical when it comes to brand marketing activations – local shopping milestones or otherwise. As China’s e-commerce landscape continues to evolve, merely relying on global assets will no longer be enough. Besides the fact that **global assets tend to feature global ambassadors, models, and messages that Chinese consumers do not necessarily identify with**, there is also the issue of the distinct content (both image and text) **tone, style and messaging milestones** on Chinese social and e-commerce platforms that global assets cannot quite cater for.

Swiss watchmaker Breitling considered this in their recent 618 activation on Tmall and developed a fully localised campaign around the concept “Tough to the End” for its new Avenger GMT 43 with white dial. Featuring Chinese actor Zhang Yunlong, campaign videos and images were also **adapted for channels outside Tmall, such as Weibo and WeChat**, and used to drive awareness and interest in the new product that was retailing exclusively on e-commerce during the festival.



**BREITLING**

The Swiss watchmaker created different content assets during the 618 festival this year based on the theme “Tough to the End”



# EXPERT OPINION: AD VERBATIM.

## DEVELOPING LIVESTREAMING CONCEPTS



**ELSIE ZHANG**

Client Development Director  
DLG (Digital Luxury Group)

“

*Brand-hosted livestreams and KOL-hosted livestreams on Tmall both have their pros and cons. There is no one option that works “better” than the other, as both **fulfil different purposes**. Based on what they hope to achieve out of the livestreaming exercise, brands can choose to go in either direction – or even **host both types of livestreams to address different goals**.*

”



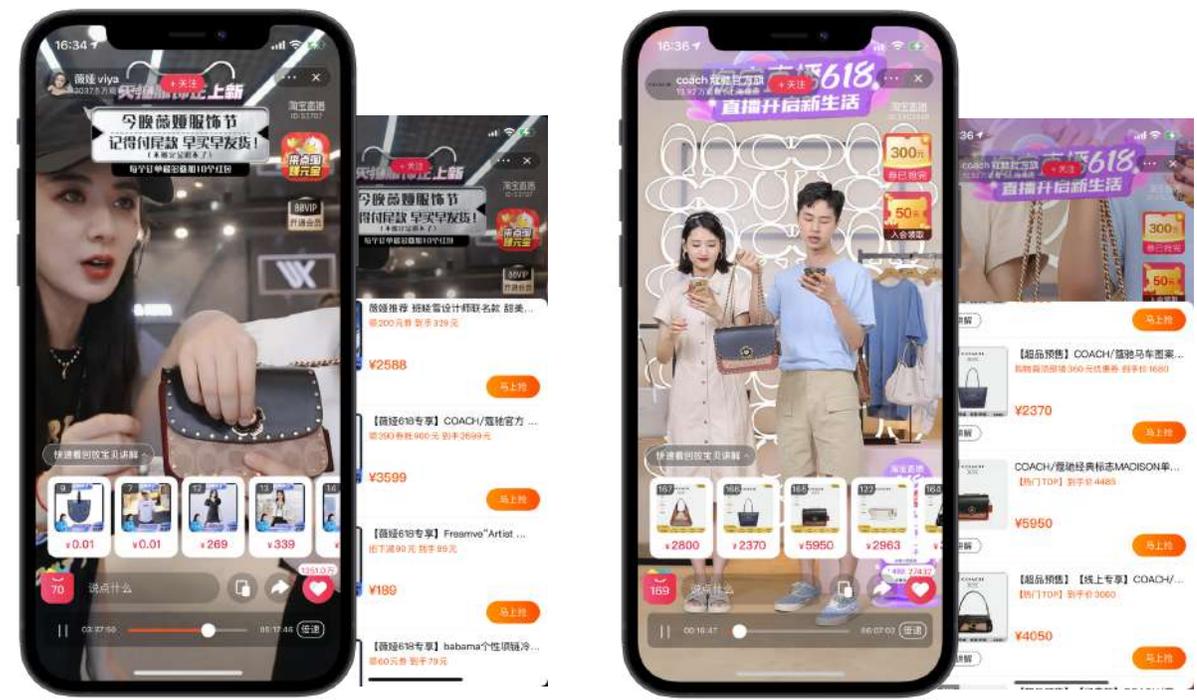
# CONTENT STRATEGY.

## ENGAGING WITH THE LOCAL AUDIENCE

### 4.4 LIVESTREAMING

During the 618 festival this year (from 1 June to 18 June), the total GMV generated by e-commerce livestreams in China hit over 64.5 billion RMB, and accounted for 11 per cent of all online sales. As livestreaming continues to play a pivotal role in the online consumer journey in China, **luxury brands are starting to embrace it as part of their content and marketing strategy** for these local shopping festivals and milestones.

The seamless purchase experience on Tmall has enabled it to become the dominant platform for e-commerce livestreams in China. There are two main ways for brands to do livestreams on Tmall – one is to **work with a top influencer (KOL)** on their livestream channel, and second is to **manage it internally and host it on the brand's own Tmall store**. The former method is particularly popular with brands looking for **sales volume and exposure during campaigns** – two of China's most well-known livestreaming KOLs, Viya and Austin Li, achieved 5.9 billion RMB and 5.4 billion RMB in sales respectively during 618, accounting for 17.5 per cent of all livestreaming GMV. The latter can supplement the first approach, and tends to also be carried out by brands on an **ongoing basis as an interactive way for consumers to understand its products**.



COACH

The brand worked with top KOL Viya on a livestream during 618, and also hosted its own livestreams with brand sales associates on its Tmall store to complement that



# CONTENT STRATEGY.

## ENGAGING WITH THE LOCAL AUDIENCE

### 4.4 LIVESTREAMING

However, these two livestreaming methods both come with their pros and cons and brands need to consider the different approaches based on their **objectives and budgets**. While partnering with top-tier KOLs can generate exposure for the brand and product, it comes at a **high cost**. Brands are unlikely to attract the same level of attention by livestreaming on their own store, but the **cost is significantly lower** and the **audience more qualified**, leading to lower product return rates.

For luxury brands one of the challenges of working with a KOL is the **lack of control over their brand image**. When presented in a KOL's livestream on the KOL's channel, their products will be showcased alongside other brands and product categories, **potentially affecting the prestige and positioning of its items**. KOLs also usually only allocate a very short amount of time to each brand, giving **consumers very little chance to develop a deeper understanding of the brand and its products**. In contrast, brands have full autonomy in terms of product selection, guests and production style when they host such livestreams on their own Tmall store. Hosts also have the luxury of time to go into details, giving consumers a better understanding of the brand and its products.

	 KOLS	 BRAND OPERATED
	<ul style="list-style-type: none"> <li>• Wide range of audience, high levels of traffic</li> <li>• No production cost, all ideation and content will be realised by the host</li> <li>• High transaction volumes</li> </ul>	<ul style="list-style-type: none"> <li>• No commissions, all revenue goes to the brand</li> <li>• Full autonomy on product selections, choice of guests and production style; easier to maintain consistency in brand image and positioning</li> <li>• More flexible schedule and session duration</li> <li>• Qualified audience; lower product return rates</li> </ul>
	<ul style="list-style-type: none"> <li>• High flat fee and commission rate</li> <li>• Less control on the brand image; product will be showcased with other brands and products</li> <li>• Brand is bound to the host's livestream schedule</li> <li>• High return rate due to impulse buying</li> </ul>	<ul style="list-style-type: none"> <li>• Smaller audience, brand followers and clients</li> <li>• Brands will need to conceptualise the livestreaming angle and content</li> </ul>

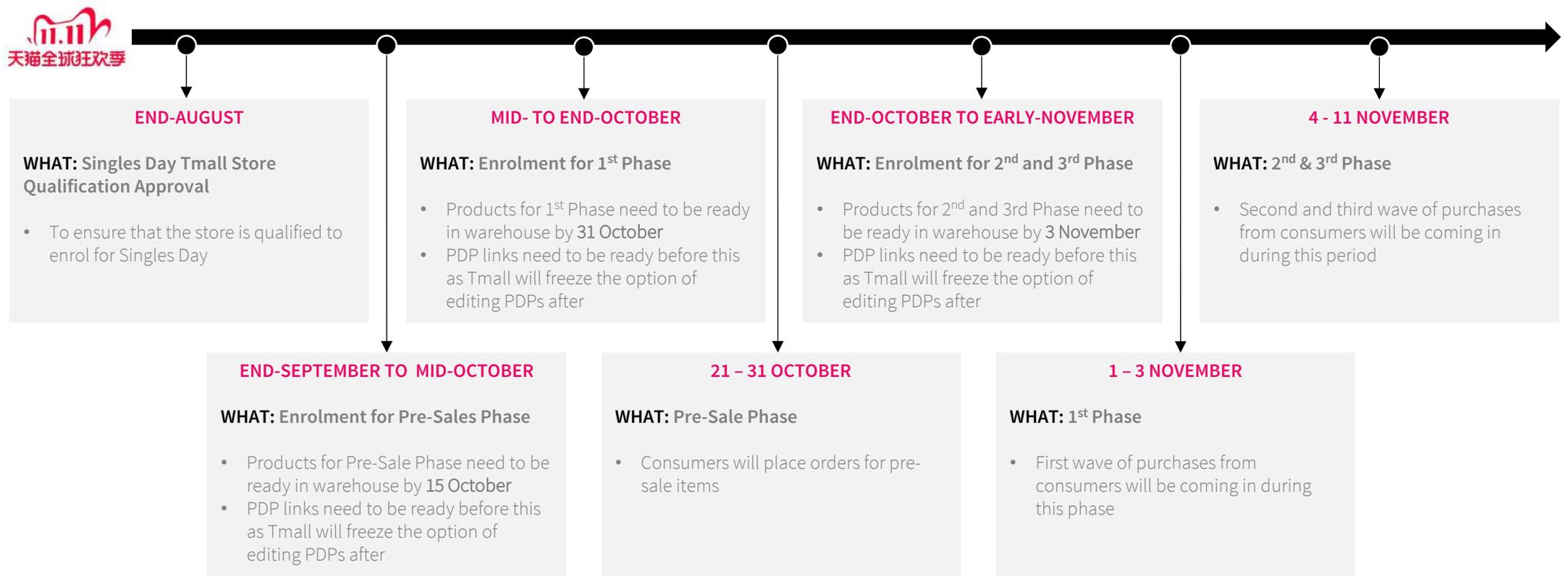
**5****PROCESSES & PLANNING****FESTIVAL TIMELINES****COMMUNICATION WAVES**



# PROCESSES & PLANNING.

## PARTICIPATING IN TMALL FESTIVALS

### 5.1 FESTIVAL TIMELINES: BIG (E.G. SINGLES DAY)





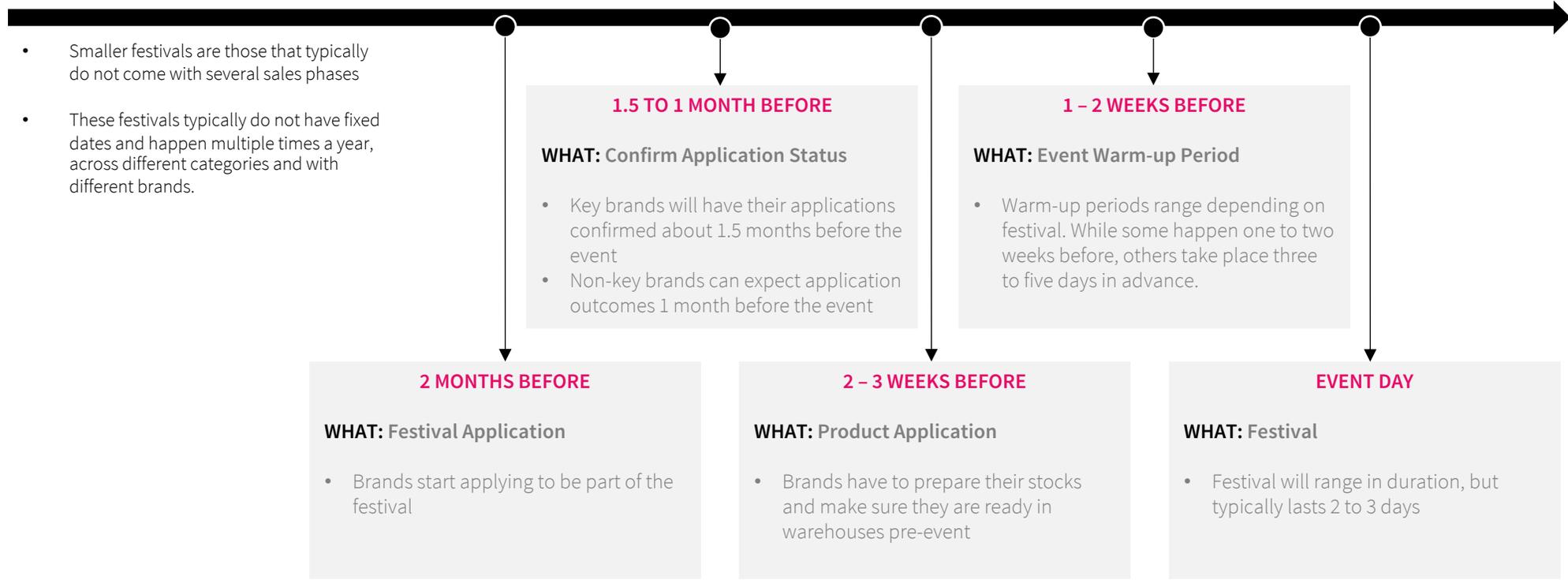
# PROCESSES & PLANNING.

## PARTICIPATING IN TMALL FESTIVALS

### 5.2 FESTIVAL TIMELINES: SMALL (E.G. TMALL CATEGORY DAY)



- Smaller festivals are those that typically do not come with several sales phases
- These festivals typically do not have fixed dates and happen multiple times a year, across different categories and with different brands.

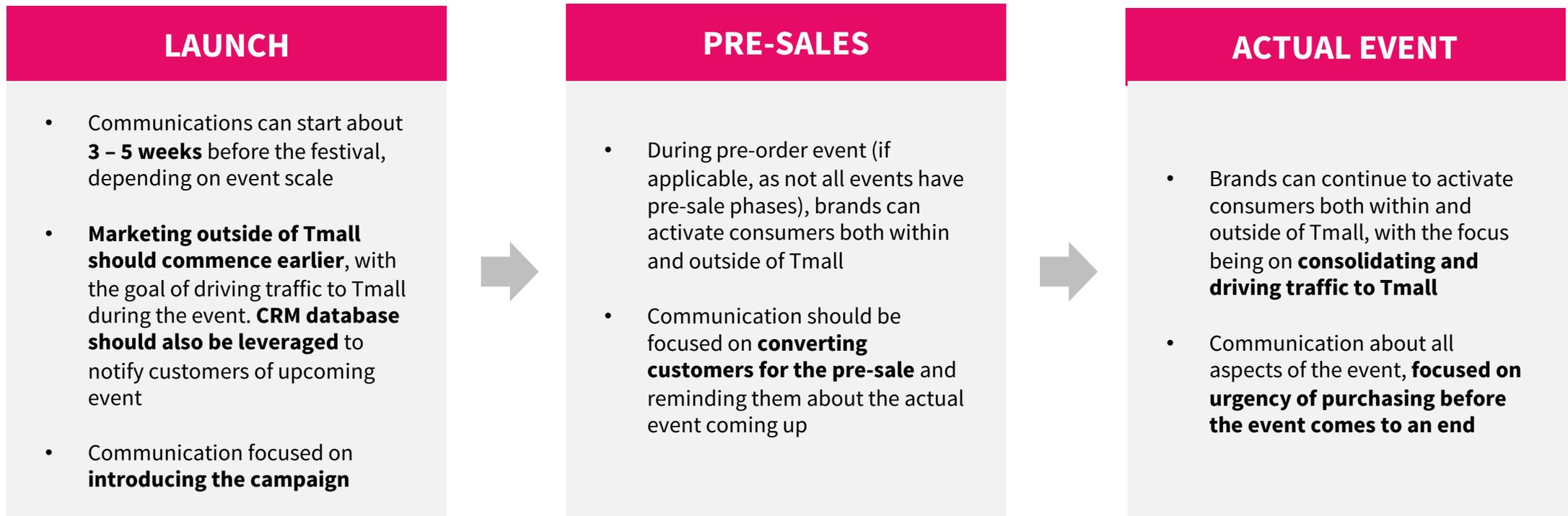




# PROCESSES & PLANNING.

## PARTICIPATING IN TMALL FESTIVALS

### 5.2 COMMUNICATION WAVES





# CONSUMER VOICES: AD VERBATIM.

PREPARING FOR TMALL FESTIVALS



**Kai Liu**  
President  
*Leqee*

“

*The ability of a brand to prepare a **consolidated and comprehensive plan ahead of time** is increasingly critical in gaining a comparative advantage in the noisy market – especially during major shopping festivals. In general, guaranteeing or even surpassing sales targets rely largely on these factors: Precise estimation based on **data analysis**, the **right merchandising** in stock or on order, and efficiently **communicating with consumers across touchpoints** to convert them.*

”

## 6

# TRAFFIC ACQUISITION



**MARKETING WITHIN TMALL**



**MARKETING OUTSIDE OF TMALL**

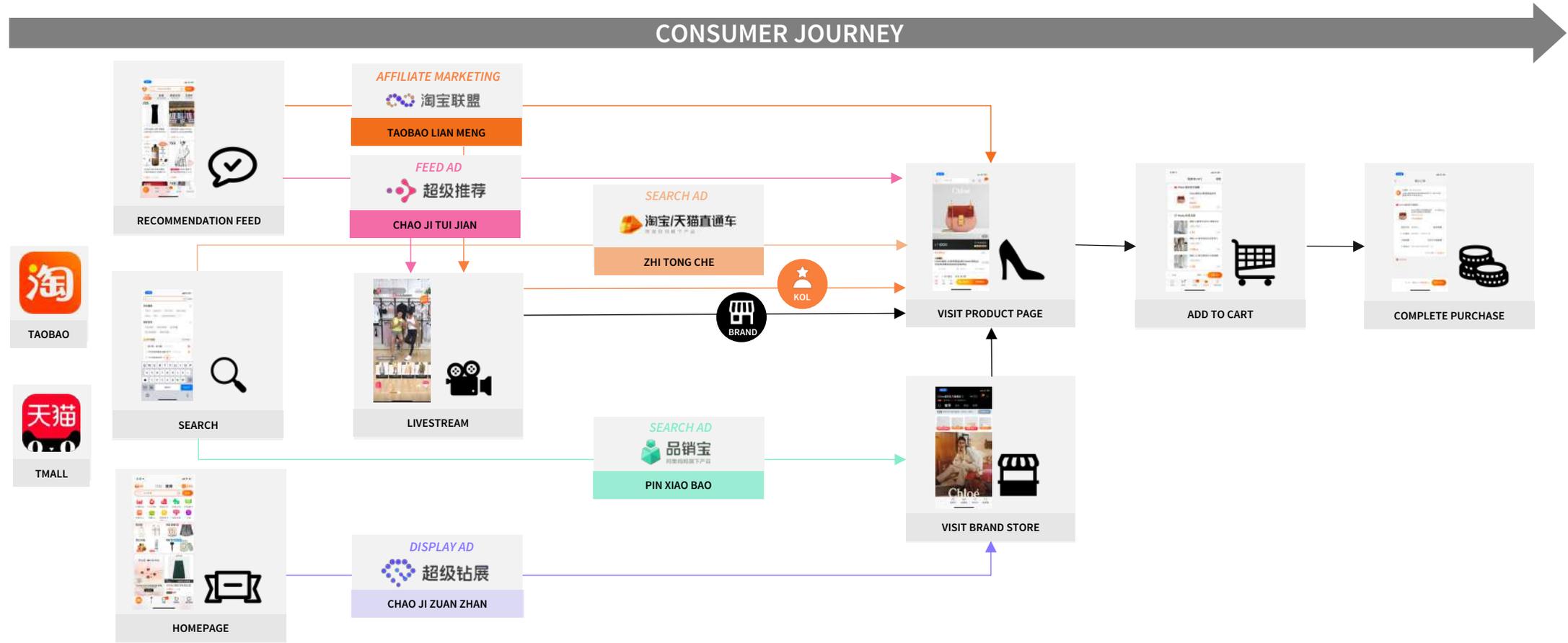


**LEVERAGING CRM**



# TRAFFIC ACQUISITION.

## MARKETING WITHIN TMALL





# TRAFFIC ACQUISITION.

## MARKETING WITHIN TMALL

### 6.1.1 SEARCH ADS

One of the key ads types offered to brands on Tmall is that of **Search Ads**. This is mainly broken down into two ad types, one being that of a **generic keyword search**, and the other being known as a **“branded” keyword search** of sorts. The generic keyword search ad type is known as **Zhi Tong Che (ZTC)** and is used to promote a single product. Brands can purchase keywords and when customers search for these keywords, the products that bought this keyword would be shown in the search results. For instance, when the keyword “ring” is searched, the results page displays listing from brands like Boucheron, Pandora and Gucci (see example) – brands that purchased this keyword for its products.

The **“branded” keyword search tool is known as Pin Xiao Bao (PXB)** and is only available to brands with Tmall flagship stores. Brands can **only purchase keywords containing their brand name**, and the cost varies based on estimated search volumes. This tool is a good way for brands to distinguish themselves from *Daigous* or third-party resellers as they will be given the top banner spot in the search results (as displayed in the Cartier example) page.

**ZHI TONG CHE**

**PIN XIAO BAO**

NAME	MODEL	DETAILS
 淘宝/天猫直通车 ZHI TONG CHE	CPC	To promote a single product. A cost per click model, brands pay for each click of a keyword they place in the Search results.
 品销宝 PIN XIAO BAO	CPM	Under the <i>Pin Xiao Bao</i> umbrella is <i>明星店铺</i> (Star Shop) and <i>品牌专区</i> (Brand Zone), which are CPM ad-types that allow brands to promote a store or a landing page. A “branded” keyword search, it is only available for Tmall flagship stores and this will allow the store banner to appear on the search results page when consumers search for a specific brand.



# TRAFFIC ACQUISITION.

## MARKETING WITHIN TMALL

### 6.1.2 FEED ADS

Feed ads are another popular advertising option on Tmall. This ad type is known as *Chao Ji Tui Jian* (which translates to Super Recommendation) and appears on a user's recommendation feed. It is an **algorithm-driven advertising system that pushes recommendations to consumers based on their in-app behaviours** (e.g. brands or items they search, follow, often purchase from etc.) and **sorts these recommended ads by relevance, recency, frequency of user actions and other predicted behaviours**. The feed instantly refreshes and updates itself based on the ads the user clicks on, suggesting even more related content and ads with each click.

Super Recommendation ads follow a cost per click model and allows brands to promote everything including individual product pages, livestreaming videos, or even the brand store itself. These ads appear in a variety of places within the Taobao/Tmall ecosystem, including the app homepage, at the end of a user's shopping cart page and the payment page.



**SAINT LAURENT**  
Product feed ad



**DYSON**  
Livestreaming feed ad



**GRAFF**  
Tmall store feed ad

NAME	MODEL	DETAILS
 超级推荐 CHAO JI TUI JIAN	CPC	Also known as "Super Recommendation", this ad format is used for content marketing purposes, can promote a store, product, livestream etc. Appears on a consumer's recommendation feed.



# TRAFFIC ACQUISITION.

## MARKETING WITHIN TMALL

### 6.1.3 DISPLAY ADS

The most popular display ad format on Taobao/ Tmall is that of *Chao Ji Zuan Zhan*, which is essentially the **vertical banner ad spot on the left of the Taobao homepage**. Initially realised in a horizontal format at top of the Taobao homepage, this banner ad type was revamped and re-introduced in vertical format late last year, offering about 10 per cent more real estate space than its predecessor.

No more than four banner ads can appear in a user's ad carousel at any given point of time. That said, these banner ads can come in the form of an image still (e.g. Piaget), or can also take the form of a GIF or video that lasts up to three seconds (e.g. Alexander Wang).

There are a range of other display ad formats offered by Tmall, including opening screen ads and push ads, but these are used by brands on a less regular basis and typically leveraged only during large scale brand events due to the high cost involved.



NAME	MODEL	DETAILS
 超级钻展 CHAO JI ZUAN ZHAN	CPM	Previously known as 钻展 ( <i>Zuan Zhan</i> ) or 智钻 ( <i>Zhi Zuan</i> ), <i>Chao Ji Zuan Zhan</i> is a display ad model that allows brands to place banners within Tmall for either their store or product.



# TRAFFIC ACQUISITION.

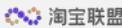
## MARKETING WITHIN TMALL

### 6.1.4 AFFILIATE MARKETING

Taobao Lian Meng is Taobao/ Tmall's **affiliate marketing platform** that allows brands to connect with content creators and influencers (known as *Taobao Ke*) that can help them to promote and sell their products on Taobao/ Tmall for a small commission. **Commission fees range from upwards of 3 per cent, and vary based on products and categories.**

Content creators can promote these brand products within Tmall, or also choose to promote these items on their own social channels outside of Tmall with a *Tao Kou Ling* (Tao Link) that leads consumers back to the Tmall product page to make the purchase.

Within the Tmall environment, consumers can discover such affiliate marketing products via the *You Hao Huo* section on the Taobao homepage, or discover them directly within the user recommendation feed below.

NAME	MODEL	DETAILS
 淘宝联盟 TAobao LIAN MENG	COMMISSION	An affiliate marketing platform, Taobao Lian Meng allows brands to access Taobao's pool of content creators and influencers (KOLs) – also known as Taobao Ke – and work with them to reach different audience demographics.



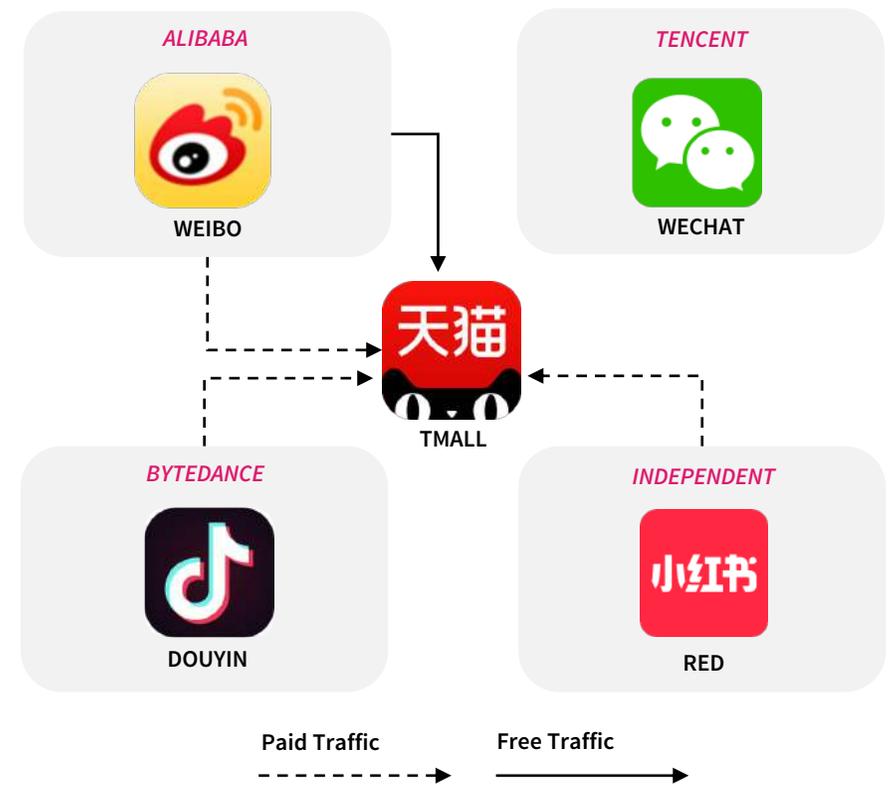
# TRAFFIC ACQUISITION.

## MARKETING OUTSIDE OF TMALL

### 6.2 DRIVING TRAFFIC TO TMALL

While digital platforms in China are starting to span more touch points along the consumer journey – from awareness to loyalty – consumer digital behaviours have not entirely evolved together with them. **Consumers still visit specific platforms for specific purposes as they move along the customer journey.** For instance, a shopper might first discover a brand through Weibo via a celebrity he or she likes then follow it on WeChat. When this user finally has a purchase intention, he or she might jump on RED to read some consumer reviews on the brand’s product, before finally purchasing it on Tmall. As such, **consumers are very used to switching between platforms on their phone throughout the customer journey,** making it important for brands to consider the **traffic redirection potential to Tmall from other social channels.**

Brands can leverage **advertising options,** or include Tmall links within their content, on major social platforms. However, as more of these platforms try to tap into social commerce, traffic redirection is increasingly being restricted. (Douyin, for instance, no longer allows links to external e-commerce platforms such as Tmall and JD.com during livestreaming sessions.)





# EXPERT OPINION: AD VERBATIM.

ACQUIRING TRAFFIC FROM OUTSIDE OF TMALL



**PABLO MAURON**

Partner, Managing Director China  
DLG (Digital Luxury Group)

“

*Revenue attribution across social channels has always been a major challenge in China. Chinese shoppers tend to jump from one platform to another throughout the consumer journey, which makes it difficult for brands to assess their returns on investment in terms of traffic driven from other platforms to Tmall. But this also means that **brands should not be measuring the impact of a channel based solely on the direct traffic it generated to Tmall** – it could have contributed indirectly to consumer conversions as well.*

”



# TRAFFIC ACQUISITION.

## MARKETING OUTSIDE OF TMALL

### 6.2.1 WEIBO

Given Alibaba's 29.8 per cent stake in Sina Weibo (making it the second-largest shareholder), and the strategic partnership between the two companies, Weibo offers a wealth of features to help brands channel users to Taobao/ Tmall.

Brands can make use of **advertising options** to help redirect users to Tmall. This includes the use of search ads, as illustrated by Estee Lauder, that redirects users to its Tmall store via a banner ad on the search results page. **Tmall product links can also be directly embedded in various types of content** on the platform to drive users to a brand's Tmall store or PDPs (e.g. see Net-a-Porter). Free traffic options like these, however, are controlled and limits will be set on the volume of traffic outflow.

While brands can host livestreams on Weibo and provide links to purchase on Tmall, they can also **directly feature a Tmall livestream on Weibo** (like Tory Burch did), and have users jump to Tmall to complete the purchase. Brands can also set up its Weibo Xiaodian (the platform's native e-commerce store option for brands) to include direct links to Tmall PDPs.



#### ESTEE LAUDER

Users are redirected to the brand's Tmall store via a banner ad on the Weibo search results page



#### NET-A-PORTER

The luxury retailer includes Tmall links for all products showcased in its Weibo short videos



#### TORY BURCH

Tory Burch synchronises its Taobao livestreaming session on its Weibo account



# TRAFFIC ACQUISITION.

## MARKETING OUTSIDE OF TMALL

### 6.2.2 DOUYIN

As a result of diving headfirst into social commerce, Douyin has gone beyond being China's top short video platform and generated over 500 billion RMB worth of GMV in 2020 – with over 300 billion RMB worth of transactions completed on third-party e-commerce platforms (Tmall, JD.com, etc).

In light of the fact that livestreaming forms the largest share of Douyin's e-commerce revenue, the **platform has since stopped supporting external links in livestreaming sessions** and only allows brands to showcase products that are sold in its native Douyin Store, so as to ensure that transactions made during livestreams are kept within the platform.

Nevertheless, it still offers options for brands looking to channel traffic to their Tmall stores. Brands can make use of the **Brand Zone on their homepages** (like Shu Uemura did) to feature its signature products, linking them to PDPs on Tmall. The platform also allows brands to add **product links from third-party marketplaces to short videos**. Brands can leverage this feature to drive conversions by including product links in content hosted on their own channel or created with KOLs/KOCs.



#### SHU UEMURA

The brand leverages the Brand Zone on Douyin's homepage to include external links for its hero products

#### MAKE UP FOR EVER

The brand has influencers link their Tmall products in content to drive conversions



# TRAFFIC ACQUISITION.

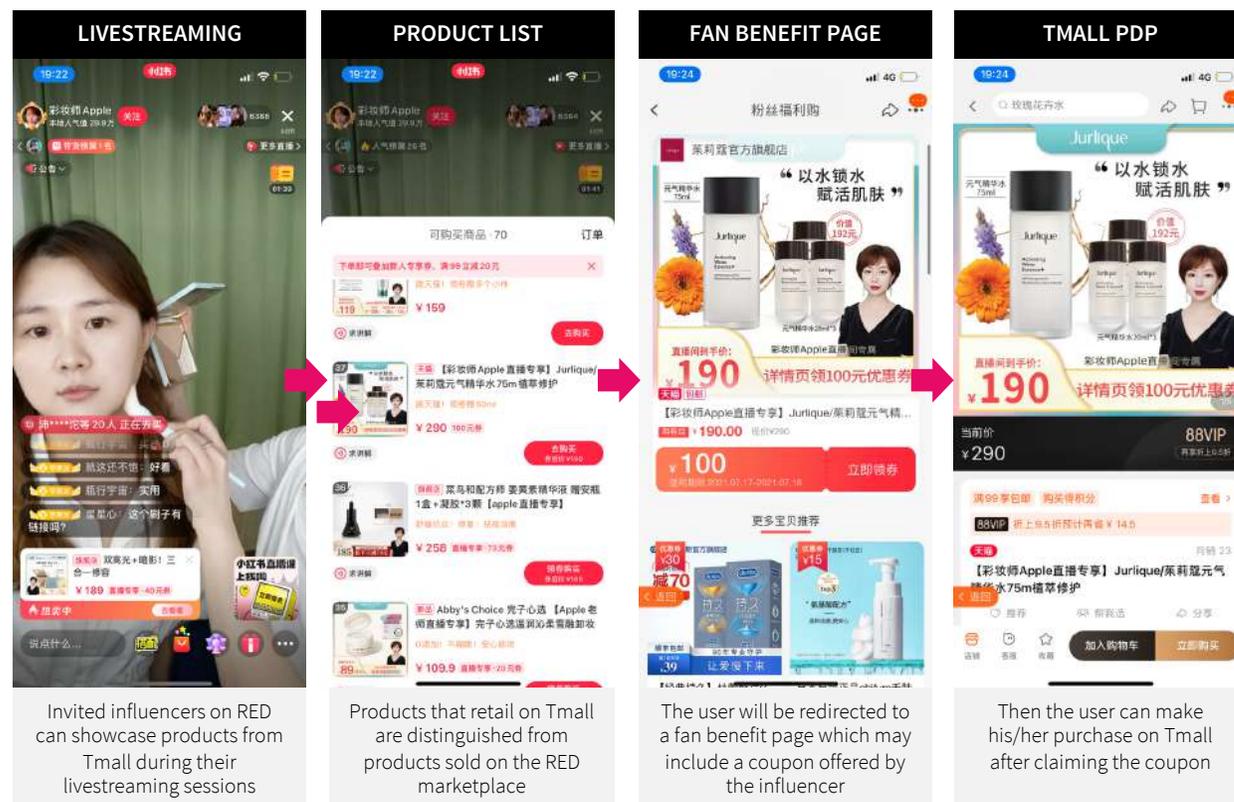
## MARKETING OUTSIDE OF TMALL

### 6.2.3 RED

As a shopping review platform, RED plays an important role in the interest and consideration phase of the customer journey. Influencers and regular consumers alike share detailed product reviews and usage experiences on the platform, making it an **important driver of user purchase decisions**.

In spite of this, RED has largely remained an independent platform with no particular ties or collaborations with any of the other social of e-commerce platforms. While the platform started allowing the **embedding of external Tmall links in livestreams and posts** from mid-2020, this feature is currently only available as part of a pilot project involving selected KOLs. Enterprise accounts – i.e., brand official accounts on RED – do not qualify for this test feature at the moment.

Invited influencers can insert Tmall links in their text-and-image or video posts, making it easy for traffic to be driven directly to Tmall. KOLs can also showcase products from Tmall during their livestreams, where users may be redirected to a fan benefit page to collect a coupon offered by the influencer before being directed to Tmall to complete the purchase.





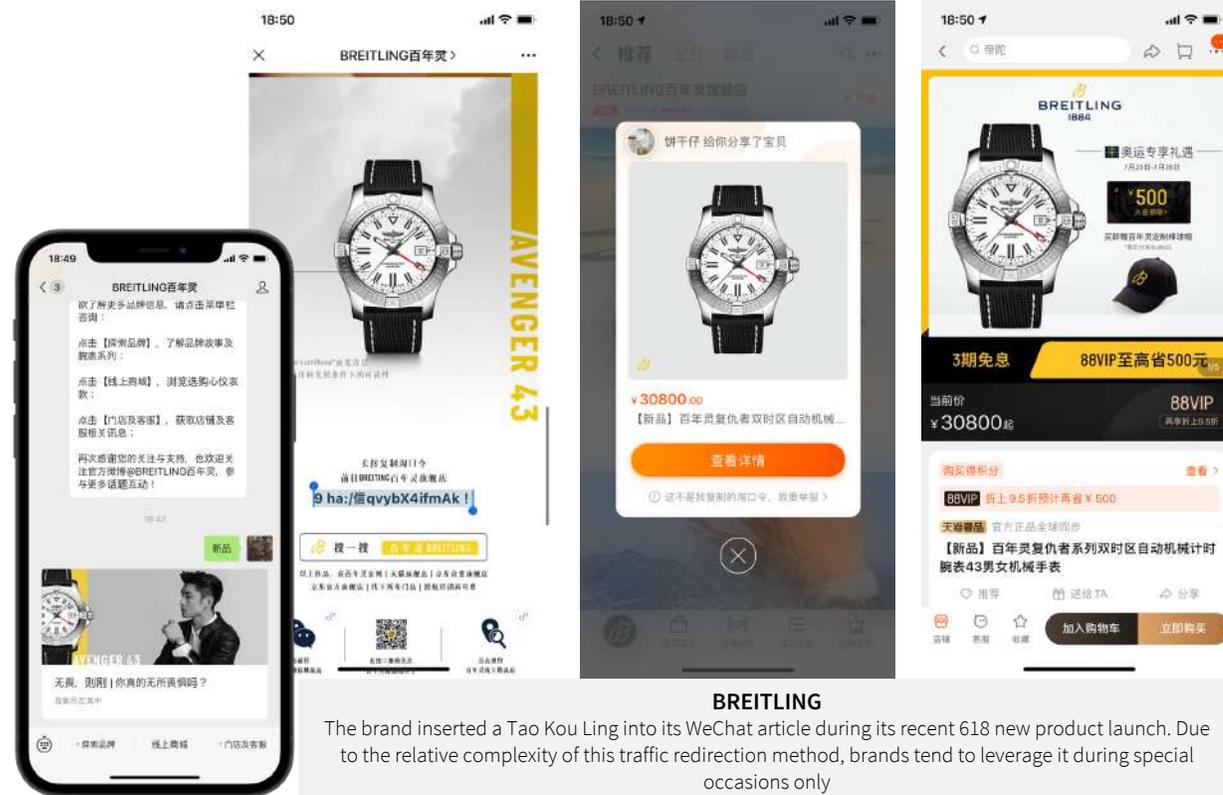
# TRAFFIC ACQUISITION.

## MARKETING OUTSIDE OF TMALL

### 6.2.4 WECHAT

Unlike Weibo, Douyin and RED, WeChat **does not allow any official traffic redirection to Tmall from within its ecosystem**. Given its close ties to JD.com, seamless in-platform redirection is limited to JD.com only.

However, brands have devised other ways to redirect consumer traffic to Tmall – albeit in a less straightforward manner. To achieve this, brands would **insert a Tmall-generated Tao Kou Ling (Tao Link) within WeChat articles**. These articles are typically pushed to the brand's followers on a weekly basis as part of its four allotted content pushes on the platform per month, or sent to users via the customer service chat window as an auto-reply to specific keywords (e.g. “new products”). Consumers will then have to copy the Tao Link, leave the WeChat environment, and open their Tmall app. Upon doing so, they will be shown a pop-up featuring the item that corresponds with the copied Tao Link and be directed to the PDP. While it may sound complex, consumers are very used to navigating between platforms as part of the user shopping journey. The Tao Link in articles also plays an informational role in indicating to consumers that the product is now available and searchable on Tmall as well.



#### BREITLING

The brand inserted a Tao Kou Ling into its WeChat article during its recent 618 new product launch. Due to the relative complexity of this traffic redirection method, brands tend to leverage it during special occasions only

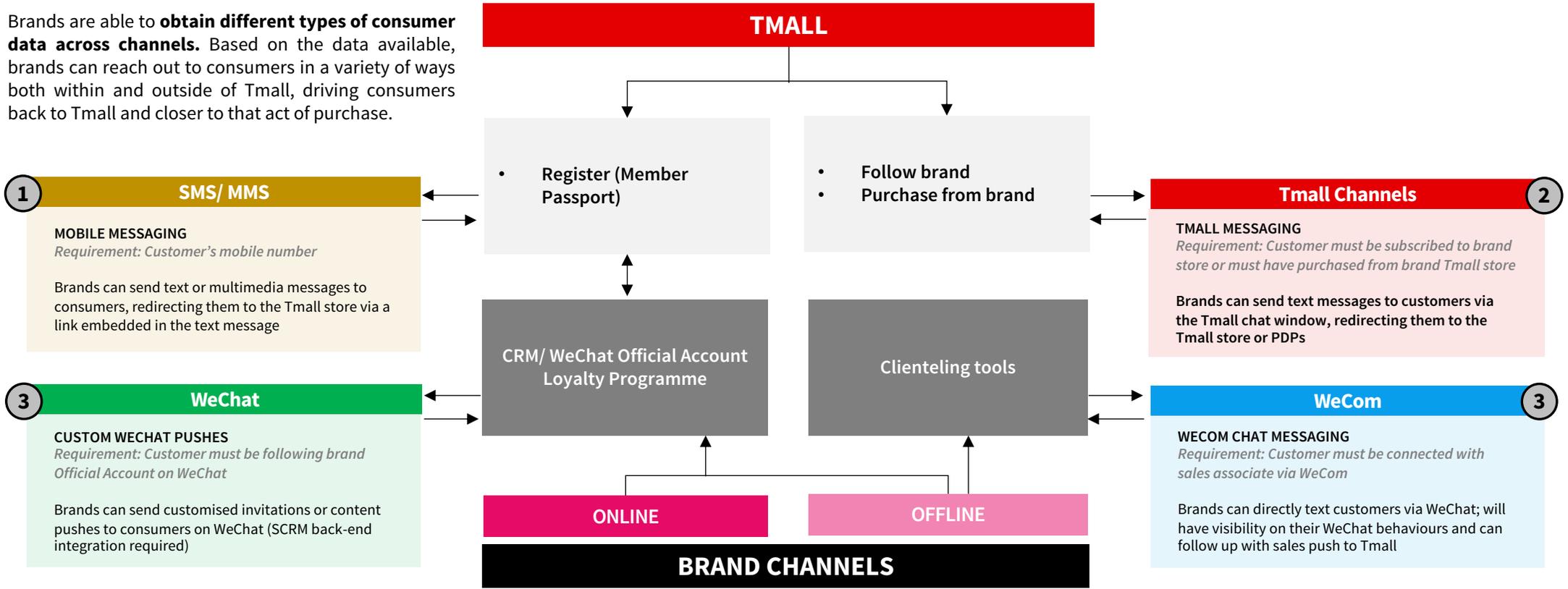


# TRAFFIC ACQUISITION.

## LEVERAGING CRM

### 6.3 CONSUMER DATA FLOWS

Brands are able to **obtain different types of consumer data across channels.** Based on the data available, brands can reach out to consumers in a variety of ways both within and outside of Tmall, driving consumers back to Tmall and closer to that act of purchase.





# TRAFFIC ACQUISITION.

## LEVERAGING CRM

### 6.3.1 MOBILE MESSAGING

Mobile messaging allows brands to communicate with all contacts in its database – customers or otherwise – via plain text or multimedia messages. One of the main advantages of mobile messaging is **the highly qualified audience**. Profiles captured in the brand database are usually **existing customers or prospects with a high level of interest in the brand** (prompting him/ her to register with the brand’s loyalty programme even before making a purchase).

Brands can leverage this **to redirect consumers to Tmall through a trackable link**, sent directly to the user’s mobile message inbox. This link can lead to a **brand’s Tmall store, product display page (PDP)** or even a page for customers to **claim vouchers and discounts** for use on the platform.

The main shortcoming of this channel is that consumers tend to be inundated by a high volume of text messages on a daily basis (from brands and service organisations alike). This might result in a brand’s communications being overlooked – especially so during major shopping events when even more brands are sending messages.

**GUCCI**  
Text message with GIF to store homepage

**CHANEL BEAUTY**  
Text message with image to store homepage

**PANDORA**  
Text message to Tmall voucher



# TRAFFIC ACQUISITION.

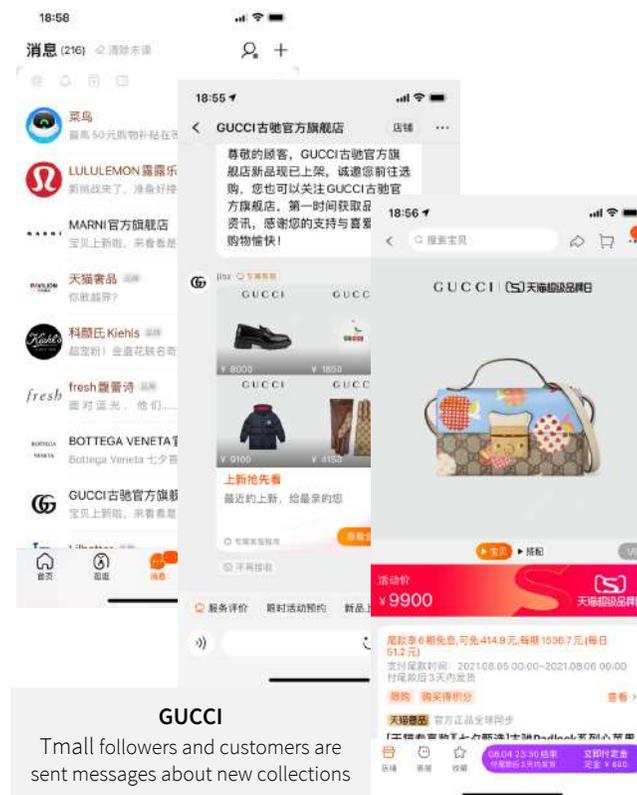
## LEVERAGING CRM

### 6.3.2 TMALL MESSAGING

While Tmall offers brands a range of consumer data, it has a fixed set of rules and regulations which governs the use of customer data from its platform.

One way brands can make good use of this customer data stored on Tmall is by leveraging its **in-platform messaging function**. Easily accessible from the Taobao/ Tmall homepage, the function allows brands that a customer has purchased from or has subscribed to (i.e. followed on Tmall) to send direct messages to him or her through this chat window.

Besides serving as a customer service question and answer tool, brands also make use of this to chat window to send customers **automated messages for order confirmation, inform them of new product launches, or vouchers that are available** for upcoming shopping events. As brands can provide direct links to products through this message window, it is also a helpful tool in generating store traffic and driving customers to PDPs.



GUCCI  
Tmall followers and customers are sent messages about new collections

#### POSSIBLE MESSAGE TYPES

- ✓ Responses to customer queries
- ✓ New product launches (with PDP links)
- ✓ Order confirmation
- ✓ Coupon
- ✓ Repurchase reminder
- ✓ Campaign offer reminder
- ✓ Free trial invitation
- ✓ Invitation to write a product review
- ✓ Cross-sell recommendation



# EXPERT OPINION: AD VERBATIM.

## LEVERAGING CRM FOR TMALL TRAFFIC



**MARIO JUAREZ**  
SCRM & Data Strategist  
DLG (Digital Luxury Group)

“

*Compared to paid traffic, consumers driven to Tmall by tapping into and activating a brand’s existing CRM database are **not only less expensive to acquire, but also have higher conversion potential.** The fact that these profiles are registered in the brand database means they are either already customers, or prospects with a high level of interest in the brand – otherwise they would not have made the effort to register with its loyalty programme. By this definition, consumers in this pool are already of a higher quality than those acquired through paid options.*

”



# TRAFFIC ACQUISITION.

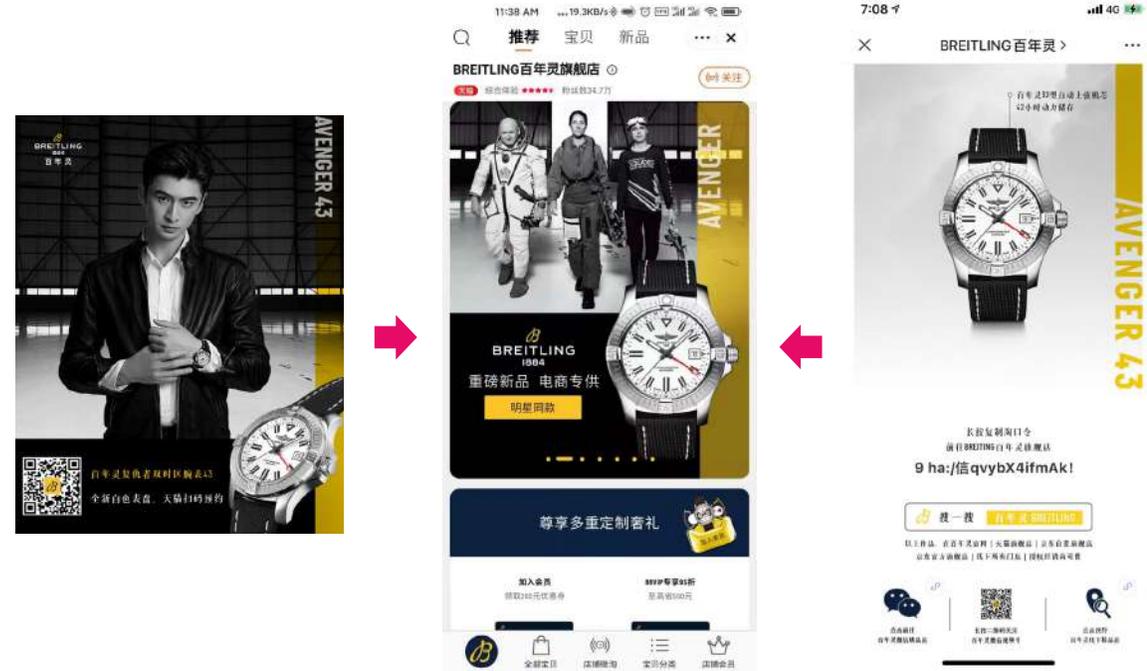
## LEVERAGING CRM TO DRIVE TRAFFIC

### 6.3.3 WECHAT/ WECOM

As WeChat's enterprise tool, WeCom presents itself as a great channel for brands to leverage the offline contacts of their sales associates (SAs). When integrated with a clienteling and social CRM solution, WeCom offers brands the opportunity to have different types of communication with their clients: One-on-one chats, group chats, and even Moments posts.

With this tool, brands will have a centralised database of the WeChat accounts of their walk-in store clients, and can **easily activate these consumers with their help of the SAs on WeChat**. This can also be used as a traffic redirection tool to Tmall – for instance, brands can have their SAs send out posters with QR codes to clients via WeChat or post it on their Moments. When clients scan this QR code on Taobao/ Tmall they will be directed to the brand store.

When integrated with a social CRM backend, brands can also **segment their WeChat Official Account audiences and customise content pushes to them**. This will allow them to develop more targeted messages for specific consumer groups, which will in turn help to drive more traffic and conversions.



**BREITLING**  
The brand sent out posters with QR codes leading to its Tmall store to clients via WeCom during its 618 activation. It also sent a WeChat article that included a Tmall *Tao Kou Ling* to its WeChat followers. This helped to drive and consolidate traffic on Tmall during the festival period.



# CONCLUSION.

## KEY TAKEAWAYS



### PRODUCT

- ▶ Launching new collections or limited editions during festivals can help to drive consumer interest without discounting
- ▶ Exclusive GWP's can also help to generate consumer desire and sense of urgency to purchase during the festival
- ▶ Alternative payment options give young luxury consumers more flexibility



### CONTENT

- ▶ Store homepages and PDPs need to be designed to reflect the festival's theme or campaign direction
- ▶ Localised content assets should be designed for all digital channels in China, including Tmall
- ▶ Big KOL livestreams are an important way for brands to gain exposure, but small brand-hosted livestreams can provide consumers with rich brand content



### TRAFFIC

- ▶ Paid traffic options within Tmall can offer increased exposure on the platform
- ▶ Social channels outside of Tmall should also be considered for their traffic redirection abilities to Tmall
- ▶ Brands should also leverage its CRM database to activate existing brand customers that may or may not be in their Tmall database



# CREDITS.

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Pablo is based in Shanghai, where he leads a team in successfully managing consulting, social media, e-commerce, creative production and CRM projects for major luxury brands. Working with both international brand headquarters, regional, and local teams, DLG China develops strategies and executes marketing activities that localise the global values of luxury brands to resonate with the nuances of the local market and consumers.



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Before joining DLG, Alexander was a business journalist covering M&A, finance, technology and marketing strategy at Women's Wear Daily. He has contributed to Financial Times, T: The New York Times Style Magazine, and WSJ magazine as well. He now works on the creation of industry reports and white papers at DLG and writes about industry trends and market insights on DLG's business intelligence platform Luxury Society.



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Based in Shanghai for the past five years, Mario is highly experienced in the fields of CRM, data and strategy, adept in both the consulting and implementation side of things. He has worked with all the leading CRM solutions on the market, such as JING Social, Convertlab, Chatly, Lianka and Drip, and is especially well-versed in the planning and execution of CRM projects on WeChat.



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# CREDITS.

## CONTRIBUTING PARTNERS



Brand and consumer activation is at the core of what we do through the work we undertake for our clients. WHITE CAVIAR offers unique problem-solving approaches to local and international clients around brand strategy and operationalization, portfolio planning, consumer profiling, shopper and retail activation, customer service, trends and innovation and cultural springboards.



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Connect with us for more insights on digital marketing strategies and how to better engage your audiences.

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DLG (Digital Luxury Group) is the digital partner of forward-thinking luxury brands. With offices in New York, Geneva and Shanghai, DLG blends luxury savoir-faire, industry insights, and digital expertise to provide end-to-end services including consulting, social media, CRM, e-commerce and creative production.



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