

Richemont and Alibaba team up for luxury e-commerce venture

Swiss luxury goods group Richemont, owned by SA billionaire Johann Rupert, has announced a global strategic partnership with Alibaba Group which will see the launch of a luxury goods platform for the Chinese market. The joint venture will bring the luxury retail offerings of Richemont's recently acquired Yoox Net-a-Porter (Ynap) brand to Chinese consumers.

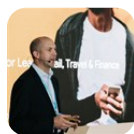


Under the partnership, Ynap and Alibaba will establish a joint venture (JV) to launch two mobile apps for Ynap's Net-a-Porter and Mr Porter multi-brand, in-season online stores for consumers in China. Alibaba will provide technology infrastructure, marketing, payments, logistics and other technology support to the JV. The partnership will also leverage Ynap's strong relationship with leading luxury brands, some 950 of them being currently distributed through Ynap in China.

In addition, the JV will launch Net-a-Porter and Mr Porter online stores on Alibaba's Tmall Luxury Pavilion, an exclusive platform dedicated to luxury brands. Launched in 2017, the Tmall Luxury Pavilion aims to create the same brand exclusivity and tailored shopping experience that customers shopping offline typically enjoy. It enables brands to deliver highly-personalised shopping experiences through curated homepages, customised brand pages, product recommendations and exclusive VIP awards.

Rupert, chairman of Richemont, said that Chinese customers are an increasingly important customer base for Richemont and for the broader luxury industry. "Our digital offering in China is in its infancy and we believe that partnering with Alibaba will enable us to become a significant and sustainable online player in this market," he explained.

The companies also stated that they will explore future offerings that enable the JV's customers to enjoy unique and seamless online and offline shopping experiences through digitising and fully integrating the retail value chain from merchandising and marketing to payments and last-mile delivery. The JV will focus on serving consumers in China and will extend to Chinese consumers travelling abroad.



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"Alibaba has become the preferred online destination in China, with world-class teams in technology, logistics and marketing. Through this joint venture, we look forward to opening the important Chinese market to Net-a-Porter, Mr Porter and the luxury brands they offer their clientele. To this end, we will work with Alibaba to ensure Net-a-Porter and Mr Porter's continuing expansion as neutral, open and sophisticated platforms," said Rupert.

Growing Chinese luxury market

Daniel Zhang, CEO of Alibaba Group, commented: "This multi-faceted partnership will bring Chinese consumers unprecedented access to the world's leading luxury brands. Chinese consumers are expected to account for nearly half of the global luxury market by 2025, and through this partnership, Alibaba and Ynap will be even better positioned to capture this compelling market opportunity.

"As Chinese consumers continue to upgrade their lifestyles, we want to meet the desires of Alibaba's more than 600 million users. By integrating online and offline commerce through our New Retail technologies, we will be able to deliver a seamless experience to consumers as well as better enable these leading brands to engage their customers in new and innovative ways."

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