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Want A Slice Of China's \$40bn VMS Market? Learn To Navigate Alibaba's 'New Retail' Ecosystem

by [David Ridley](#)

The UK's Vitabiotics is expanding its presence in China's lucrative dietary supplements market via Alibaba Group's Tmall e-commerce platform. HBW Insight speaks exclusively to Vitabiotics' China and South Asia director, Benji Lamb, about how the firm has used local knowledge to successfully navigate the country's "new retail" phenomenon.

Claiming to be the UK's "no. 1 vitamin company," Vitabiotics has seen success in selling brands like Osteocare, Pregnacare and Visionace on China's Tmall Global e-commerce platform, so much so that the company has signed a new agreement with site owners Alibaba Group to extending its presence in the country.

As part of the agreement, Vitabiotics will launch popular UK products to the Chinese market for the first time, such as Wellman, Wellwoman, Cardioace, Menopace and Tea+, the firm said.

"The partnership is expected to accelerate Vitabiotics' already impressive growth across China, where Vitabiotics' sales grew 30% year-on-year in 2020, and help to further grow the brand in South East Asia," it reported.

"China and the Southeast Asia markets offer huge, huge opportunities for us," commented Vitabiotics' China and South Asia director, Benji Lamb. "Indeed, China is now one of our top three markets, and we are targeting over 70% growth there this year."

"We can't wait to see what the future holds in what we believe to be one of the most important recovery markets globally," he added.

Glocalisation

Key to Vitabiotics' success in China has been the firm's willingness to adapt to local conditions, Lamb told HBW Insight in an exclusive interview.

The success of Visionace, for example, rests on an understanding of the specific needs of younger Chinese consumers, who spend hours each day looking at computer and mobile phone screens, he explained.

"Visionace performs really well with Chinese Millennials," Lamb continued. "In the UK, we are selling the brand primarily to consumers aged sixty and over, while in China we're selling to thirty somethings."

"China has probably the most digitally immersive environment in the world, and the hours of screen time that are being clocked up has created a real incentive for eye care, especially among those younger demographics," he said. "It's a fascinating example of 'glocalisation.'"

Echoing the experience of other firms exporting into China's \$40bn dietary supplements market, Vitabiotics has used partnerships to gain insight on the ground so that brands and products can be adapted to local needs and trends. (Also see "[Local Partners Key To Unlocking China's \\$40bn Dietary Supplements Market](#)" - HBW Insight, 8 Dec, 2020.)

"Launching this second store in the Tmall's Healthcare category has enabled us to reach a whole new demographic and we're leveraging the support from category managers, senior level experts and high-profile 'key opinion leaders' to drive growth," Lamb explained.

New Retail

Alongside expert partners and existing services – such as Alibaba's Data Bank tool, which "helps brands to better define and target different consumer groups" – Vitabiotics is also putting to work knowledge of Alibaba's "new retail" e-commerce ecosystem it has developed since launching on the platform in 2015.

According to Alibaba co-founder Jack Ma, "new retail" stands for the total integration of e-commerce with existing bricks-and-mortar retail. In Ma's utopian vision of future shopping, the "boundary between offline and online commerce disappears as we focus on fulfilling the personalized needs of each customer."

"It's a fascinating market," Lamb reflected. "New retail is the digitization of every level of the chain, every component in the consumer journey and retail ecosystem."

While in some respects, new retail is merely omnichannel retail in new clothes – or perhaps more accurately, with in-store conveyor belts, personalized shopping apps and ultra-fast delivery

– it is the digital part of this integrated ecosystem that opens up entirely new ways of engaging with consumers.

“New retail also applies to the way that consumers are engaging, and how they are engaged with,” Lamb pointed out. “Digital immersion is a pithy way of putting it. It’s what Chinese consumers have come to expect, it’s the environment they have grown up in.”

Lamb gave two examples of how Vitabiotics was using this new digital ecosystem to drive consumers to its products on Tmall.

On Weibo and WeChat – China’s answer to Twitter and WhatsApp respectively – Vitabiotics uses short- and long-form written content to raise awareness of its brands, he said, while on RED, which is like Instagram, the firm creates interactive video content with a shopping focus.

Brand Britain

The company has also created online games where consumers might jump through virtual hoops to find Vitabiotics brands with a British Tawny owl symbol, another example of ‘glocalisation’ that Lamb said “really resonates” with Chinese consumers.

“Brand Britain remains very strong in China,” he noted. “British products are associated with innovation and premium quality.”

As well as the owl brand symbol, Vitabiotics also uses hand drawn Chinese paintings of British scenes in its online marketing, as well as films with the theme of “Fall in love with British culture,” he said.

“It’s about finding that fusion between Brand Britain identity and what appeals to local consumers,” he added, “and that just comes from listening to talented voices on the ground.”

All in all, a simple way to think about how Vitabiotics leverages Alibaba’s new retail ecosystem, Lamb suggested, is that the company creates “a lot of interactive content, a lot of different touchpoints, which all drives consumer engagement towards the Tmall stores.”

Blueprint For Entry

Cracking China’s retail market “can feel like a mountain to climb” for small and medium sized companies, Lamb acknowledged, but he said that there is a “blueprint for growth” that Vitabiotics has followed to get where it is that other firms can follow.

“Our entry strategy was more bread and butter,” he said. “Pregnacare has got the strongest international reputation, so we started with that first. Then over time, you learn, test and adapt.”

Asked what the key lesson would be for other companies looking to emulate Vitbiotics' success, Lamb said: "Leave your ego at the door and listen to trade partners and teams on the ground."

Whether Alibaba's new retail approach represents the future for other markets, Lamb struck a cautious note.

"Look, there's definitely fascinating retail models coming out of China, with Alibaba's new retail phenomenon being a good example," he said. "How this ecosystem, which is very unique, translates outside of China is something that everyone is fascinated to see."

"Post COVID, who knows? I personally wouldn't be surprised if digitization of the whole retail chain is something that more and more countries explore," he concluded.