

11 Apr 2019 | News

GSK To Unlock E-Commerce Growth In China With Alibaba Tie-Up

by Tom Gallen

GSK will use Alibaba's big data expertise to identify new consumer insights, while also taking advantage of the Chinese firm's e-commerce platforms to reach a wider audience. Alongside this, the partners will provide online health consultations and self-care education to Chinese consumers.

[GSK Consumer Healthcare](#) is expanding its relationship with e-commerce giant Alibaba Group as it looks to take a larger slice of China's online health and wellness market.

The UK-based manufacturer has signed a joint business plan with Alibaba's healthcare-focused subsidiary, Alibaba Health Information Technology, which will see the firms collaborate on big data, digital marketing and self-care education. Since 2016, GSK has worked with Alibaba to use data to "unlock a new model of consumer insight and brand communication."

GSK will use Ali Health's big data expertise to identify new consumer insights, while also taking advantage of the Chinese firm's online e-commerce platforms to enable its marketing messages to reach a wider audience. Ali Health's platforms – such as Tmall Pharmacy – will also offer Chinese consumers a wider range of GSK's OTC products, particularly in the fields of pain relief and respiratory health.

Alongside this, GSK and Ali Health have committed to providing online expert health consultations and self-care education to Chinese consumers.

Through these efforts, the firms aim to raise self-care awareness among Chinese consumers and support the establishment of China's "big health" blueprint, a government initiative to move from a sole focus on disease-centered care to include more preventative health management.

Ali Health Fact File

Ali Health already offers a form of online consultation. Through its Taobao and Tmall platforms, Chinese consumers can access healthcare advice from a network of 24,000 medical practitioners, pharmacists and nutritionists. The firm also utilizes artificial intelligence as part of its consultation offering.

Rapidly Changing Market

Mark Speichert, GSK's chief digital officer, said digitization had brought "rapid changes" to the Chinese market in recent years. "GSK Consumer Healthcare has been leading the industry to find new ways of connecting with consumers and empowering them to monitor and manage their own health," he pointed out. "By using the power of digital, data and analytics, we have been able to bring healthcare knowledge and provide professional advice to more people and add more value to our brands that are loved by consumers."

Jane Xu, GSK Consumer Healthcare's area general manager of Greater China, said the company's commitment to digital transformation and marketing innovation in China had become a "new driving force" for growth.

China was GSK Consumer Healthcare's "growth engine," Xu noted, with the firm set to become the second-largest player in the market once its joint venture with Pfizer kicked off later this year. (Also see "[GSK And Pfizer Start Consumer JV For Different Reasons, Aim For Similar Goals](#)" - HBW Insight, 19 Dec, 2018.)

Partnering with Ali Health would help GSK connect with, and win, even more Chinese consumers, Speichert said, by generating new ideas in digital marketing. Furthermore, the tie-up would enable the company to continue to improve its service and product offering, he said.

Filippo Lanzi, GSK Consumer Healthcare's Asia Pacific region head, said recently that there was a "big opportunity" for the firm to improve health literacy among China's population, not only raising awareness about disease management, but also about prevention. "The more consumers

The principal activities of Ali Health are pharmaceutical e-commerce, internet-based medical services, consumer healthcare services and intelligent medicine services.

The Hong Kong-based firm operates online pharmacy and retail platforms, and holds shares in a number of bricks-and-mortar pharmacy chains.

According to Ali Health, its stated aim is to provide "accessible and affordable medical and healthcare services to the public so as to make good health achievable at the fingertips."

Ali Health reported sales of RMB1.88bn (\$280m) in the six months ended 30 September 2018, which was up from RMB889m in the prior-year period.

are educated, the more they know how to take personal initiatives to practically manage their own health,” he told *Shanghai Daily*.

GSK’s Chinese consumer health business is poised to significantly expand with the start of its OTC joint venture. Pfizer operates a “very strong” e-commerce business in China, according to GSK, with its *Centrum* brand the leading multivitamin in the country, while *Caltrate* is the number-two calcium supplement.