



MANAGED COMMERCE FOR CHINA

Multi-Channel Commerce for China

IAOP May 2013

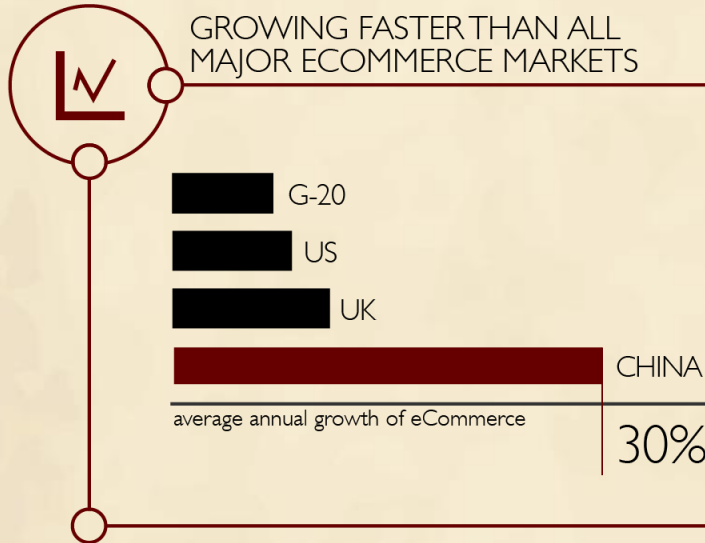
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Agenda

- Why China?
- Multi-Channel Approach for China
- What to Consider
- Ecommerce Challenges and Solutions



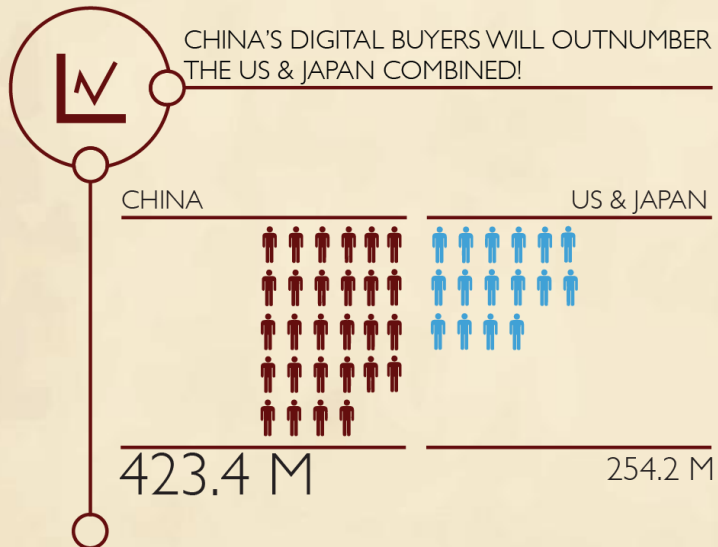
Rapid Growth for e-Commerce

ECOMMERCE SALES TO REACH \$457 BILLION BY 2016



94% GROWTH

Solid Core of Heavy Internet Users!



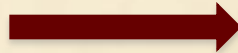
3/4 CONSUMERS PREFER TO SHOP ONLINE



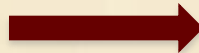
511 MILLION
INTERNET USERS IN CHINA

Aggressive Online Buyers

Authentic Brands in China & Growing Demand



Explosion of Multi-Channel Commerce in China



Growing Chinese Affluent Consumer



The Opportunity for Brands in China **Multi-Channel Lifestyle Brands**

New experience for Chinese consumer with authentic brands in retail, fashion, consumer products, home goods, and health & wellness

Fits well with the growing consumer base and urbanization of China

Introduce the brand in a modern way on the internet

Establish retail and a full multi-channel approach

Price points target middle and affluent class

New customer care model for China

Multi-channel online presence

e-Commerce, Retail, Mobile



Retail Stores First with 3-5 Concept Stores

- 18-24 months before any revenue or ROI cycle begins
- Costly if done independent of local partners, time and staff
- Requires local knowledge and set up
- Consumer intimacy limited to single geography and local customers
- No immediate feedback across the country for medium to long term planning
- Limited use of modern social media tools which drive the China marketplace



Traditional Distributor and Licensee Relationships

- Time intensive and expensive to establish
- Limited market knowledge going into the relationship
- Minimal brand control and limited leverage
- Most partners do not have ability to execute across the whole country



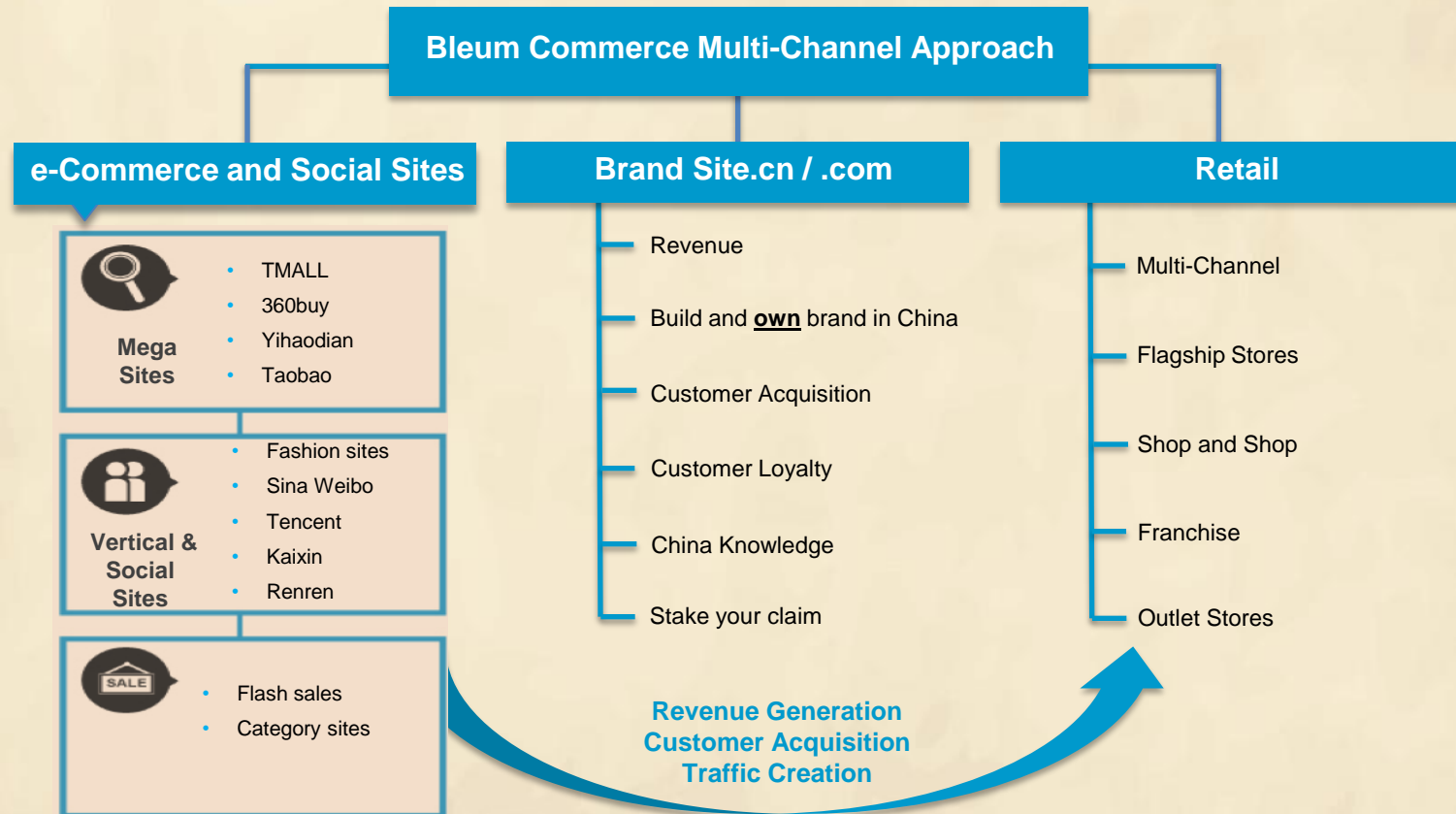
e-Commerce Market entry only through Chinese Mega-sites, e.g. TMALL

- Proprietary sites that do not allow for customer data to be shared
- Hidden costs and high customer acquisition costs
- No long term brand building



Shipping Products from US-based eCommerce Website to China

- Cost & time implications
- Product damage



A few things to consider:

BLEUM COMMERCE

CHINA MARKETPLACE

MANAGED COMMERCE: SOLUTION

MANAGED COMMERCE: DELIVERED

Your Brand

- Positioning in the marketplace
- Pricing Strategies
- “importing a Global Image in a local way”

What Channels?

- Ecommerce first but on what sites?
- How do I launch my own site and leverage existing assets
- How do I tailor the sites for China

How will you Market and promote your brand?

- Leveraging China Social Platforms and how
- China Specific Digital marketing
- Digital and search on China platforms
- Build a CRM solution

Resources and Partners

- Time and effort for the brand
- Local team structure and communication
- Local expertise and one stop partner

Operations and Legal Considerations

- Import and Duty management
- Last Mile Delivery and Customer Care is critical
- Set up the correct entity and structure

China now has 538 million online users

95% of online users in Tiers 1,2,3 are using social media



Total users:

330,000,000

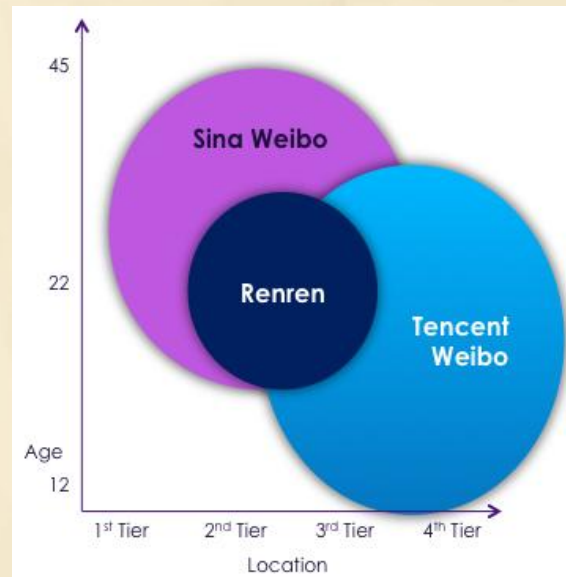


200,000,000

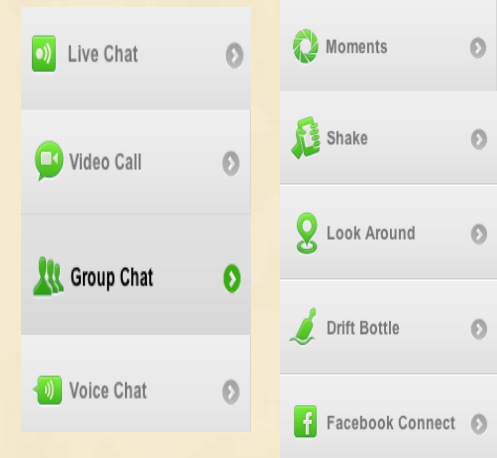


560,000,000

Sina Weibo is an essential platform to more than 22% of the Chinese Internet population.



What's hot : Wechat – Over 300M user downloads



Consumers rely heavily on social feedback to purchase with some reporting over 66% rely on social feedback before they purchase

Focus on: Content, Community and Commerce

- Content: Have your own experts and create relationships with influencers
- Community: Use the platforms and stay up to date new ones all the time, monitor and participate
- Commerce: Link to commerce and try new to drive traffic and engage

Where to start:.....

Develop a well thought out Content Strategy as the first step – “Content is King!”

- - Choose the right manager / agency – very specific skillsets and knowledge required
- - Present a consistent brand personality – social is personal
- - Be prepared for negative feedback with a customer care strategy

TMALL is a good solution for e-commerce but not the only one and has its challenges

- Great benefits from volume, building awareness, building trust and a base of consumers
- Consumers have grown used to the online experience from the search, reviews, ratings and check out

Challenges:

- Consumer data is hard to get
- Huge amount of products and brands and highly promotional
- Promotion policies are aggressive
- Lack of Flexibility in brand presentation
- Higher cost lower ROI on digital marketing
- Keeping up with customer feedback
- Prove it or lose it approach
- Limited Search, not connected to Baidu and Google.cn

Solutions:

- Find a partner who has relationships for application, evaluation and set-up and daily management
- Daily management and upkeep and address reviews with customer service
- Understand what products to promote and pricing and re-merchandise the site
- Build both a TMALL site and your own .cn.....



The North Face

Riding on the exploding outdoor category growth in China, The North Face complements its brick-and-mortar expansion plan with a parallel focus on digital and eCommerce.

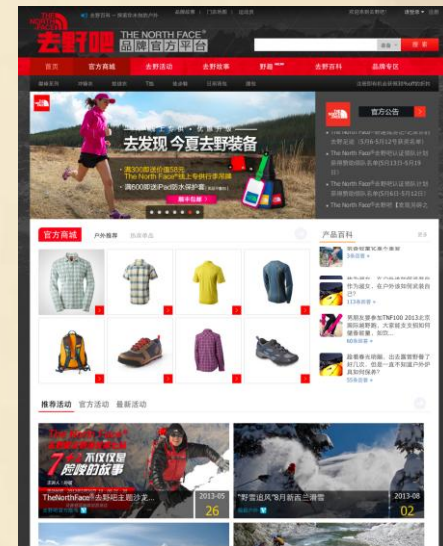
Its Tmall Flagship was established in August 2012 with the aims to capture tremendous Tmall traffic for raising brand awareness offering off-season products with discount.

This is followed by aggressive development of quyeba.com, a branded platform that combines social vitality, outdoor community, and commerce – a D2C component that mainly features latest product.

Tmall



D2C - quyeba.com





Leverage Social, Digital and multi- platforms to drive commerce

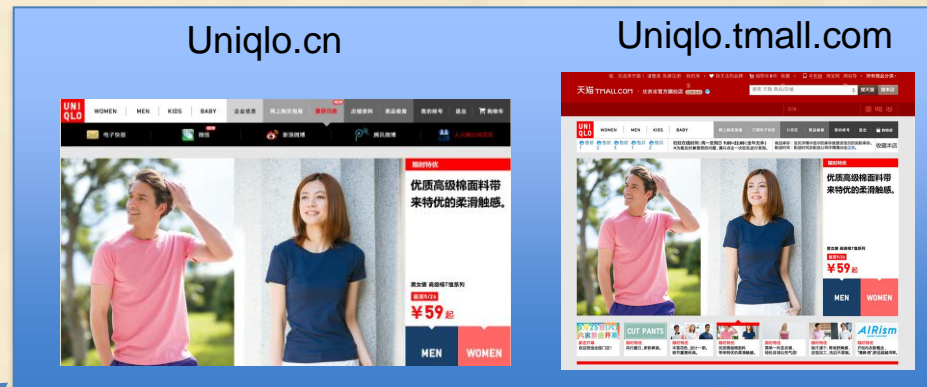
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MANAGED COMMERCE: SOLUTION

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Uniqlo integrates content, community, and commerce across multiple platforms



WeChat

Sina weibo

Tencent weibo

RenRen



A partner with a complete end to end solution is critical

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China Branding and Marketing

China Brand targeting

Media Planning

Event Strategies

PR Planning and execution

Commerce and Web Technology

Web Store

Merchandising & Product Mgt

Payment Management

Order Management

Digital Marketing and Analysis

SEO

SEM

EDM

ECRM

Retargeting

Social Monitoring

Operations

Distribution Services

Logistics and Shipping Services

Warehousing and Fulfillment

Reporting and Analytics

Customer Care

Call Center

Phone

Text

Social

Web

Last Mile Delivery

Delivery Visibility

Home Delivery

Special Handling

Returns Management

MANAGED COMMERCE FOR CHINA

AN EXPANSIVE, GLOBAL INFRASTRUCTURE

BLEUM

HEADQUARTERS:
SHANGHAI
NEW YORK

ESTABLISHED:
2001



CHICAGO / DENVER / NEW YORK / SAN FRANCISCO / LONDON / SHANGHAI

MULTI-CHANNEL



eCOMMERCE



MOBILE



RETAIL

COMPREHENSIVE

STRATEGIC
SERVICES



COMMERCE
SOLUTIONS



MARKETING
SERVICES



OPERATIONS
SUPPORT

A world map with a dark blue background and light blue landmasses. Several red circular location pins are placed on the map, with lines connecting them to a large red circle containing the company logo. The pins are located in North America, South America, Europe, Africa, and Asia.

BLEUM
COMMERCE

MANAGED COMMERCE FOR CHINA

A panoramic view of the Shanghai skyline, featuring numerous skyscrapers and modern buildings. The image is slightly hazy, giving it a soft, atmospheric feel. The text "Thank you!" is overlaid in the center of the image.

Thank you!

Challenges

- Big players and information and user instructions are opaque and hard to master
 - Baidu, Google, Yahoo, Soso, Sogou
 - TMALL
 - Ad Exchanges
- Solutions are very market specific and localized
- Agency world is either dominated by the big agencies or highly fragmented and localized
- Technology and Analytics are fragmented

Solutions:

- Find a partner with thorough understanding of the basics and techniques
 - SEM: Leverage the big engines, Key word monitoring, advanced keyword, landing page analysis
 - Social Media Tools: Geographic, Demographic, time of day, key word gathering
 - Affiliate: leverage affiliate platforms
 - SEO: Search optimization and create links
 - Retargeting: From major search and campaigns, search, personalization and audience
- Drive ROI by increasing relevance and resonance with paid media
- Setup KPI's, constantly monitor, review, and optimize

Single Brand Sites at the right price point

Mono-Branded Retailers

Stay true to your brand ID but tailor social, digital and online strategies

Luxury online continues to struggle

Luxury are great users of Social Media