



Outsourcing China E-commerce

Frank Lavin, CEO Export Now  
Frank@Exportnow.com

## Today's Discussion

- I. China e-commerce opportunities
- II. EN's international e-commerce solution
- III. Next Steps

# Chinese consumers love US products/brands



By 2009, China accounted for 25% of Mary Kay's revenue



In 2010, China became the largest market for GM cars



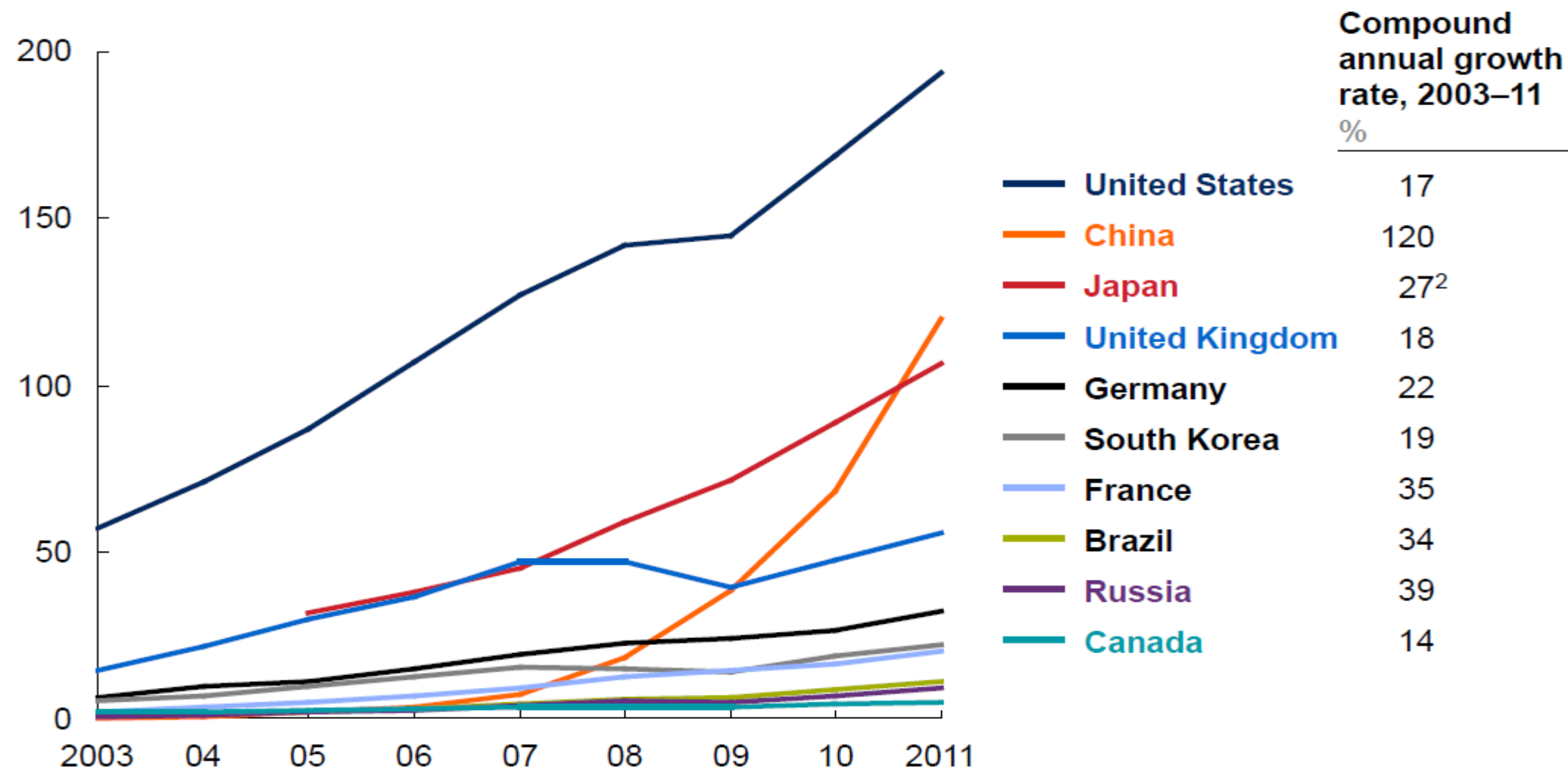
In 2011 Starbucks celebrated its 500th China store



There will be more than 900 Subway stores in China by 2015

# China's ecommerce has the highest growth rate in the world and will pass the US in 2013

2003–11 e-tailing market<sup>1</sup>  
\$ billion



<sup>1</sup> Excluding online travel.

<sup>2</sup> Japan's CAGR covers 2005–11.

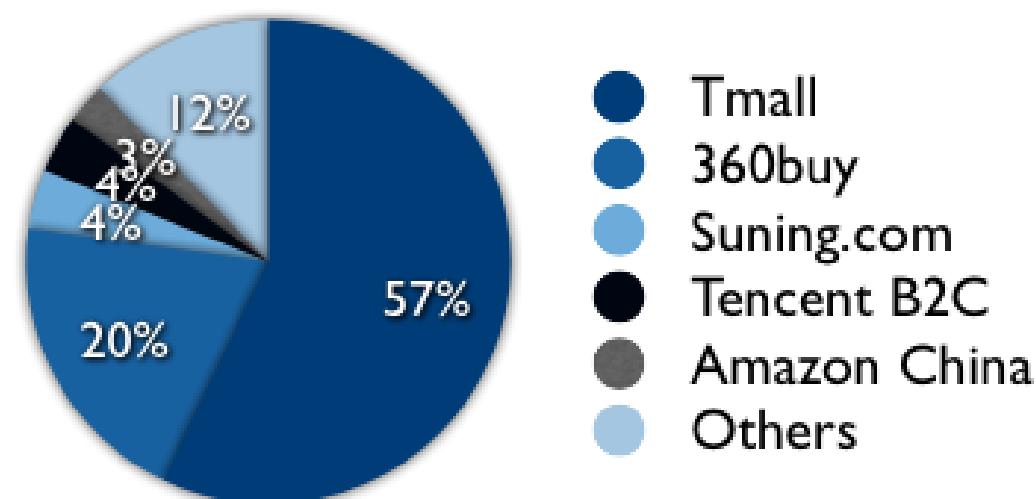
# China's e-commerce customers concentrate on a single platform: Tmall



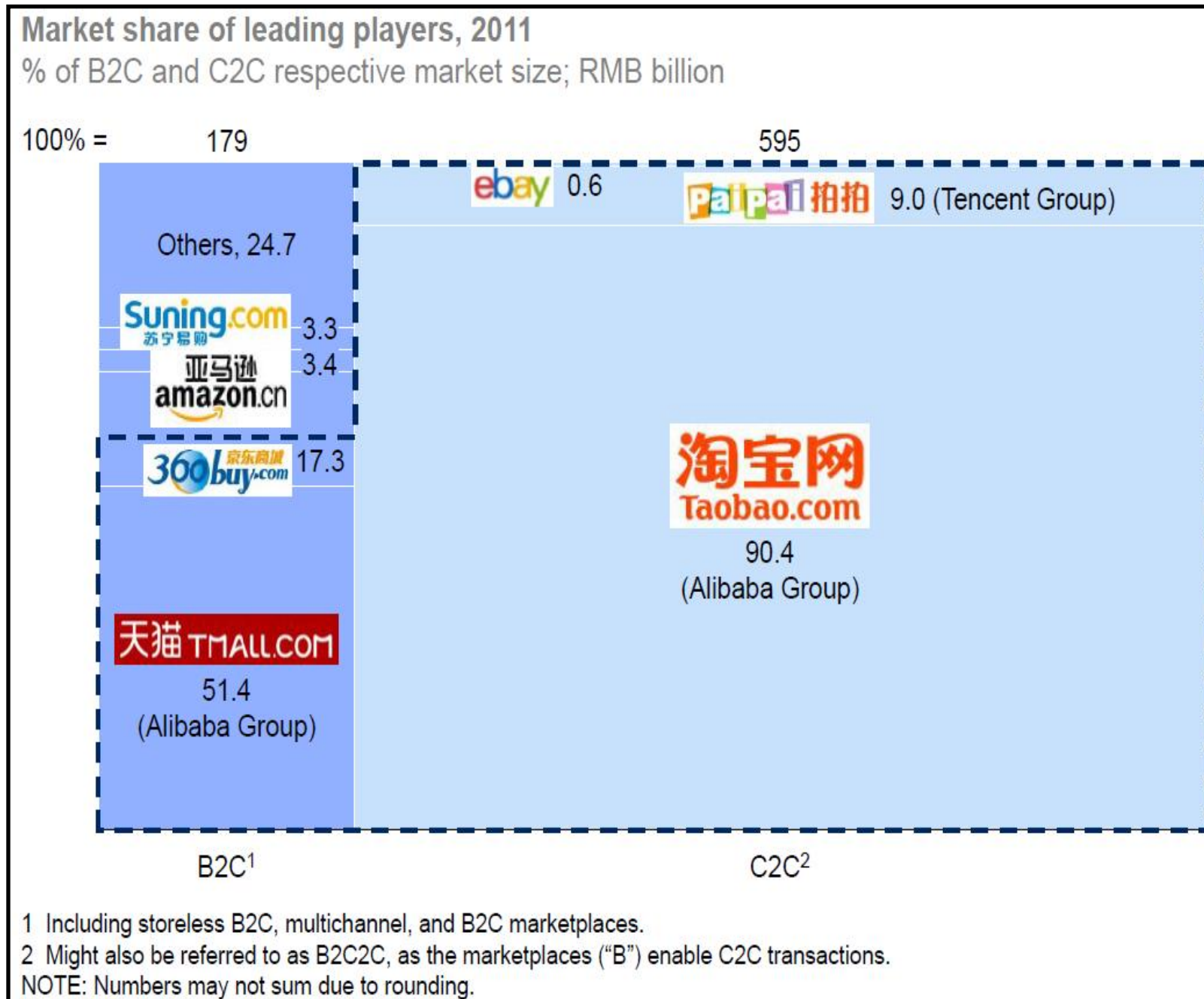
## The world's largest e-commerce market

Over 500 million registered users

Q2 2012 Chinese B2C E-Commerce Marketshare



# China's e-commerce ecosystem



The world's largest e-commerce market

# Chinese E-commerce Challenges

## New Market Challenges

- Customs compliance
- Regulations
- Duties/ tariffs
- Taxes
- Remittances

## Marketing Challenges

- Localization
- Web site design
- Online merchandising
- Online marketing



## Logistics Challenges

- International shipping
- Warehouse operations
- Final-leg delivery
- Returns

## Operations Challenges

- E-commerce operations
- Customer service
- Chinese language interface & expertise
- Inventory management



# The Easiest Way to Enter China

## One-stop international e-commerce solution

Our IT and logistics solution makes exporting as easy as selling via eBay or Amazon.com

- International functionality for Intl suppliers
- Chinese functionality for Chinese consumers

## Simplest and fastest way to enter the market

We make it possible to maintain price points and margins similar to those of your domestic sales





# Additional requirements for your brand

## Brand Localization

- Your product, your look, your description must be translated and localized for Chinese shoppers.

## Brand Identity

- Your brand identity must be maintained for high-level appeal to consumer shoppers.

## Marketing Solutions

- Think of marketing solutions- from basic SEO, SEM, to banner ads, Youku videos, Weibo (Twitter), and more.

## IP Protection

- IP protection through China trademark registration.

## Representative brands



# Export **Now**



Export Now can customize a solution

## **What if I already manufacture in or import into China?**

- EN accepts products directly from Chinese factory or importer
- Goods warehoused, listed and sold just like all US-branded items that EN physically imports

## **What if I'm not a US company?**

- EN works with agents and forwarders to help global firms access China e-commerce
- Global products are imported, received, warehoused, listed and sold just like U.S. products

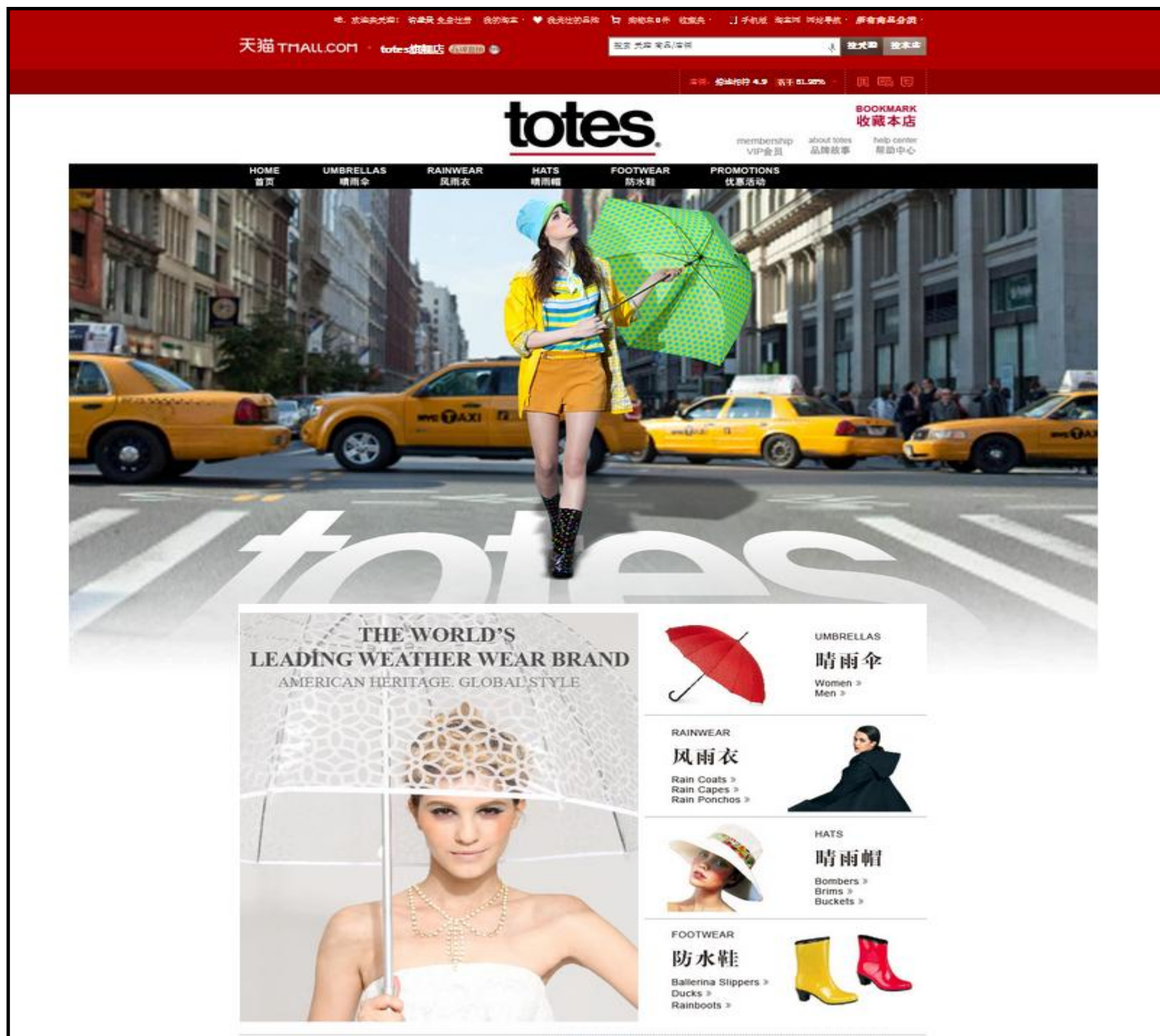
## **What if I want a flagship store on Tmall.com?**

- EN can help any company create a flagship store on Tmall.com
- This is the best solution for companies serious about China



# Flagship Tmall store example

Export **Now**

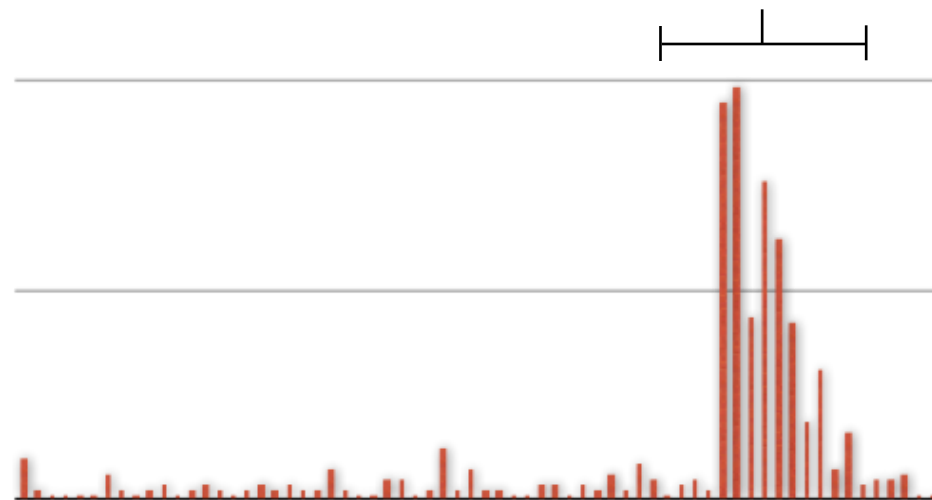


# Marketing Examples

## Company Profile 1

- Type: Consumer accessories retailing for \$2-10 US
- Duration selling on Tmall: 14 Weeks

Response to basic \$1000.00/mo promotion



June 18

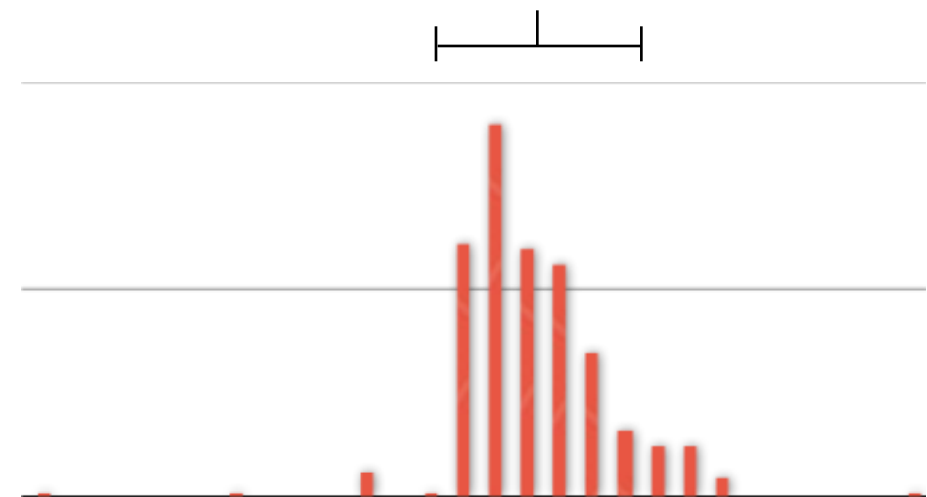
September 13

 Daily Sales Volume

## Company Profile 2

- Type: Consumer hygiene products retailing for \$4-15 US
- Duration selling on Tmall: 4 weeks

Response to basic \$1000.00/mo promotion



August 17

September 14

 Daily Sales Volume

Export **Now**

We proudly support over 100 brands



# Chinese consumers' purchasing power



## Tmall sells more than 398 Mercedes-Benz B Class Luxury Sports Tourers in less than 3 hours

By Jim Erickson | Aug 10, 2012 | 05:27 AM

‘Each car costs RMB 350,000-360,000 (\$55,000-\$57,000), and will generate a total of RMB 143 million (\$22 million)’



“Tmall's automotive and related products category is growing at 400% annually; the website is expected to sell more than 4,000 cars by the end of this year, Tmall officials said.”