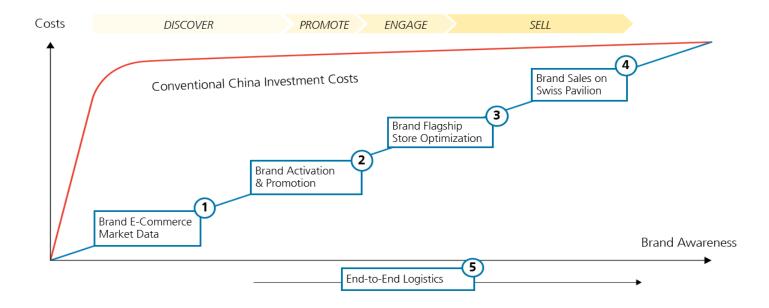
YOUR GATEWAY TO CHINA

COMPREHENSIVE E-COMMERCE SOLUTION FOR SWISS SME

The Chinese market is an attractive opportunity for Swiss brand manufacturers. E-commerce is much more popular in China than in Europe and e-commerce marketplaces are integrated into chat apps. Unlike here in the West, e-commerce data can be used commercially. The cultural differences are considerable and must be taken into account for a successful market entry. It is therefore advantageous to trust in the knowledge and experience of a reliable partner. Swisspost supports Swiss SMEs in entering the Chinese market successfully.



The potential of cross-border online trade is also encouraging Swiss-based companies to expand into distant countries. With 700 million potential customers, the Chinese market is particularly attractive. After taking the initial steps many Swiss business people find that entering into the Chinese market is more difficult and cost-intensive than expected, especially for SMEs.

Strong brand for China

To survive in the vast and highly competitive Chinese market, you need a brand that is well-known in China. The assumption that a well-known brand in Switzerland or Europe is automatically well-known in China is not true. Most Swiss products have to develop the Chinese market from ground up, which can incur considerable expense in terms of both time and money. Swisspost offers a comprehensive modular solution package to support and assist Swiss SMEs wishing to enter the Chinese market by developing a service package tailored to the company's needs, based on an analysis of the individual situation of the company, brand and products, regardless of whether the product/brand is already active in China or is just about to enter the market. The individual service components can be tailored specifically to the customer's needs. In this way, market entry can be approached step by step and investments are staggered.

Discover the market

Knowledge is power. The analysis of the target market, price setting and the competition, as well as the creation of the necessary conditions for successful sales are the be-all and end-all for entering a market successfully. In China, the commercial use of e-commerce data is permitted and provides important insights. Swisspost has access to a wide range of data sources and has the necessary market knowledge and experience, which enables it to identify the relevant factors professionally. On this basis, Swisspost compiles the optimal e-commerce approach and the corresponding service modules, taking market awareness into account.



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Advertising and customer loyalty

Based on the findings of the market analysis, Swisspost defines the appropriate measures, depending on the brand and product awareness, such as Market Entry Data Gathering, Sampling, Chinese name, Marketplace presence in the Swiss window on the social media platform WeChat, campaigns, resale programs with "affiliates" etc., in order to increase brand awareness and optimize existing online shops. At the same time, data can be obtained to provide valuable information about the product/brand. A step-by-step approach to implementation is recommended as this allows the impact to be assessed and the investments to be staggered.

Sales

Swisspost has been operating the *Swiss Pavilion* on Tmall together with Alibaba since 2018. Currently 16 Swiss brands are represented there which have benefited from increased visibility. This results in significantly higher sales. In addition, these brands automatically participate in nation-wide promotional and sales activities by Alibaba, such as Singles Day (2019: \$38.4 billion sales). Eight of the 16 Swiss brands in *Swiss Pavillion* on Tmall will be selected by Swiss Post.

Logistics

The success of e-commerce depends on being in the right place at the right time. The transport of goods abroad always involves considerable administrative effort. Furthermore, the regulatory provisions for China are volatile. Therefore, the choice of a logistics provider is key. Swisspost has a reliable logistics network in China guaranteeing end-to-end logistics from a single source. A warehousing option ensures that products reach customers in China faster. Swisspost also handles all customs procedures and any product bundling. This allows costs to be clearly calculated.

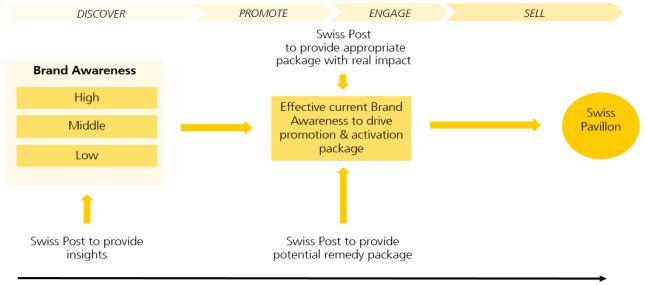
Approach for brands without a presence in China

For brands entering the Chinese market for the first time, Swisspost recommends a combination of these components (non-exhaustive list) which are adapted specifically to meet the needs of each company's situation.



Approach for brands with presence in China

Companies already present in China optimize their positioning and cost structure thanks to targeted measure packages derived from the degree of brand awareness. More information is available at www.swisspost.ch/china



Brand Awareness

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