

A vibrant night-time photograph of the Shanghai skyline, featuring the Oriental Pearl Tower and various skyscrapers illuminated with colorful lights, reflected in the water.

«YOUR GATEWAY TO CHINA»

COMPREHENSIVE SOLUTION E-COMMERCE MARKET
CHINA FOR SWISS SME

BACHELOR INTERNATIONAL BUSINESS ADMINISTRATION; SPEZIALISATION INTERNATIONAL BUSINESS
BERNE UNIVERSITY OF APPLIED SCIENCES BFH
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SWISS POST 

SPEAKER



- Deputy Head PostLogistics International; Your Gateway to China, xBorder E-Commerce, strategic market development, Im-/Export, Post CH AG
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- CEO/Owner, interconnectional GmbH; Intercultural Management, Market Entries, Advisory & Lecturing
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«YOUR GATEWAY TO CHINA»

CROSS-BORDER E-COMMERCE CHINA FOR SWISS COMPANIES

Agenda

1. China works differently: Characteristics & E-Commerce Market
2. Why to be present in China: E-Commerce & the challenges for Swiss companies
3. Crossborder E-Commerce Comprehensive Solution: Company-specific step-by-step approach for Market Entry and Market Development
4. «Your Gateway to China»: Modules and Service Components



1 CHINA WORKS DIFFERENTLY: CHARACTERISTICS & E-COMMERCE MARKET

INTERCULTURAL DIFFERENCES

WITH BUSINESS RELEVANCE NOT TO BE UNDERESTIMATED

Uncertainty avoidance is low (startups, stock market, openness to new things -> foreign products -> x-border)



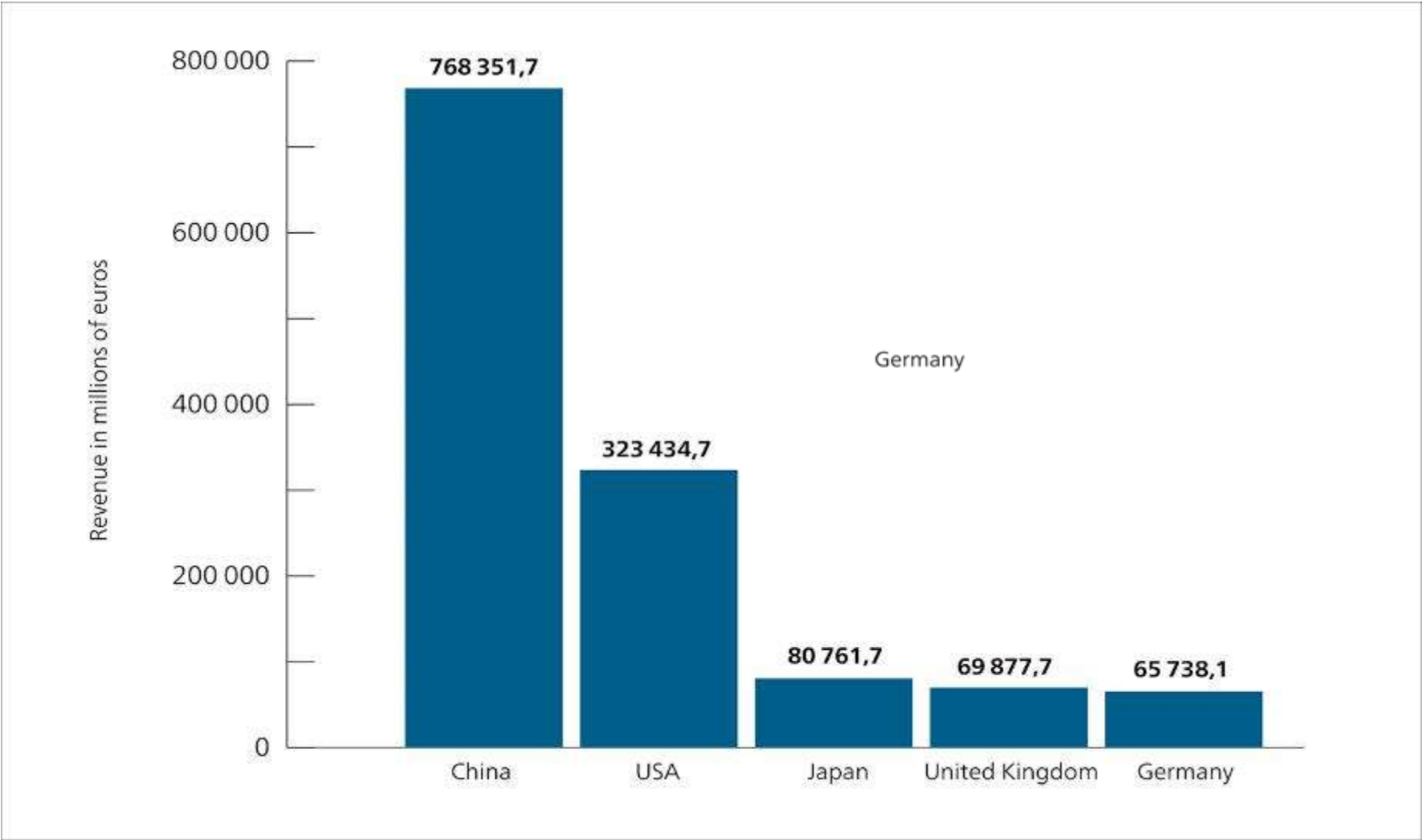
GUANXI 关系

Relationship: Guarantee, Insurance, Way to reach the goal

Chinese trust (recommendations from) relatives and famous people (influencers -> social commerce)



GLOBAL RANKING OF TOP 5 COUNTRIES (E-COMMERCE SALES REVENUE)




Top Countries

 China

 USA

 Japan

 United Kingdom

 Germany

BUSINESS PROCESSES & DIGITIZATION

FROM COPY-CAT TO PIONEER

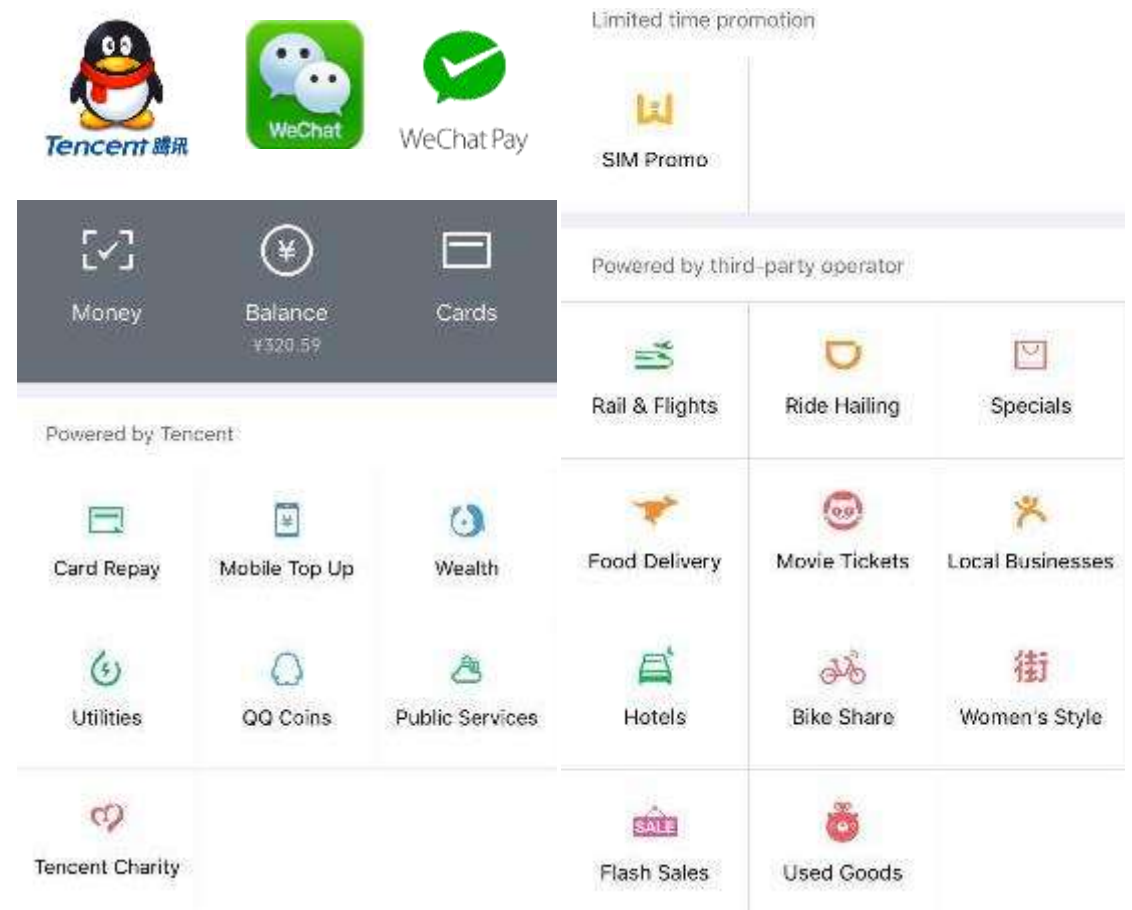
- China leads global ranking of countries by sales in E-Commerce Business processes = unbeaten fast & agile (esp. cutting-edge technologies)
- With **digital payment, sharing economy, e-commerce** China outdated the West (also due to lack of old IT technology)
- Millennials are "**mobile only**" -> Messenger (**WeChat**, Sina Weibo, QQ) = more significant than in the West
- **> 90%** of the trade is via **online marketplaces**
- **Every** Chinese person has a **private WeChat profile**
- More **WeChat corporate profiles** are being created every day than Chinese websites are registered
- **4G & 5G** is wide-spread -> surfing with smartphone is fast & convenient
- Retail/**E-Commerce** (research, order, pay, track, comment) in **Social Apps** is very popular

SUPER APPS - INNOVATIVE INTEGRATED SERVICES

“WHERE CHINESE LIFE TAKES PLACE”

WeChat 微信

- 2011 founded as Chat Service (Whatsapp & FB)
- 2013 introduction of payment function (WeChat Pay)
- > 1 Bio. registered users (July 2020)
(March 2018: 800 million)
- sales platform for (x-border) e-commerce
- aspiring life-ecosystem of Chinese people
- powered by Tencent
- data -> Chinese Government -> Social Score



- ✓ **Added value** of integrated services = **high** -> for users, providers, and the government
- ✓ Data accumulation = more valuable than sum of all data -> **transparent citizen / consumer**
- ✓ Rather **Ecosystem** than App -> How China Is Changing Your Internet

SOCIAL APP WECHAT

FACTS & FIGURES 2019



1 Bio.

Active WeChat Pay
Users per month



1+ Bio.

Transactions
per day



20+ Mio.

WeChat
Official Accounts



300+ Mio.

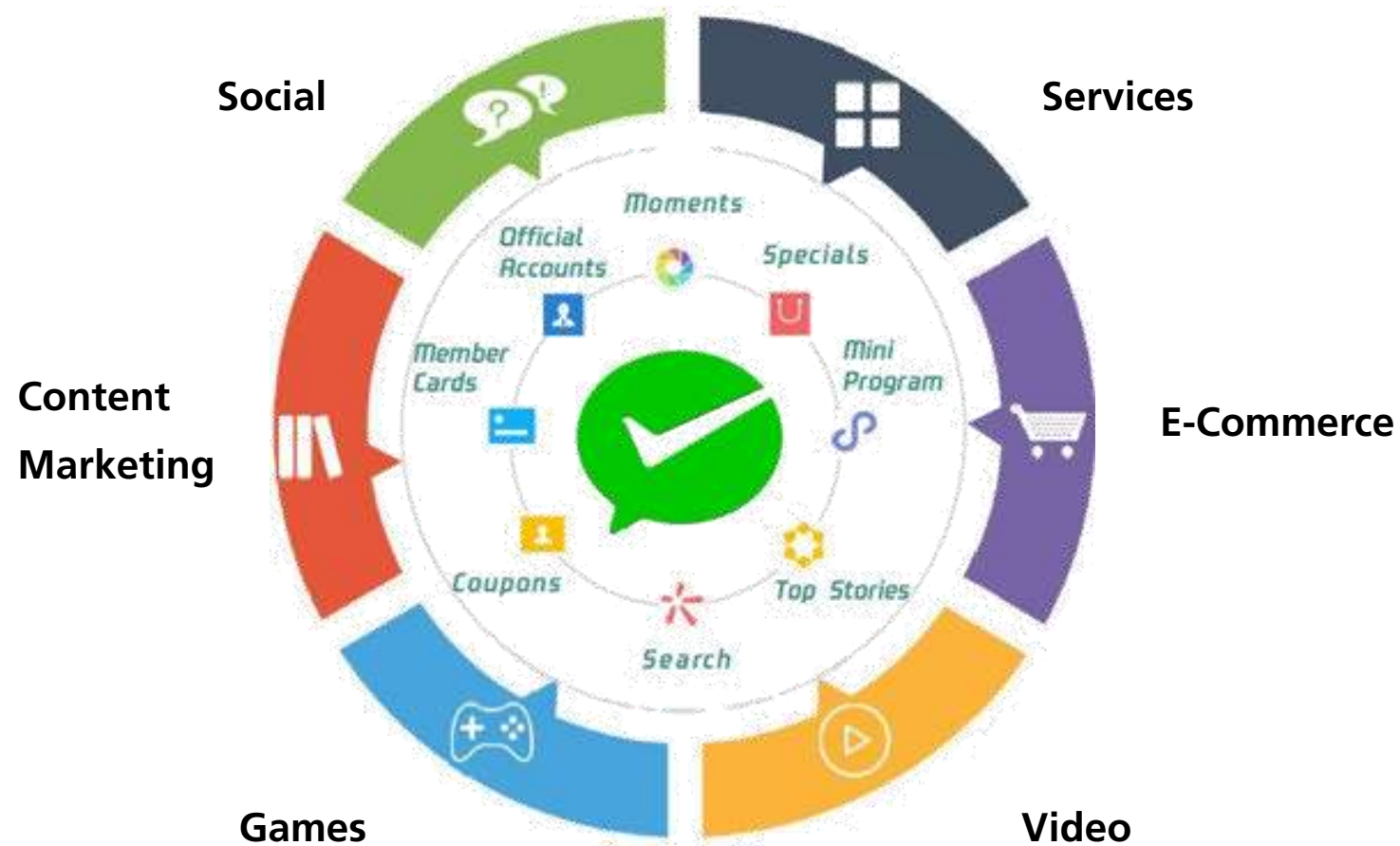
Active
WeChat Mini Programm
Users per day



100+ Mio. CHF

Gross transactions
through the mini
program

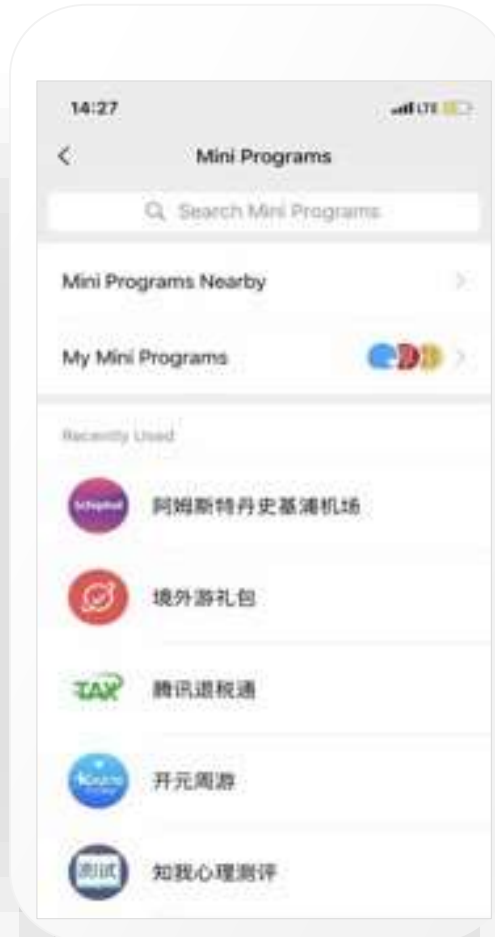
SOCIAL APP WECHAT ECOSYSTEM



SOCIAL APP WECHAT

KEY FUNCTIONALITIES

Mini Programme



Official Accounts

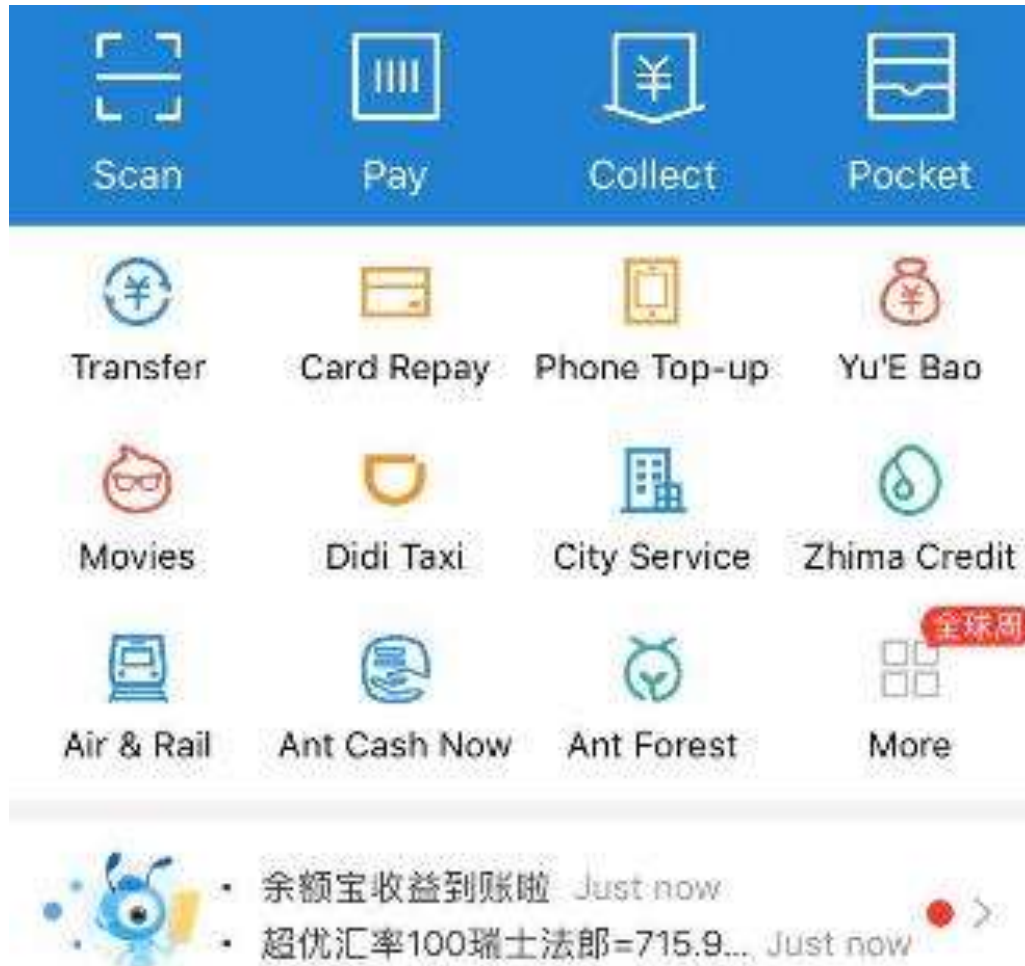


WeChat Pay



ALIBABA OFFERS COMPARABLE FEATURES

ME TOO -> COPYING IS OKAY



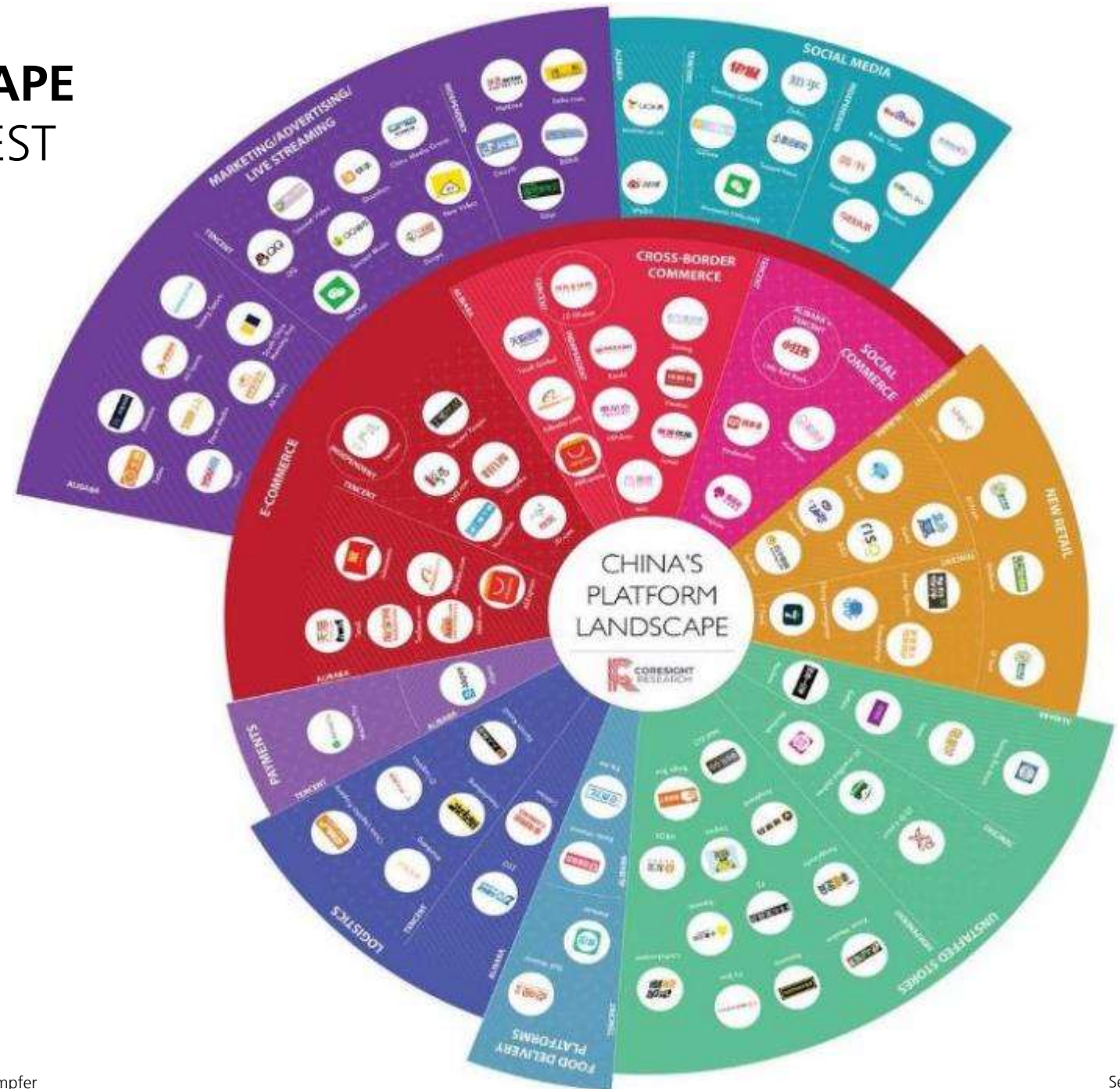
CHINAS PLATFORM LANDSCAPE

ALIBABA, TENCENT, AND THE REST

Data is the new gold and oil at the same time.

The one who owns data and is able to relate and interpret it, has a decisive **advantage**.

Commercial usage of the datas' findings are a common **business model**.



ALIBABAS E-COMMERCE ECOSYSTEM



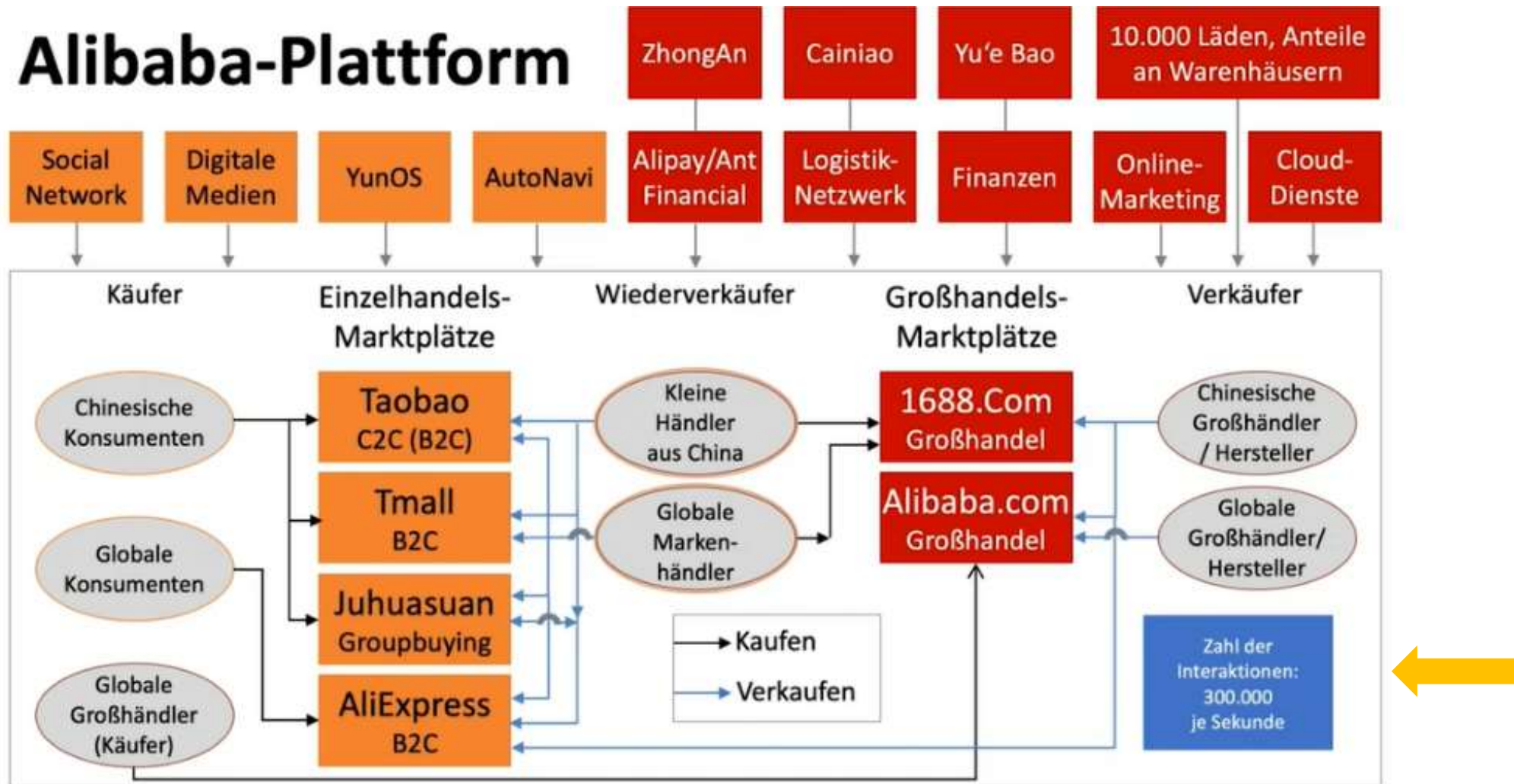
ALIBABA GOES WEST

- established in the Chinese market - expansion worldwide including Europe (2019: Launch eWTP)
- own payment method Alipay (≈ Apple Pay)
- On- & Online POS, "New Retail" concept
- invests \$15 bio. in logistics network & \$15 bio. in research centers worldwide by 2020, including AI
- Cainiao > 300000m2 logistics warehouse in Belgium (2021), Liège-Hangzhou train connection since 2019
- increases stakes in Chinese logistics companies & competitors
- EU Headquarters Alibaba in Munich (D) since 2016
- Motto "Helpers of SMEs" worldwide (AliResearch, AliCloud, financing "MyBank", OneTouch etc)
- Doubling the number of international brands on Tmall Global by 2022



THE «PLATFORM» BUSINESS MODEL

ALIBABA PERFECTS & VERTICALIZES THE BUSINESS MODEL

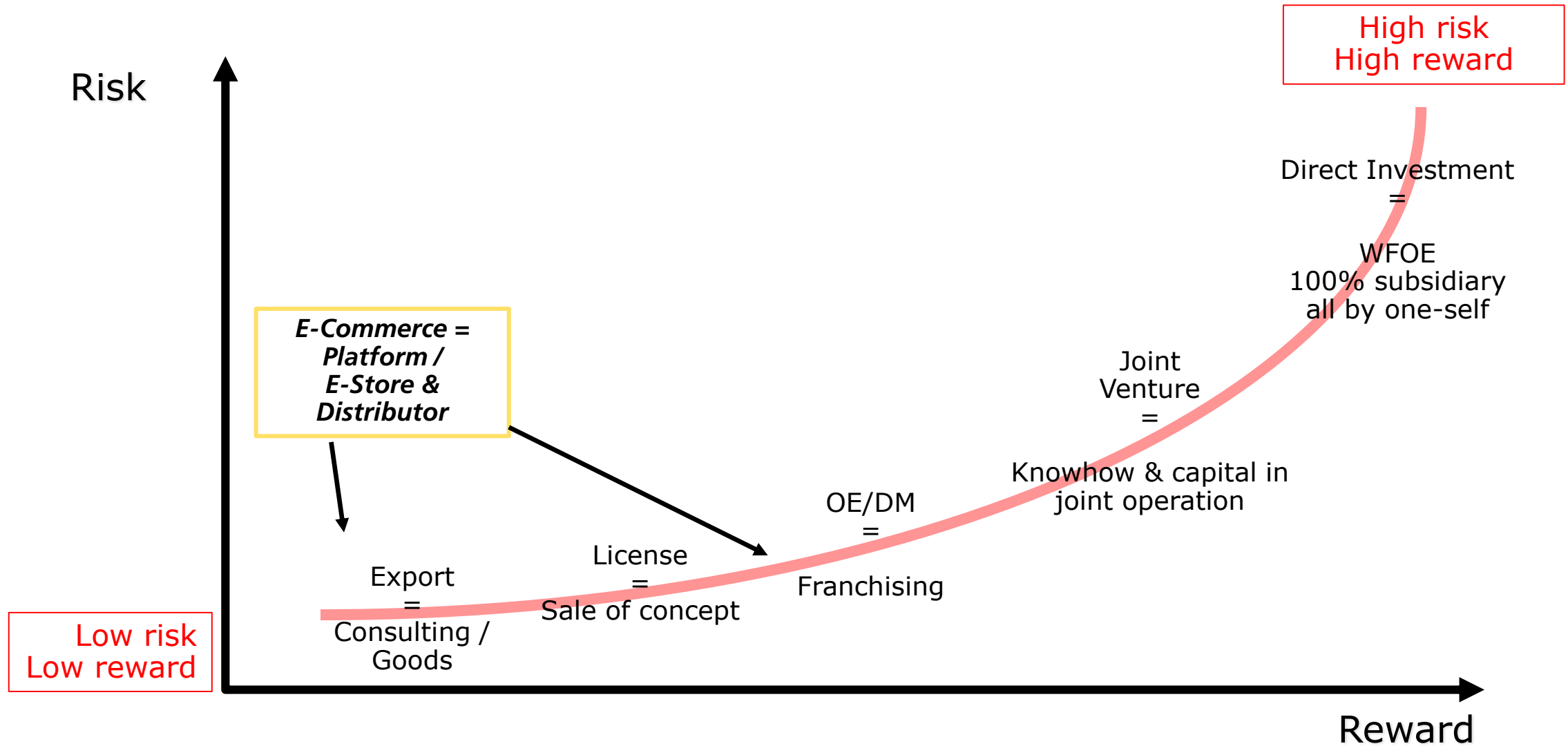




2 WHY TO BE PRESENT IN CHINA E-COMMERCE & THE CHALLENGES FOR SWISS COMPANIES

STRATEGIES FOR MARKET ENTRY

INTERNATIONALIZATION



E-COMMERCE IN CHINA - OPPORTUNITIES & RISKS

INCREASING NUMBER OF CHINESE CONSUMERS & ONLINE SHOPPERS

Opportunities

- Huge markt: > 700 Mio. consumers, > 700 Mio. Users on Tmall
- Strong import growth (2017: 50%)
- Import fostered by Government (CIIE since 2018)

Risiks

- High complexity & dynamism, culturally & regulatory
- Very strong international competition: > 200k brands on Tmall (> 60k foreign)
- Brand awareness is a success factor, brand activation is usually expensive

Boom E-Commerce & Shopping Festivals



Revenue Alibaba Singles Day (in Bio. \$)

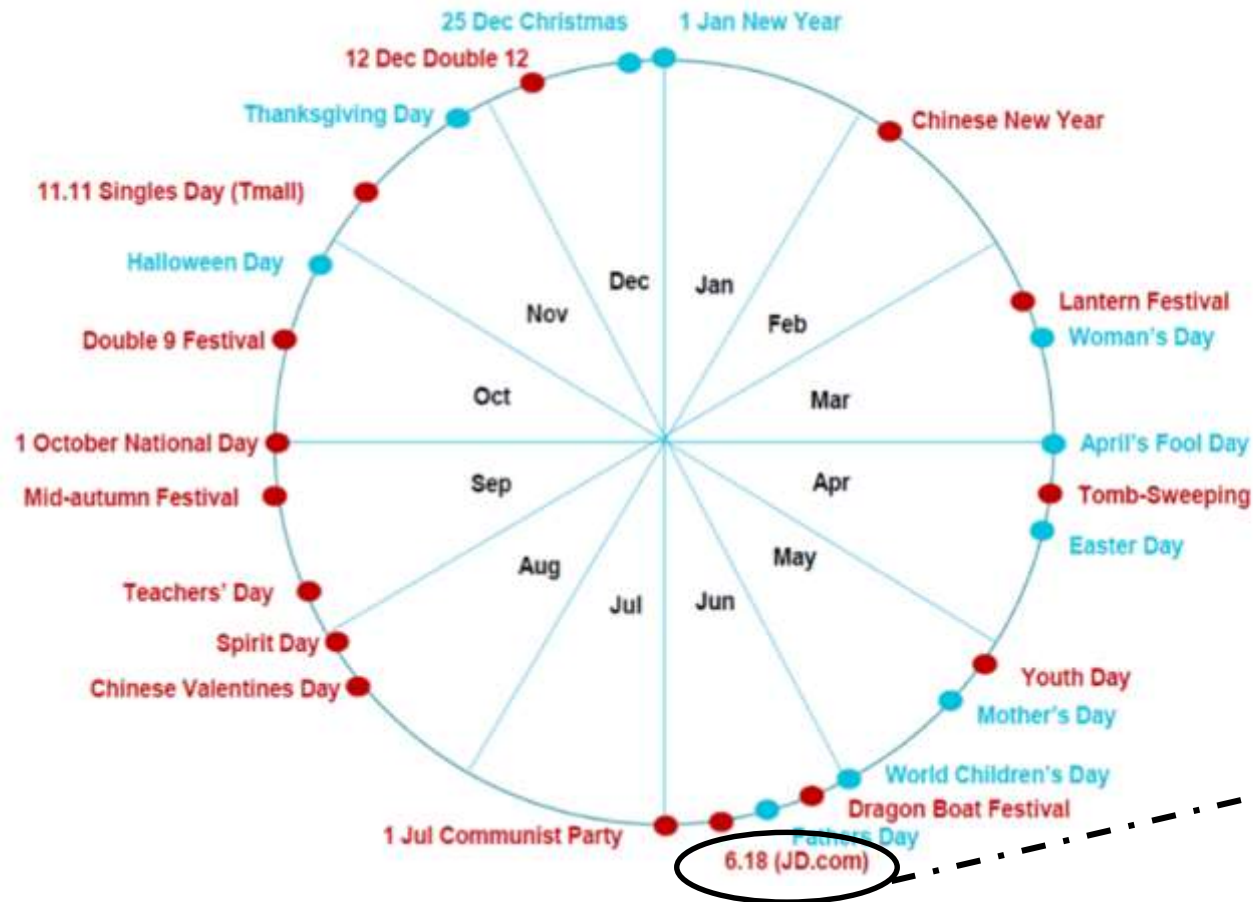
- 2019: **38.4** (+25%)
 - 2018: 30.7 (+27%), 40% Revenue from x-Border
- \$13 Bio. in 1st hour = more than Swiss online retail in 1 year*
544k processed orders/sec

Revenue Amazon 2018 (in Bio. \$)

- Thanksgiving 3.2, Black Friday 6.2, Cyber Monday 7.9
-> total **17.3** (+20%)

SHOPPING FESTIVAL CALENDAR

A MIXTURE OF COMMERCIAL & TRADITIONAL OCCASIONS FOR PURCHASES

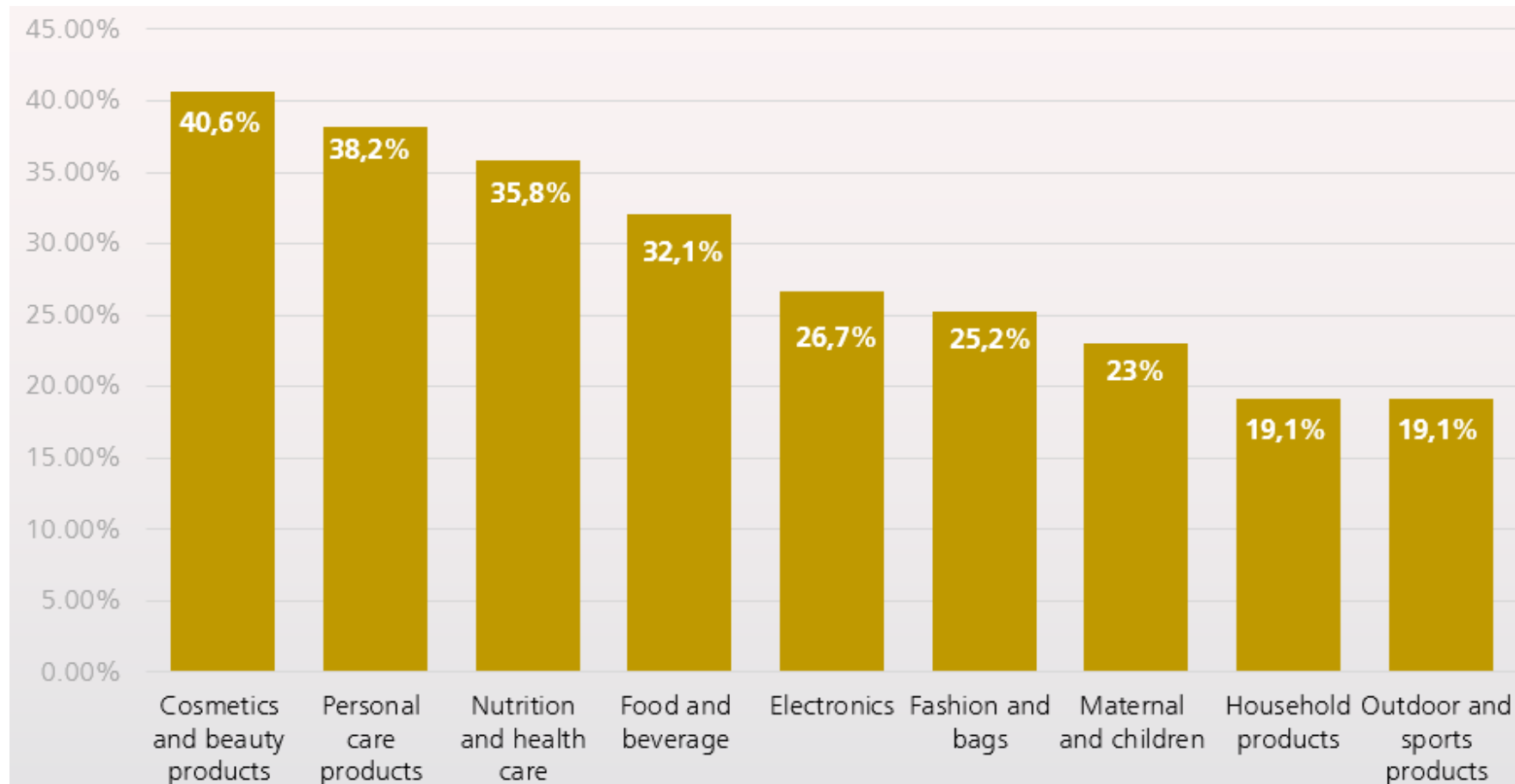


CBEC-expense per capita on 6.18 Shopping Festival 2019



POPULAR CATEGORIES FOR CROSSBORDER E-COMMERCE

HIGH DEMAND GOODS (SO-CALLED “HOT CATEGORIES” 2019)



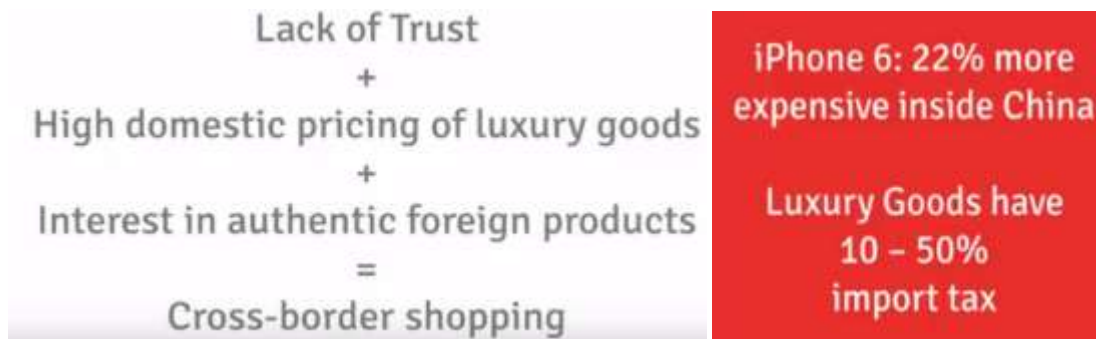
WHY CHINESE BUY CROSS-BORDER...

OR THE MISTRUST IN CHINESE QUALITY FOR CERTAIN GOODS

Chinese buy cross-border;

for the same reasons as other nationalities,
and because e-commerce has no national borders.

There are also other factors such as ...



Chinese buy cross-border;

because they distrust the quality of their own products.

Especially when it comes to food, hygiene and health, they prefer to purchase:

- authentic foreign quality goods
 - imported directly and securely
 - with original packaging
 - offering proof of genuineness
- ... and therefore often accept a premium price

CROSS-BORDER E-COMMERCE VS. TRADITIONAL TRADE

FOR FOREIGN BUSINESSES WITHOUT CHINA BUSINESS LICENCE

Traditional Export (requires intermediary):

1. via own subsidiary, or 2. via trade agent (buys/imports/pays duties/taxes on CIF price of product *before* sales off-/online), or 3. via Chinese manufacturer

- Loss of control (marketing, selling), expensive (risk premium importer/distributor), registration required

+ Advantages: On- *and* offline sales, bulk order, calculable risk

Definition xBorder E-Commerce: Direct import of goods from outside China using special pilot channels (x-borer e-commerce platforms: Tmall, JD, WeChat etc.) based on favorable factors (policy) in selected zones (SEZ)

E-Commerce Export: Overseas business entity (store, partner, producer) imports product

1. to bonded warehouse in CN (B2B2C); customs clearance *after* product ordered & in China

2. Direct delivery to customer (B2C); recipient pays customs duty on product price when ordering

- Frequently changing rules: 5000 RMB limit (since 1.19), "positive list" of approved products, different duties/taxes per product(category), no offline sales

+ Consumer takes the lead, shorter value chain, fewer risks for merchant, often only possibility to sell products unchanged (e.g. Louis Widmer, Weleda), no registration required so far

PREREQUISITES FOR A LISTING ON TMALL.COM / TMALL GLOBAL

天猫国际
TMALL GLOBAL

天猫 TMALL.COM

	Tmall Global - 天猫国际	Tmall - 天猫
Target Consumers	Inside Mainland China	Inside Mainland China
Operations	Inside Mainland China or Abroad	Inside Mainland China
Legal Entity	Outside Mainland China	Inside Mainland China
Corporate Bank Account	Home Country Bank Account	Chinese Bank Account
Warehouse	Outside China (or Bonded Warehouse)	Within China
Trademark	Registered in Any Country	Registered in China
Shipment & Delivery	From Overseas or Bonded Warehouse to Chinese Consumer	Within China to Chinese Consumer

WHY CHINA IS CHALLENGING FOR FOREIGN BRANDS

THE REASONS ARE MULTIFOLD





3 COMPREHENSIVE CROSSBORDER E-COMMERCE SOLUTION: STEP-BY-STEP APPROACH FOR MARKET ENTRY AND MARKET DEVELOPMENT

SIGNIFICANCE OF IMAGE AND AWARENESS

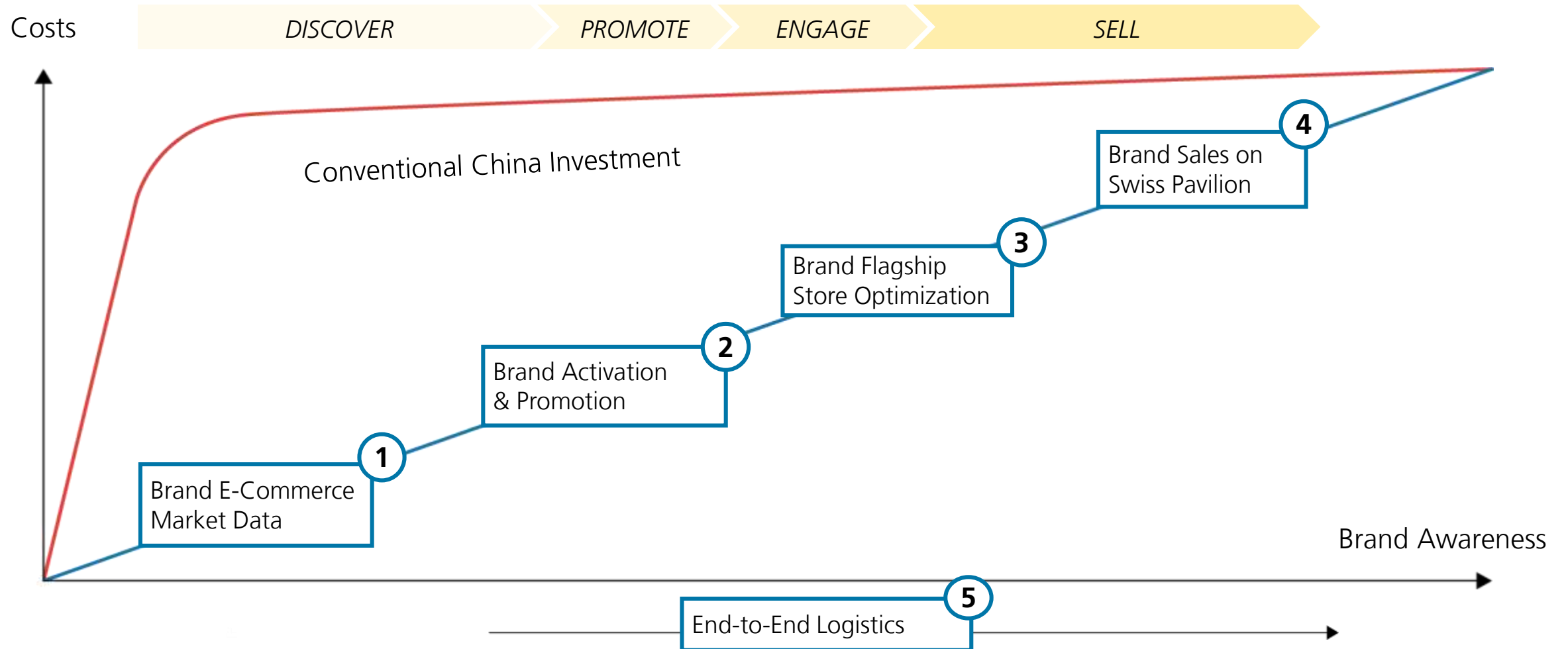
“BRAND” IS IMPORTANT, ACTIVATION OFTEN EXPENSIVE

Approach: use “Swissness” together

- In China, Switzerland stands for **high quality** and trustworthiness
- Swiss brands can benefit from Switzerland's good image in China and “**Swissness**”
- Swiss Post, renowned for its high-quality services, supports Swiss brands in opening up the Chinese market and gaining **visibility** together with other Swiss brands
- From a **logistics** perspective, trustworthiness and safety are key in x-border e-commerce
- Swiss companies have already joined forces to exploit their strength under a “**Swiss umbrella**” (Swiss Pavilion on Tmall and/or WeChat Marketplace by Swisspost)

CHINA MARKET ENTRY

SUCCESSFULLY ENTERING THE CHINESE MARKET THROUGH E-COMMERCE



SOLUTION DESIGN DEPENDING ON THE COMPANY'S SITUATION

DISTINCTION IS MADE BETWEEN SME WITH OR WITHOUT PRESENCE IN CHINA

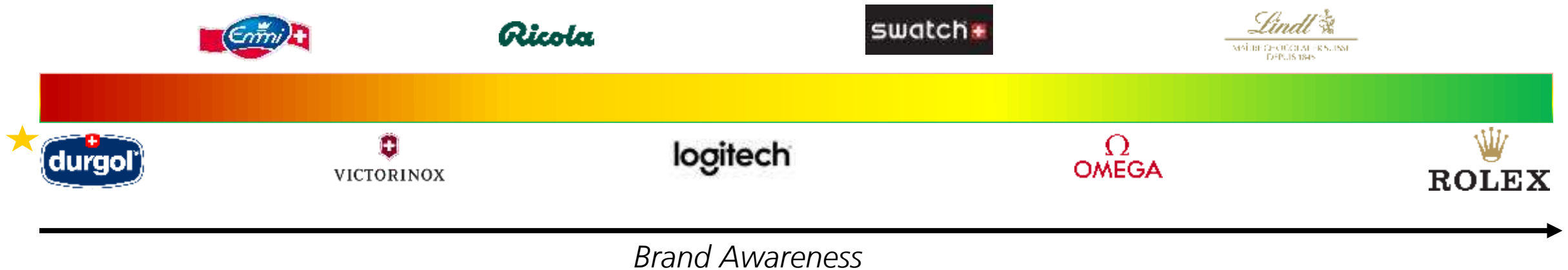
Companies need to clarify in advance:

1. Company expectations (target sales)
2. Today's sales in China (if already present)
3. Budget for market entry / market development
4. Suitable products for cross-border export

BUDGET FOR MARKET ENTRY

EXPECTED INVESTMENTS IN BRAND ACTIVATION, BASED ON (MOSTLY LOW) BRAND AWARENESS

Degree of current awareness and campaign/conversion marketing based on expected **target sales** and **brand awareness** in China



New, unknown Brands:

20 – 12% of target revenue (in first 3-5 years)

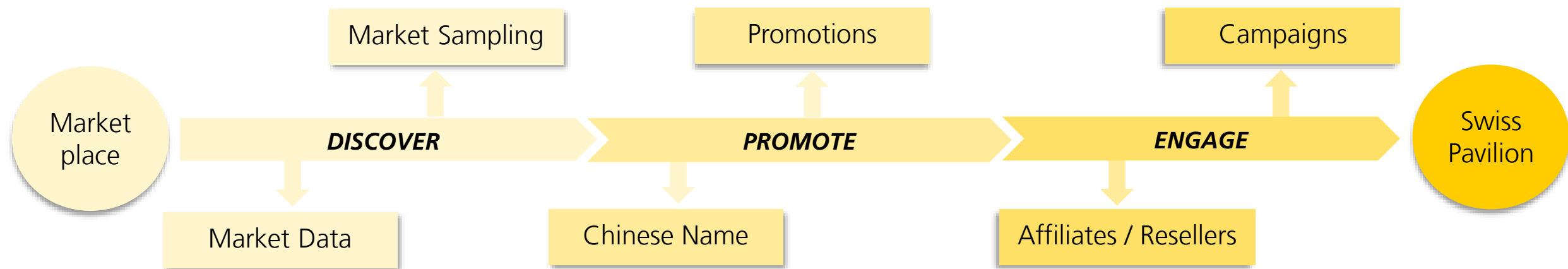
Famous Brands:

12-6% of target revenue

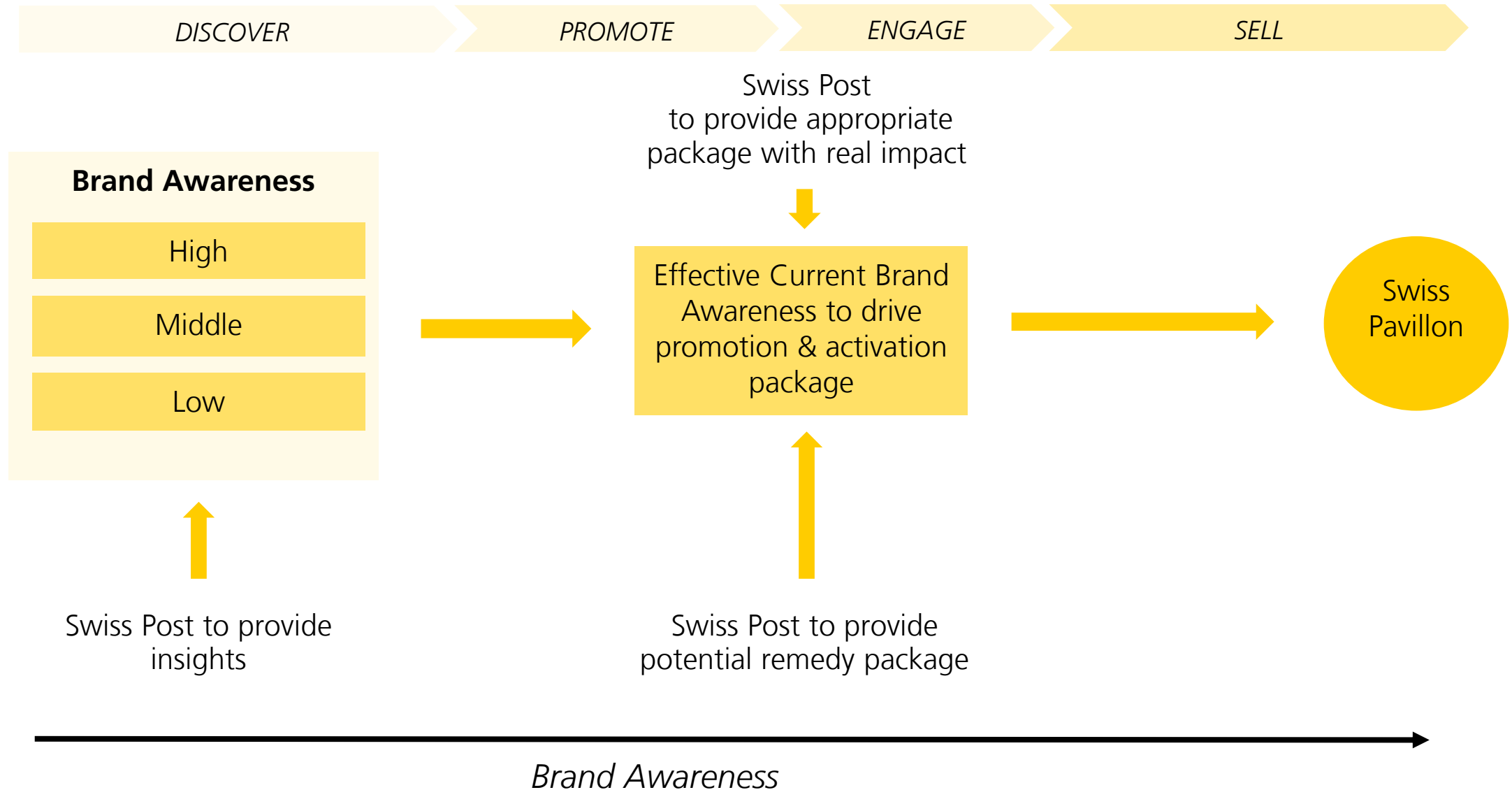


Most Swiss SMEs, regardless of their popularity and awareness in Switzerland, are not well known in China.

1) APPROACH FOR BRANDS *WITHOUT* OWN PRESENCE IN CHINA



2) APPROACH FOR BRANDS *WITH* OWN PRESENCE IN CHINA







4 «YOUR GATEWAY TO CHINA»

MODULES AND SERVICE COMPONENTS

«YOUR GATEWAY TO CHINA» - SERVICE OFFERING

MODULE 1

Marketing Costs



Why?

- Most Swiss SMEs fail
- Step from 0 to 100 is simply too big
- There are already more than 60,000 international brands competing on Chinese marketplaces
- Most SMEs are concerned with the question of whether the Chinese market is an opportunity at all and discussing this highly controversial internally

How?

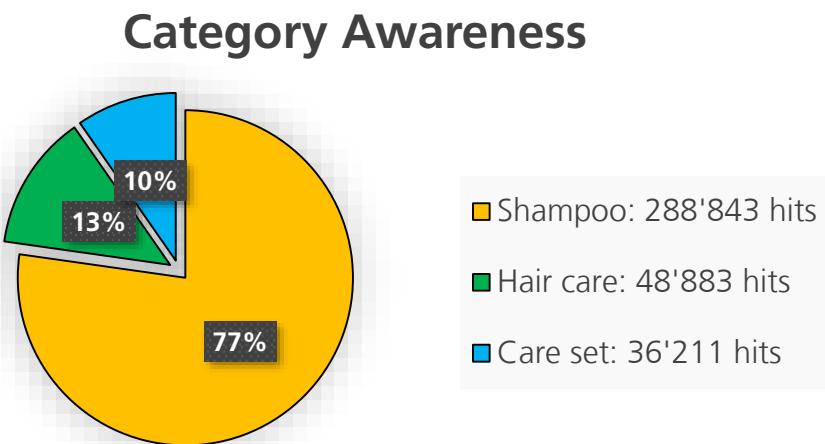
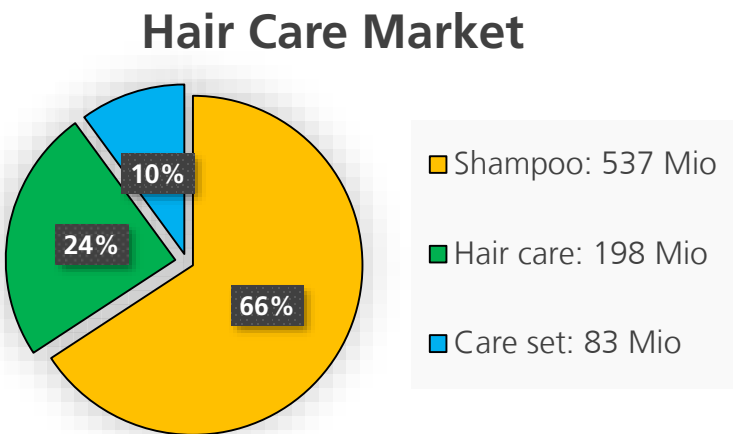
- By determining the exact market potential
- Determining how much of it is addressable
- Determining price points
- Identifying main competitors
- Determining all resulting dues (customs duties and/or value added tax)
- Identifying possible regulatory implications
- Providing outlook and determining exact costs for the next step / module

MODULE 1 – EXAMPLE «MARKET ENTRY DATA GATHERING»

ASSESSING YOUR SPECIFIC INITIAL STARTING POSITION IN CHINA: MARKET

EXAMPLE OF A RECENTLY COMPLETED CHINA MARKET ENTRY DATA GATHERING PROJECT:

- The Shampoo, Hair Care and Care Set category **MARKET** is **CHF 818 Mio** per year
- The Shampoo Category takes the highest market share of 66% and CHF 537 Mio sales, as well as the highest Category Awareness with over 288K searches per year
- The average unit price (AUP) throughout all categories is lower, with relevant positioning for a smaller higher standard addressable market



Category	SKUs	AUP	AUP Brand
Shampoo	424	CHF 14	CHF 48
Hair Care	480	CHF 10	CHF 58
Care Set	292	CHF 28	CHF 169

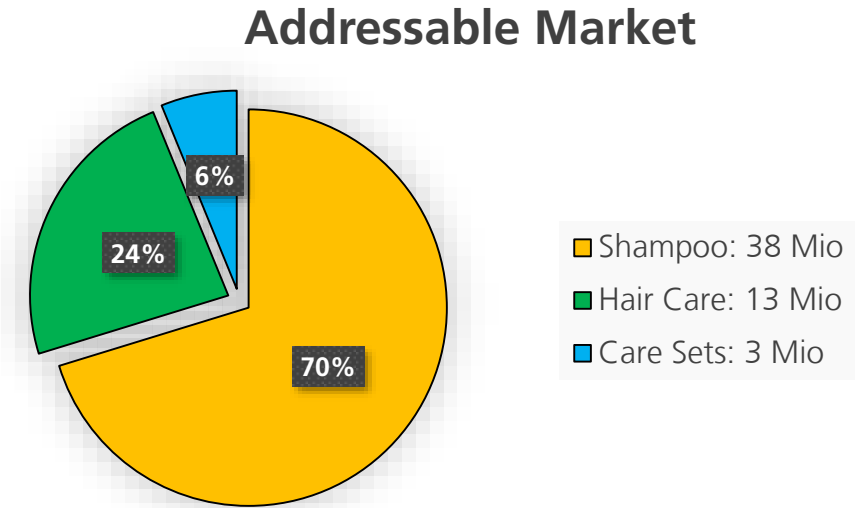
[[Example data sheets for additional information](#)]

MODULE 1 – EXAMPLE «MARKET ENTRY DATA GATHERING»

ASSESSING SPECIFIC INITIAL STARTING POSITION IN CHINA: **ADDRESSABLE** MARKET

EXAMPLE OF A RECENTLY COMPLETED CHINA MARKET ENTRY DATA GATHERING PROJECT:

- The **ADDRESSABLE MARKET** with similar average prices per category represents **7% of the total Hair Care market** with a yearly sales of **CHF 54 Mio**
- A **10% lower AUP** for each product would result in an addressable market of **67 Mio CHF** and 8% of the total market
- Within the addressable Market, the Shampoo category takes the biggest share of 70% and CHF 38 Mio sales per year



MODULE 1 – EXAMPLE «MARKET ENTRY DATA GATHERING»

DERIVING POTENTIAL COMPETITORS CURRENTLY SELLING AT A SIMILAR PRICE RANGE

EXAMPLE OF A RECENTLY COMPLETED CHINA MARKET ENTRY DATA GATHERING PROJECT:

Competitor 1 launched their Tmall store in 2016 and has 120 SKUs, with CHF 8.3 Mio monthly sales. 47% of sales came from their flagship store, 7% from Tmall Supermarkets and 44% from resellers

Tmall Flagship Store

(Tmall Store):	希思黎官方旗舰店 (Competitor 1 official flagship store)
URL:	https://Competitor1.tmall.com/
Seller Account Name	希思黎官方旗舰店
Seller Level:	14
SKU Sales Rate:	99.17%
SKUs:	120
Store Launch:	2016.6.20



Tmall Flagship Store Sales

Store Quick Facts					
Sales Volume Last 30 Days	CHF 8'293'817.20	Transaction Volume In Last 30 Days (Units)	41'421	Average Selling Price	CHF 200.23
Daily Average Sales Volume	CHF 276'460.67	Daily Average Transaction Volume (Units)	1'380	Unsalable Products Last 30 Days	1

Tmall Store Category Sales Analysis

Category	Number of Products	% Total Units Sold	Category Sold (Units)	% Total Sales	Category Sales	% Total Sales	Min Price	Max Price	Ave Price
Facial treatment set	13	10.83%	7'829	18.90%	CHF 2'089'532.26	25.19%	CHF 87.37	CHF 584.68	CHF 264.49
Liquid essence	11	9.17%	884	2.13%	CHF 161'625.00	1.95%	CHF 118.28	CHF 739.25	CHF 316.47
Eye cream	3	2.50%	759	1.83%	CHF 159'981.18	1.93%	CHF 137.10	CHF 212.37	CHF 187.28
Makeup set	2	1.67%	1'119	2.70%	CHF 135'322.58	1.63%	CHF 100.81	CHF 120.97	CHF 110.89
Other hair care	4	3.33%	727	1.76%	CHF 105'012.10	1.27%	CHF 67.20	CHF 190.86	CHF 112.57
Lotion/Toner	5	4.17%	979	2.36%	CHF 102'595.16	1.24%	CHF 60.48	CHF 150.54	CHF 102.96

MODULE 1 – EXAMPLE «MARKET SAMPLING»

GET QUALITATIVE INSIGHTS FROM CHINESE CONSUMERS

EXAMPLE OF A RECENTLY COMPLETED CHINA MARKET SAMPLING PROJECT:

Market Sampling Process:

- 150 Sample Bundles containing one Shampoo, Conditioner and Serum sent to Swiss-affine Chinese female consumers
- Testing period was 1-2 weeks after receiving the samples in order to fill out the questionnaire
- 2 Wechat posts promoting the brand, the brand's Ritual and the sampling program were published
- Direct communication with each sampler informing about the samples and the brand



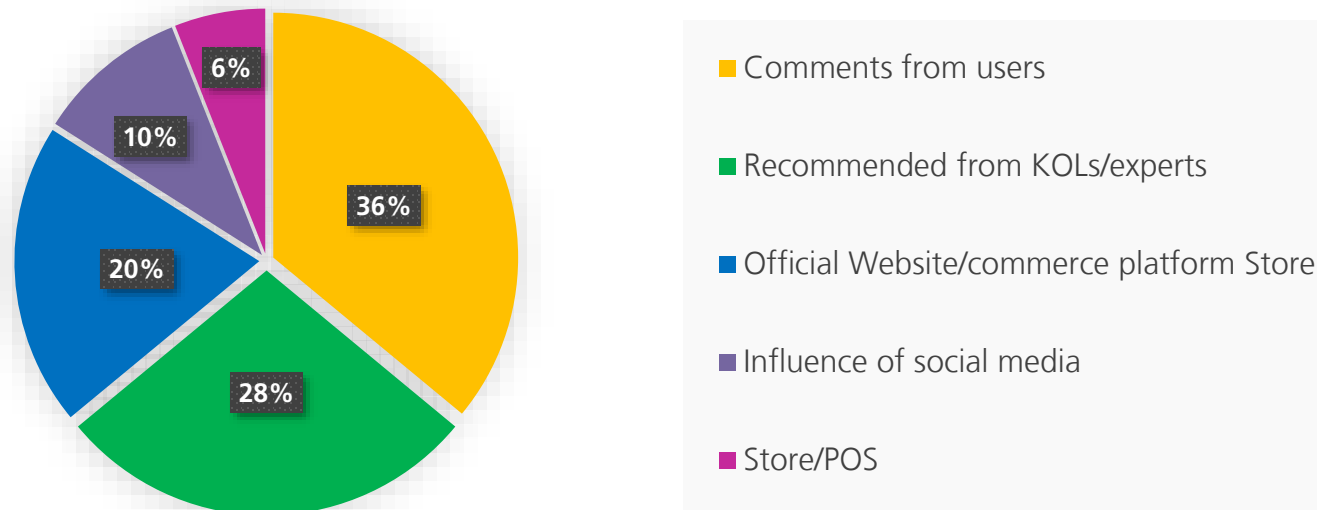
MODULE 1 – EXAMPLE «MARKET SAMPLING»

BUYING FACTORS

EXAMPLE OF A RECENTLY COMPLETED CHINA MARKET SAMPLING PROJECT:

- Recommendation from others are very important and influence over 36%
- 28% trust KOLs/experts, which can be a good channel to push a new brand
- Getting people to try and talk positively about the product performance is a critical strategy for market entry
- Having an offline Store has the least influence on the consumers

What would influence you to buy a hair care product ?



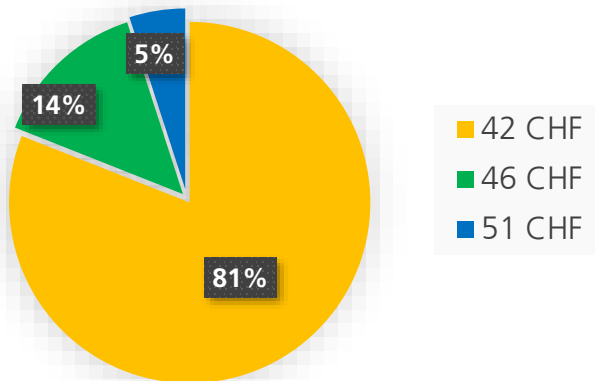
MODULE 1 – EXAMPLE «MARKET SAMPLING»

PRICE POINTS

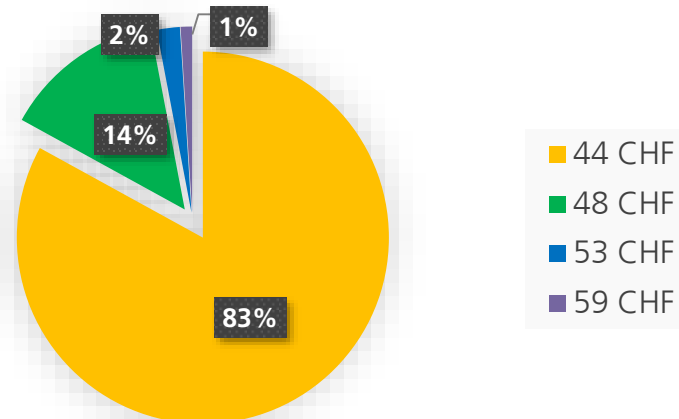
EXAMPLE OF A RECENTLY COMPLETED CHINA MARKET SAMPLING PROJECT:

- Between 14-18% would pay the current prices for each product
- 3-6% would even pay more than the current prices
- Lower prices could be used for Big Festivals and Promotion activities
- Discounts and Promotional prices are normal in China and consumers even expect it
- Different prices are therefore recommended: Normal Prices, Promotion Prices and Big Festival Prices

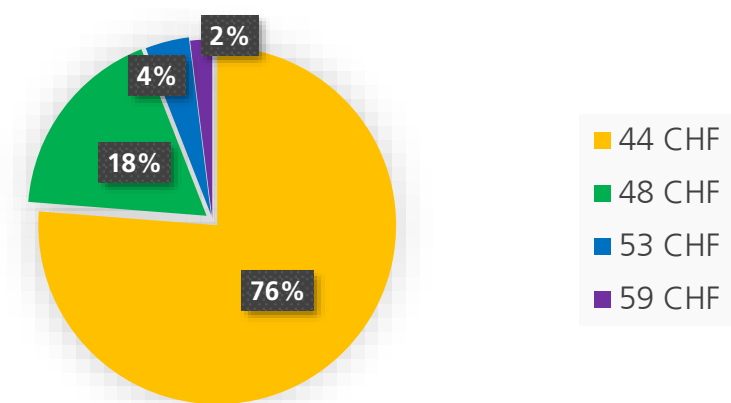
What price would you pay for a Shampoo with 250 ml?



What price would you pay for a Conditioner with 250 ml?



What price would you pay for a Serum with 30 ml?



MODULE 1 – EXAMPLE «SUMMARY OF DATA GATHERING & SAMPLING»

THE BRAND IS WELL POSITIONED IN THE CHINESE MARKET

EXAMPLE OF A RECENTLY COMPLETED CHINA MARKET SAMPLING PROJECT:

- Overall impression of the brand is very high
- Over 90% of the samplers would buy the products again
- Brand's main strengths such as Ingredients, Sustainability and **Young International Brand** are all congruent with the needs of the consumers
- The performance of the product was well received by the samplers, even if the different tastes regarding smell can differ
- Glass bottles and packaging had a positive effect on the sampler
- The brand is perceived as a top high quality brand, positioning itself in the luxury segment
- Price is seen as high, discounts during Big Festival could help promote the brand and push sales
- Chinese name will be important not to confuse the Swiss brand with the existing Toy brand

MODUL 1 – EXAMPLE „MARKET ANALYSIS“

DATABASED ANALYSIS MARKET AWARENESS, COMPETITORS, MARKET POTENTIAL



Kägi China Market Analysis

May, 2019

[See data sheets for additional information]



Kägi



SWISS POST

«YOUR GATEWAY TO CHINA» - SERVICE OFFERING

MODULE 2

2

Brand Activation
& Promotion

Why?

- No market is as fiercely contested as the Chinese market
- Swiss SMEs and their products are mostly unknown on this market
- Simply placing products on Tmall and/or JD is not sufficient to guarantee commercial success
- Investments already made in other known channels like Facebook, Google, YouTube, Instagram etc. are useless in China because they are not available

How?

- Defining a limited number of products (e.g. 5 SKUs) for brand activation and promotion
- Thereby automatically participating in all planned, regular sales promotions in order to be able to share resulting costs with all other participating Swiss SMEs
- Participating in KOC/KOL campaigns crucial to commercial success in China
- Participating in "affiliate" programs for the development of an additional distribution channel with proven multiplication effect
- Using additional or individualized activation and promotion measures

"YOUR GATEWAY TO CHINA"

COMPREHENSIVE SOLUTION FOR MARKET ENTRY IN CHINA FOR SWISS SMES

WHY ENTER THE CHINESE MARKET WITH SWISSPOST?

- China has the most intensive online market worldwide with >70 packages/capita (Switzerland 9 packages/capita)
- A large number of Swiss SMEs have promising products that convey "Swissness" with great market potential in China

CHALLENGE

- A high-performing online presence is essential in order to participate in this market
- Swiss companies have little or no market competence in the Asian market

SOLUTION BY SWISSPOST

- An **all-round solution** from preparatory analyses, market entry, brand development and online sales including logistics services from Switzerland to end customer China
- Further information is available at www.swisspost.ch/china

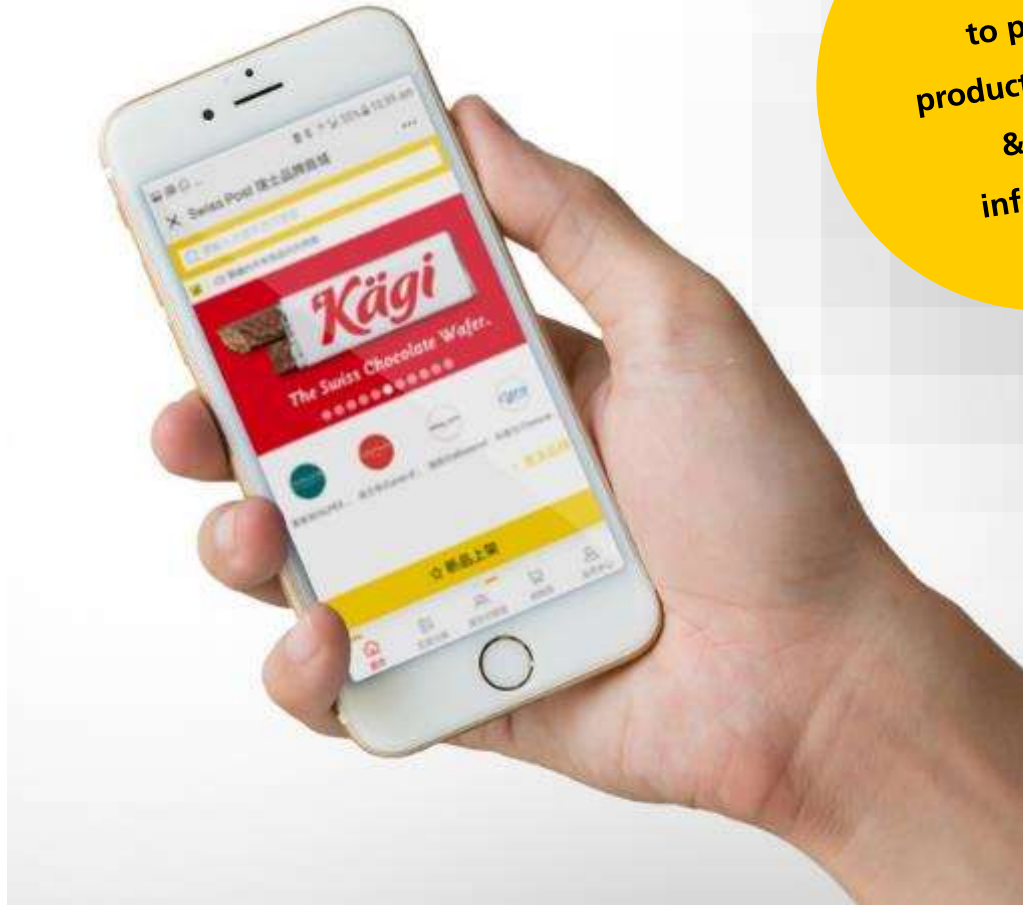
"YOUR GATEWAY TO CHINA"

PROMOTION PLATFORM AND MARKETPLACE

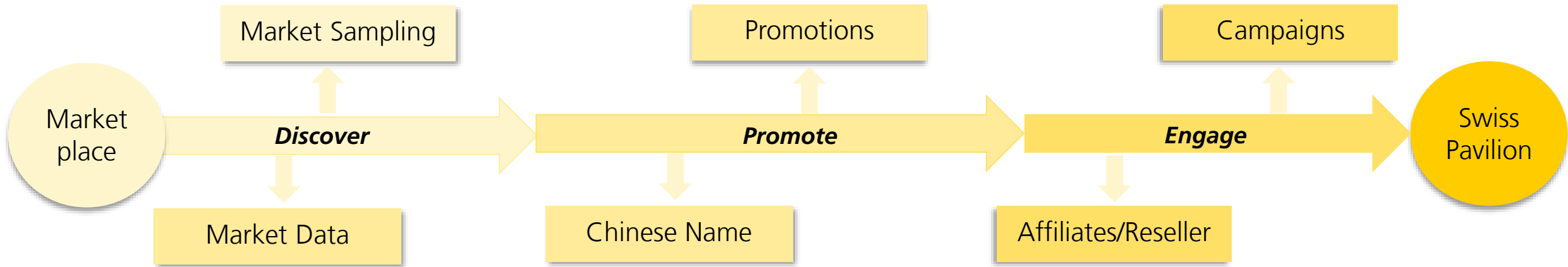
Brands only need
to provide
products, product-
& brand
information

SIMPLE AND FAST PRODUCT LISTING ON THE MARKETPLACE

- Store set-up & rental
- Translation of brand and product information
- Chinese Customer Service
- Payment services for Alipay & Wepay
- Warehousing in Hong Kong



BRANDS *WITHOUT* OWN PRESENCE



Marketplace: Listing on WeChat platform for activation, promotion and product presentation.

Market Entry Data Gathering: Definition of Price Points, Analysis and Monitoring of Distributor/Competitor/Price, Development of Brand Awareness.

Market Sampling: Genuine market feedback on attractiveness, target customer group and sales potential through active testing with product samples using a comprehensive Chinese test customer base.

Chinese name: Development of a Chinese brand name to exploit the promotion and sales potential or brand registration. Simultaneous clarification of potentially already sought-after brand names and their distribution.

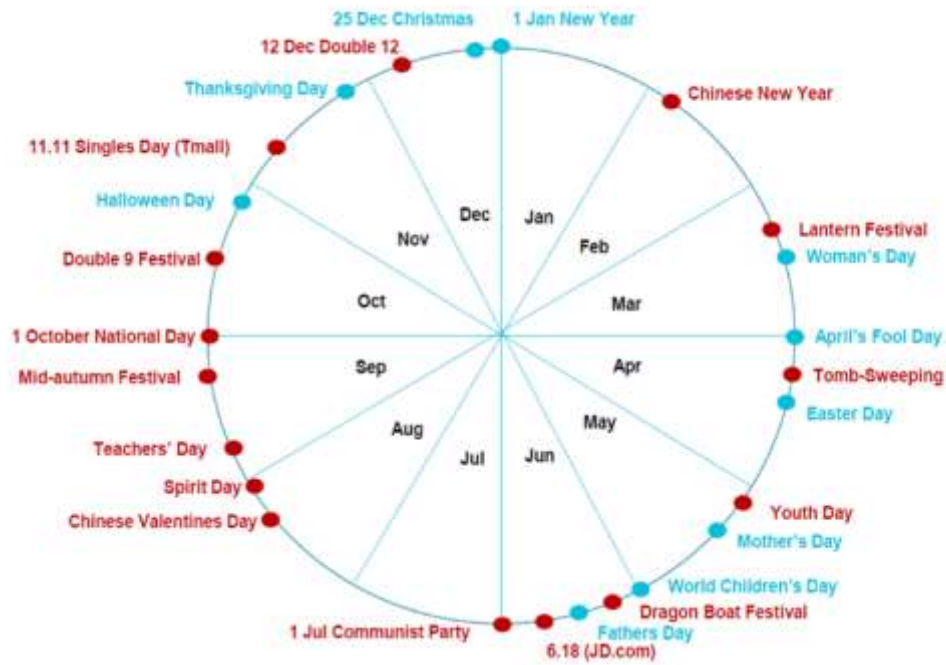
Promotions: First promotions and presentation of the brand and its products on the Swiss Post WeChat channel. Chinese customers come into contact with the brand and can express their initial interest. Awareness is thus increased step by step.

Affiliates/Resellers: Potential resellers are identified and contacted to market and sell the brand through their own channel. The resellers receive 20-30% of the sales price as commission on sales.

Campaigns: The brand is prominently displayed and promoted in wide ranging campaigns by Swiss Post, e.g. during major shopping festivals such as "Singles Day" (Double 11), "Double 12" or "6.18".

PROMOTION PLATFORM AND MARKETPLACE

IMPORTANT CONSIDERATIONS TO BE INCLUDED



Tax Code	Category	Range	Tax Rate
01000000	Food, Drink, Medicine	Food: dairy products, sugar, condiments, ginseng, red ginseng, milk powder and other health products, supplements, tonic etc.	15%
		Drink: mineral water, soda, coffee, tea, other soft drink.	
		Medicine: including Chinese medicine wine, etc.	3%
		The State provides for the reduction of the anti-cancer drugs of the value-added tax on the import link by 3% (remark 1)	

Top 100 Fastest Growing Categories											
1	Decorative Stickers	+670%	26	Crabs & Prawns	+186%	51	Women's Clothing & Accessories	+129%	76	Women's Clothing & Accessories	+102%
2	Small Appliances	+652%	27	Books	+184%	52	Antiques	+126%	77	Books	+101%
3	Coats & Jackets	+535%	28	Health Appliances	+182%	53	Cutlery	+125%	78	Spices & Seasonings	+100%
4	Shoes	+497%	29	Perfumes	+179%	54	Children's Clothing & Accessories	+125%	79	Handbags	+99%
5	Tea, Coffee & Juice	+386%	30	Computer Hardware	+172%	55	Shoes	+125%	80	Apparel	+99%
6	Packaged Snacks	+377%	31	Home Appliances	+170%	56	Showering Caps	+122%	81	Cosmetics	+98%
7	Floral Decor	+320%	32	Crystal	+160%	57	Cold Fruit & Salads	+120%	82	Apparel	+97%
8	Wine	+307%	33	Butter & Seed Butter	+163%	58	Shrimp & Prawn	+118%	83	Shrimp & Prawn	+97%
9	Women's Clothing	+279%	34	Apparel	+162%	59	Cold Fruit & Salads	+117%	84	Children's Clothing	+97%
10	Children's Clothing	+275%	35	Food & Snacks	+162%	60	Shrimp & Prawn	+116%	85	Tea & Coffee	+95%
11	Apparel	+264%	36	Home Appliances	+162%	61	Tea & Coffee	+116%	86	Shrimp & Prawn	+95%
12	Tea, Coffee & Juice	+262%	37	Refrigerators	+160%	62	Shrimp & Prawn	+116%	87	Apparel	+91%
13	Tea	+249%	38	Baking Mixes	+160%	63	Shrimp & Prawn	+115%	88	Apparel	+90%
14	Apparel	+238%	39	Tea, Coffee & Juice	+160%	64	Shrimp & Prawn	+115%	89	Apparel	+90%
15	Apparel	+238%	40	Apparel	+159%	65	Shrimp & Prawn	+115%	90	Apparel	+89%
16	Apparel	+235%	41	Shrimp & Prawn	+154%	66	Shrimp & Prawn	+114%	91	Apparel	+86%
17	Apparel	+232%	42	Apparel	+154%	67	Shrimp & Prawn	+114%	92	Apparel	+84%
18	Apparel	+215%	43	Apparel	+153%	68	Shrimp & Prawn	+113%	93	Apparel	+84%
19	Apparel	+214%	44	Apparel	+153%	69	Shrimp & Prawn	+111%	94	Apparel	+82%
20	Apparel	+210%	45	Apparel	+147%	70	Shrimp & Prawn	+108%	95	Apparel	+89%
21	Apparel	+200%	46	Apparel	+144%	71	Shrimp & Prawn	+108%	96	Apparel	+82%
22	Apparel	+195%	47	Apparel	+141%	72	Shrimp & Prawn	+105%	97	Apparel	+82%
23	Apparel	+194%	48	Apparel	+136%	73	Shrimp & Prawn	+104%	98	Apparel	+80%
24	Apparel	+190%	49	Apparel	+135%	74	Shrimp & Prawn	+104%	99	Apparel	+79%
25	Apparel	+187%	50	Apparel	+130%	75	Shrimp & Prawn	+103%	100	Apparel	+69%

PROMOTIONS

DIFFERENT CHANNELS / SOCIAL MEDIA

Wechat

肌肤表面形成一层防护膜，有效隔离紫外线和尘埃杂质，是夏日必不可少的护肤装备。

补水保湿+妆前打底+隔离防晒，三效合一，简直就是护肤神器。



Weibo

SwissPost
07-28 来自 微博 weibo.com

从瑞士到中国，TOI漂洋过海来见你，为你献上宛若置身瑞士阿尔卑斯山脉的至臻美发奢护之旅！这个夏天有TOI相伴，让您从头拥有如瑞士纯净天堂般清爽、润泽的美丽秀发！尽情散发独一无二的秀发魅力！TOI臻献❤🇨🇳



夏日已至，不想出门也想体会到恋爱般甜蜜生活！瑞士国民零食Kägi卡奇就是#618必囤好物#。就像恋人的亲吻浪漫地融于口中，再细心倾听松脆华夫演奏曲子，美好而不腻的Kägi卡奇特推8包量贩装（牛奶/黑巧*2包，榛子/巧克力*2包，125g/包），给你前所未有的5折优惠，一起来甜蜜一夏吧！快点击链接，买它买它...全文



Little Red Book

11:51 小红书

ARTEMIS OF SWITZERLAND 已关注



Artemis 深层保湿精华

ARTEMIS 深层锁水保湿系列

- 凝聚天然补水能量，长效沁润，畅漾水活力
- 触肤即融的质感贴合肌肤，瞬透吸收，焕亮赋活

Artemis 深层锁水保湿系列

保湿新维度

HydrocalminCompound®：ARTEMIS独家配方由精心匹配的原料和配合物组成，可在相互作用中产生最佳效果。萃取雪绒花精华，燕麦提取物，高山亚麻提纯物和高科技活性保湿物质，有助于以可持续的方式保持水分，强效抵御负面环境影响，缓解和加强皮肤对内部和外部压力因素的屏障。

说点什么... 18 1 评论

SWISS POST MARKETPLACE PROMOTIONS

EXAMPLE SHOPPING FESTIVALS

Chines Valentines Day

七夕闪耀女王专属礼盒 **315 元**

瑞肤宝 水活性保湿乳液
爱普诗 比利时精选巧克力礼盒装



七夕宠爱公主专属礼盒 **295 元**

KT HOME 小号卸妆手套 (三支装)
爱普诗 比利时精选巧克力礼盒装

618 Mid-Summer Promotion

最后的大招——Louis Widmer瑞肤宝
多款商品享8折

明星产品

01- 紧致抗老眼霜

既是眼霜，也是治愈霜。面霜。除纹抗氧化、补水保湿。去疤一步搞定。

含量：30ml 原价：293
折后价：235

02- 水活性保湿乳液：

UV30防晒紫外线；
补水保湿、妆前打底、抗氧化三效合一；

含量：50ml 原价：256
折后价：204

等等，真的有这么神奇吗？不信你就来试试吧~

Marketplace Relaunch

04

班霍夫大街
地点：苏黎世

既然来到苏黎世，当然不能错过买买买的天堂班霍夫大街了。这里汇集了来自世界各地的奢侈大牌、高级餐厅和酒店，还有不少瑞士的顶级私人银行也都聚集于此，是欧洲最长的，同时也是最贵的一条购物大道。

苏黎世州
Louis Widmer

瑞肤宝位于苏黎世州的施利伦，这个诞生于1960年的经典护肤品牌，不仅产品线丰富，而且都是针对敏感肌，几十年来一直深受瑞士当地人们的喜爱。

SWISS POST MARKETPLACE PROMOTIONS

EXAMPLE SHOPPING FESTIVALS



- Shopping Festivals
 - ☒ «35% Off» 8er Big Bundle offer
 - ☐ No "buy one, get one free"
 - ☐ No "single bag" promotions
- Affiliates
 - ☒ Use sales performance tracking previously implemented
- Rabattcoupon
 - ☒ Use Rabattcoupon Tracking previously implemented
- Weibo Fensitong Ads
 - ☒ Use Ads Tracking previously implemented
- Baidu Infeed Ads
 - ☒ Use Ads Tracking previously implemented

«YOUR GATEWAY TO CHINA» - SERVICE OFFERING

MODULE 3

Brand Flagship Store Optimization

3

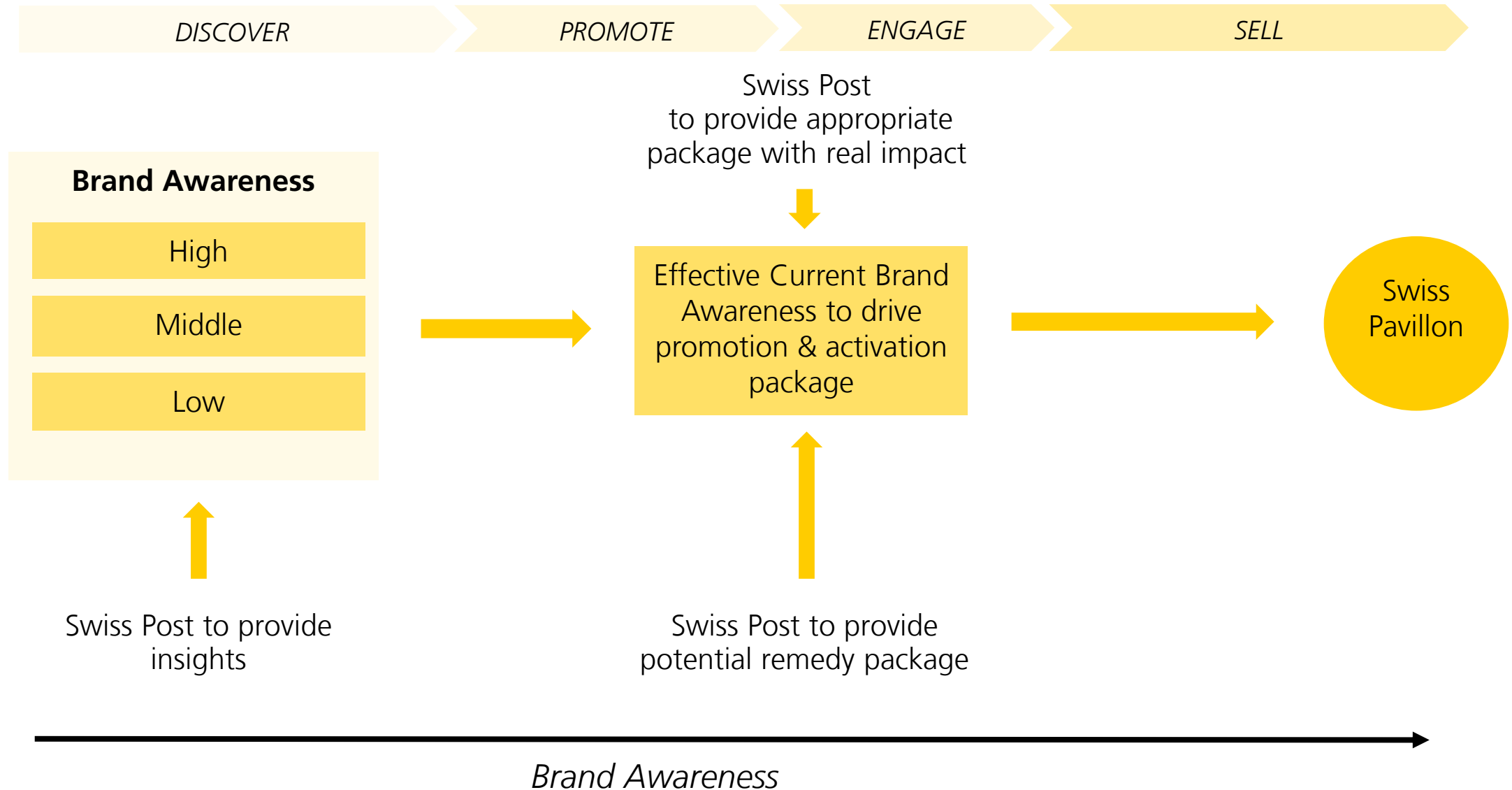
Why?

- An acceptable performance is a particularly big challenge in China and is anything but a surefire success
- Marketplace operators such as Alibaba are unwilling to accept modest revenues over a longer period of time -> experience has shown that revenue must be at least be RMB 2 million per year (CHF 30K per month)
- Swiss SMEs can use this module to learn from the best, benefiting from mistakes usually done, optimizing their current performance or changing their strategic focus

How?

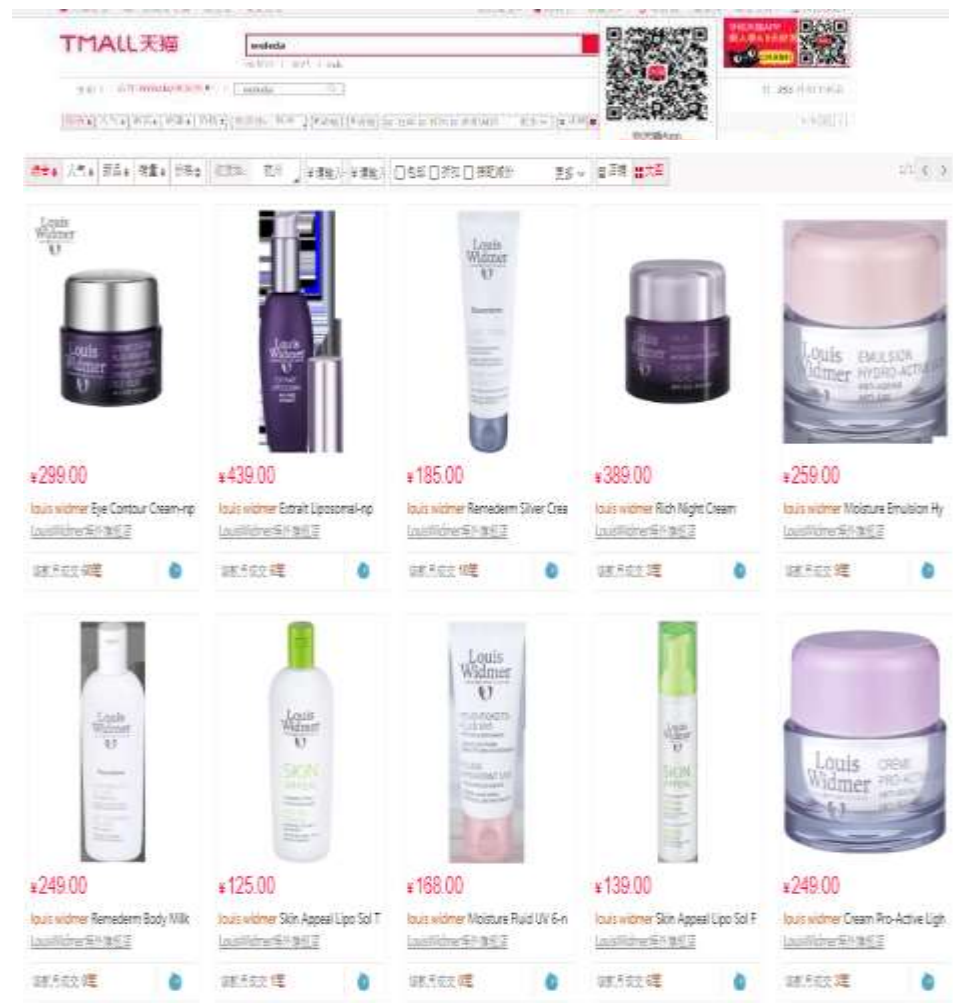
- Re-assessing the entire store concept
- Auditing the current on-site service provider (TP) or main competitors
- KPI benchmarking
- Surveying market share development over the past months
- Surveying effectiveness of all promotions over the past months

2) APPROACH FOR BRANDS *WITH OWN PRESENCE IN CHINA*



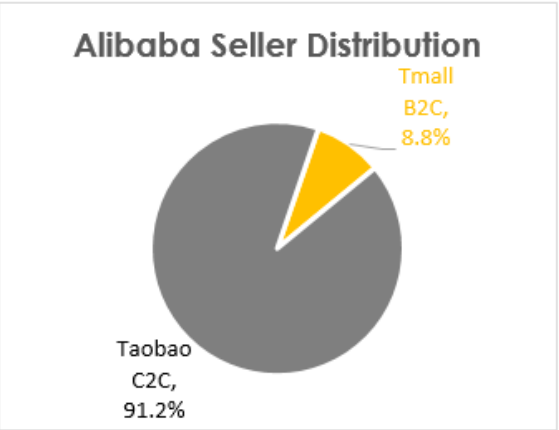
MODUL 3 - EXAMPLE «DATA-INSIGHTS»

BUSINESS INTELLIGENCE AS ONE-OFF OR SUBSCRIPTION



*images for illustrative purposes only

Tmall Store:	official Flagship Store
URL:	https://tmall.hk/
Seller Account:	官方海外旗舰店
Seller Level:	14
SKUs:	95
Saleable Rate:	91.6%
Location:	Hong Kong
Launch Date:	2014-12-26
Data Period:	30 days to: yyyy-00-dd



Summary

Parameter	Value	CHF
Tmall Flagship Store (Y/N)	Y	
Number of Stores Selling	171	
Average Unit Price (RMB)	¥82.9	CHF 11.30
30 Day Volume (Units)	11962	
30 Day Sales (RMB)	¥991'220.0	CHF 135'228

Alibaba Seller Distribution

Platforms	Number of Stores	% Breakdown
Tmall B2C	15	8.8%
Taobao C2C	156	91.2%

MODULE 3 – EXAMPLE „STORE OPTIMISATION“

Louis Widmer China eCommerce Optimization

May, 2019

[See data sheets for additional information]



SWISS POST

«YOUR GATEWAY TO CHINA» - SERVICE OFFERING

MODULE 4

4

Brand Sales on
Swiss Pavilion

Why?

- Swisspost operates the Swiss Pavilion on Tmall together with Alibaba since its successful launch at CIE in Shanghai (November 2018)
- Swisspost contributed 8 out of the 16 Swiss brands currently listed
- Brands benefit from increased visibility, specific campaigns, higher sales
- Brands benefit from Alibaba's land-based promotions and sales promotions (eg. 11.11, which was marked by country promotions for the first time in 2018 and did not only emphasize categories as in previous years)

How?

- The goal of Your Gateway to China is to make Swiss SMEs so successful that they can be included in the Swiss Pavilion
- In the end, the modules aim at this final result

MODUL 4 – „SWISS PAVILION“



MODUL 4 – SWISS PAVILION

LINKING FLAGSHIPSTORE FOR MORE VISIBILITY, CAMPAIGNS AND RETURN

- All brands show double digit growth since being listed on the Swiss Pavilion on Nov 2018
- All brands grew significantly above market average
- All categories achieved sustainable growth

Category	Flagship Store	Sales in CHF		Sales in CHF			12 month change	
		Nov 18		Nov 19	Jun 20	Average sales growth		
Watches	[hidden]	1'998'528		7'952'726	7'872'046	5'941'100	279%	298%
	[hidden]	-		4'962'118	5'287'310	3'416'476		-
	[hidden]	299'166		746'985	553'070	533'074		150%
	[hidden]	-		13'498	428'582	147'360		-
Health & beauty	[hidden]	737'091		2'275'913	702'884	1'238'629	86%	209%
	[hidden]	396'183		582'599	319'536	432'772		47%
	[hidden]	36'870		125'575	31'458	64'634		241%
Air filter	[hidden]	1'261'128		2'213'955	794'990	1'423'358		76%
Pencils	[hidden]	321		3'394	11'270	4'995		958%
Many	[hidden]	995'297		1'242'306	5'102'790	2'446'798		25%
Breastpump	[hidden]	3'152'919		5'778'077	4'622'730	4'517'908		83%
Aggregate:		8'877'502		25'897'146	25'726'666	20'167'105		192%
Like for Like:		8'877'502		20'921'530	20'010'774	16'603'269		136%

«YOUR GATEWAY TO CHINA» - SERVICE OFFERING

MODULE 5

End-to-End Logistics

5

- With order values of more than CHF 100, a direct shipment from Switzerland can easily be financed
- Transport costs are weight dependent. On average, they amount to CHF 10 from the Swiss SME to the final recipient in China using a forward stock of the products in HK
- This includes all sub-steps such as pick-up, Swiss export, international consolidated air transportation, deconsolidation and import in HK as well as Chinese import and final delivery in China
- All services are provided directly by Swiss Post or one of its joint ventures companies such as TNT/FedEx or Asendia
- Order values below CHF 100, as well as promotional items in general, can be commissioned and shipped directly from HK
- In the same way, international in-feed points for Cainiao (Alibaba) and JD Logistics for example are supported
- For particularly high value goods in excess of CHF 5000, individual warehousing / bonded warehouse solutions are being suggested

MODUL 5 - END-TO-END LOGISTICS

DIFFERENT SHIPPING MODELS



	Postal Channel	Direct Shipping	B2C Model	Bonded Warehouse
Tax	15%, 25%, 50%	15%, 25%, 50%	70% of VAT + Consumption Tax	70% of VAT + Consumption Tax
Threshold	50	50	0	0
ID Verification	Not requested	ID photo	Via payment method	Via payment method
Products	Not in negative list	Not in negative list	Must be in the positive list	Must be in the positive list
Transit Time	4-10 days	7-14 Days	7-14 Days	4-8 Day
Postage	Highest	Middle	Low	Low
Order Value	< ¥ 1000 / CHF 135	< ¥ 1000 / CHF 135	< ¥ 5000 / CHF 670	< ¥ 5000 / CHF 670

MODUL 5 - END-TO-END LOGISTICS

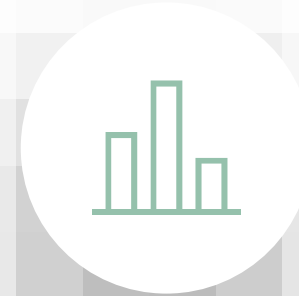
OPTIMISED DELIVERY COSTS, CUSTOMS AND DUTIES



**Swiss Post
Calculations**



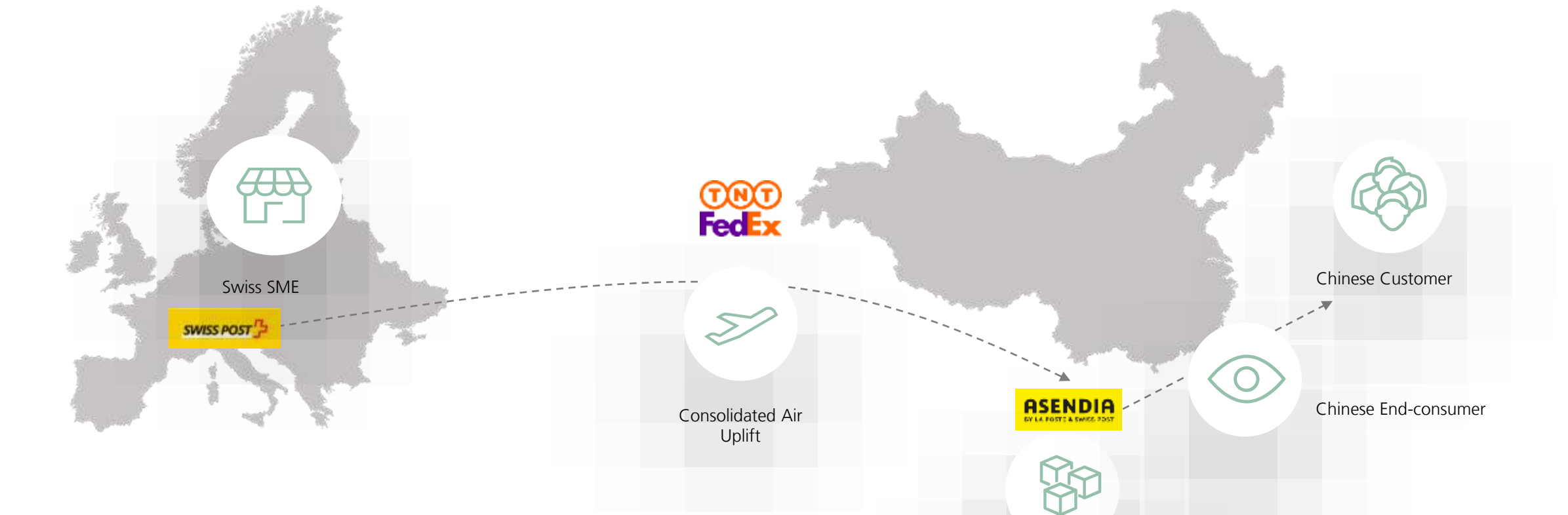
**Optimised Shipping
Process & Costs**



**Optimised Customs
Taxes & Dues**

MODULE 5 - END-TO-END LOGISTICS

FORWARD STOCK



Crossborder Shipping Model	Tax Code	Category	Type of Tax	Tax Exemption	Customs Requirement
Postal Clearance	09000000	Cosmetics, Toiletries	Personal Postal Articles Tax	Tax Waived if Amount Below	ID Authentication
		Protective articles: cleaning products, stationery, hair care products and other care products	20% or 50%	RMB 50	Supply China Customs with ID Number of Chinese Customer

MODULE 5 - END-TO-END LOGISTICS

REGULATORY IMPLICATIONS AND “SHIPPING TO REVENUE” TARGET

	Products	ml / kg	Market Place	1 x	2 x	3 x
	HYDRATING SHAMPOO	0.353 kg	CHF 46.00	0.353 kg	0.706 kg	1.059 kg
	HYDRATING CONDITIONER	0.338 kg	CHF 48.00	0.338 kg	0.676 kg	1.014 kg
	LUSTERIZING HAIR BEAUTY SERUM 30ML	0.215 kg	CHF 48.00	0.215 kg	0.430 kg	0.645 kg
	INTENSIVE HAIR MASK	0.561 kg	CHF 79.00	0.561 kg	1.122 kg	1.683 kg

#	Weight	Gross Revenue	Shipping	% Shipping	Duties	% Duties	Net Revenue	% (Duties + Shipping)
1	0.400 kg	CHF 46.00	CHF 8.50	18.5%	CHF 0.00	0.0%	CHF 37.50	18.5%
2	0.800 kg	CHF 92.00	CHF 10.50	11.4%	CHF 12.88	14.0%	CHF 68.62	25.4%
3	1.100 kg	CHF 138.00	CHF 12.00	8.7%	CHF 19.32	14.0%	CHF 106.68	22.7%
1	0.400 kg	CHF 48.00	CHF 8.50	17.7%	CHF 0.00	0.0%	CHF 39.50	17.7%
2	0.700 kg	CHF 96.00	CHF 10.00	10.4%	CHF 13.44	14.0%	CHF 72.56	24.4%
3	1.100 kg	CHF 144.00	CHF 12.00	8.3%	CHF 20.16	14.0%	CHF 111.84	22.3%
1	0.300 kg	CHF 48.00	CHF 8.00	16.7%	CHF 0.00	0.0%	CHF 40.00	16.7%
2	0.500 kg	CHF 96.00	CHF 9.00	9.4%	CHF 13.44	14.0%	CHF 73.56	23.4%
3	0.700 kg	CHF 144.00	CHF 10.00	6.9%	CHF 20.16	14.0%	CHF 113.84	20.9%
1	0.600 kg	CHF 79.00	CHF 9.50	12.0%	CHF 11.06	14.0%	CHF 58.44	26.0%
2	1.200 kg	CHF 158.00	CHF 12.50	7.9%	CHF 22.12	14.0%	CHF 123.38	21.9%
3	1.700 kg	CHF 237.00	CHF 15.00	6.3%	CHF 33.18	14.0%	CHF 188.82	20.3%

- The brand achieves the 20% shipping to revenue target
- The Customs Declared Value is 20-30% lower than the actual Marketplace Price
- No duties occur for 4 out of 5 SKUs when shipped as single parcel, as resulting duties are below the 50RMB threshold and waived
- The Goal of under 20% Shipping to Revenue Ratio is achieved for all SKUs with the current pricing
- The brand's Logistics Sweet Spot is at 1.7 Kg

MODULE 5 - END-TO-END LOGISTICS

ADVANTAGES OF THE SWISSPOST MODEL AND CROSS-BORDER «DIRECT MAIL»

The Swisspost B2C solution combines the advantages of Direct Mail & Bonded Warehouse thanks to a forward stock in Hongkong (authenticity & swissness, shorter lead time)

- Authenticity, Swissness
- Credibility thanks to original packaging
- No Licence or Registration required
- Secure thanks to transport by Swisspost
- Defend higher product price
- Optimize Time to Consumer



**“IN EUROPE, EVERYTHING IS EASY,
BUT NOTHING IS POSSIBLE.”**

**“IN CHINA, EVERYTHING IS
DIFFICULT, BUT NOTHING IS
IMPOSSIBLE.”**

FURTEHR INFORMATION



为你带来高品质的瑞士产品

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WeChat

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www.swisspostchina.com.cn



Swiss Pavilion 瑞士馆

SWISS POST 

**THANKS FOR YOUR
TIME AND ATTENTION**



«YOUR GATEWAY TO CHINA» - DELIVERING SWISS CULTURE

ANNA KAEMPFER
DEPUTY HEAD OF POSTLOGISTICS INTERNATIONAL
25TH SEPTEMBER 2020

SWISS POST 