

SELLING TO CHINA THROUGH CROSS-BORDER E-COMMERCE

A HANDY GUIDE FOR BUSINESSES 2019



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**A HANDY GUIDE FOR
BUSINESSES 2020**

by Ashley Galina Dudarenok

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- Presenter of the world's top 2-day Chinese digital marketing training program for entrepreneurs and teams
- Keynote speaker on topics related to modern Chinese consumers, digital marketing and New Retail
- Custom-made corporate trainings
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- Social media video masterclasses: A certificate course you can take at home giving you the latest insights and tools to advance your marketing career
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- Specialists in China digital marketing strategy development
- Chinese social media marketing project execution

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Introduction

China is a huge market with great potential. It's unique, sophisticated, hyper-competitive and it's not easy to succeed. Despite the challenges, international brands of all kinds are eager to get access to over 1.4 billion Chinese consumers.

If you've decided that it's time for your company to take its next big step and dive in, the good news is that it's not necessary to set up shop in China to sell your products there. E-commerce is a way of life in China and by the end of 2019, e-commerce sales are forecast by some to expand 27.3%, reaching \$1.935 trillion USD. This represents 36.6% of total retail sales in the country.

Cross-border e-commerce can blur geographical borders so we've created this mini-book to help marketers better understand major online sales

channels for cross-border e-commerce in 2019. You'll find out about key players to watch and major e-commerce shopping festivals. We'll dive into information that will empower you to take action and make wise decisions when it comes to your marketing budget.

In the past 8 years, I've worked with over 300 brands helping them tap into China. Since 2016, I've been a speaker at over 90 events and run my signature Chinese social media masterclasses across Asia, Europe and the Middle East. You're in safe hands.

Learn more about my China digital marketing trainings at chozan.co and get all the details about my social media marketing agency services at alarice.com.hk.

CHAPTER 1

The Cross-border E-commerce Landscape

It's hard to believe, but in early 2000, China had the world's largest population but accounted for less than 1% of global e-commerce. China still tops the board with the world's largest population but now its dominance in online commerce is unquestionable.

Cross-border e-commerce (CBEC) is the purchasing of products online from international retailers that don't have physical stores or a business entity in China. This kind of shopping is attractive because wealthy, middle class consumers want new items that aren't available in

China yet. There's also a perception that products available on cross-border e-commerce platforms are higher quality and are guaranteed to be genuine because the brands are established and authorized abroad. On top of that, items are exempt from import taxes under certain conditions so prices can be significantly lower than for items imported the usual way.

CBEC is widely used in China and 26% of cross-border consumers are high frequency purchasers. In addition, an increase in the tax-free cross-border purchase amount means opportunities in this area are set to expand. As of January 1, 2019, people can make single transactions of up to 5,000 RMB and make yearly transactions of up to 26,000 RMB without incurring import tariffs. The regulation also applies to goods shipped from Hong Kong or free trade zones in China.

China's Key CBEC Platforms

The Big Two Under One Roof: Tmall Global and Kaola

Tmall Global is Alibaba's cross-border e-commerce platform and it had been the top CBEC player for some time. In 2017, CBNData estimated its market share at 27.6%. In second place was Kaola, NetEase's CBEC platform with

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an estimated 20.5% market share. However, in mid-2018, iiMedia placed Kaola out in front with 26.2% of the market and Tmall Global in second place with 22.4%.

This may have spurred Alibaba's next move. In September, 2019, Alibaba acquired Kaola from NetEase for a reported \$2 billion USD. This extends Alibaba's dominance, giving it control over the top two players and almost 49% of the cross-border e-commerce market in China.

The other key players, with their market share as of mid-2018* are:

- 3 JD Worldwide (13.4%)
- 4 VIP International (12.5%)
- 5 Xiaohongshu / RED (6%)
- 6 Yangmatou / Ymatou (4.2%)
- 7 Mia (2.8%)
- 8 Others (12.5%)

In the "Others" group are platforms such as Amazon Global, Suning Global, Jumei Duty Free Shop, Fengqu.com and Daling.

*Source: iiMedia

A Brief Overview of CBEC Products and Consumers

The top platforms in CBEC specialize in beauty products, apparel, luxury items, electronics and maternity and infant care products. Cosmetics (84%), apparel and footwear (82%) and electronic products (74%) are the most popular CBEC purchases. Consumers of all ages are also buying more food online, indicating a growth potential for this category, especially for organic food items from abroad.

The average frequency of cross-border purchasing is 15 times per year or more than one purchase per month and 26% are high-frequency purchasers who have completed more than 20 cross-border purchases in a year.

What are they looking for? According to surveys, most are seeking authentic products with guaranteed quality (69%), a larger selection of products (58%), well-known, trustworthy platforms (66%) and convenient payment methods (54%).

If you're wondering how to get into the China market, have urgent questions about cross-border e-commerce or want to hone your digital media presence in China, contact us at natalia@alarice.com.hk to schedule a consultation.

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CHAPTER 2

How to Enter the World's Largest E-Market

CBEC is the most popular China market entry model for brands, and continues to grow, but entrepreneurs need to stay alert for changing rules and regulations, which we'll get to in Chapter 3. Brands must also set up online payment gateways that Chinese consumers can access easily, such as Alipay or WeChat Pay, because international credit cards and payment systems such as PayPal are not widely used in China. PayPal now has a license to provide digital payment services in China but this is through Chinese payment company GoPay, which is recently acquired a majority stake in. Brands doing CBEC

also have to invest in marketing.

What are the options for entry or exposure when you don't have a physical office or store in mainland China? Let's take a look.

The Six Options for Online Sales in Mainland China:

1 An Official Website Based Outside of China

Most international brands have their own official website that's set up outside of China. This makes it easy for the brand to manage and maintain. However, this option has several major drawbacks. First, as the servers are not in China, it may be difficult for users to access. With the competition of large e-commerce platforms in China that online shoppers are used to, it's hard to drive traffic to the site. On top of that, without a legal business entity in China, they can't advertise using traditional channels.

Another huge disadvantage is the challenge in delivering customer service. As all the services are located outside of China, it's difficult for brands to provide quality after-sales service, refunds and product exchanges. The incompatibility with Chinese payment methods may stop potential buyers from purchasing and there are

also risks in the delivery process.

It's easy for brands to manage their own websites outside of China, but without hosting in China, the website will experience slow loading and display delays. Meanwhile, brands need to spend time and resources to build the whole buying journey for Chinese consumers, from payment to delivery to after-sales service which is even more difficult without a flagship store or business entity in China.

2 An Outlet on a Popular Online Mall

There are large online malls in China, such as Taobao and Tmall, which are extremely popular. They may seem like an easy option but let's see how they work in reality.

There's a common misconception in the West that Taobao and Tmall are the same but that's not really the case. Taobao and Tmall are both operated by the Alibaba Group but they use different underlying models. Taobao is a customer to customer (C2C) platform for individual vendors while Tmall is a business to customer (B2C) platform for official manufacturers, brands or organizations that have a legal entity in China. To open an online store on Taobao, Tmall or JD.com, you need to be a Chinese national or

have a legal business entity in China.

As an option for foreign brands and manufacturers outside of the country, some e-commerce platforms have been developed specifically for cross-border shopping, such as Tmall Global, Kaola, JD Worldwide and Xiaohongshu/RED. Tmall Global currently has around 20,000 international brands from 77 countries and regions and it wants to expand even more.

Some platforms only work with certain brands on an invitation basis or require lengthy, complicated application procedures. However, some platforms, such as Tmall Global, have worked to streamline this process for foreign brands. In June, 2019, they launched an English language site for international brands to apply to join the platform. Businesses wanting to open a flagship store can fill out a questionnaire for pre-screening and be notified within 72 hours if they qualify. The platform also advises merchants on how to optimize their operations once they're on the platform.

These platforms can provide a great deal of access, but online stores on these malls can require high setup fees and commissions. Brands may also need to pay extra advertising and marketing

costs.

3 Online Hypermarkets

Unlike the online malls introduced above, online hypermarkets use a business to business to customer (B2B2C) model. These online hypermarkets operate as intermediaries. They purchase a wide range of goods from overseas suppliers or manufacturers at wholesale price and sell them at retail making their profit from the markup. They're different from online malls in other ways as well.

Online hypermarkets do not have individual online storefronts for overseas brands to manage. The storage and distribution of products to buyers is also managed by the hypermarket. Well-known online hypermarkets for CBEC in China include Kaola and Jumei.

Similar to outlets in online malls, while these platforms can provide a great deal of access, they require high set up fees and commissions and also require advertising and marketing.

4 Vertical Specialty Marketplaces

These platforms operate like online hypermarkets and also purchase goods directly from overseas suppliers or manufacturers. However, they

generally only focus on a specific product category, target audience or location.

As their product catalogue is limited, the market on such platforms is rather niche and the consumer traffic is relatively low. On the other hand, these platforms are quite popular with their target audience. One example is beibei.com, which is a specialty marketplace for maternity, infant and child care products. [Xiaohongshu](http://Xiaohongshu.com) is another example of this kind of cross-border e-commerce platform. It allows Chinese users to check out and purchase overseas products posted by other users, including cosmetics, skin care products, nutrition-related items, parenting products and more. In-depth product descriptions and reviews can also be found on the platform. Other popular specialty retail platforms include [Mogujie](http://Mogujie.com) and [Meilishuo](http://Meilishuo.com) which both focus on fashion and beauty.

Similar to online malls and hypermarkets, while these platforms can provide a great deal of access, setting up an online store on these malls require high initial fees and commissions and advertising and marketing costs need to be taken into account.

5 Flash Sales Platforms

Flash sales platforms offer a limited number of new or surplus products at highly discounted prices for a brief time. These platforms are a good choice for overseas manufacturers or brands who want to test the reaction of Chinese consumers before mass producing an item or rolling it out on a larger scale.

At the same time, flash sales are an irresistible marketing technique that can lead to huge exposure. They're a good way for a newcomer to earn some recognition at an early stage. The most most popular flash sales platform in China is Vip.com.

These platforms can provide a great deal of access and a large pool of customers. They may also help increase brand recognition. However, brands don't often make a profit on these sites and customers are sometimes reluctant to pay more after being introduced to a product at a discount price. In addition, brands may lose customers if they move to a different platform. These platforms have the same issues with setup fees, commissions and extra costs for advertising as the other types of platforms.

6 Social Media

WeChat is the most used app in China. Many

brands and manufacturers have not only opened an official WeChat account for mass broadcasting and customer service but also set up their own WeChat mini program and store for direct sales on the platform. Mini programs are small apps that work within the WeChat app and they can be used to do e-commerce. They're also good for customer relationship management (CRM) and sales promotion as it's integrated in the WeChat system and linked with an official account.

WeChat is a semi-closed platform, which makes it a bit hard to grow followers in a short time. While WeChat is the best known social media channel for China market entry, it's not the only one. Some brands enter through live streaming on Weibo and T-mall, while others work with bloggers that sell their products on commission. Xiaohongshu, Weibo, Douyin and Bilibili also offer opportunities for brands to broadcast messages and increase brand awareness through co-operations with key opinion leaders (KOLs).

Getting Started

Chinese consumers may be reluctant to purchase your products when they see them at first because they likely know nothing about your

brand. Therefore, a presence on social media is good for brand awareness and product promotion. Prior to setting up an official account on major platforms, it may be more useful to engage KOLs such as celebrities, bloggers, experts, etc. for some initial promotions.

To reach out to Chinese consumers and establish a closer relationship with them, a prominent presence on Chinese social media is a must for brands and companies, especially on the most popular platforms – WeChat and Weibo.

Platforms

For brands that are doing cross-border e-commerce, they should have verified official accounts on WeChat and Weibo. They can also look into vertical platforms with a niche focus and e-commerce integration in order to promote products and expand their sales channels. Good examples of these are Xiaohongshu for fashion and beauty brands, Babytree for parenting products and Mafengwo for tourism.

Functions

One of the most important functions is to build a database of potential customers so that brands can communicate with them, build a community and sell to them on social media. Sales are

important for these brands and products can be promoted on social media with links to e-commerce sites or other online retailers. In the long run, they might accumulate enough popularity on social media that a local distributor will approach them for cooperation.

Content and community

These brands can organize regular sales-driven campaigns to promote sales. KOL cooperation is a great marketing tool for these brands. They can pay KOLs to post brand information and product recommendations with links to online sales platforms. Sometimes, sales can be done through a KOL's personal online store as well.

Mini Programs and Live Streaming

Brands now have the option of building their e-commerce platform using a mini program. This brings low development costs and perfect integration with WeChat Pay and the “Cards and Offers” function. Since mini programs are built into WeChat, stable traffic can also be ensured. Mini programs can also be used to launch giveaways, special offers, flash sales as well as UGC (user-generated content) collection campaigns to help boost sales or increase brand awareness.

As WeChat gradually allows developers to add

multimedia content in their mini programs, and given the popularity of live streaming in China, some vendors have even started doing live streaming on mini programs to boost sales.

For example, Mogujie launched a mini program that allows sellers to host live streams and sell. Sellers launch live streams to showcase clothes and accessories. If viewers are interested, they can select the items, make an order and finish payment within the mini program.

There are startups that now specialize in building mini programs for brands to suit their particular needs. But first, you'll need an official WeChat account.

As you can see there are plenty of options available for market entry, all with their pros and cons. But no matter which entry model is chosen, for brands who really want to make their mark in China, a thorough understanding of Chinese social media is essential.

Chinese e-commerce platforms, social media and the KOLs who thrive on them are a big topic. If you want to understand them better and are looking for custom-made training for your marketing team, touch base with my team via email at natalia@chozan.co.

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CHAPTER 3

What are the Rules?

The rules and regulations surrounding cross-border e-commerce are constantly changing. This is particularly so recently, given ongoing trade issues between the US and China and given continued growth in the sector.

In 2018, a number of updates to CBEC regulations were made to facilitate the further growth and development of the CBEC market. These regulations expanded the CBEC retail import system, adjusted tax policies and enhanced the CBEC import supervision system. While they offer foreign companies some new opportunities to expand their business in China, there are some pitfalls to be aware of.

Here's a summary of the latest regulations, most of which came into effect in January, April or July 2019.

- As of April 1st, 2019, CBEC enterprises must be registered with the General Administration of Customs (GAC). Since they have no legal entity in China, they need a Chinese company to act as their “Domestic Agent” and complete the GAC registration. The Domestic Agent must be a legal entity registered with the State Administration of Market Regulation (SAMR), and accepts responsibility for consumer complaints, product recalls, product quality and safety obligations, truthful declarations to Chinese authorities and bears jointly liability together with the CBEC enterprise.

- The responsibilities of CBEC enterprises include:

- bearing responsibility for the quality and safety of their goods*
- protecting consumers' rights and interests
- reminding and informing consumers regarding possible different foreign standards of quality, labeling, safety from Chinese ones

* Goods may include products with labels that are not in Chinese but Chinese label translations

must be available online. Goods are only for personal use and can't be resold.

- Businesses required to comply with the new laws include platform operators, operators on platforms, online sellers and micro-businesses.
- More products are open to cross-border e-commerce in China, including luxury items under 5,000 RMB, such as high-end fashion and cosmetics that appeal to cross-border purchasers.
- 63 new item categories were also added to the list for permissible cross-border purchases, including fitness equipment and healthcare products and there was a tariff cut on 1,585 imported items.
- 37 cities (up from 15) are now included in the cross-border tax rebate program: Beijing, Tianjin, Shanghai, Tangshan, Hohhot, Shenyang, Dalian, Changchun, Harbin, Nanjing, Suzhou, Wuxi, Hangzhou, Ningbo, Yiwu, Hefei, Fuzhou, Xiamen, Nanchang, Qingdao, Weihai, Zhengzhou, Wuhan, Changsha, Guangzhou, Shenzhen, Zhuhai, Dongguan, Nanning, Haikou, Chongqing, Chengdu, Guiyang, Kunming, Xi'an, Lanzhou and Pingtan.

- According to a statement released after the State Council executive meeting in July 2019, more cities will be encouraged to launch CBEC pilot zones on top of the 37 existing zones and more measures to further widen market access in China's CBEC pilot zones are being considered.
- The cut-off amounts for tax-free cross-border purchases were increased. The single transaction amount increased to 5,000 RMB and the yearly amount is now 26,000 RMB. Consumers who purchase within these limits don't pay import tariffs and import VAT and consumer tax is calculated at 70% of the standard rate.
- Reselling products in China through Daigous is illegal. Daigou are Chinese tourists who take advantage of their travel to buy luxury goods or other items that they then sell online when they return to China.
- Domestic websites are required to offer greater protection for consumers. Merchants must provide clear disclosure regarding special sales clauses or bundling requirements placed on sales.
- Brand owners now have greater legal protection as well. E-commerce platforms are required to

protect intellectual property rights and respond to reports of violations in a timely manner. Companies that fail to do so will face significant penalties. Retailers are also required to obtain a business license through the State Administration for Industry and Commerce to further strengthen protection of intellectual property.

- Unfair competition will be regulated. Market participants with greater advantages are prohibited from abusing their position by trying to restrict competition or through imposing unreasonable conditions or fees on merchants.
- Fake reviews are banned, including making negative reviews about competitive businesses or positive reviews written by customers who are being paid for their comments. Social media, WeChat and other non-traditional shopping channels must comply with the new rules.

Most of this is positive news and it's clear that Chinese officials are actively promoting the development of cross-border e-commerce via regulatory means and also through warehouse logistics support, customs registration and goods examination services. CBEC vendors will also receive support. China's import market and internal consumption are expanding and the country

is very keen to leave behind its reputation as a source of counterfeit goods.

However, more goods need to be registered with the China's Food and Drug Administration (National Medical Products Administration) before they're imported. CBEC goods such as food, milk powder, supplements, health products and cosmetics will face tighter regulations amid complaints about these products.

Since e-commerce platforms can be legally liable for selling fake goods on their platform, platform operators will need to complete due diligence to ensure that the products sold on their platforms are in compliance with the new regulatory regime. For brands, failing to respond to reports of violations can result in significant penalties.

This is a summary only. Because these rules can have a huge impact on CBEC businesses and are subject to change, it's important to work with a reputable e-commerce agency in China to ensure compliance.

If you want to stay up to date on the latest trends, updates and changes in the mainland digital world and e-commerce in China, subscribe to the China Marketing Circle. It's a private Whatsapp / WeChat

group that delivers curated news, updates, trends, case studies to China watchers, entrepreneurs and marketing professionals. Send an email to cmc@chozan.co mentioning this book for an extended free trial of 1 month.

CHAPTER 4

Social E-commerce and We-commerce

Whether it's traditional media opening their own online stores, or e-commerce sites adding more editorial content and social features, both sides are coming closer together in the form of social e-commerce. It's happening everywhere but it's a trend that's even more advanced in China.

In the West, it's more common to use an e-commerce site as the final stop when completing a transaction, whereas in China, e-commerce sites are destinations where you can make new discoveries, acquire information, socialize with others who can make informed recommendations and communicate with people who share your interests or concerns.

Social commerce has become very popular in China because customer acquisition costs have increased significantly on traditional platforms, like Alibaba and JD.com, so brands and platforms are looking for new ways to engage customers.

It's estimated that by the end of 2022, 15% of all e-commerce in China will be social and it will become a major force in online retail sales.

As more e-commerce outlets start adding a social element to their business model, three general categories have emerged.

1 Content Sharing Platforms

The content sharing model is based on consumers trust in other consumers, influencers, key opinion leaders (KOLs) and key opinion consumers (KOCs). Brands and retailers cooperate with them to create content that informs potential buyers about their products and attempts to guide their purchasing decisions. KOLs and trusted consumers give products credibility and desirability.

KOCs are a role specific to China and WeChat. KOCs are personal accounts listed under someone's name but they're administered by brand

employees and WeChat users are aware of this arrangement. These accounts publish information, content marketing and many also do a wide range of customer relationship management tasks such as handling complaints, making product orders, handling returns, issuing coupons, promoting sales and more. This role was developed as a workaround on the highly influential WeChat social media platform as it is built for person to person contact so this method is not only functional but also feels more personal and can deliver the immediate action that many Chinese consumers demand. It also enables a low cost ad network as advertising rates on WeChat are very high.

Over the past few years, content has progressed from simple photographs with text and links to short videos and live streaming with immediate purchase options. E-commerce platforms typically monetize through fees for marketing services or revenue from commissions on sales and commissions are growing because of this focus on short videos and live streaming.

Prime examples of content sharing platforms:

Xiaohongshu

Mogujie

2 The Group Buying Model

This is the Groupon model. It can be further divided into small group purchases and community purchases. Small groups are usually groups of friends or people who have similar needs or interests who haven't met in person. Community purchases are made by people who live in the same neighbourhood, complex or building. Their ability to put in bulk orders enables them to get large discounts.

Prime examples of group buying platforms:

Pinduoduo

Meituan

Meiri Youxian / Miss Fresh

Meiri Pinpin

Niwonin

3 Memberships

The membership-based model is a new form of social e-commerce. Users can only join after getting an invitation from members of the platform. They then buy a package of products which functions as their membership fee payment. After the new user makes this purchase, they can start to buy products on the platform at reduced prices.

Members can also earn benefits such as discounts or coupons, by referring new members or

by selling and promoting products from the platform through their own social media accounts. Platforms also help members sell products by letting them know which items are popular and providing them with online training and promotional materials.

Prime examples of membership platforms:

Yunji

Beidian

We-commerce

As a part of social e-commerce we can also mention we-commerce. WeChat salespeople were the first businesses to appear on WeChat. They display items on their Moments page, in WeChat groups or in direct messages and sell them on WeChat. Customers send messages to the person who's selling the items, tells them which item they want to buy, pays through WeChat Pay and then they're delivered. The price of products sold through WeChat salespeople is always much lower than the market price. However, the quality and authenticity of the products are hard to guarantee.

Since those early days, WeChat has come a long way and We-commerce is all about e-commerce mini programs now. There are 170 million

WeChat mini program users per day and 76% of WeChat mini programs are connected with an official company account. E-commerce mini programs are the second most popular type, with services first and travel in third place.

WeChat mini program spending

Amount spent per month	Proportion of users spending this amount through mini programs
<200 RMB (\$28 USD)	13%
200 - 500 RMB (\$28-70 USD)	36%
501-1,000 RMB (\$71-140 USD)	35%
1,001 - 1,500 RMB (\$141-211 USD)	14%
> 1,500 RMB (\$211 USD)	2%

On WeChat, people buy everything from shower brushes and underwear to fruit and beer. People even pay for English classes on the app. There are huge surges during shopping festivals. For example, in 2018, during the 618 Mid-year Shopping Festival, there was a 66% increase in sales.

A Summary of WeChat E-commerce Mini Programs

- Each page is about 2 MBs and loads quickly

- They can be accessed in more than 60 different ways within WeChat
- They can be shared with friends with just a few taps
- Transactions can be completed seamlessly with WeChat Pay

Benefits for Brands: Mini programs' expanded functions enable brands to better engage customers:

- Brands can design their own store with banners, videos, mini games and so on.
- Brands can use WeChat and users' WeChat's accounts as a customer management system
- Brands can set up loyalty systems
- Brands can offer customer service
- Brands can develop mini programs within weeks at a fraction of the cost of a mobile app
- Brands have full access to their customer data, which they can analyze for future use

Mini programs went viral because of their convenience, accessibility and appeal for lower-frequency services such as e-commerce where users don't want to download a separate app. Mini programs provide brands with more control over their e-commerce store design and data and give them the power to drive traffic through WeChat and its social network

Should I use traditional e-commerce or social e-commerce?

Here are three key tips to remember when considering how to use regular e-commerce or social commerce platforms.

1 Balance traditional e-commerce and social e-commerce

Despite some impressive, highly publicized sales records on social e-commerce platforms, compared to traditional e-commerce sites like JD.com and Tmall, they're still far behind. Social commerce is a gateway for brands to access specific communities, test products, build awareness, connect with customers and more, but sales there are not always strong or guaranteed.

2 Utilize social data

Social e-commerce sites may be able to build a fuller picture of who consumers are than traditional e-commerce platforms, which will help you to understand in greater depth what motivates purchases. This also allows social commerce sites to more accurately make relevant product recommendations to customers.

3 Track the customer journey

Tracking Chinese purchasing behaviors can be problematic for marketers, as they don't know

which channel actually motivated the final purchase, and social e-commerce complicates the journey even more. Thus marketers need to develop a general awareness of what specific sites contribute in terms of inspiring, validating, or completing a purchase.

If you want to understand Chinese e-commerce and social e-commerce better and are looking for custom-made training for your marketing team or want to join my China Digital Marketing Masterclass near you, touch base with my team via email at natalia@chozan.co.

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<https://chinamarketingmasterclass.com/p/wechat>.
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CHAPTER 5

E-commerce Shopping Festivals

One of the most important things to know about China's e-commerce market is that there are never-ending shopping festivals. In order to be successful there and find a place in consumers' hearts, you have to know which platforms to leverage and when.

While some centre on national holidays that involve consumption and gifting, similar to Christmas or Valentine's Day in the West, others are celebrations developed specifically to promote sales or capitalize on certain consumption demands, similar to Boxing Day sales.

You may have heard of Alibaba's very successful Double 11 Shopping Festival, which is two and

a half times bigger than Black Friday and Cyber Monday combined. But that's not where it ends for shopping carnivals in China. More and more e-commerce platforms have established their own festivals to draw customers and drive sales.

The Nian Huo Festival (Jan- Feb)

Ban Niao Huo (办年货) is a Chinese custom before Chinese New Year, which is also called The Spring Festival. It refers to the period before the holiday when people are shopping and getting prepared. E-commerce platforms like Alibaba and JD, always start mega-sales 2 weeks before the actual holiday because all logistics and delivery services halt for 7 days during the festival as the whole country goes on holiday. Popular items are home appliances, food, drinks and gifts for children. Post-80s and Post-90s consumers, aged 20 to 39, account for nearly 80% of total consumption on Tmall during this festival.

Valentine's Day (Feb 14th)

Although it originated in the West, February 14th has become an increasingly popular day not only for couples in China, but also for some single people. From Tmall to Jumei, an online retailer of beauty products, most platforms have good deals on gifts for women such as handbags, accessories, skincare and makeup products.

Girls' Day and Women's Day (Mar 7th-8th)

March 8th is International Women's Day. However, in China, this day is associated with married, middle-aged women and young women felt left out. This is why some university students created Girls' Day on March 7th as a way of celebrating girl power and young womanhood. Gradually more and more young women joined, making it an unofficial festival in China. Seeing the increasing consumption power of this generation, e-commerce platforms also joined the trend and started sales with related themes, such as Tmall's Queen Festival, JD's Butterfly Festival, Suning's Besties Day and Jumei's Goddess Festival.

Suning's 418 Shopping Festival (Apr 18th)

Suning.com is China's largest online-to-offline (O2O) home appliance retailer. It announced revenue of RMB 244.96 billion (\$36.5 billion USD), up 30.35% year-on-year, in March 2019. It's chosen April 18th as a promotion day for home appliances and electronics. Items such as smart televisions, refrigerators, laptops and smartphones are discounted. In recent years, the 418 Festival has promoted internet connected products with slogans like "smart home, smart life" and focused on items related to the Internet of Things.

The Men's Festival (Apr 24th-26th)

The Men's Festival is one of Tmall's key campaigns in the first half of the year. Discounts are offered on apparel, suits and ties, skincare items, healthcare supplements, electronics and even automobiles. It also incentivizes women to purchase items for men.

Mother's Day (Second Sunday in May)

Chinese culture treasures filial piety - respect for one's parents and grandparents. As in many cultures, this is especially so toward mothers, so this day fits very well into traditional Chinese culture and has given rise to extensive shopping events for Mother's Day. For instance, one year, Tmall ran a promotion under the theme of "Love your mom and give her the best," and JD had a campaign focused on treating mothers well featuring advice about how to make your mother happy.

I Love You Day (May 20th)

In Mandarin, the pronunciation of "520" is similar to "I love you" so May 20th is known as China's Valentine's Day. It's mostly celebrated by couples but also extends to family and other loved ones. Alibaba's Taobao and Xianyu, China's second hand item auction platform, similar to eBay, have different approaches to the 520 festival. For example, one year, Taobao ifashion, a

promotion portal for fashion items on Taobao, ran an “Express Your Love” campaign to recommend relevant products for couples and families, while Xianyu launched a series of auctions on luxury items, artwork and automobiles with endorsements from influencers and celebrities. It was the largest auction on the platform.

Children’s Day (June 1st)

Tech-savvy Post-80s and Post-90s consumers are becoming young parents and many of them are heavy online shoppers who purchase a lot for their kids so online retailers use this day to try to increase sales. Their Children’s Day promotions usually start from the last week of May. Hot items include clothes, shoes, toys, theme park tickets, childcare products and more.

JD.com’s 618 Festival (June 18th)

Founded on June 18th, 1998, JD.com, the second largest e-commerce giant in China after Alibaba, rolls out promotions every year on its birthday. JD’s 618 has developed into a big affair on a par with Alibaba’s Double 11 Festival. Last year’s 618 festival recorded US\$17.6 billion in transaction volume.

818 Fever Shopping Festival (Aug 18th)

Suning established the 818 Fever Shopping Fes-

tival (818发烧节) to celebrate its anniversary on August 18th. Home appliances, groceries, smartphones and finance products are discounted up to 50% during the festival. In response to Suning's promotion, Tmall and JD.com also joined the game by launching back-to-school sales campaigns and member-exclusive discounts during the same period.

99 Wine Festival (Sep 1st-9th)

Alibaba's Jack Ma designated the dates for a wine and spirits festival in 2016 because the number "9" has the same pronunciation as wine in Mandarin. During the 9-day promotion, Tmall offers good deals for wine, Chinese Baijiu and other alcohol.

The Double 11 Shopping Festival (Nov 11th)

Alibaba's Double 11 Global Shopping Festival is China's most prominent shopping extravaganza. It was first started as a small-scale promotional event organized by Taobao on November 11th, 2009. Back then, the number of participating merchants was limited, but the conversion rate was far higher than expected. This led to November 11th becoming the confirmed date for Alibaba's annual mega sale which now includes a televised gala that has seen performances from and appearances by Pharell, Nicole Kidman,

Miranda Kerr, Jessie J, Scarlett Johansson, Katy Perry, Daniel Craig, Victoria and David Beckham among others. In 2018, it broke its previous year's record by selling \$30.8 billion USD in goods across 230 countries in 24 hours. This was a 27% increase over its 2017 results.

Red Friday (Black Friday)

Black Friday isn't just an American thing. Chinese shoppers also use the occasion to buy discounted foreign products through cross-border e-commerce platforms. One example is Xiaohongshu whose members are mainly young women. It runs "Red Friday" sales from late November to early December while its competitor Ymatou, uses the term "Black Friday". Other online marketplaces offer limited deals rather than making it a mega-sale occasion.

The Double 12 Shopping Festival (Dec 12th)

Extending the success of the Double 11 Festival, Alibaba launched the Double 12 Shopping Festival to cater to customers who were still hungry for deals after Double 11. Taobao and Tmall host a year-end sale on the day, though the sales numbers are not as impressive as Double 11's.

Christmas (Dec 14th-25th)

Starting from mid-December, many places in

China's big cities are filled with Christmas atmosphere. Although Chinese people might not be super-passionate about the festival itself, many of them look forward to online Christmas sales. They buy gifts and new clothes for the new year.

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You can also gain valuable information and tips about Chinese tourists who are travelling during their holidays with my certificate video course here: <https://chinamarketingmasterclass.com/p/tourists>. Use code [ASHLEY15] for a 15% discount.

Conclusion

In China, online shopping is an accepted part of life. People buy everything from fresh vegetables and seafood to appliances and automobiles online. There are specific products that consumers prefer to buy from foreign brands and a collection of online platforms that cater specifically to cross-border e-commerce.

Given the large demand in the market, e-commerce platforms work hard to create incentives for online shoppers, resulting in the many shopping festivals. If your brand wants to maximize e-commerce sales, you need to understand the big e-shopping festivals and coordinate your marketing strategy with them in mind.

It will take hard work, commitment, and the right strategy but it's within your reach if you want to make it. We're here to help if you need us.

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Now, let's go get them!

Resources

The Top 5 Chinese E-commerce Festivals (in Chronological Order)

- 1 Chinese New Year / Spring Festival (January and February)
- 2 618 (June 18th)
- 3 Double 11 / Singles' Day (November 11th)
- 4 Double 12 (December 12th)
- 5 Christmas (December 25th)

The Top 2 in Terms of Sales

- 1 Chinese New Year / Spring Festival **All Platforms**
- 2 Double 11 / Singles' Day **Alibaba**

Key Chinese E-commerce Festivals (in Chronological Order)

Fixed Date Festivals

Note that in China, months and days are named according to their numerical order. January is “1 month”, February is “2 month” etc. Monday is “weekday 1”, Tuesday is “weekday 2” etc. This is why dates are often written as a string of numbers in a row or with a dot.

June (6th month) 18th = 618 or 6.18

November 11th = 11.11 or Double 11

Dates are often incorporated into the name of the festival. Numbers such as 6, which is associated with flow, and 8, which is associated with wealth, are lucky so you’ll notice a preference for them in prices and dates.

February

February 14th - Valentine’s Day

March

March 8th / 3.8 - International Women’s Day

April

April 18th - **Suning.com** 418 Electrical Festival

April 24th-26th - **Tmall** Men’s Festival

May

May 20th - 520 / Chinese Valentine’s Day with a focus on couples, families and maternity and childcare products.

“Five Two Zero” sounds like “Wo Ai Ni” which means “I love you”.

June

June 1st - Children's Day

June 6th - **Taobao** 66 Festival

June 18th - **JD.com** 618 / 6.18 Festival

August

August 16th: **VIP.com** Mid-Year Festival

August 18th - **Suning.com** 818 Fever Shopping Festival

September

September 9th - **Tmall** Wine Festival

Focuses on alcoholic beverages of all kinds

October

October 1st - Founding of the People's Republic of China

China's National Day and the start of the week-long Golden Week holiday

November

November 11th - **Alibaba** 11.11 / Singles' Day /

The Double 11 Global Shopping Festival

November 29th - Black Friday

December

December 12th - **JD.com, Alibaba and others**

The Double 12 Festival

December 25th - Christmas

November and December

Red Friday - **Xiaohongshu / RED** sales from late November to early December

Black Friday - **Ymatou** sales from late November to early December

Non-fixed Date / Lunar Calendar Festivals

The dates of these festivals change each year as they follow the lunar calendar.

January and February

Chinese New Year / Spring Festival:

Golden Week holiday

2020 January 25th (Saturday) Year of the Rat

2021 February 12th (Friday) Year of the Ox

2022 February 1st (Tuesday) Year of the Tiger

2023 January 22nd (Sunday) Year of the Rabbit

2024 February 10th (Saturday) Year of the Dragon

2025 January 29th (Wednesday) Year of the Snake

August

The Qixi Festival falls on the 7th day of the 7th lu-

nar month of the Chinese calendar so it's sometimes called the Double 7th Festival. It's another holiday that celebrates love.

2020	August 25th
2021	August 14th
2022	August 4th
2023	August 22nd
2024	August 10th
2025	August 29th

September and October

The Mid-Autumn Festival

2020	October 1st
2021	September 21st
2022	September 10th
2023	September 29th
2024	September 17th
2025	October 6th

2019 Chinese Holiday and Festival Calendar with suggested social media keywords

JANUARY						
SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Key Festivals / Occasions

Jan 1 - New Year
Jan 13 - Laba Festival
Jan 14 - Diary Day
Jan 22 - Spring Festival Travel
Rush Start

Marketing Keywords

New Year's Eve
New Year
Spring Festival
Travel Rush
Traditions
Family Reunion
Red Packets

FEBRUARY						
SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

Key Festivals / Occasions

Feb 2 - World Wetlands Day
Feb 4 - Lunar New Year's Eve
Feb 14 - Valentine's Day
Feb 19 - Lantern Festival

Marketing Keywords

Lunar New Year
Spring Festival
Spring
Valentine's Day
Lantern Festival
Lanterns
Golden Week
Back to work
Travel Rush
Traditions
Family Reunion
Red Packets

MARCH						
SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Key Festivals / Occasions

Mar 5 - Lei Feng Memorial Day
Mar 7 - Girl's Day
Mar 8 - International Women's Day
Mar 14 - White Day (Korean Valentine's)
Mar 15 - World Consumers' Rights Day
Mar 22 - World Water Day

Marketing Keywords

Goddess
Women
Girls
White Day
Environment
Environmental Protection

APRIL						
SUN	MON	TUE	WED	THU	FRI	SAT
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Key Festivals / Occasions

Apr 1 - April Fools' Day
 Apr 2 - International Children's Book Day
 World Autism Awareness Day
 Apr 5 - Ching Ming Festival
 Apr 7 - World Health Day
 Apr 13 - Thai Songkran Festival
 Apr 22 - Earth Day
 Apr 23 - World Book Day

Marketing Keywords

April Fools' Day
 Autism
 Environmental Protection
 Charity Campaign
 Songkran
 Travel
 Hiking

MAY						
SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Key Festivals / Occasions

May 1 - Labor Day
 May 4 - Youth Day
 May 8 - World Smile Day
 May 12 - Mothers' Day
 May 14 - Yellow Day / Rose Day
 May 18 - International Museum Day
 May 20 - China's Valentine's Day
 May 31 - World No Tobacco Day

Marketing Keywords

Labor
 Youth
 Mother
 Mother's Love
 Love
 Love Confession
 Romance
 Stop Smoking

JUNE						
SUN	MON	TUE	WED	THU	FRI	SAT
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Key Festivals / Occasions

June 1 - Children's Day
 June 5 - World Environment Day
 June 7 - Dragon Boat Festival
 June 8 - World Oceans' Day
 June 7-8 - National College Entrance Exam
 June 14 - Kiss Day
 June 16 - Fathers' Day
 June 18 - JD's 618 Shopping Festival

Marketing Keywords

Children's Day
 Children
 Dragon Boating
 Gaokao / College Entrance Exam
 Fathers' Day
 JD 618 Anniversary Sale

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JULY						
SUN	MON	TUE	WED	THU	FRI	SAT
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Key Festivals / Occasions

July 1 - CPC Founding Day
 Hong Kong SAR
 Establishment Day
 July 6 - International Kissing Day
 July 14 - Silver Day

Marketing Keywords

Hong Kong SAR
 Establishment Day
 Hong Kong Reunification
 Patriotic
 Dog Days of Summer

AUGUST						
SUN	MON	TUE	WED	THU	FRI	SAT
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Key Festivals / Occasions

Aug 1 - Army Day
 Aug 7 - Qixi Festival / Double 7 Festival
 Chinese Valentine's Day
 Aug 14 - Green Day
 Aug 15 - Ghost Festival

Marketing Keywords

Patriotic
 Love
 Romance
 Confession of Love
 Ghost
 Autumn

SEPTEMBER						
SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Key Festivals / Occasions

Sept 10 - Teachers' Day
 Sept 13 - Mid-Autumn Festival
 Sept 27 - World Tourism Day
 Sept 28 - Confucius' Birthday

Marketing Keywords

Teachers' Day
 Mid-Autumn Festival
 Back to School
 Traditions
 Travel
 Confucius

OCTOBER						
SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Key Festivals / Occasions

Oct 1 - National Day
 Oct 7 - The Double Ninth Festival
 Oct 10 - Cute Day (Meng Meng Day)
 Oct 31 - Halloween

Marketing Keywords

National Day
 Golden Week
 Patriotic Parade
 The Double Ninth Festival
 Respect Your Elders
 Cute
 Halloween
 Hiking

NOVEMBER						
SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Key Festivals / Occasions

Nov 11 - Double 11 / Singles' Day
 Nov 14 - Orange Day / Movie Day
 Nov 28 - Thanksgiving

Marketing Keywords

Double Eleven Shopping Festival
 Singles' Day
 Online Shopping
 Shopping Spree
 Thanksgiving

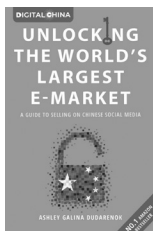
DECEMBER						
SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Key Festivals / Occasions

Dec 12 - Double 12
 Dec 20 - Macau SAR Establishment Day
 Dec 24 - Christmas Eve
 Dec 25 - Christmas Day
 Dec 31 - New Year's Eve

Marketing Keywords

Double 12
 Shopping
 Christmas Eve
 Christmas
 New Year's Eve
 New Year

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