



it consultis

Tech - Strategy - Innovation

Becoming successful in the The China Ecosystem

ITC IN NUMBERS

ITC empowers the most ambitious brands on their digital transformation in China and across other Asian markets. With a team of 80 experts in three countries, ITC leverages martech, e-commerce and omnichannel solutions to maximize client's ROI.

3

offices across Asia

9+

years of passionate work

500+

satisfied clients

80+

talented team members

14+

different nationalities

40%+

female members

SERVING BRANDS ACROSS ALL INDUSTRIES

Luxury Goods



Fashion



Automotive



Education



Associations



Travel & Hospitality



Finance



Pharma



Fitness



F&B



And many more industries...

STRATEGY - DESIGN - INNOVATION FOR WECHAT /WEB/ APPS



E-commerce / OMS

We build E-Commerce handling ten of thousands of orders a day through the most robust platform targeting web, App, WeChat



WeChat Solution

We craft innovative WeChat experiences from WeChat Mini Programs to WeChat Work set-up to deliver unique services for users



Systems Integration API Management

We Integrate all systems together like ERP, DMP, (s)CRM, WMS, you name it... as long as systems can be connected we can do it. We are especially good when the systems are global and with a China component



Websites /Content Management System

We excel in building CMS for high traffic consumption through the leading technologies. With a full bespoke UX/UI to match your business objectives and brand identity.



Digital Transformation Apps and Frameworks

We Deploy cutting-edge technologies solutions to efficiently transform digitally operations. From loyalty programs or any other bespoke business logics, we create long lasting habits within the targeted audience



Experience Creation

Bring to life engaging, captivating, ROI-driven digital experiences, driving data and behavior together across channels

ABOUT THE SPEAKERS



Aurelien Rigart

ITC Vice President and Co-founder

- Serial entrepreneur
- Coach for startups and other entrepreneurs
- French Tech Shanghai board of director, member of EO (Entrepreneur Organization), and FrenchFounders
- Founded and currently manages several successful ventures, including IT Consultis and Urban Thai Group
- A strong believer in constant self-improvement

BECOMING SUCCESSFUL IN THE CHINA ECOSYSTEM

- **The e-commerce landscape in China**
- The rise of Private traffic
- Building an Omnichannel Ecosystem

E-commerce: China Leads the Race

Total e-commerce sales in China compared to the US:

~\$2 trillion



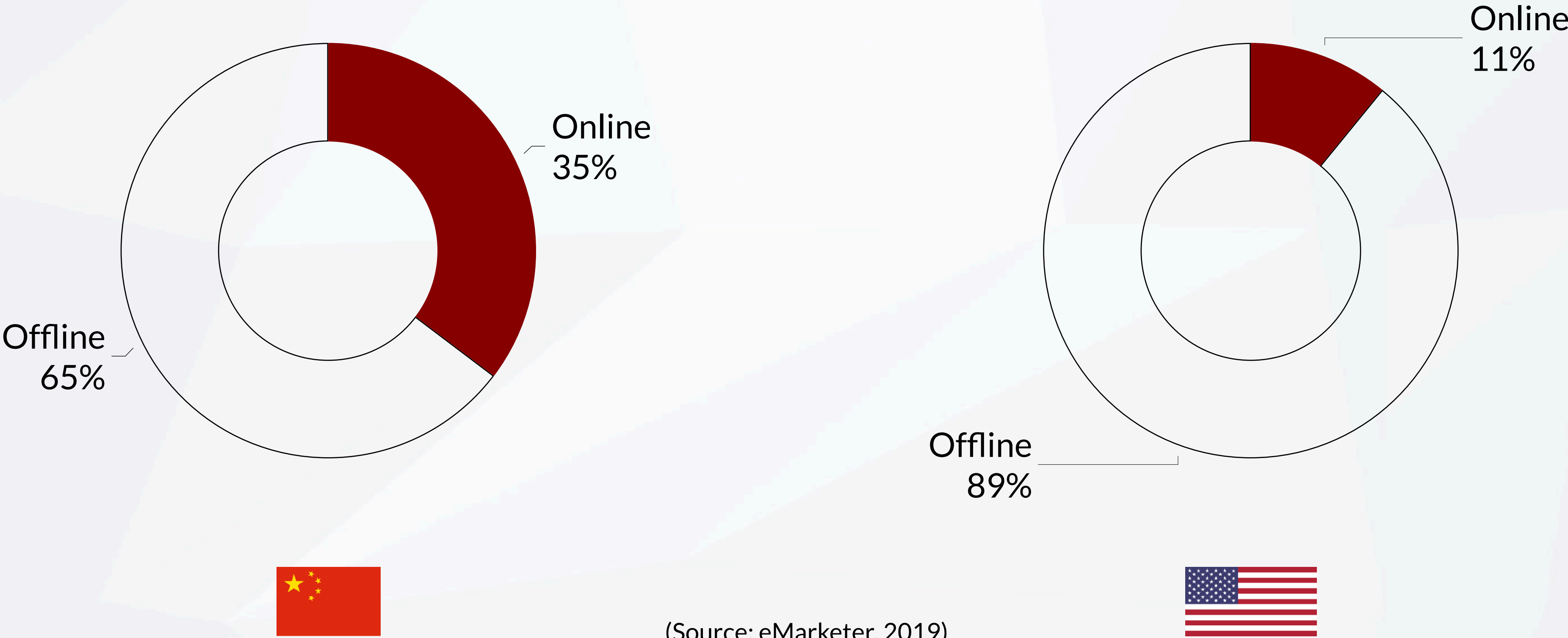
~\$0.6 trillion



(Sources: eMarketer & statista, 2019)

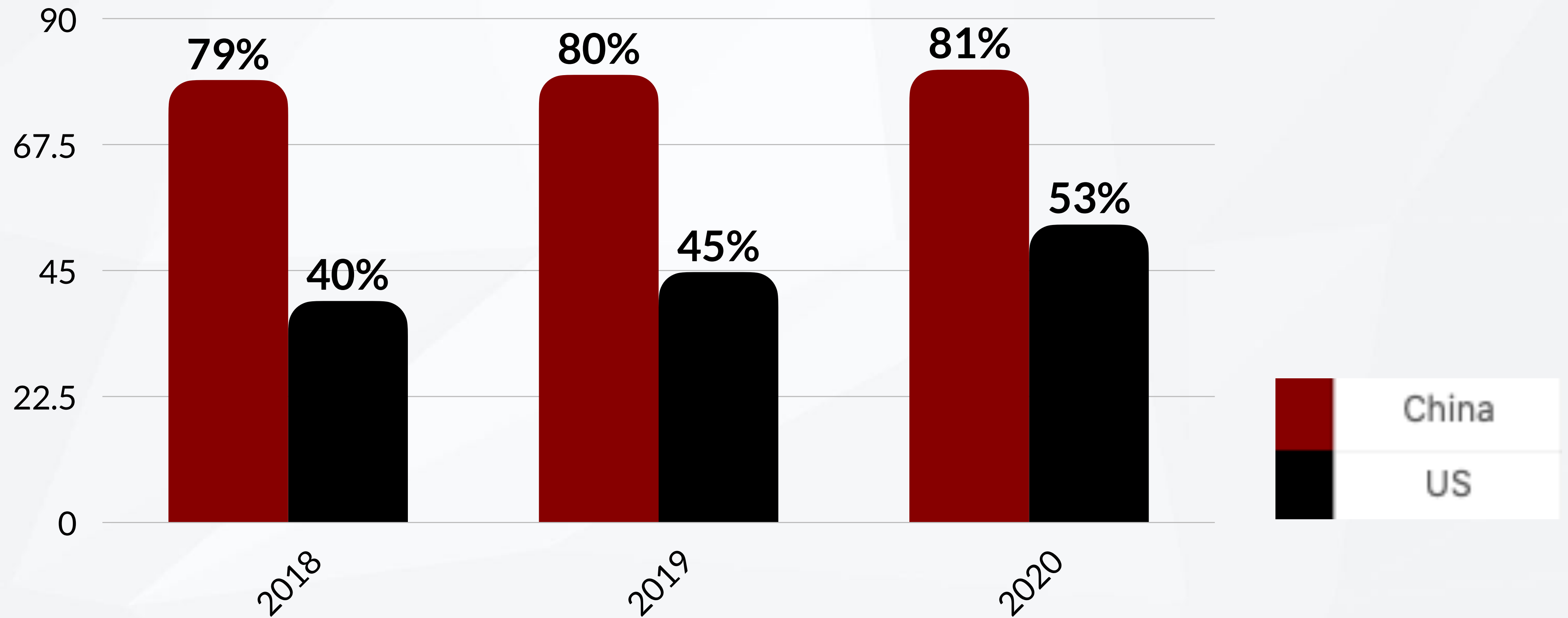
E-commerce : China vs. the US

35.3% of China's retail sales occur online, by far the highest rate in the world. The US lags far behind, with e-commerce on track to represent 10.9% of its retail sales.



Proportion of Mobile E-commerce: China vs. the US

Mobile commerce possesses a much stronger proportion among China's e-commerce market (around 80%), compared to the US (around 45%).



(Sources: PwC's Entertainment & Media Outlook, iResearch, & eMarketer, 2018)

2 TYPES OF TRAFFIC

PUBLIC TRAFFIC

淘宝网 天猫
Taobao.com TMALL.COM

JD. 京东
.COM



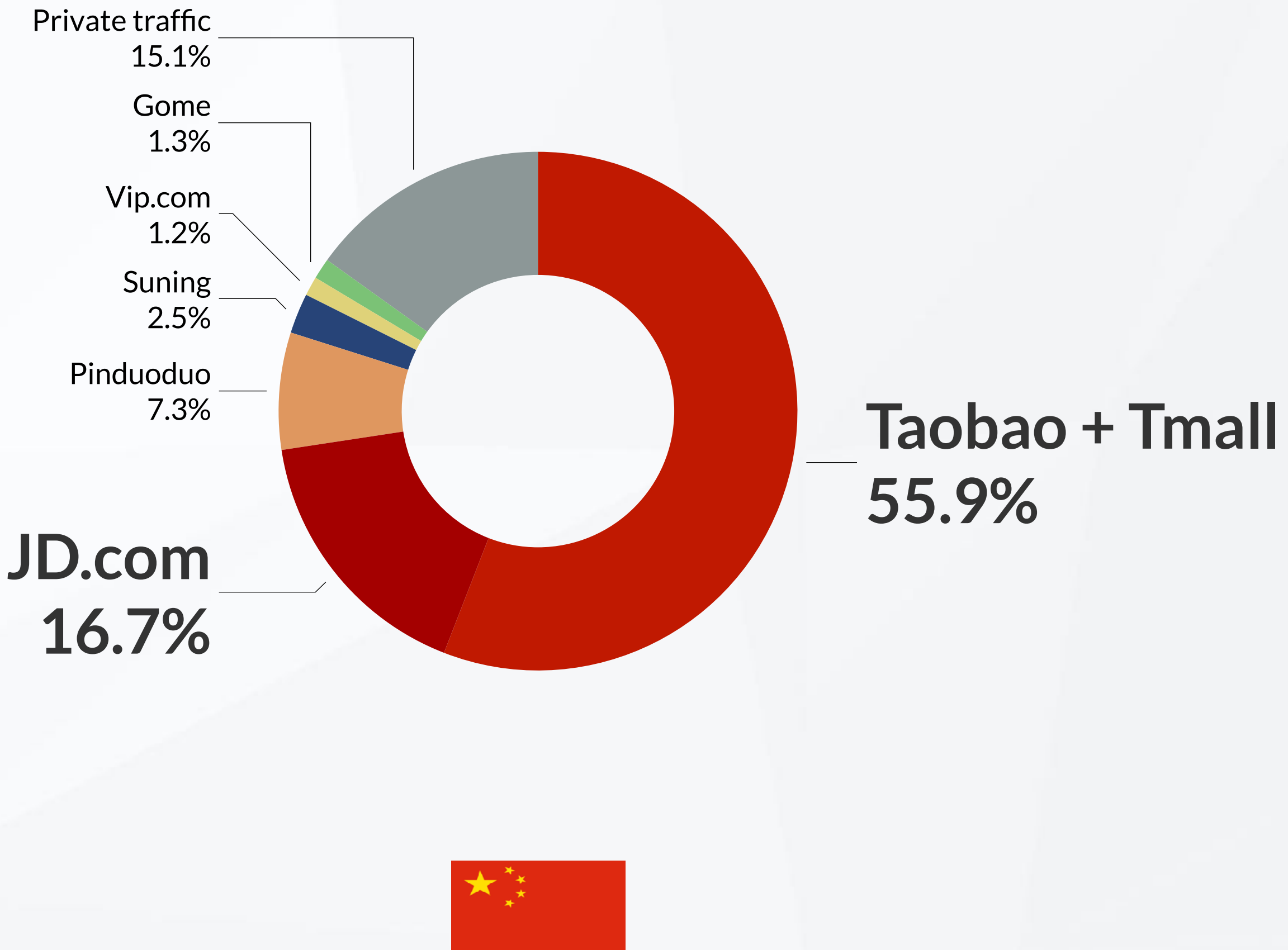
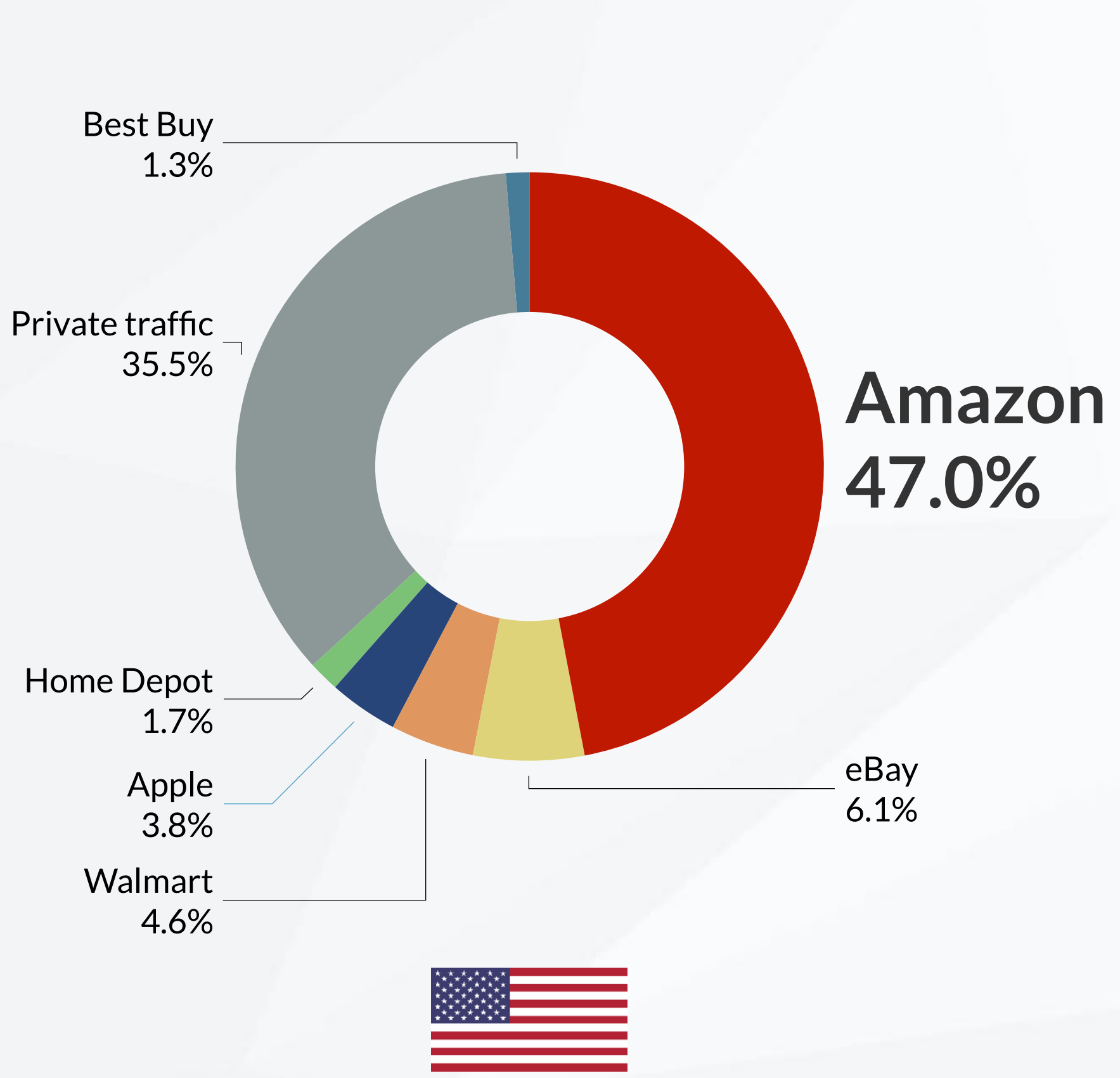
PRIVATE TRAFFIC

eCommerce.cn

WeChat Mini-Program



E-COMMERCE SALES SHARES, 2019 IN THE US AND CHINA



(Source: eMarketer)

IN 2000 WAS THE BEGINNING OF E-COMMERCE

BUT FOR CHINA IT WAS A BIT COMPLEX

- Lack of Trust & Logistics issues



- Hard to build platforms



- Lack of trust in Baidu



ALIBABA'S ARRIVED TO FIX IT



Payments issues
were solved with
Alipay



Improved
communication
between Buyers &
Sellers



Better logistic
system



As a result, Brands
were more likely to
create stores on Tmall
rather than .cn website

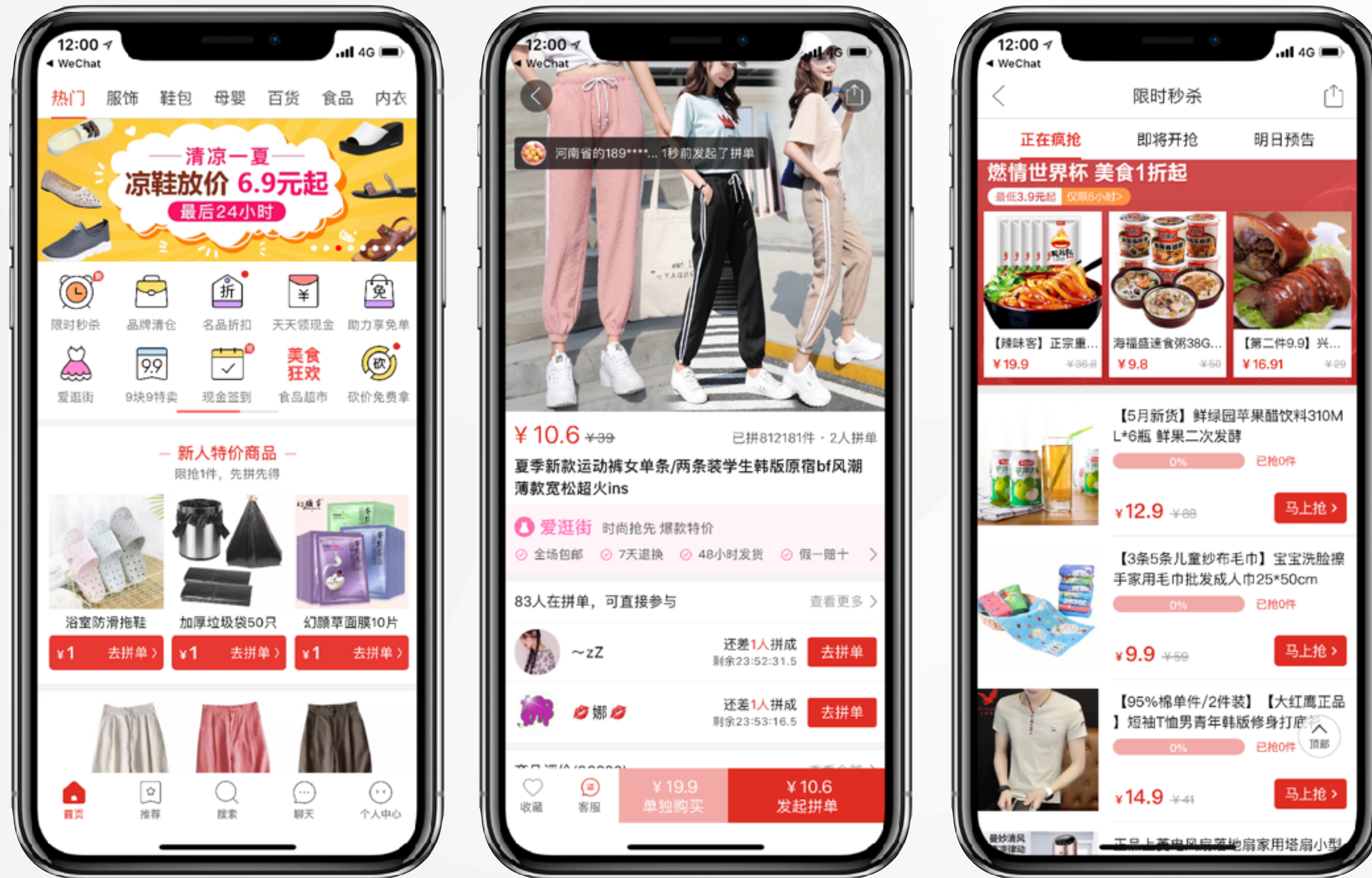
Mobile Taobao - Everything You Can Buy



- Not only plays a shopping application, but also a destination for entertainment, lifestyle, and social interactions.
- Taobao drives user engagement with multiple types of content, like live streaming and short-form videos, and leveraging AI and big data.
- Large product range, Taobao offers every kind of products under many kinds of businesses from B2C to C2C.

(Source:)

Pinduoduo - The Power of Group Buying



- Users can benefit from **group buying** and short-term coupons, they can ask a friend to help them bargaining”, and even get **free products** if they get enough friends to follow the PDD official account.
- Most of PDD's traffic comes from **WeChat**.
- Has an higher penetration rate in tier 3 and 4 cities, and rural areas where disposable income is growing.

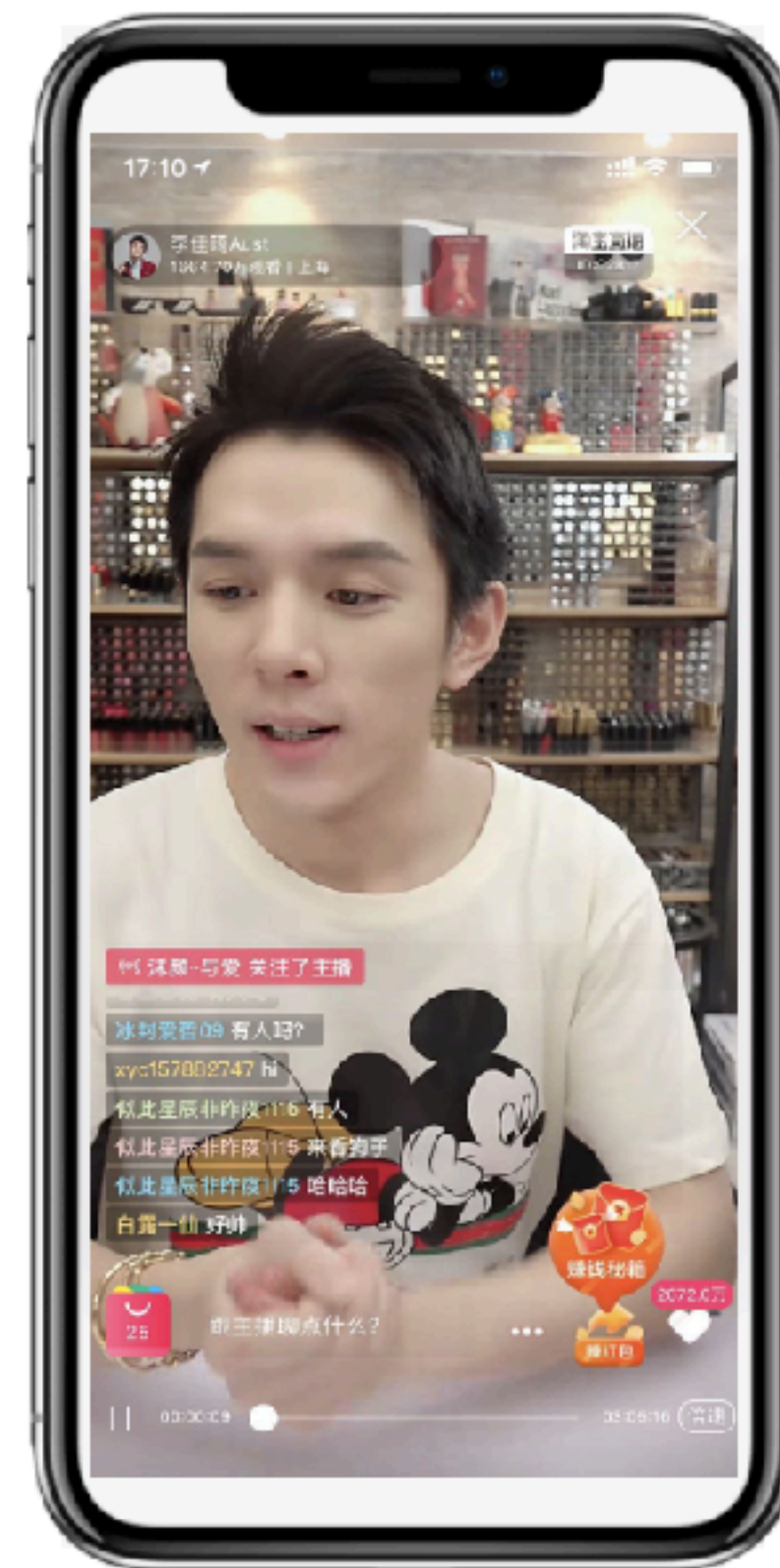
(Source: Walk the chat)

Livestream are becoming the trend on each platform

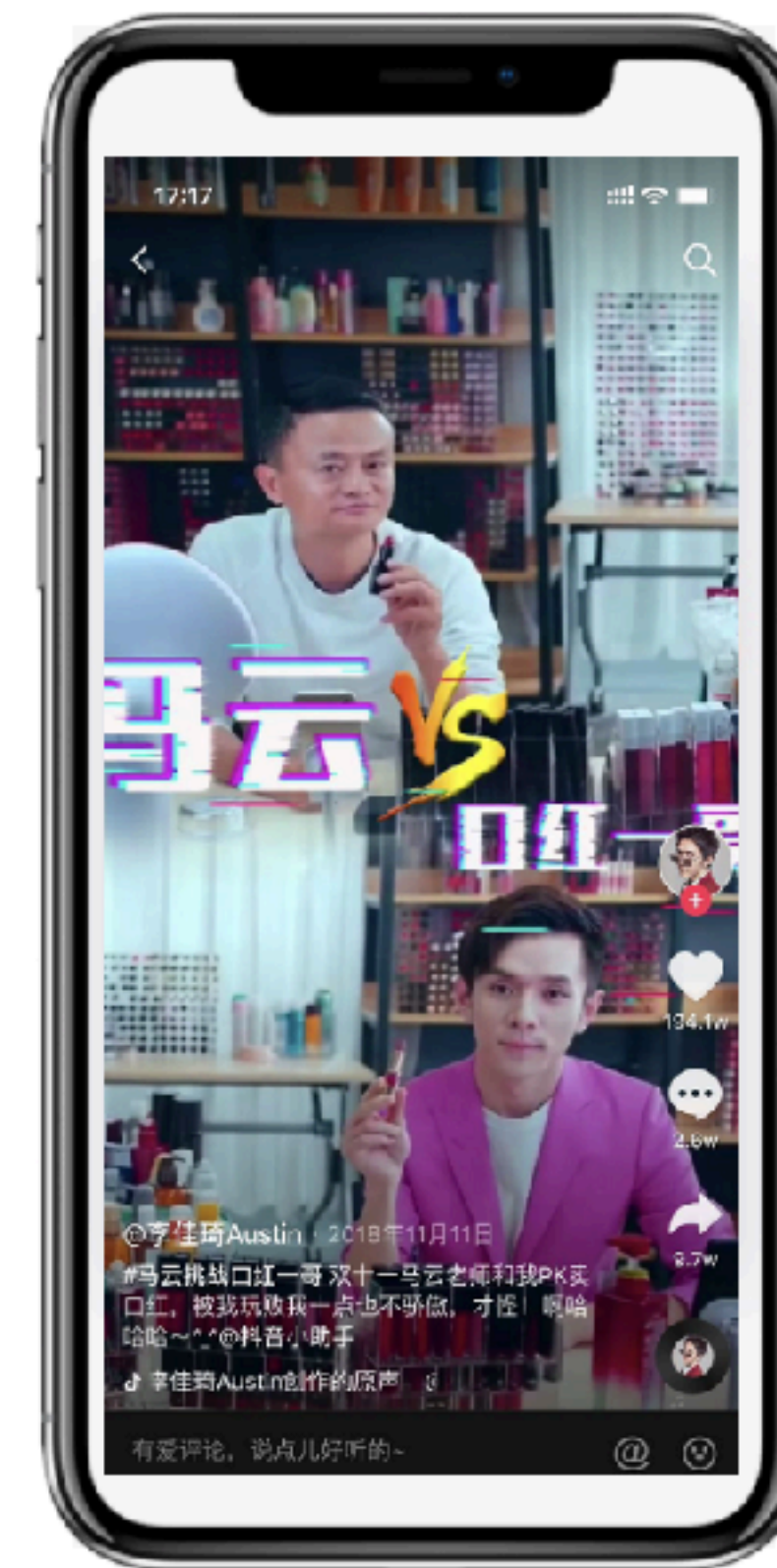
Xiaohongshu



Taobao



Douyin



**15,000
Lipstic sold in
5 minutes**

**Sales record
of 2.28M CNY
in 1 second**

(Source: jing Digital)

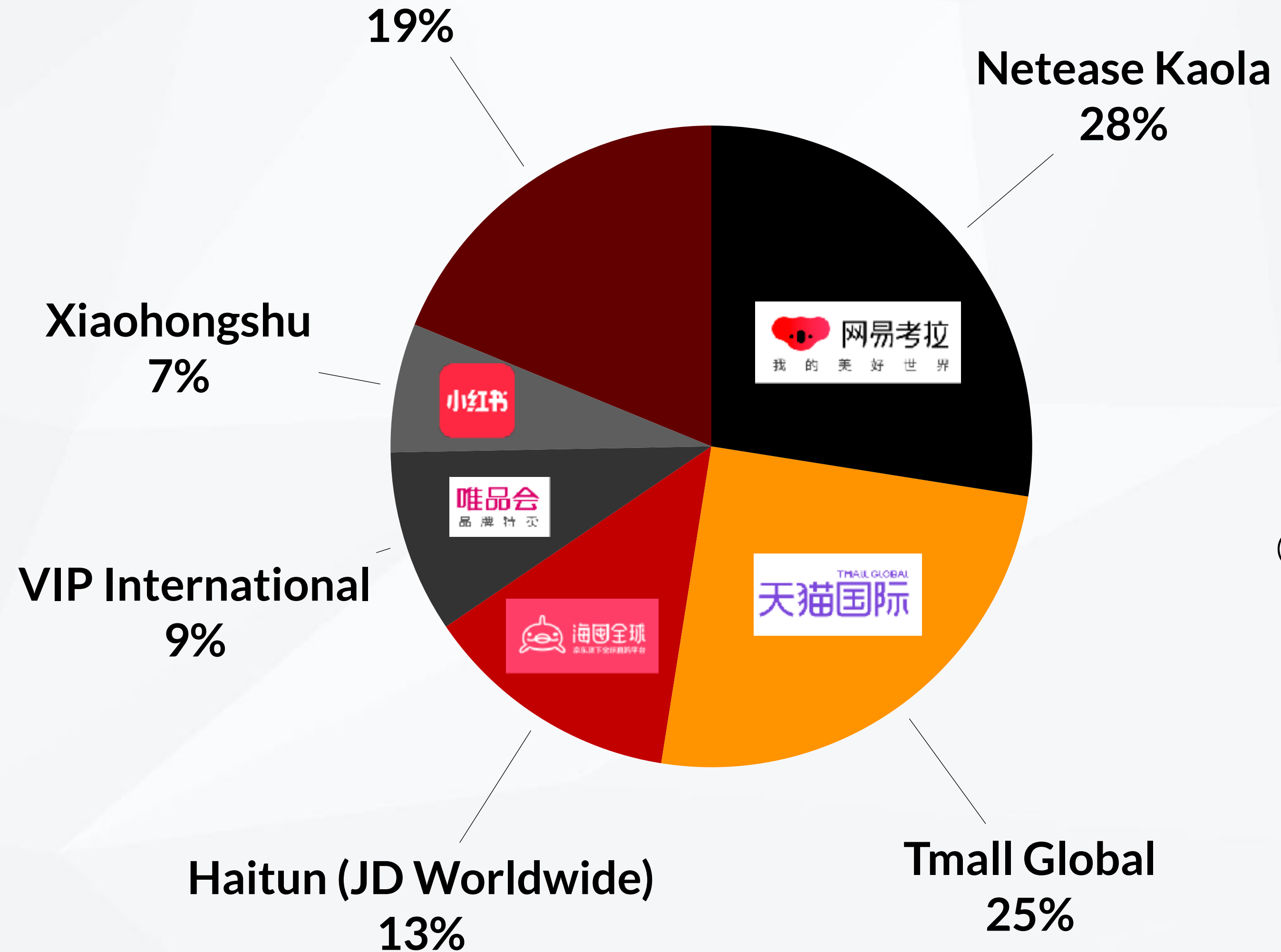
CROSSBORDER E-COMMERCE

The Rise of Cross-border E-commerce in China

- 1** A large and growing digital consumers
- 2** The concerns about the safety of domestic products
- 3** Increased demand for overseas products
- 4** Most purchased: high-quality food, cosmetics, healthcare, baby products and electronics

Cross-border E-commerce Big Players

Others (Suning Global, Ymatou, Mia, etc.)



(Source: iiMedia Research, 2019)

Kaola - Rising Cross-Border Platform



- Kaola is the biggest cross-border platform with 28% market share.
- In April 2019, Kaola opened the first factory-to-consumer store in Hangzhou, selling more than 20,000 lifestyle products from 400 global manufacturers.

(Source: Technode)

BECOMING SUCCESSFUL IN THE THE CHINA ECOSYSTEM

- The e-commerce landscape in China
- The rise of Private traffic
- Building an Omnichannel Ecosystem

MARKETPLACES ARE BECOMING A RED OCEAN

- **180k brands** on Tmall
- **20k brands** on Tmall Global, **to reach 40k**
in 3 years (according to Alibaba's plan)

BENEFITS & CHALLENGES FOR BRANDS ON MARKETPLACES

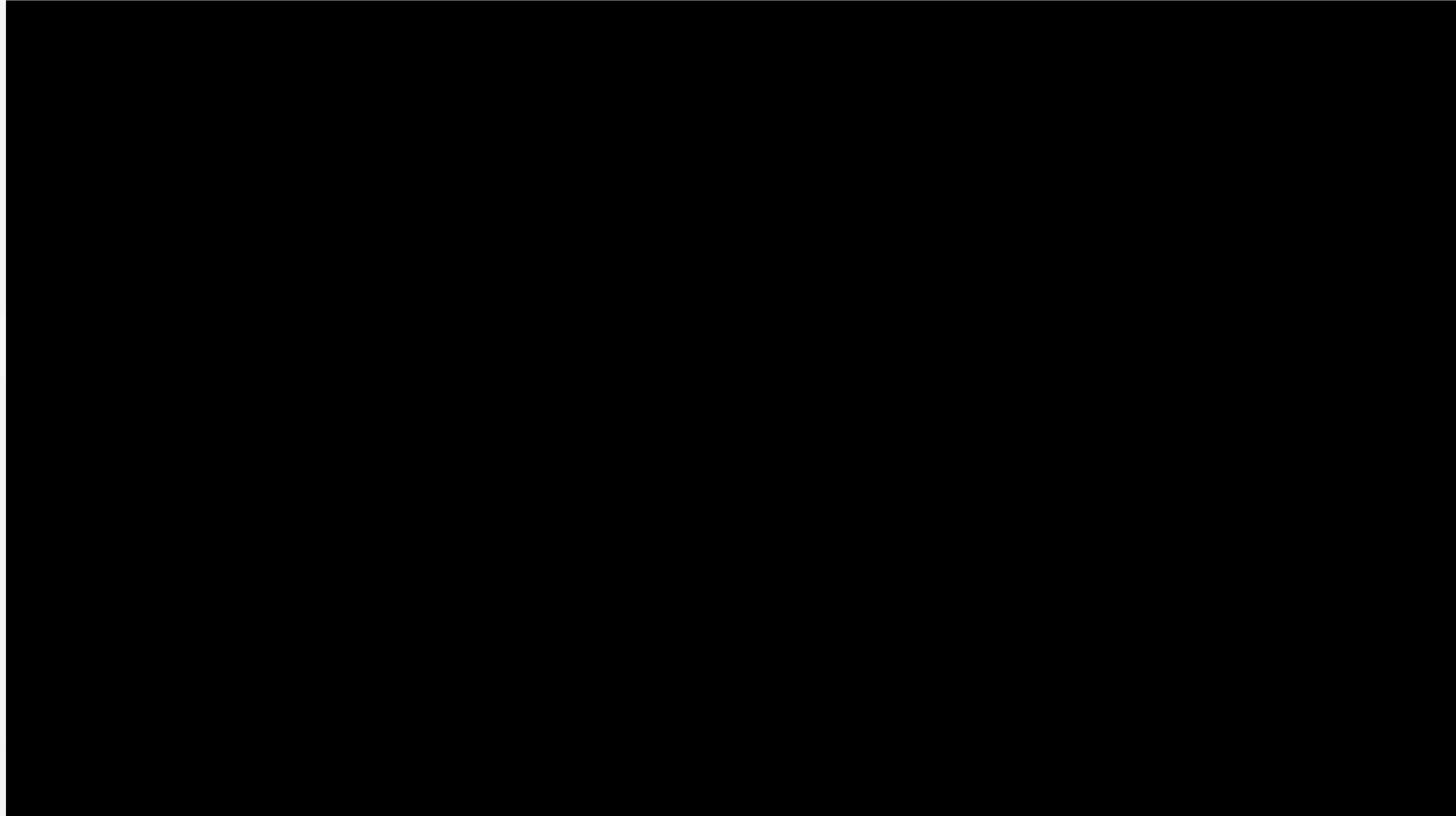
Benefits

- Large amount of existing customers
- Several ways to capture new customers & build brand visibility
- A safe start

Challenges

- Increasing competition
- Advertising costs are rising: Brands struggle to achieve visibility, growth & ROI
- **Brands do not own the data**
- Customers get distracted during purchase journey & might purchase another brand
- Hard to build brand loyalty and grow

E-commerce on WeChat



Link:

E-commerce on WeChat



WeChat

Founded in 2011

Number of Users:

1.1 Billion + users

E-commerce capabilities:

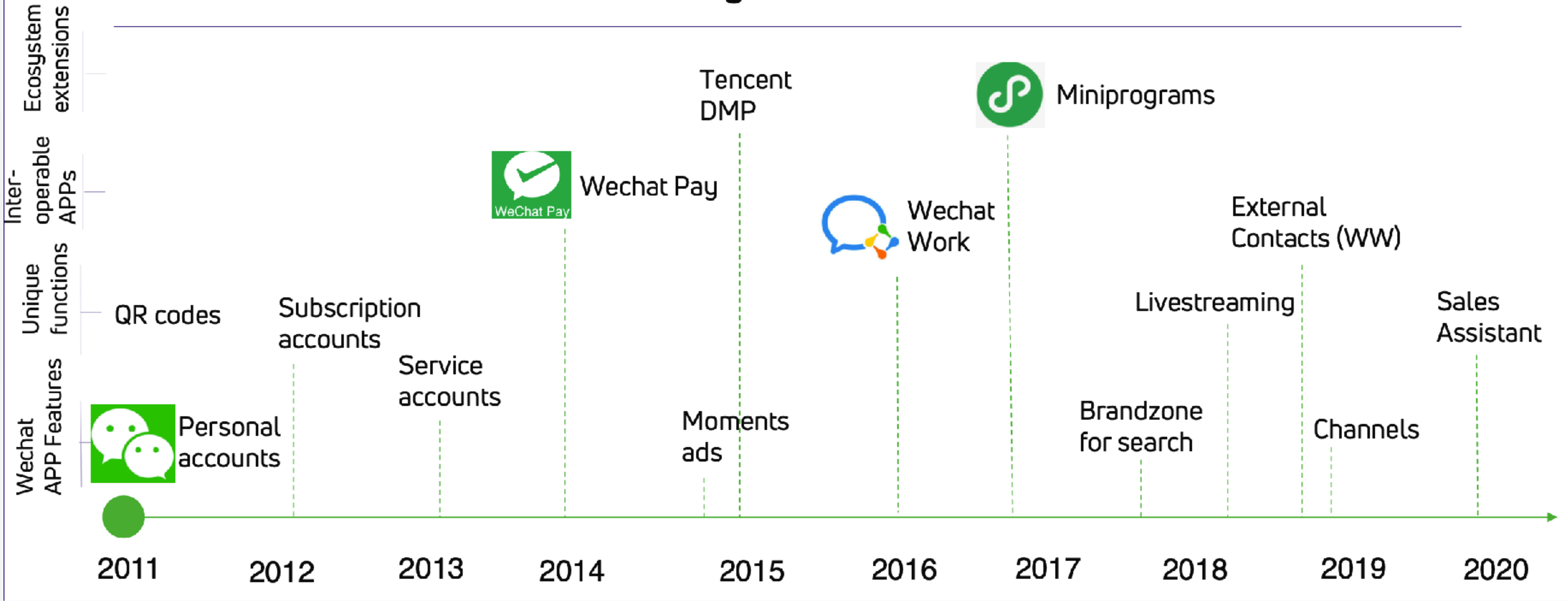
WeChat store, Mini Programs, H5 Campaigns, O2O,...

Main Categories:

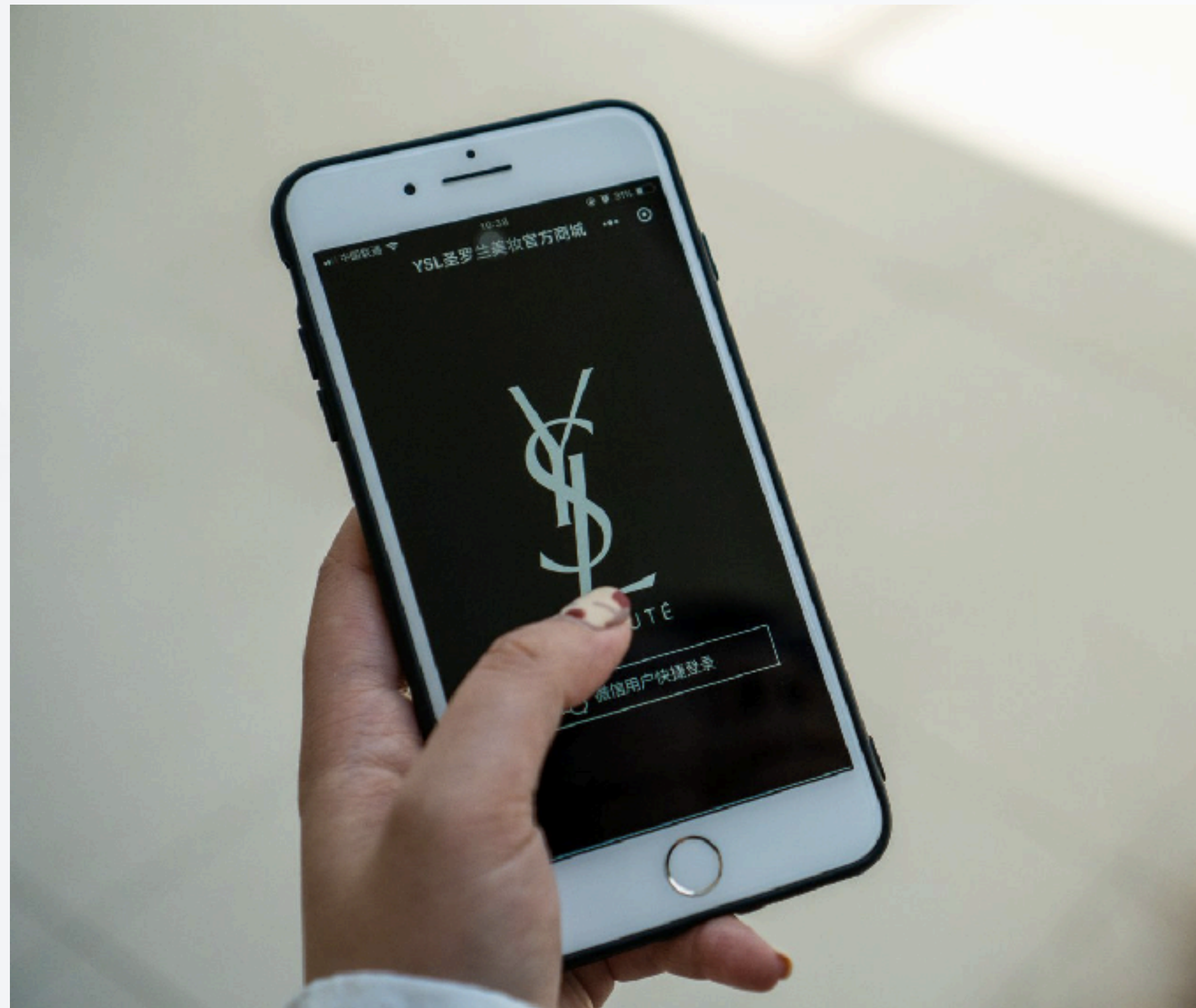
Luxury apparels, Cosmetics, Electronics, Groceries

(Source: Walk the chat)

WECHAT MINI PROGRAMS IN 2019 - THE LEADER IN PRIVATE TRAFFIC



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2.4 million mini programs already operate on WeChat as of August 2019

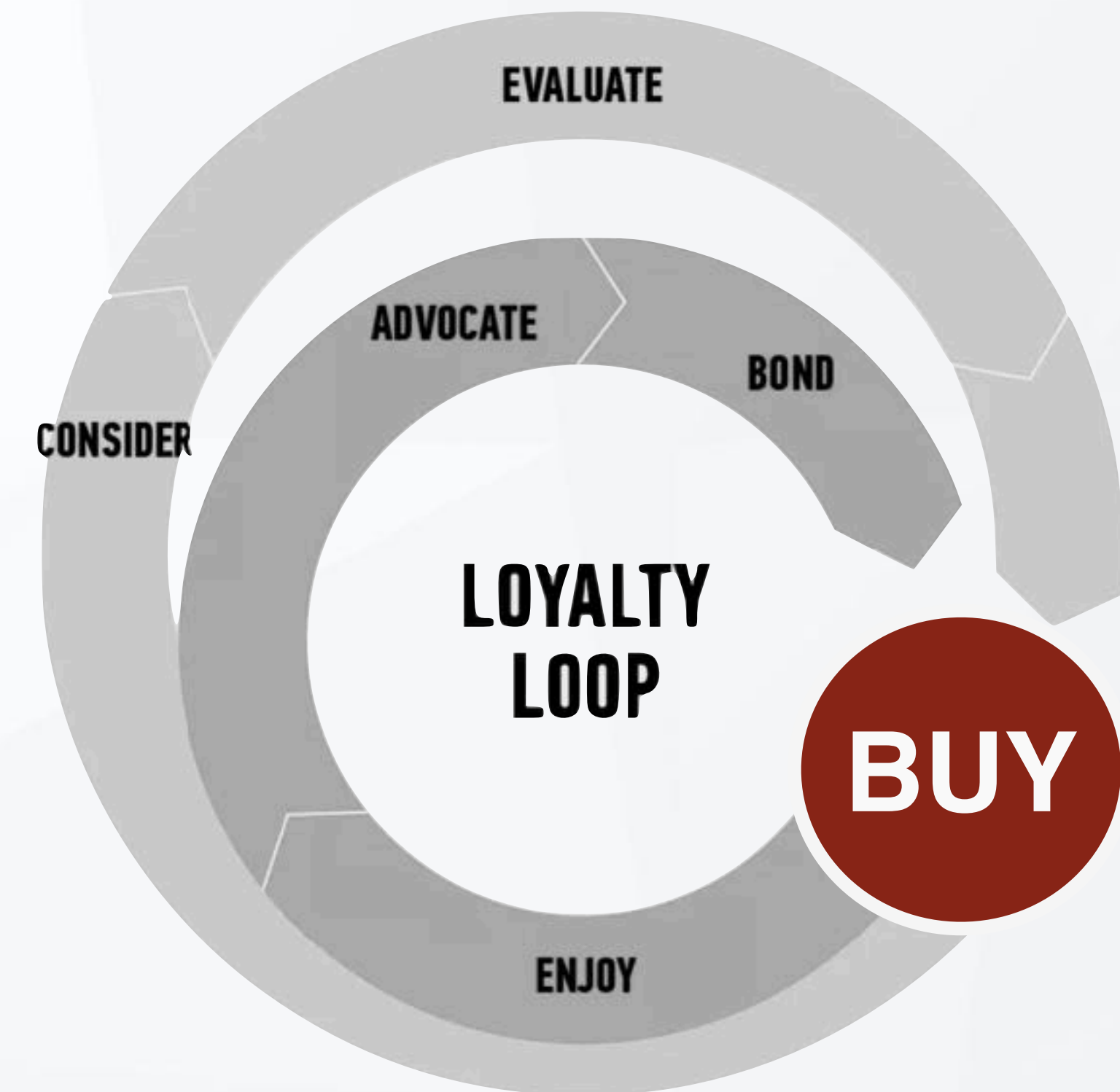
Over **300 million** active daily users

Total transaction value generated **> 800 billion RMB**
160% increase year-on-year

Source: TencentGlobal, WeChat Open Class PRO 2020 (Jan 9, 2020)

THE POWER OF HABITS TO CREATE NEW CHANNELS OF PRIVATE TRAFFIC

Brands need to find ways to **create power habits** within their fans to ensure they will bring them within a specific **behavioral loop**.

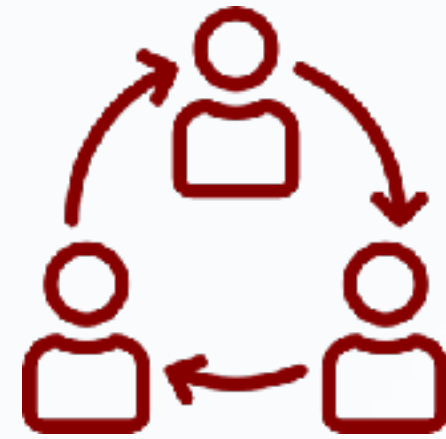


PURCHASE CONVERSION RATE COMPARISON



0.37%

Traditional E-commerce



6%-10%

Social Commerce



up to 20%

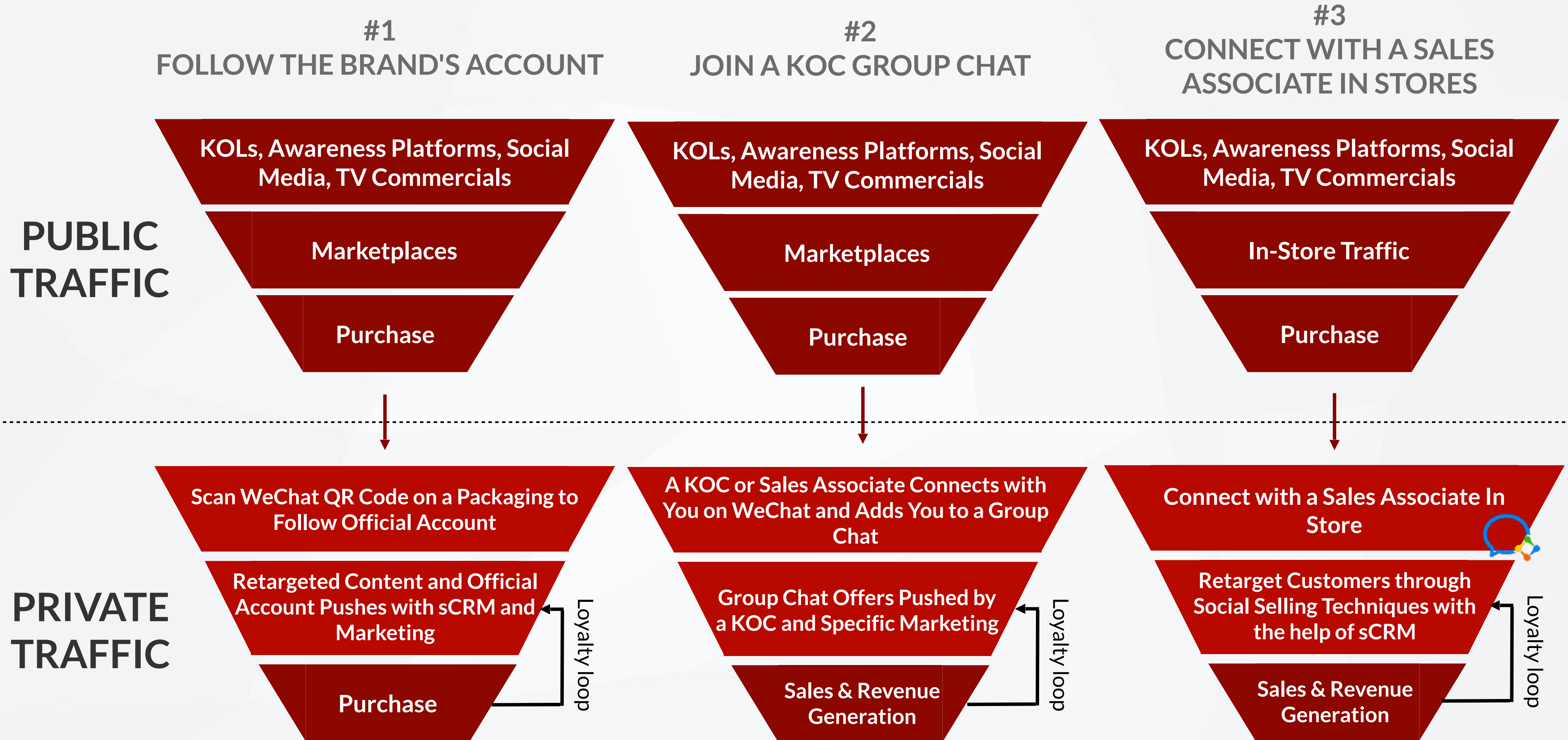
Top e-commerce influencers

Purchase Conversion Rate = paid users / total number of store visitors

(Source: Guotai Junan Securities, CIW, July 2019)

TRADITIONAL TRAFFIC FUNNEL





黎贝卡的异想世界 BECKY LI - ALWAYS PROVIDING GREAT CONTENT ABOUT 'HOW TO BECOME BETTER' INSTEAD OF 'QUICKLY BUY THIS'



Ecommerce MP



WeChat OA Article



The Product Detail Page

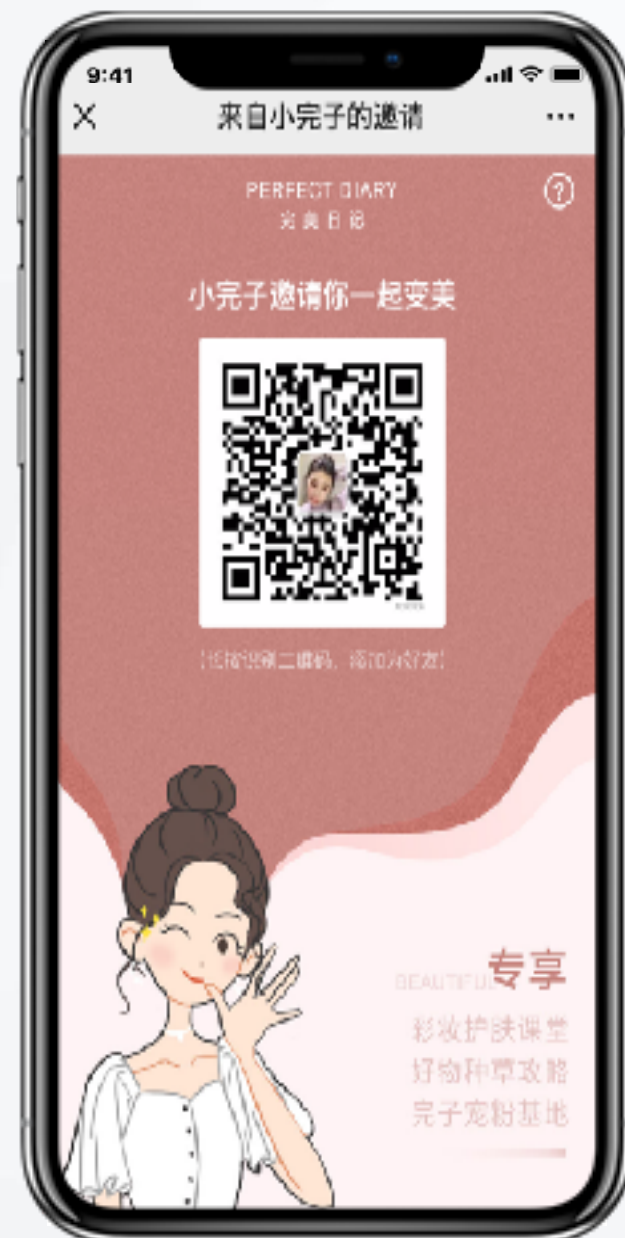


RETAIL E-COMMERCE SALES SHARES, 2019

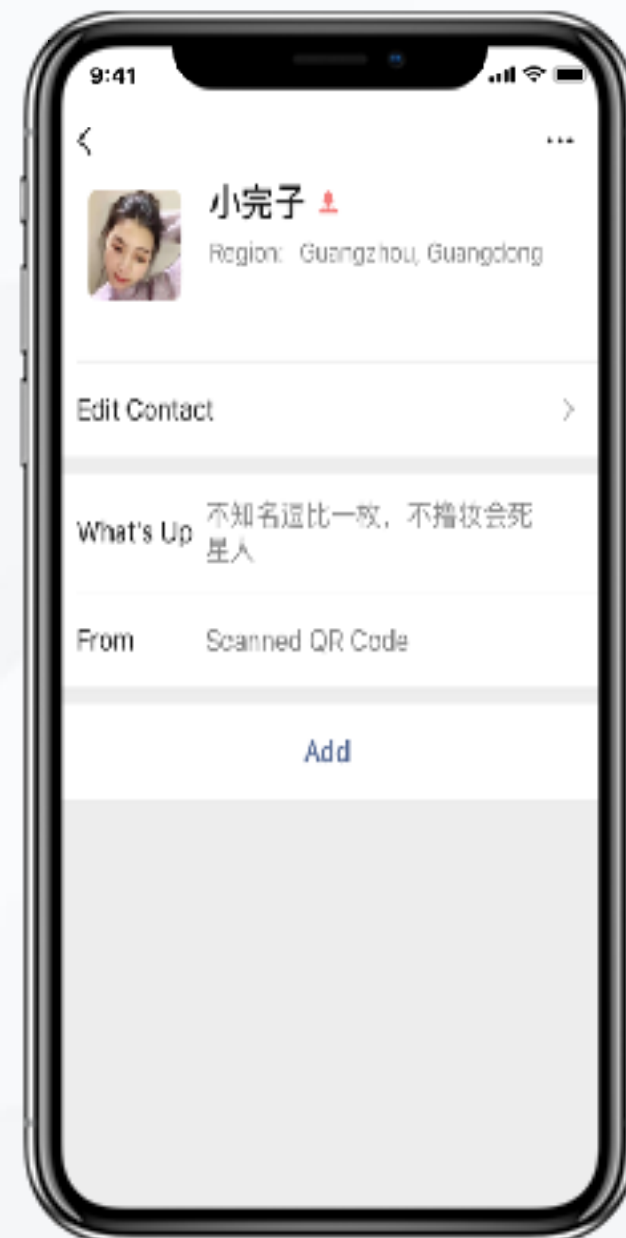
- **1st cosmetics brand** on Tmall to achieve a turnover of more than **100M RMB** in **1h28min** after the opening
- On WeChat, **Fictional KOC** to create closer customer relationships



PerfectDiary Official Account



Scan QR Code to add Xiaowanzi



Become WeChat friend with Xiaowanzi

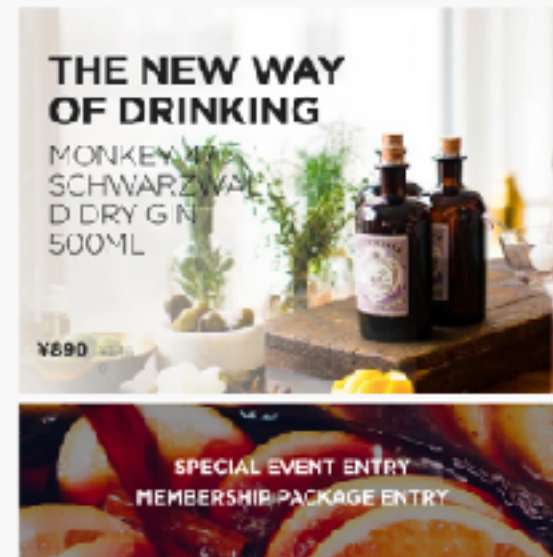
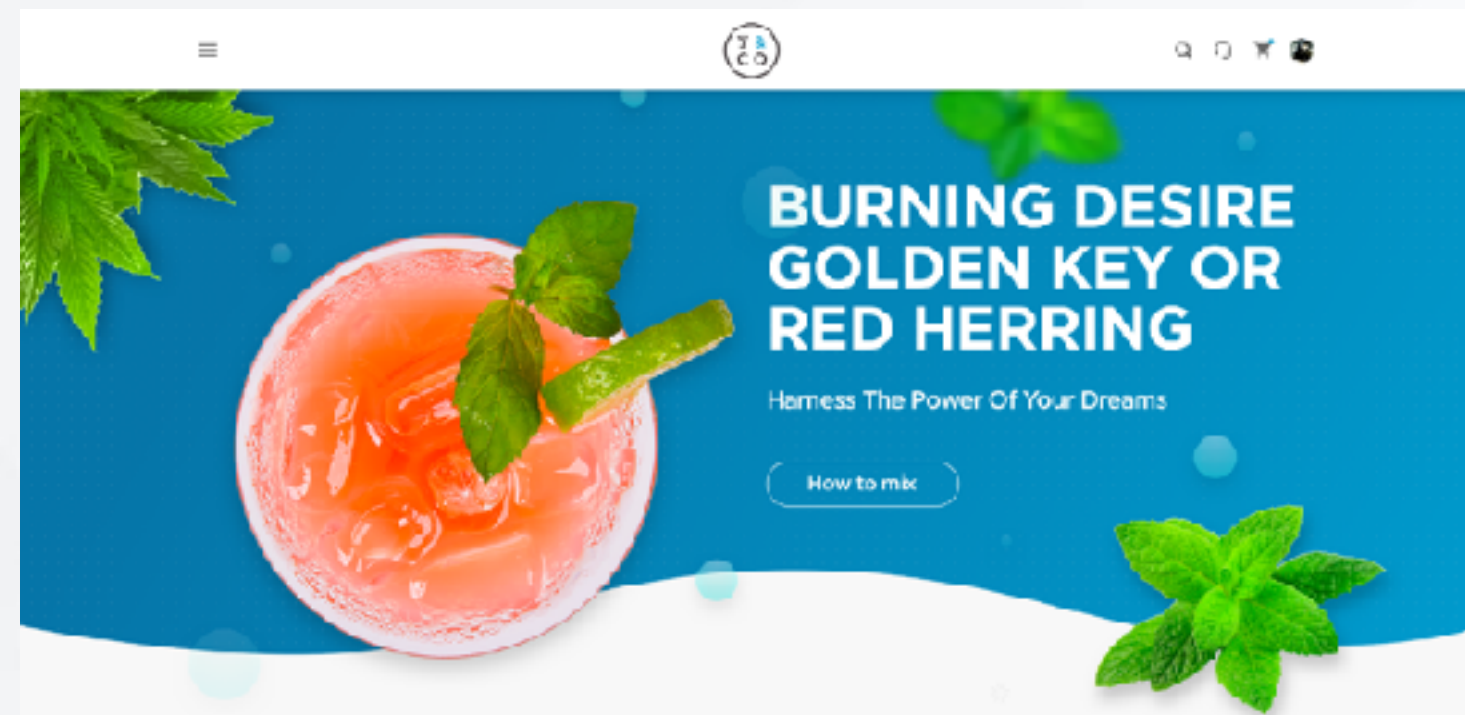


- Gain loyal customers by **shaping a community**
- Future plans: open **600 offline stores** over next 3 years



Switch from a B2B model relying on distributors and marketplaces to a D2C approach with data integration strategy

New Brand creation



THE ON SALE

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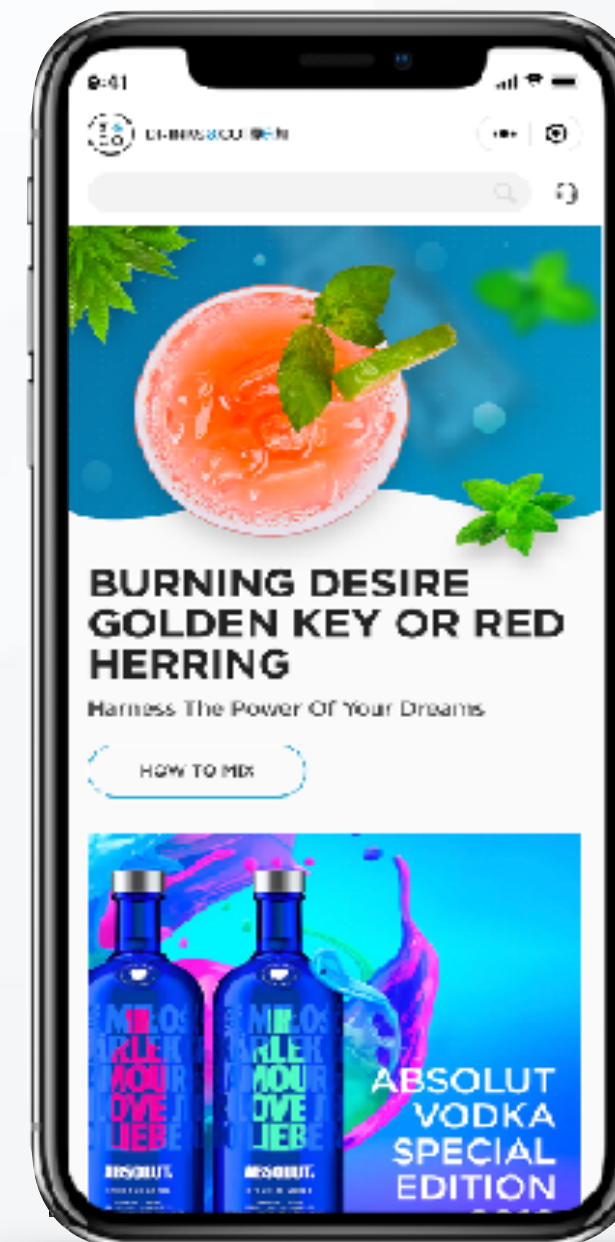


Website

Mini Program



Bars



PERSONALIZE

Take control of your sales cycle



1 CONSULT OFFICIAL ACCOUNT

USER BROWSES OA OF THE BRAND OR ACCESS DIRECTLY WECHAT MP

2

TRACK

TRACK USERS' BEHAVIOR

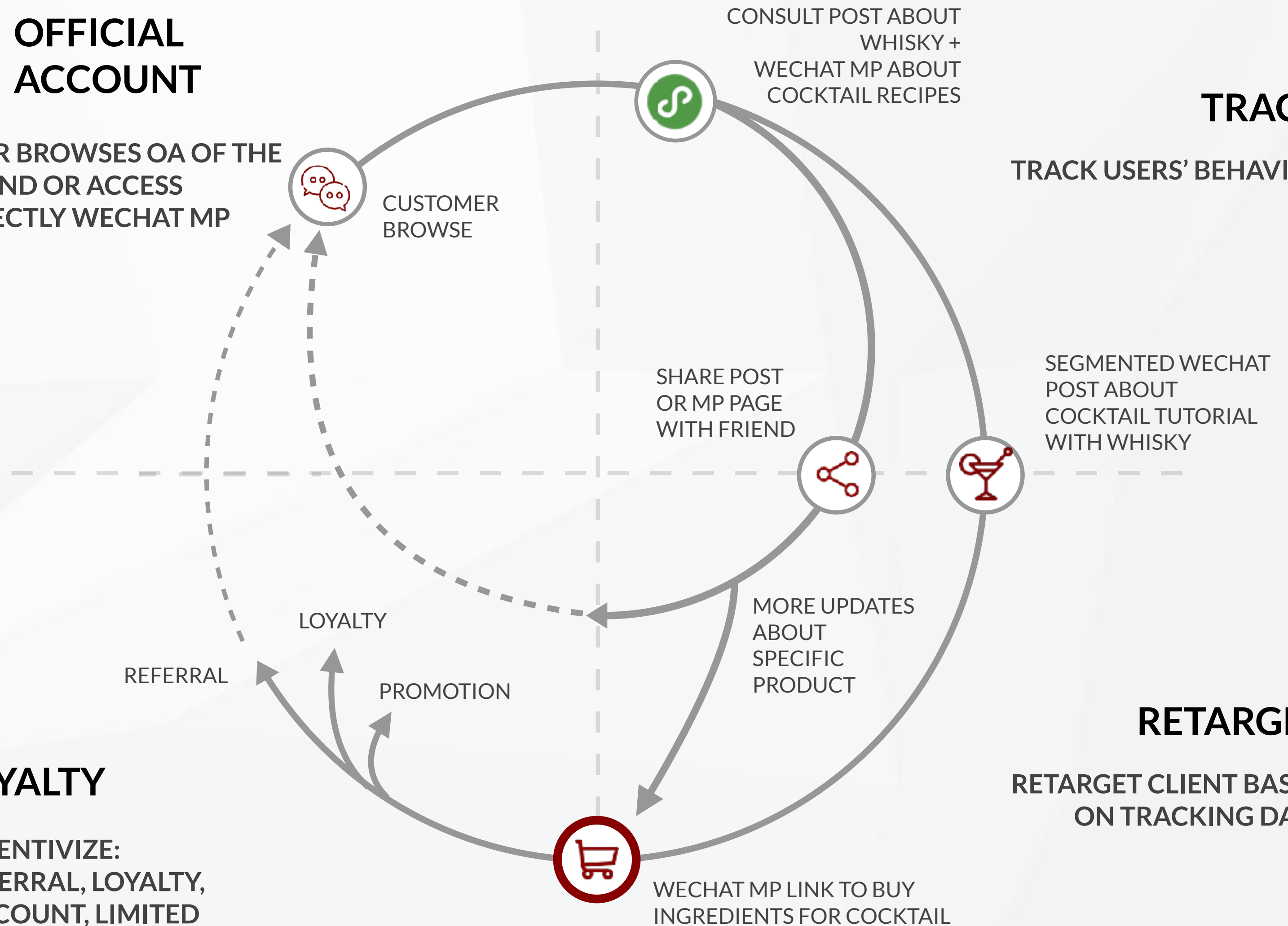
4 LOYALTY

INCENTIVIZE: REFERRAL, LOYALTY, DISCOUNT, LIMITED OFFER

3

RETARGET

RETARGET CLIENT BASED ON TRACKING DATA



KEY LEARNING

*Provide a service that **drives customers closer** to the brand*

Give real benefits to your audience to make them become your ambassador

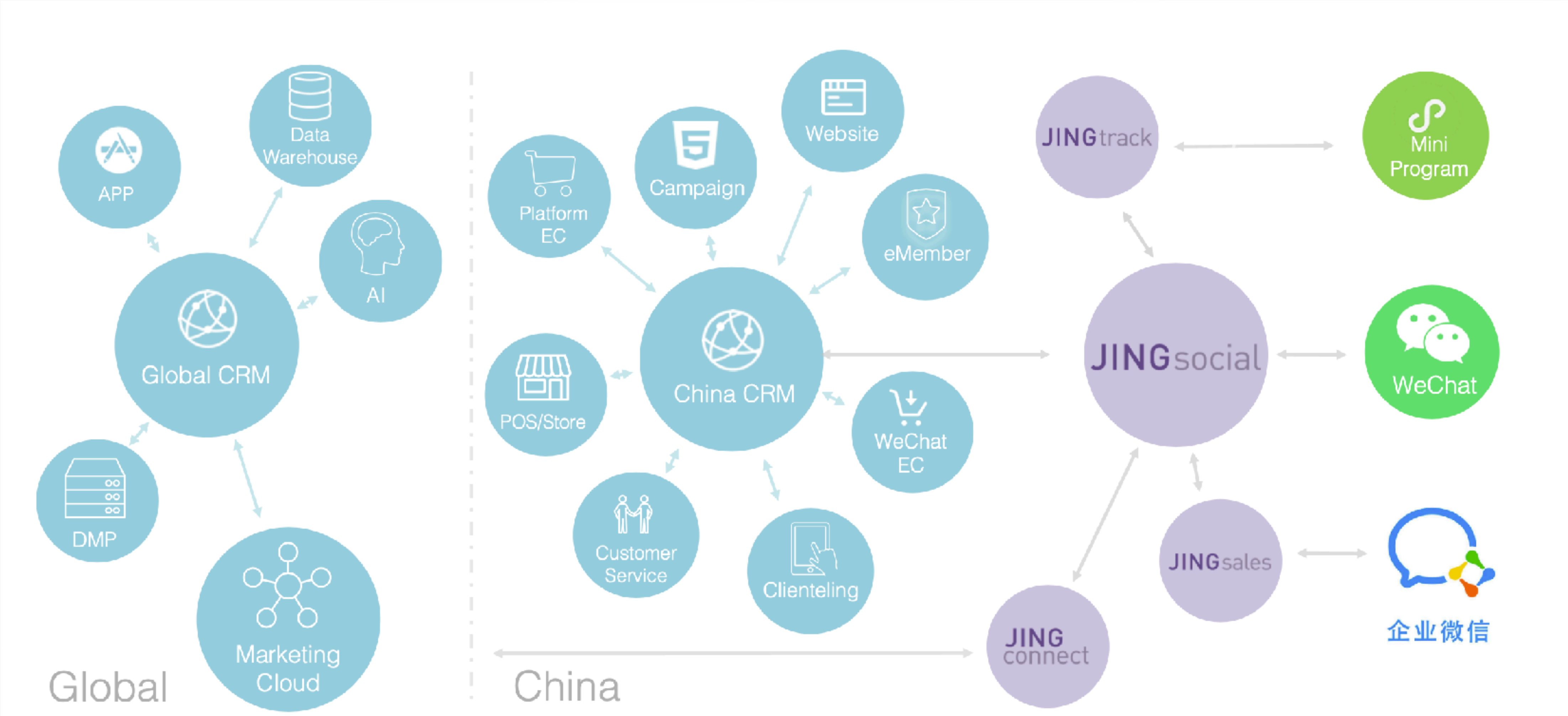
BECOMING SUCCESSFUL IN THE THE CHINA ECOSYSTEM

- The e-commerce landscape
- The rise of Private traffic - 3 brands rocking it
- **Building an Omnichannel Ecosystem**

LEVERAGE YOUR ASSETS WITH AN OMNICHANNEL APPROACH

- Gather customer data in **1 single platform**
- Provide customers with a **seamless & consistent** experience
- **Customer-centric** buying experience
- Nurture private traffic

LEVERAGE YOUR ASSETS WITH AN OMNICHANNEL APPROACH



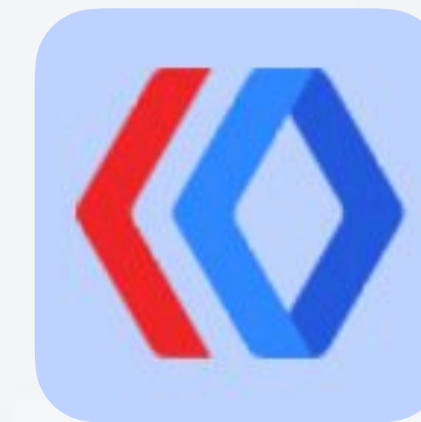
MULTIPLE MINI PROGRAM ENVIRONMENTS



Alipay Mini Programs



Douyin Mini Programs



Baidu Mini Programs

KEY TAKEAWAYS

- Landscape is evolving
- Users want **VIP experience** in an **environment you can control**
- Leverage public traffic and **turn it into private traffic**, reaching a better ratio
- **Create an ecosystem** that lets you **nurture** that private traffic
- Private traffic needs different content and strategy

Get one hour free consulting on the Chinese Market by scanning the QR code or emailing me. First 3 will be awarded

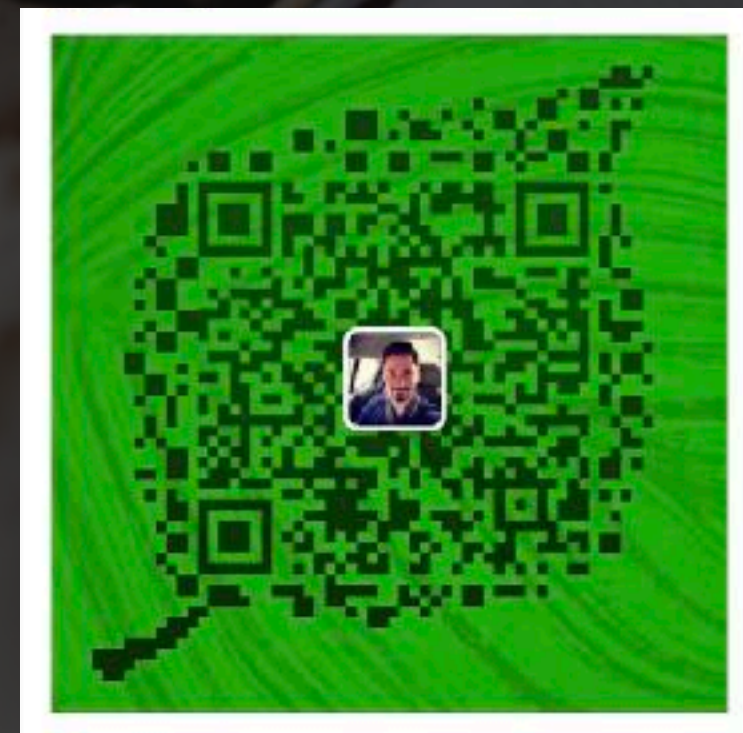


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