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4 Steps Selling Cross-Border to China

CROSS-BORDER STRATEGY

SOURCE: THE PAYPERS



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The Opportunity in Cross-Border Ecommerce is Big

Cross-border ecommerce enables brands and retailers from all over the world to ship products directly to Chinese consumers.

The Chinese ecommerce market, however, is complex and there are many cross-border ecommerce platforms on which brands and retailers can sell their products to Chinese consumers, from Alibaba's Tmall Global and NetEase Kaola, which have been the distinct leaders for several years, to JD Worldwide, who is the third largest player.

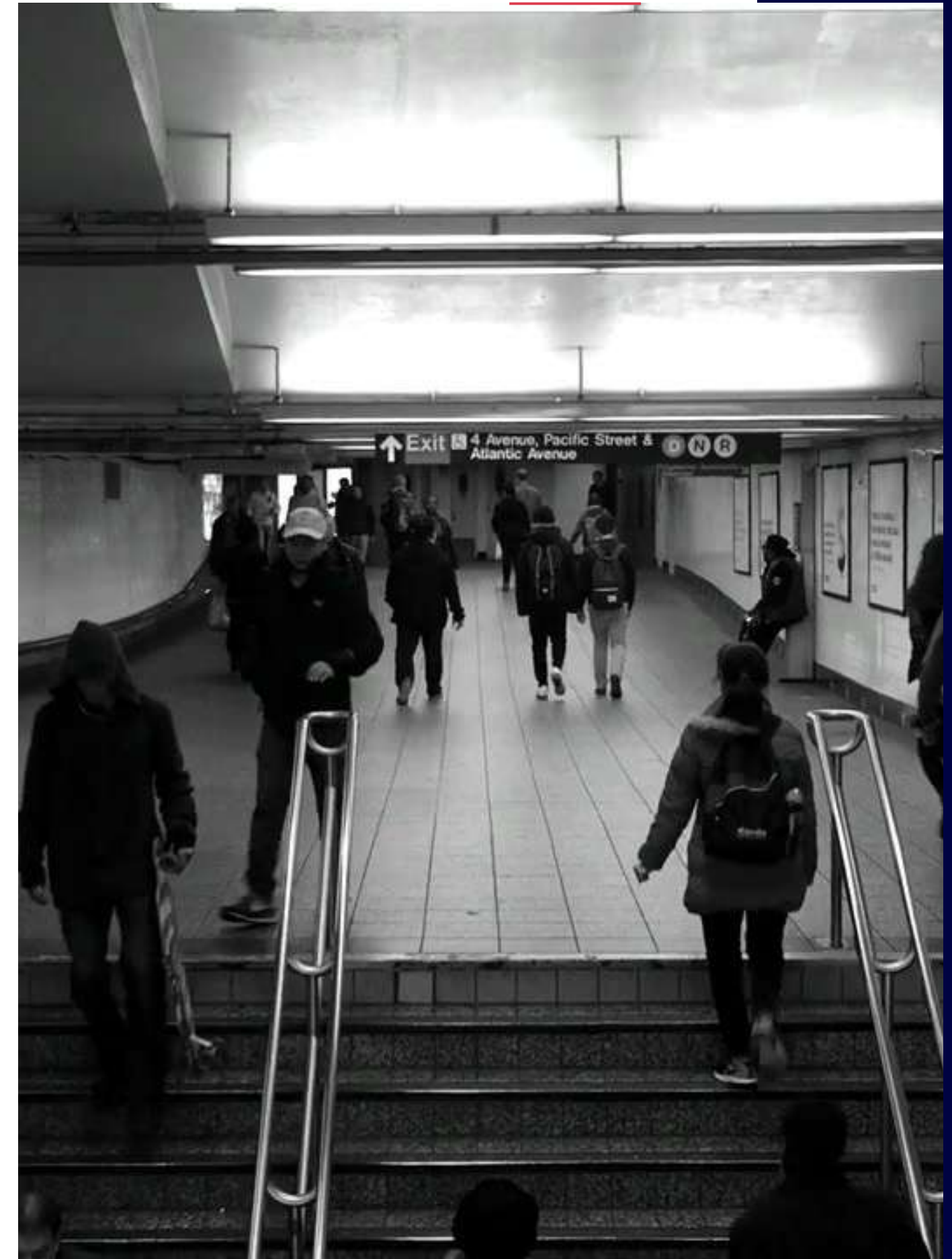
The big marketplaces do take up a lot of space in cross-border ecommerce but there is room for other third-party retail platforms as well.

There is no 'one-size-fits-all' strategy for China

Having a clear strategy for international expansion is key to success. Nevertheless, when it comes to China, there are a few additional challenges: language, the ecommerce ecosystem, and - probably the most important - the different consumer behaviour.

The key question is: what is my strategy? The answer to this question defines what channels you should choose when selling to Chinese consumers. Are you focusing only on sales and revenue? Are you focusing on profit and market development?

Ideally, you're looking at a multi-step omnichannel strategy. The steps depend on what products you sell. Whichever path you choose, start by taking a good look at the Chinese market and plan your strategy well.



What to consider when selling cross-border to China?

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POLICY

China encourages and regulates cross-border ecommerce sales, which imply lower taxes than general trade does. The country also proactively builds bonded warehouses in order to improve international shipment efficiency.

DIGITAL ECOSYSTEMS

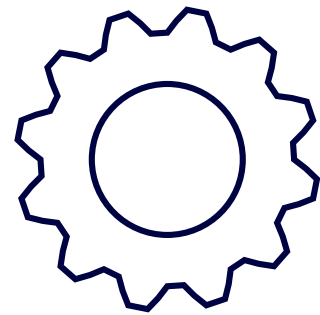
China has a unique digital ecosystem, from e-payment and ecommerce dominant players, to marketing and logistics. Comprehending this landscape equals knowing your 1.4 billion unique Chinese customers. You should really dive into getting to know China's market.

KEEP UP WITH THE LATEST DEVELOPMENTS

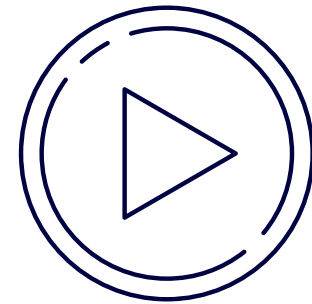
The Chinese market is represented by 'The only constant is change'. Around every three- five months, there is a disruptive new development. Keep an eye on these changes, as they could be relevant to your business.

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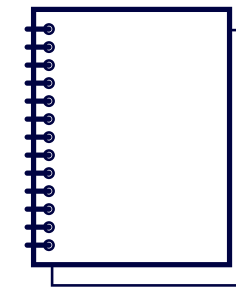
4 Initial Steps to Sell into China



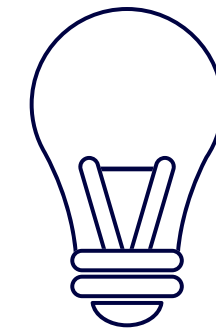
Always adopt local payment methods



Navigate cross-continent shipments



Choose a local partner



Choose the proper sales and marketing channel

1. Always adopt local payment methods

Firstly, adding local payment methods and the local language is the most cost-effective solution. Chinese consumers rarely have PayPal or use credit cards to pay in their home country. If you want to tap into the market, Chinese e-payment solutions such as Alipay or WeChat Pay are a must.



2. Navigate cross-continent shipments

You may start with individual parcel shipping, then move to a near-shore or bonded mainland warehouse when sales scale-up. This is a very common approach.

3. Choose a local partner

teaming up with a local player will help you obtain necessary permissions, accelerate your business growth, and – most importantly – you will be able to learn and adapt fast to the ever-changing Chinese market without making many mistakes or losing much time.

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4. Choose the proper sales and marketing channel

Choose the proper sales and marketing channel: there's no 'one-size-fits-all' answer. There are in general three sales routes for entering the Chinese market, and choosing the right channel depends on the products you want to sell and on your target group.

The Chinese market is centring around marketplaces, but if you are selling goods belonging to specific categories – like mom and baby products or designer artwork – then marketplaces are a no-go area.

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Chat to us

Let our cross-border advisory team guide you through the journey to China.



CHRISTIE DING

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8+ years experience in digital marketing across Australia and China market. Christie's Australian experience specialising in the APAC market has enabled her to hone her skills in cross-border and cross-cultural communications.



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8+ years experienced digital marketer specialized in cross-border strategy planning. Hazel was the catalyst to enable the world's biggest online commerce company Alibaba launch PurCotton in Australia.