

2OPEN



Selling Online in China

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JD Worldwide

China Cross Border Sales

Webinar

ACCIÓ



Generalitat
de Catalunya



Our company started
10 years ago

in Shanghai.

2010



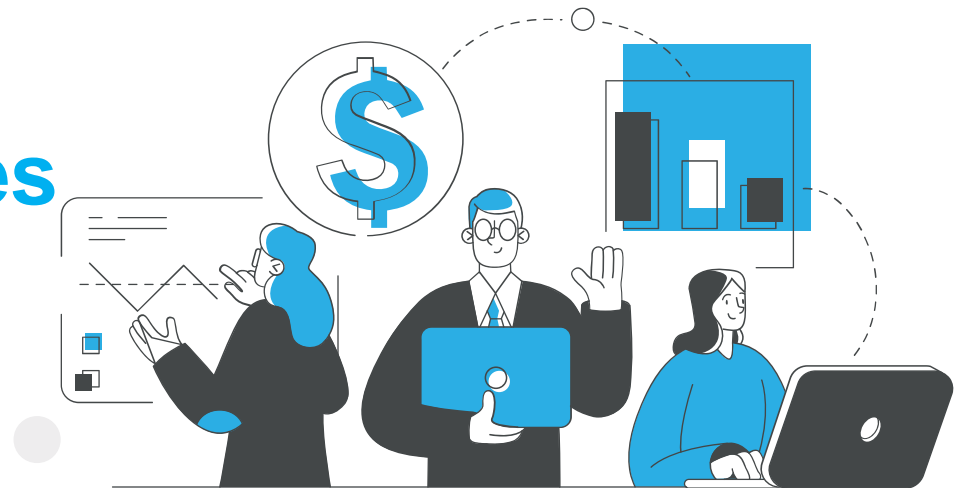
We are transparent and open to engage in best practice. Sharing knowledge keeps us updated on key trends and tools. Platforms, Chinese Media and other agencies regularly contact us to offer their solutions to the brands that work with us.



Our typical clients are

Mid-sized family European companies

while we are opened to
more types



Our Clients Characteristics

- › Mid Sized Companies
- › Revenue from 6 MM EUR/Year
- › Selling In International Markets before China
- › Own a competitive brand or service
- › Possessing a Branding Conceptualization
- › Possessing an understanding on China or Asia
- › Possessing some team/attention dedicated to the project



Why Do They Work with us

- › They want to be close to the market
- › Aim to drive China Assets
- › Want to support their distributor or China office when they have
- › Aware on how important is their own branding in China
- › China is not a short-term project but an asset building strategy
- › Philosophy is closer to “expansion” than it is to exports

This may explain our way of working and better fit

Selling on JD Worldwide: How to do it?



Benefits:

- Faster Time to Market
- Lower Investment
- Lower Commitment
- Crossed-Traffic
- Economies of Scale

Platforms are product-oriented
No branding implications



A first step is performing a feasibility study

We will perform an assessment of the practicality of the brand selling cross-border in China aiming to objectively and rationally uncover whether it is possible to carry on the project.

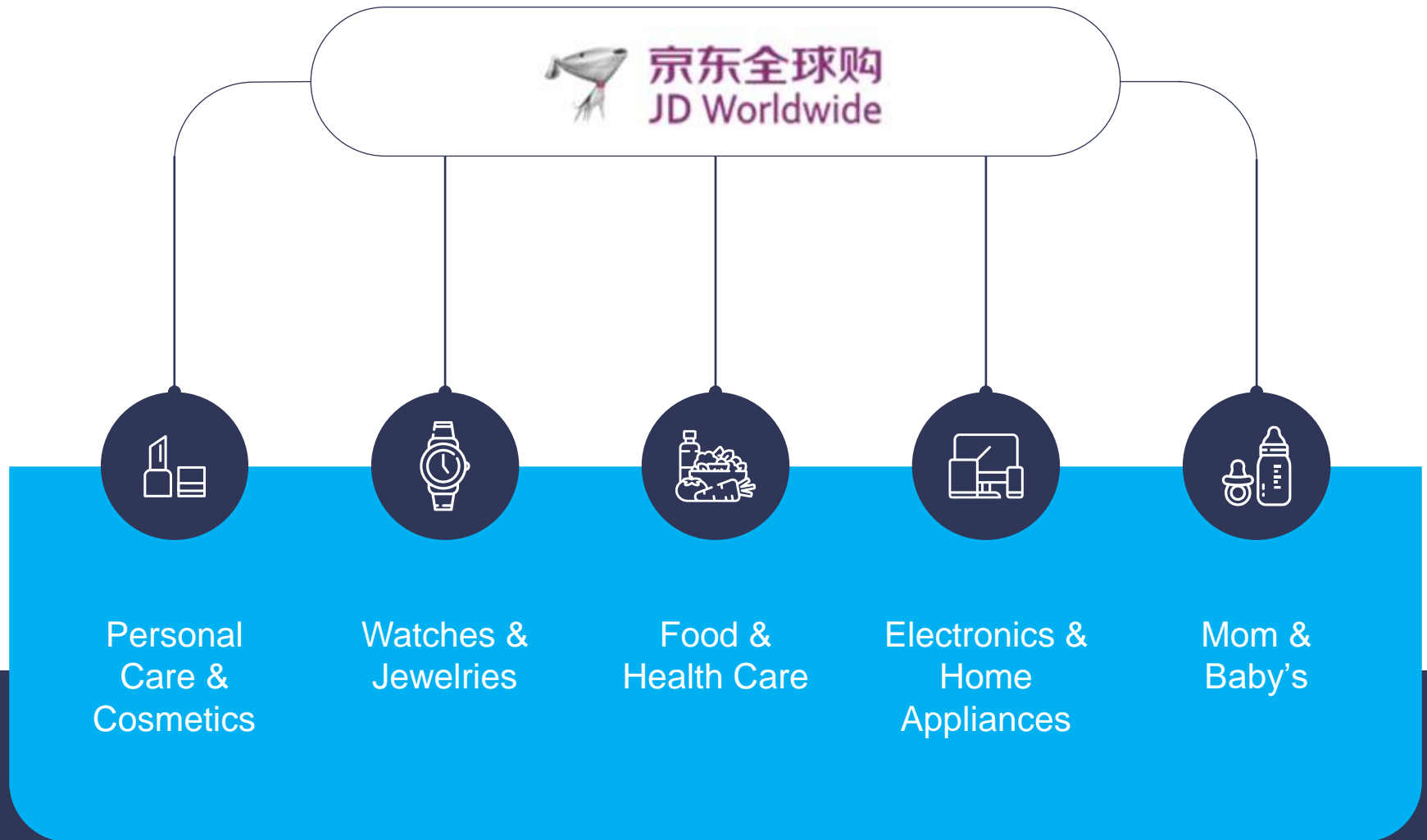


WE NEED	FEASIBILITY STUDY CHAPTERS		
Trade mark Authorization 10 products catalogue with prices Weights and measures of packages Pictures of products and packages.	We will check what is the pricing situation, how much would be the product in origin, and selling price and what are selling volumes to have an idea on the commercial feasibility.	We will confirm primary and secondary packaging are ok, for shipments. We will check price to ship to China and estimated prices of b2c shipments within China.	We will confirm that these brand is ok to be sold, and the products with JD worldwide.
	COMMERCIAL	LOGISTICS	REGULATORY



The deliverable of this is a feasibility report with a justified and explained go or “no go” recommendation

JD Worldwide Target Product Categories



Categories we believe of special interest for cross-border ecommerce too



Beauty skin Care	All Subcategories		Pet life	Pet staple
Personal Care	Body Care	Body wash/soap/bath salts/men privates lotion. Hair removal cream/tools. Other tertiary categories.		All other secondary categories
	Hair Care	Body wash/soap/bath salts/men privates lotion. Hair removal cream/tools. Other tertiary categories.		Alcohol
	Female care/oral care			Home Textile
	Hairdressing wig/styling			Kitchen utensils and appliances
	Maintenance			Household daily
Auto Supplies	Safe Drive			Furniture
	Other secondary categories			Leather Luggage
	Grain and oil to taste			Dress Underwear
Food and beverage	Other secondary categories			Domestic outfit building materials
			Gift	Gift stationery
				All other secondary categories

If your product is not included in this categories, we may also check the feasibility of selling it while chances that we could do it are lower

JD.com has a strict zero-tolerance policy toward counterfeit goods



Guaranteeing Product Quality & Authenticity



We must work brand by Brand

We need to register each brand in JD.com

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One “brand” is the key cost driver



Your Brand Registration Out of China



Sales Authorization for JD Worldwide



We submit it to JD Worldwide



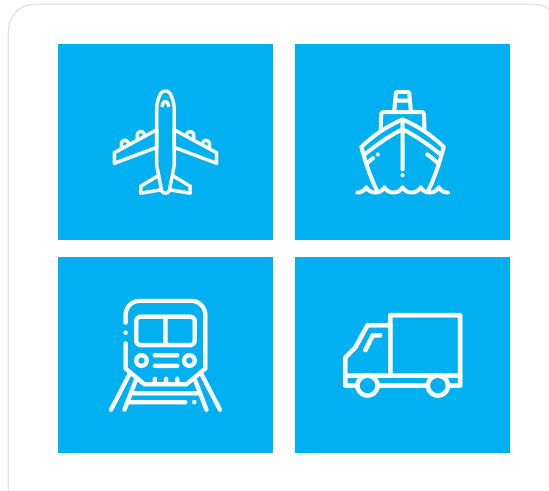
Brand Approval

Once the Brand is approved by jd worldwide, we proceed with the shipment

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Goods Preparation
According to Platform Rules



Shipment
We may use boat if lead times are ok



Free Trade Zone in China
Picking Warehouse JD Logistics

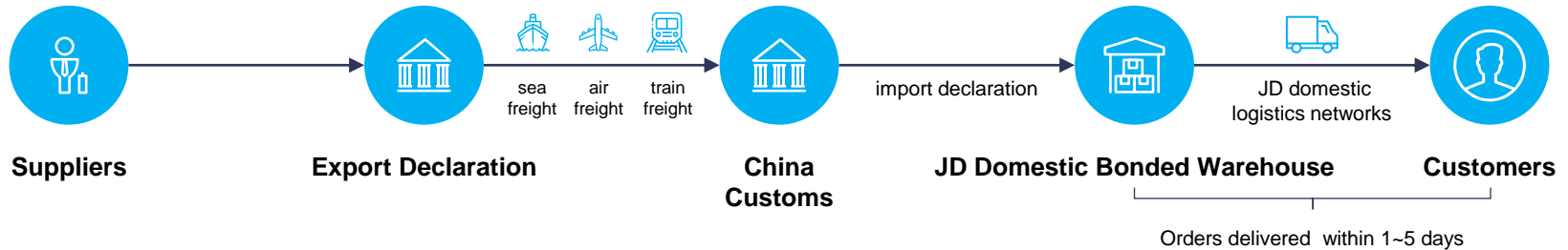
We will work with consignment, therefore we will place “consignment orders”. Title to each Product shall remain with Supplier until such time as such Product is sold by 2 Open to the Consumer, at which time title shall pass from Supplier to 2 Open and then immediately from 2 Open to the Consumer.

JD logistics is our choice because it is effective and safe and we ensure products are delivered

Import Bonded Warehouse - stock up foreign goods in JD's domestic bonded warehouse



overseas delivery



In 2 Open we have tested each and every option. This one has the issue that once our goods are in the bonded area, we cannot really return them out. But this one is reliable and ensures we deliver to our end customers.

We will determine pricing based on your instructions on cost adding other factors



Examples to illustrate how different this can be per each industry and moment



Cosmetics Industry

Each sector has different components in their Profit & Loss ecommerce in China



Food & Beverage

Price formation explanation.



Example: cosmetics

Illustrative only. This changes very much product by product, brand by brand.



CIF price to 2 Open

Online Effective Selling price target

Tag Price

5€

x2

10€

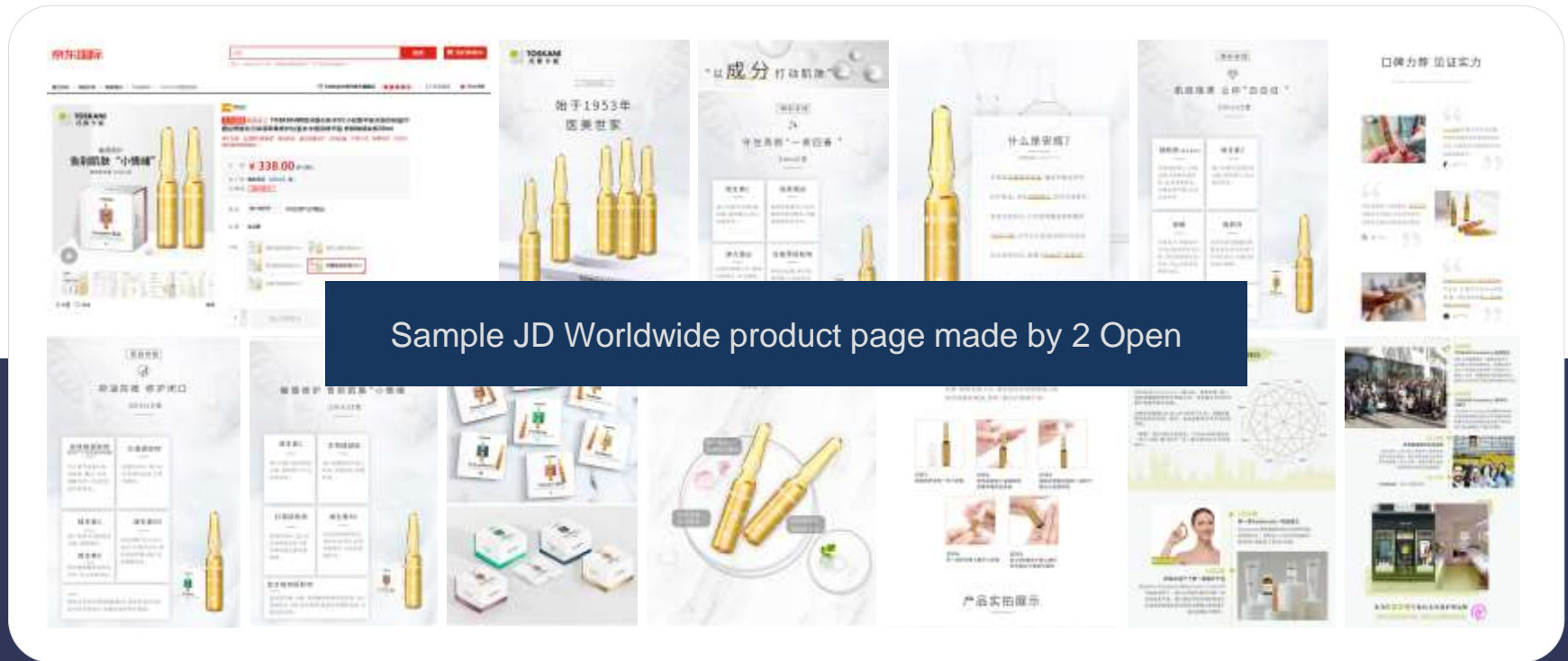
x1,5

15€

x3

Depending on your price, we will mark up transparently for you so we have enough room for costs of each involved player but also for promotions. If we had a higher effective selling price we would dedicate more resources to marketing.

In parallel to the shipment our team starts preparing product pages



Product Pages are absolutely crucial in China. Much more intense and elaborated than in Amazon. Displaying all about the product characteristics and about the brand. This job requires teamworking.

These pages are based on your product pictures and descriptions

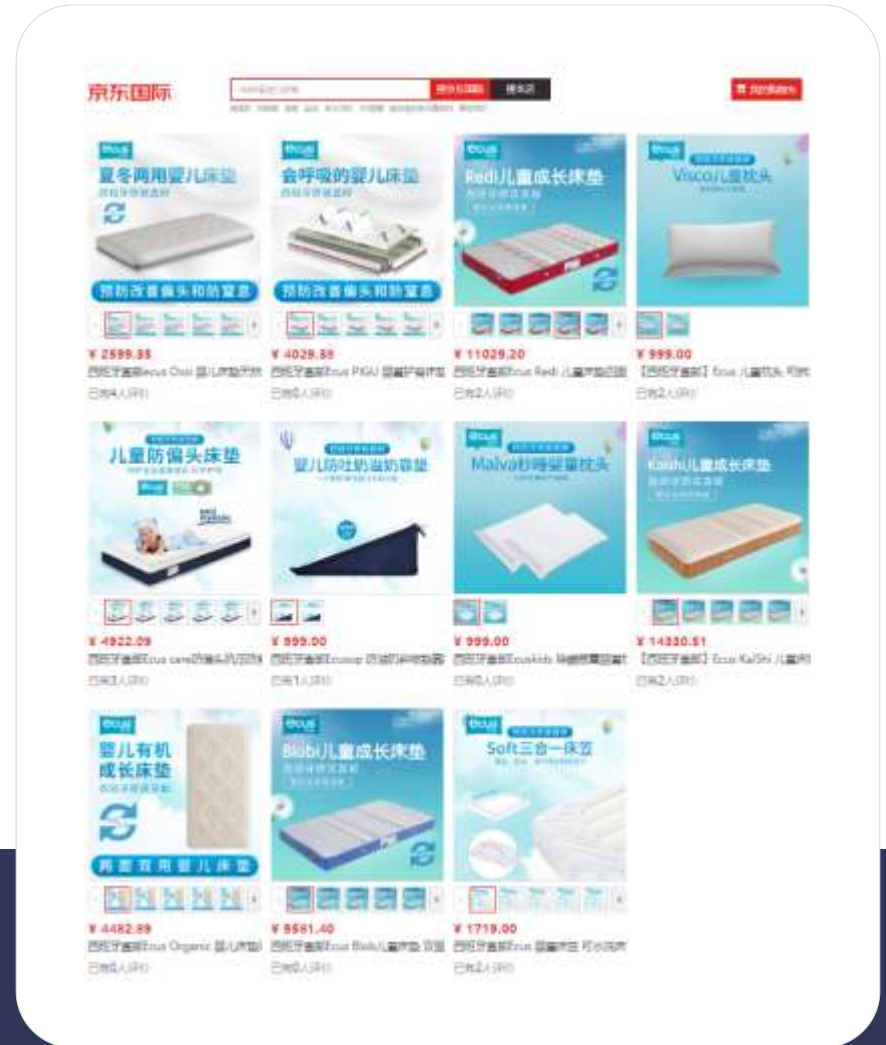


Product Pages elaboration serves also as a team training for customer support which also has a strong influence in conversions later on. Having samples sent to the team would help.

Being properly present at China e-commerce platforms is a benefit itself

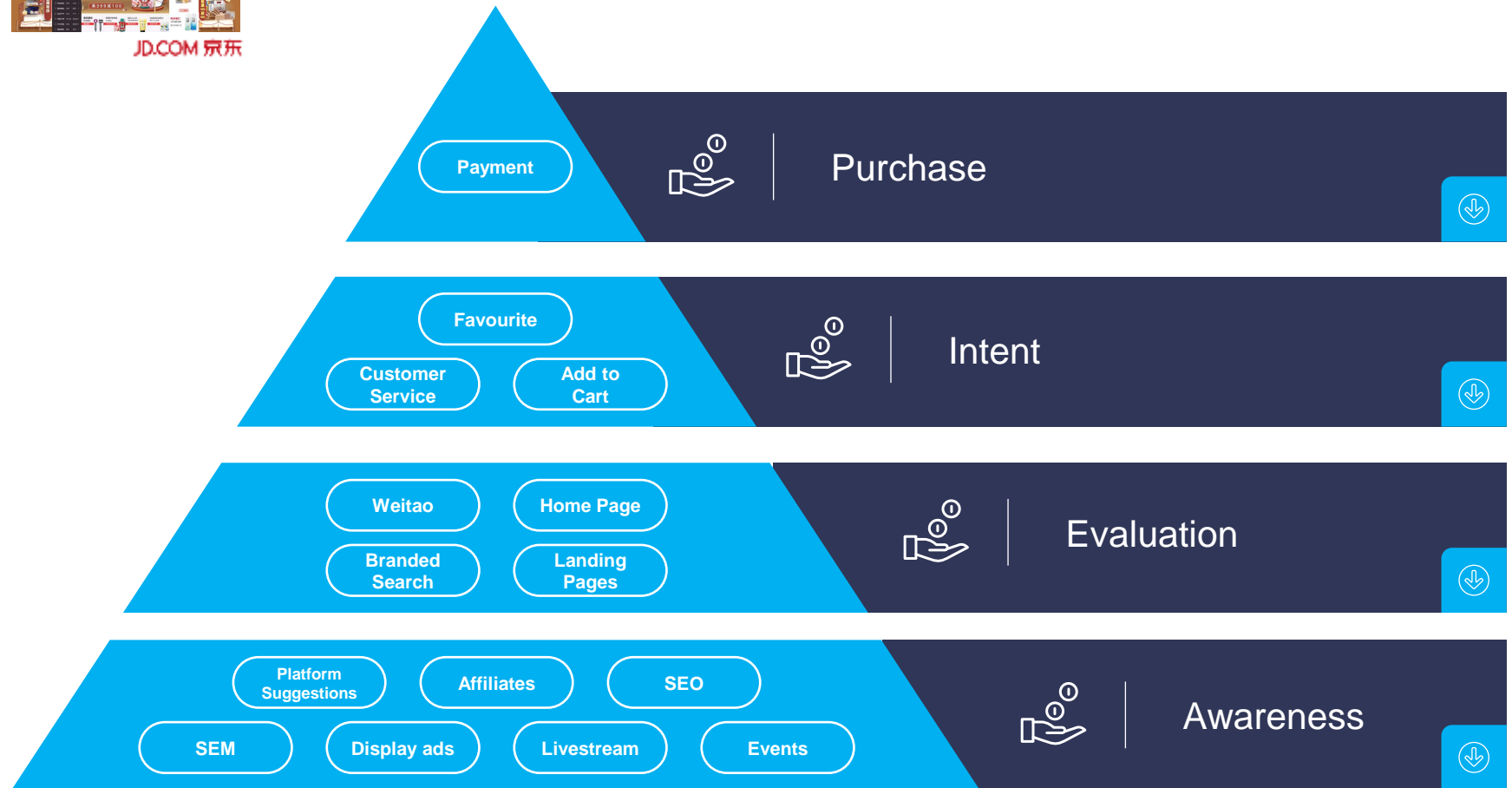
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- By being online and visible in China with a good image, your brand gains an active catalogue in China that will be visible to consumers and potential distributors.



This is valuable itself since it makes the brand visible in China

Once we are in the platform we need to manage the sales funnel



China Ecommerce Platforms Philosophy works with the Up or Out principle

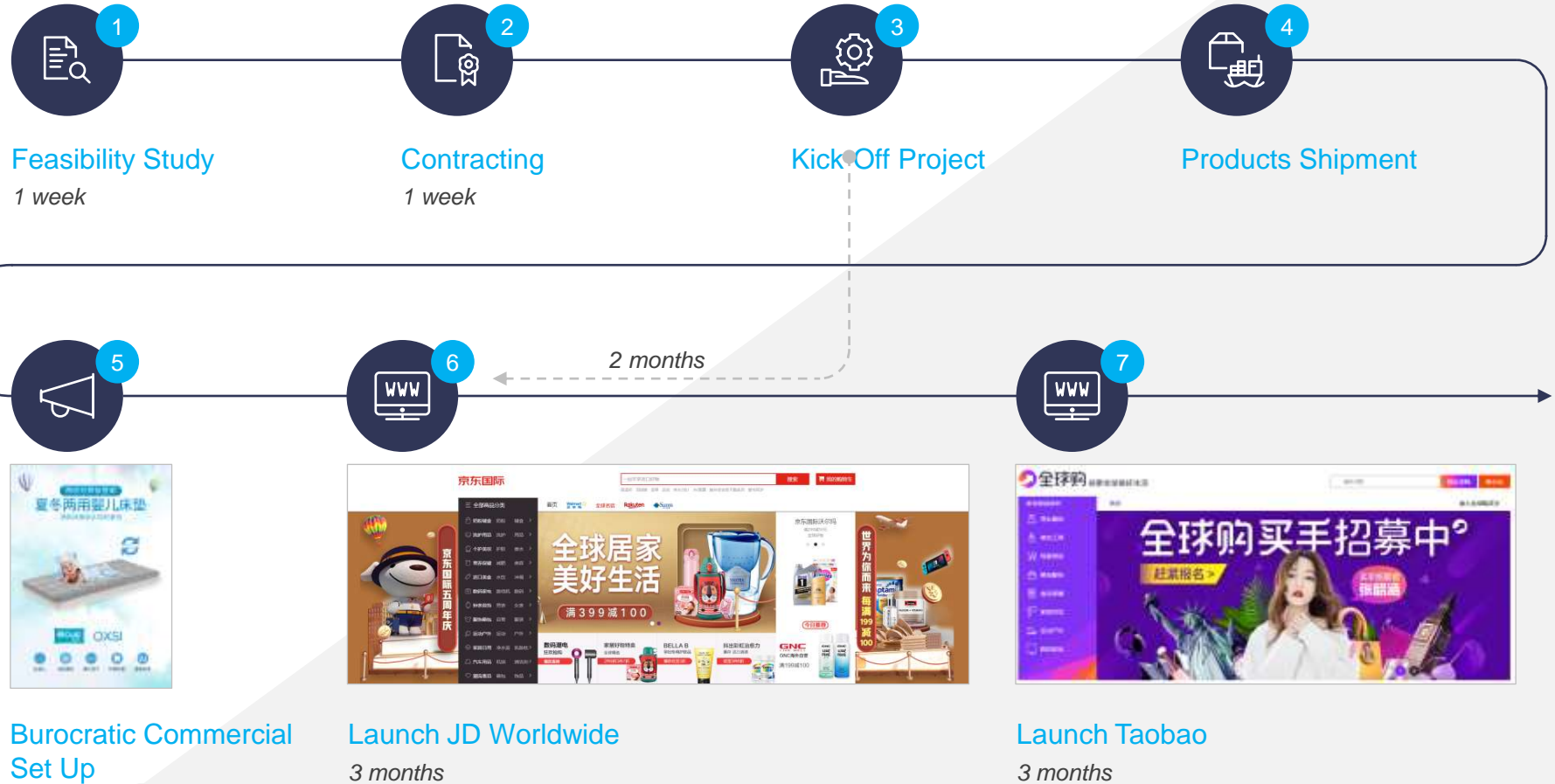


- > JD.com logistics punishes slow moving stocks very hard.
- > Slow moving stock = item unsold for over 3 months.
- > They do punish through less traffic plus increasing warehousing costs.

We have to avoid low rotation items as much as possible

Workflow summary: Route to be selling online cross-border in China

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It takes some time to be effectively up and running. We must be patient and go step by step.

Success Case: Toskani Cosmetics



2 Open successfully introduced the brand in China through JD Worldwide

Now you have a China E-commerce Team

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Go On!



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