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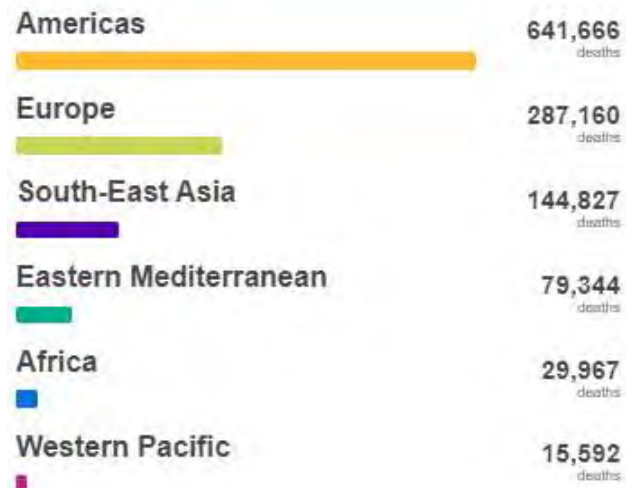
Strategies for Growth in China's B2B Digital Ecosystem

Aventura | China Venture Builder & Market Growth Partner



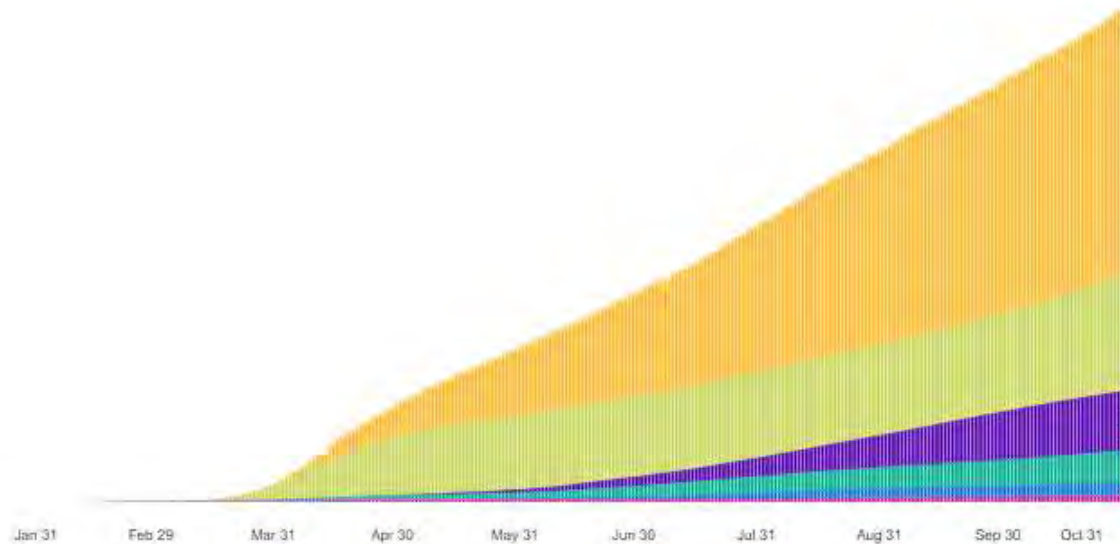
# Covid-19

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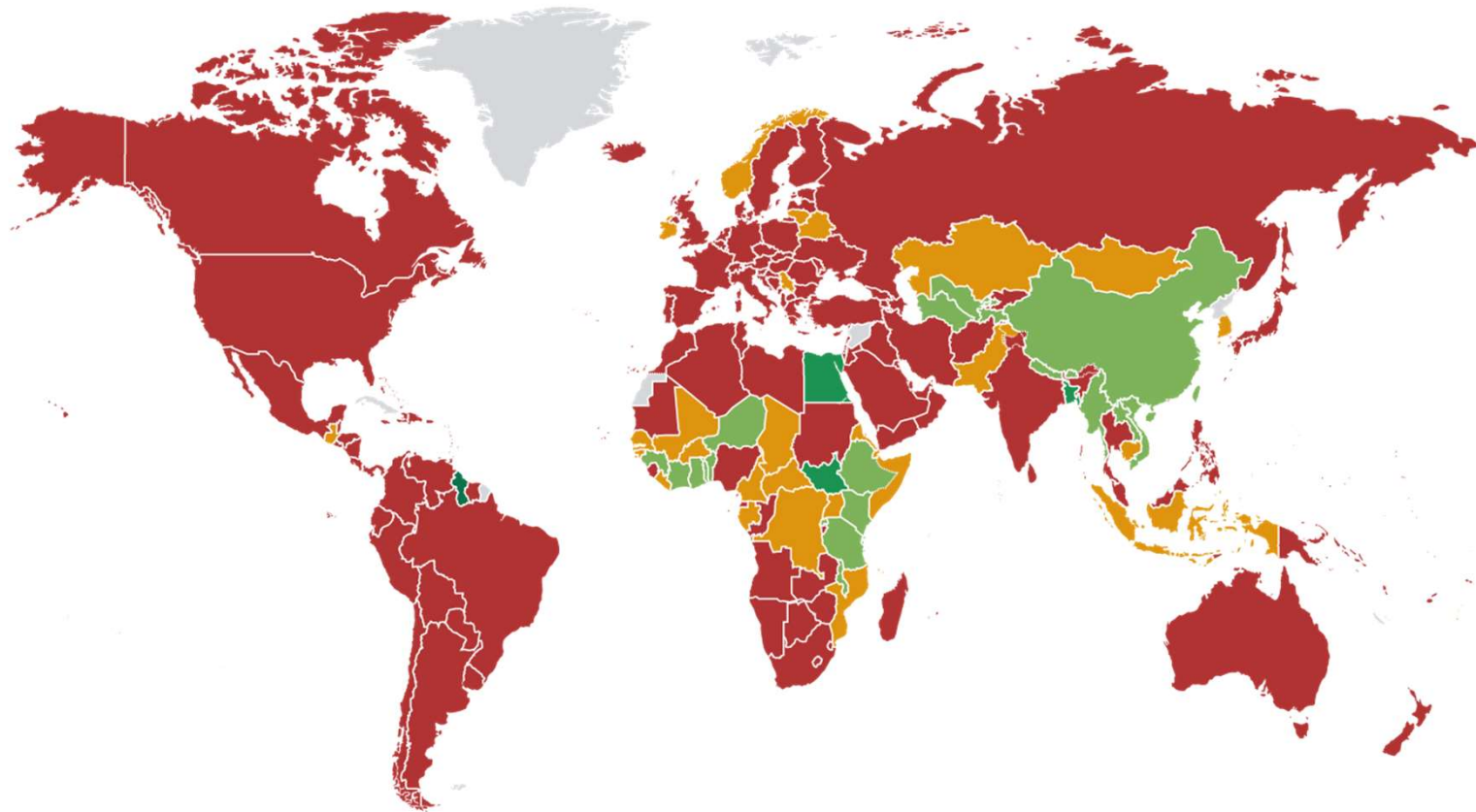


Source: World Health Organization

Data may be incomplete for the current day or week.

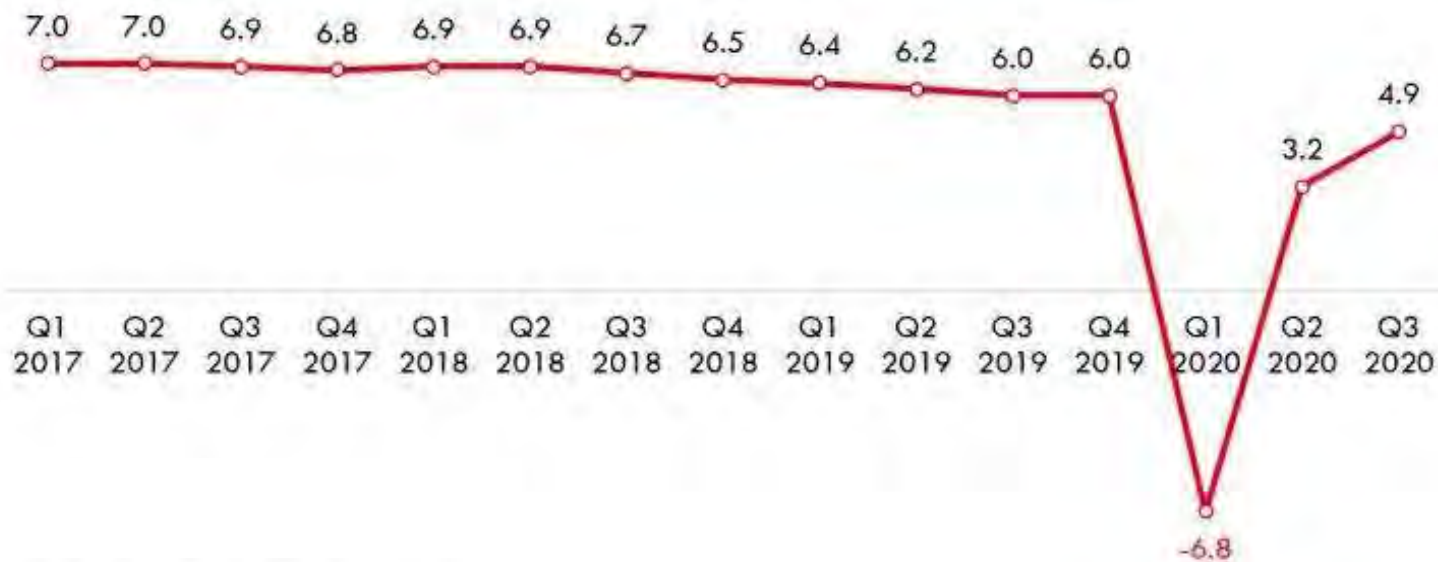






# GDP

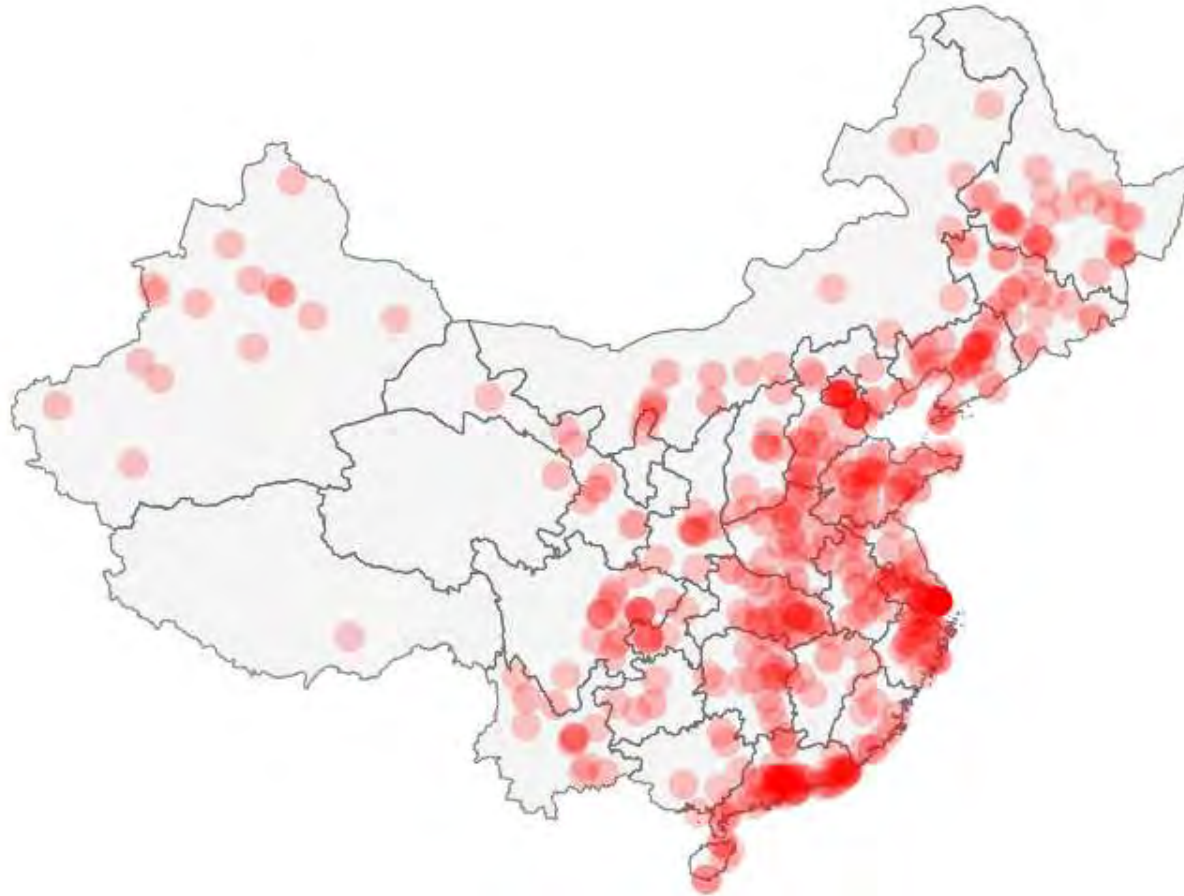
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# Consumers

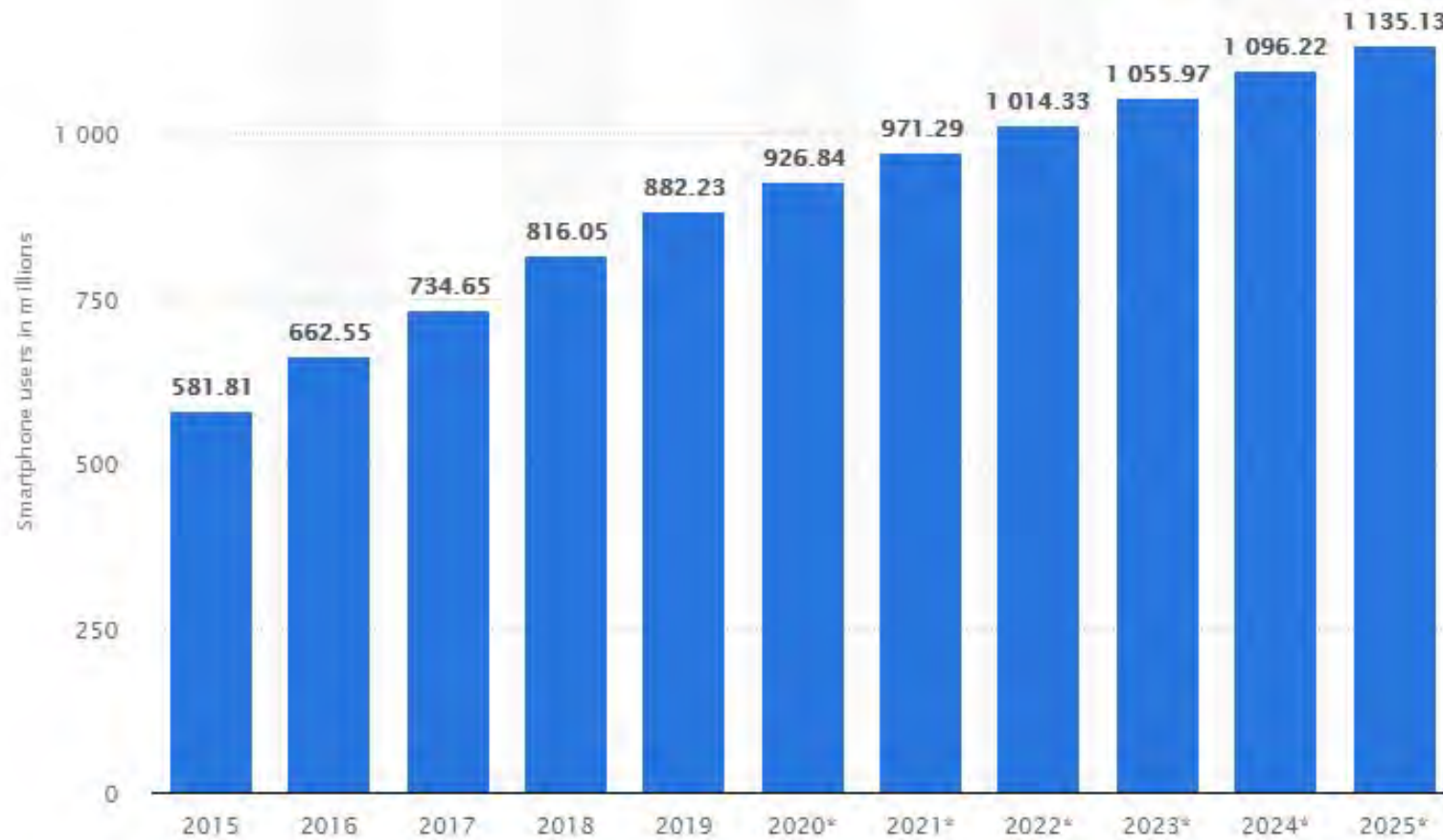
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# Smartphone

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# 2019 GMV

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# Checklist

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"B2B ecommerce transactions will reach **\$1.2 trillion by 2021**,  
yet we still see an extensive amount of B2B sales  
taking place through **traditional, analog channels**"

- Forrester

# Checklist

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When people refer to **B2B** in the West, they usually think it's different from **B2C** in ways like...

- a higher **price point**
- a longer **sales cycle**
- more **touch points & communication** before closing a deal
- more **“strategic”**
- more **“complex”**

# Checklist

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The Distinction Between B2B and B2C Is Very Blurred in China

**In China, Consumers Can Buy Factory-direct**

# The State of B2B

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## Characteristics of B2B Clients in China

- Domestic suppliers and B2B clients are digital-savvy
- B2B clients expect to have optimized search engines, read ratings and reviews from other companies, have personalized products and differentiated customer experiences, and get consistent experience across online and offline touchpoints.
- Digitalization makes the information more transparent and accessible, but B2B clients in China still believe in conventional ways to do business.



## Challenges International Companies Face

- Lack of social connections. Traditional Chinese culture emphasizes the interdependence of social relationships. “Guanxi” (relationship) is an essential concept that companies need to understand and adapt to, and to win customers by building social networks.
- Compared to domestic suppliers, international companies are failing to keep pace with the progressing B2B digital marketing in China. Lack of investment in digital channels contributes to B2B clients’ negative experiences.



# Two Chinas

— Local vs international business



# Platforms



# Marketplaces

- **1688**: proper for small local companies and factories, buyers care about price more than brand reputation
- **iMall 1688** and **iMall JD**: proper for famous local companies, factories and international companies, buyers pursue balance among brand name, product quality and price
- As Chinese B2B buyers purchase on e-commerce stores when the product is not complicated and they can get a better price



www.1688.com



imall.1688.com

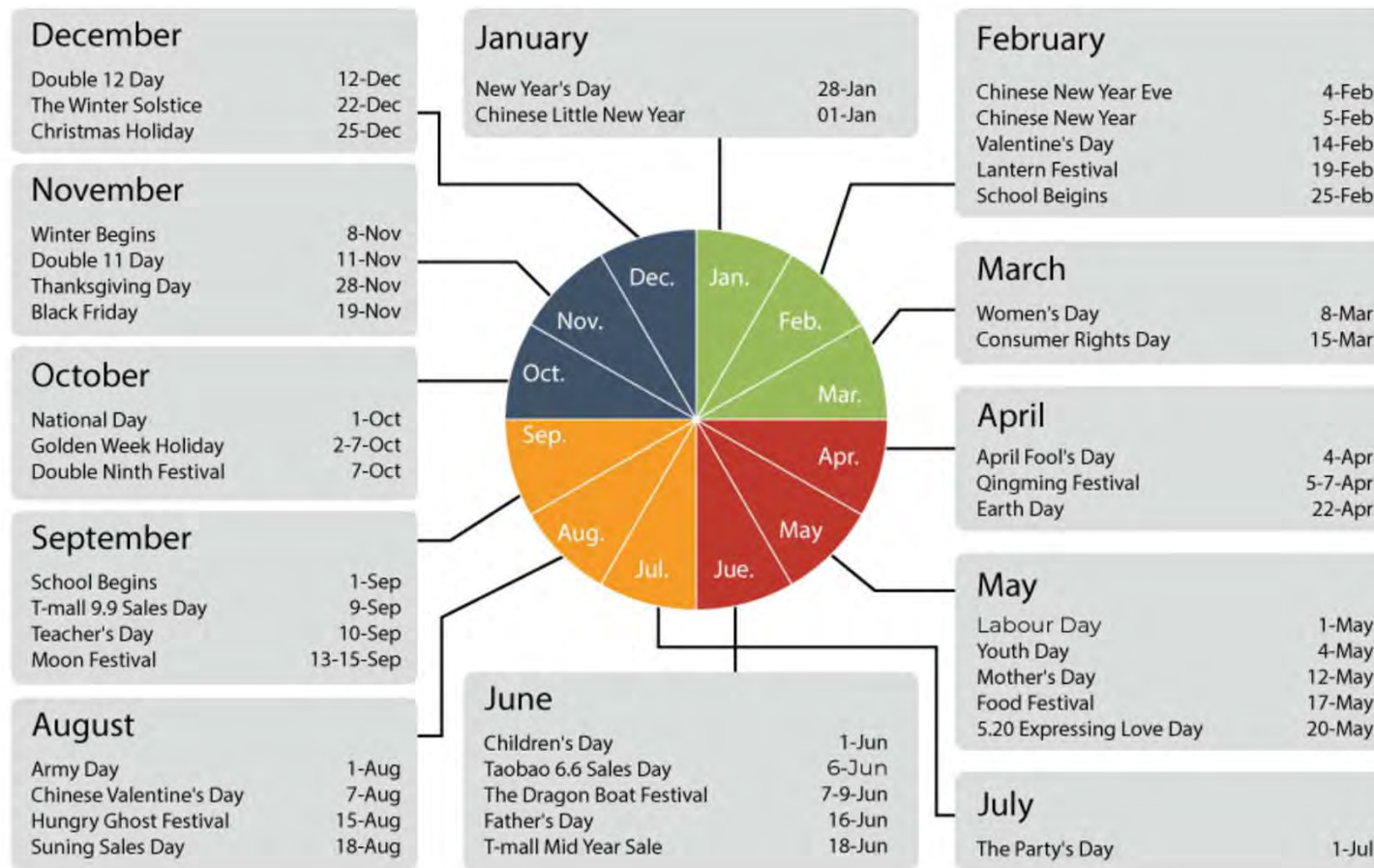


imall.jd.com



# Localization

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# Data is Key

**52% of all B2B researchers and buyers are millennials**

**73% of purchases** within industrial manufacturing **were influenced by digital**

**68% of information is gathered** before meeting with a sales representative

- A Chinese website hosted in China mainland as a brand owned window is a good channel to collect data from potential buyers with the help of search engine marketing and optimization which can drive potential buyers to the corresponding landing page of the website while they are searching relevant content on Baidu.
- A WeChat corporate Mini Program is also an indispensable tool to communicate and engage via QR codes.

## CUSTOMER JOURNEY



# Livestream

- B2B companies are doing livestream video on their social media platforms, mainly on WeChat and Douyin.
- Though livestream for B2B businesses is not as effective to sales as for consumer goods, it is still a good way to attract attention of target buyers and increase awareness among them.
- Online expert interviews and factory/production line tour are common videos seen on livestreams.



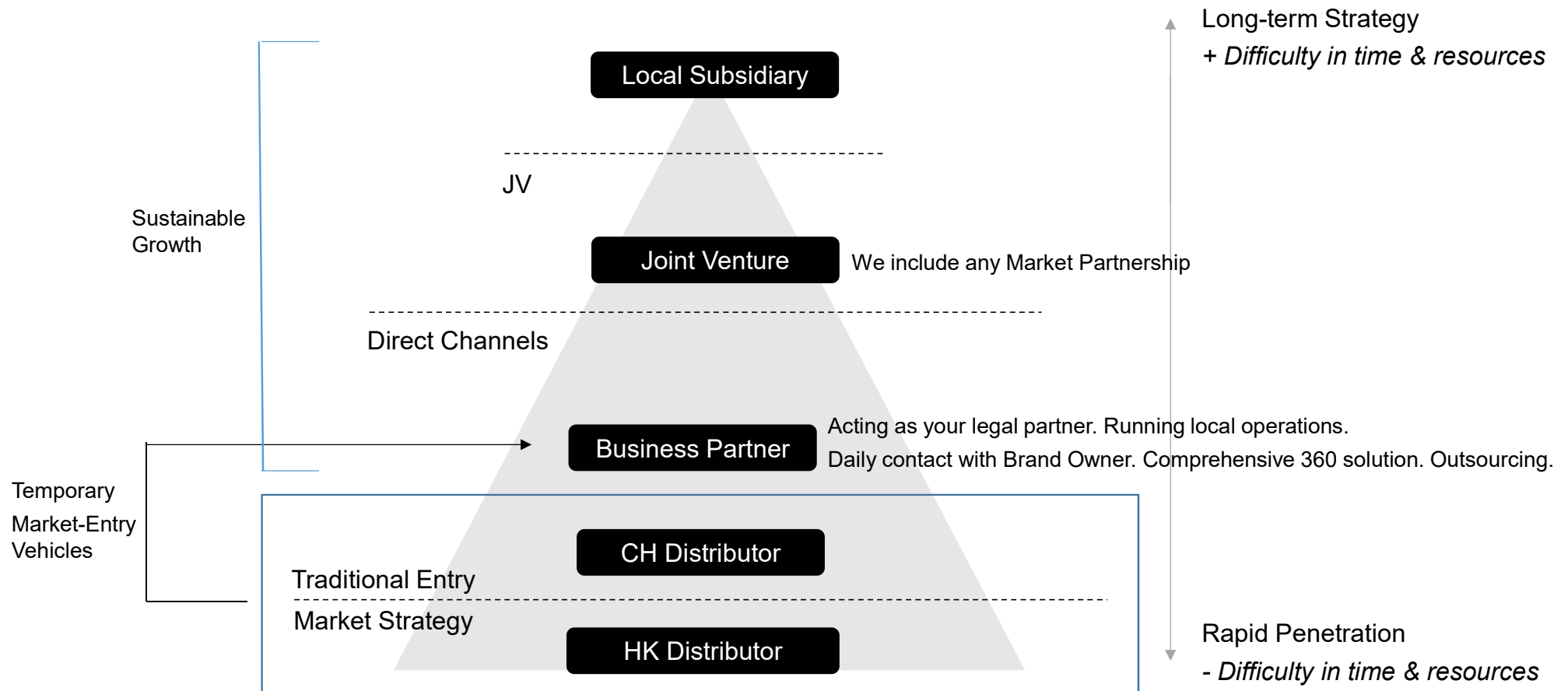
*Plywood manufacturing machine livestream on WeChat*



*Forklift livestream Douyin*

# Market-entry

## Strategies overview



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# How do you feel?

— Fear about China





# Advice for Doing Business in China

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- Step 1: Data, intelligence and insights preparing

Market research is used to look into the past to map patterns, behaviours, and dynamics of change

- Step 2: Strategy planning

All data, intelligence and insights collected has to be put to good use. Based on industry trends, experience and expertise in a broad variety of marketing disciplines a vision moving forward has to be set.

- Step 3: Plan implementation

Bringing concepts into reality by building streamlined processes and setting ambitious KPIs is key to maintain successful long-term operations.

- Take Chinese culture into consideration when plan marketing strategies. Digital communication deserves attention and investment, so as offline events.
- Don't underestimate the power of digitalization in marketing and sales.
- Put the touchpoints together but prioritize which ones are most effective and value added

# Checklist

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Is the company strong enough?

Is the company committed to do it, and do it right?

Will they resource it properly? Right team, assets, marketing, product mix, etc.

It doesn't matter if you're big or small

It matters if you understand how to navigate...and this all starts with having realistic expectations

# Reference Cases

China Sales Manager and Digital Marketing

**Client:** Zahonero

**Industry:** design and engineering of advanced foam solutions for a wide range of technical applications.

**Founded:** Spain, 1965

**Group turnover:** EUR 20 million in 2019

**Services provided:**

- China Sales Manager Recruit
- WeChat setup and content
- Website and SEO

China B2B Webinar | Miquel Cardona



# Reference Cases

Market research and distributor mapping for B2B model.

**K-FAB**  
SCANDINAVIA

Client: K-FAB SE

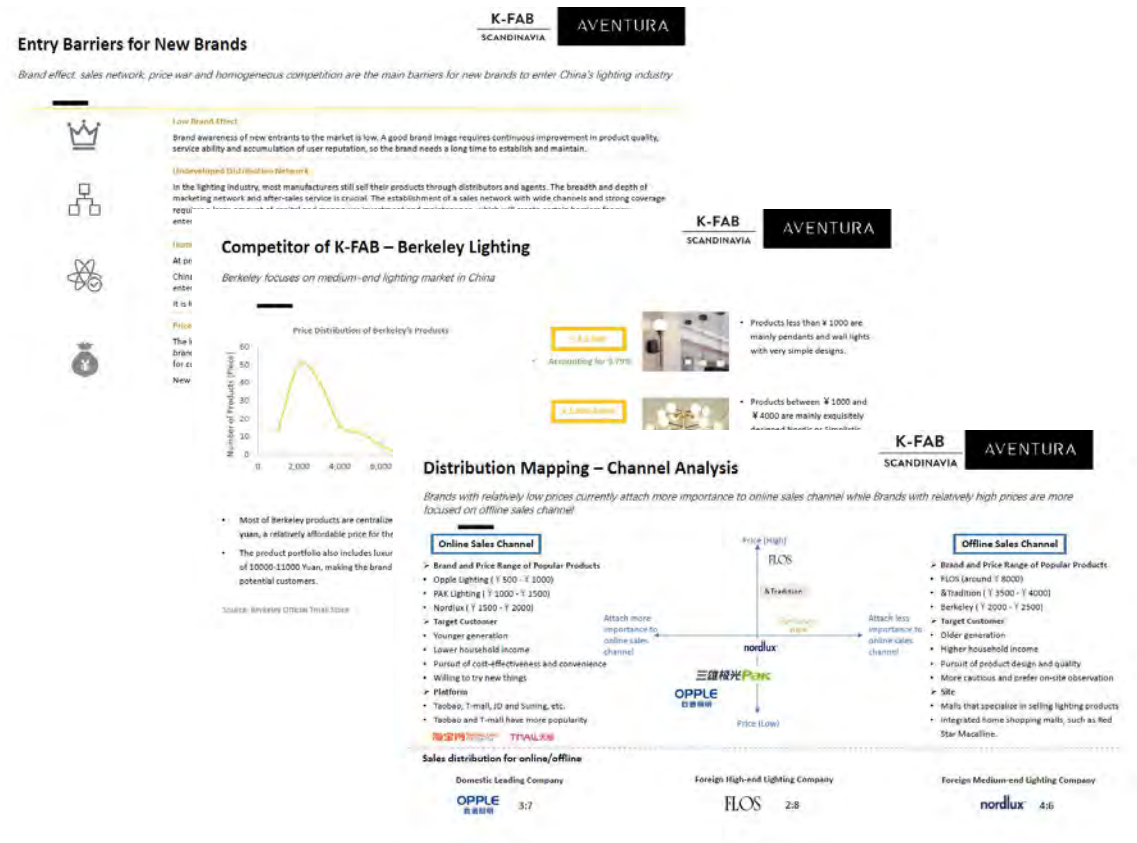
Industry: Lighting industry

Founded: 1974, Sweden

Product/Service: Lamp

Services provided:

- Market research
- Distributor qualification and proof of concept test





# Reference Cases

Digital sales lead generation for B2B model.

**Client:** Lindström Group China

**Industry:** Textile services

**Founded:** 1848, Finland

**Product/Service:** Workwear solutions

**Group turnover:** EUR 408.5 million in 2019

**Services provided:**

- Official website localization and management
- Baidu SEM and SEO
- WeChat content creation

China B2B Webinar | Miquel Cardona



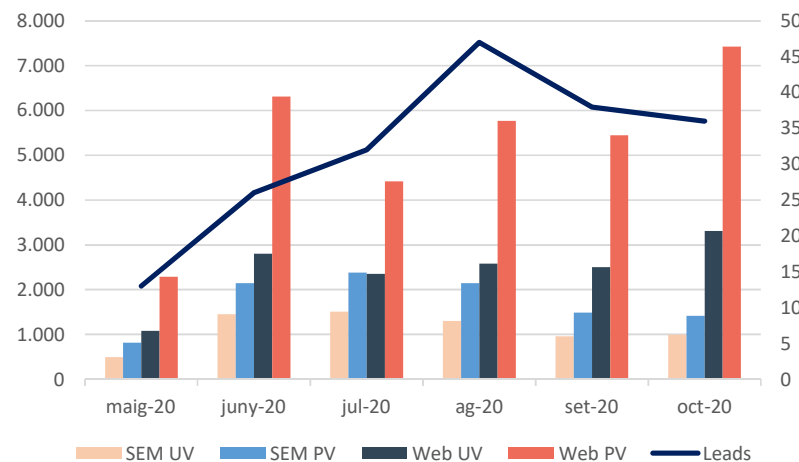
Global website



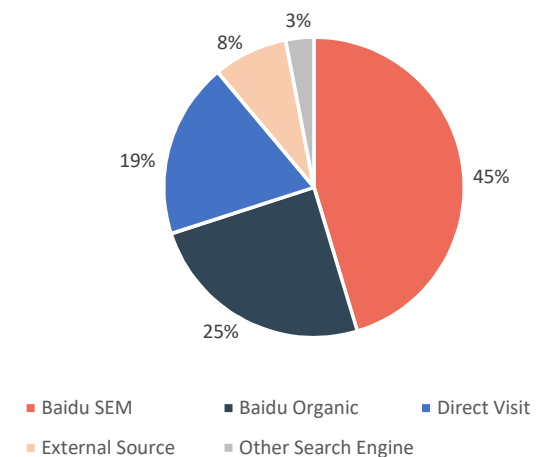
Chinese website



Digital Lead Generation Performance (May - Oct, 2020)



Website UV Sources (May - Oct, 2020)



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# Contact Us

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