



China Digital Business - All bets are off

Julio López Castaño

22-03-2022

www.genetsisdata.com





Who we are

www.genetsisdata.com



JULIO LOPEZ
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Founder - CEO



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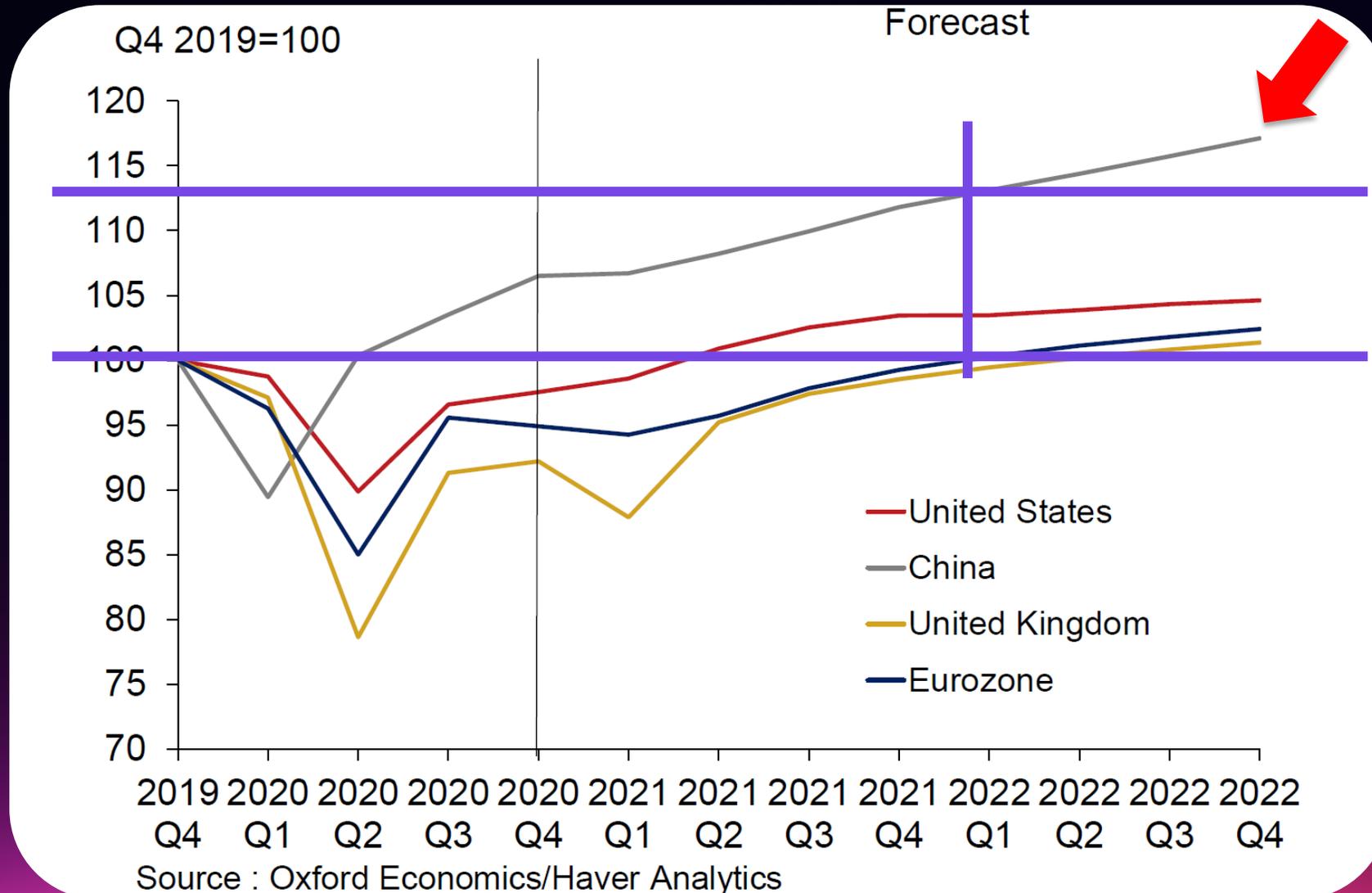


Worldwide population in a chart

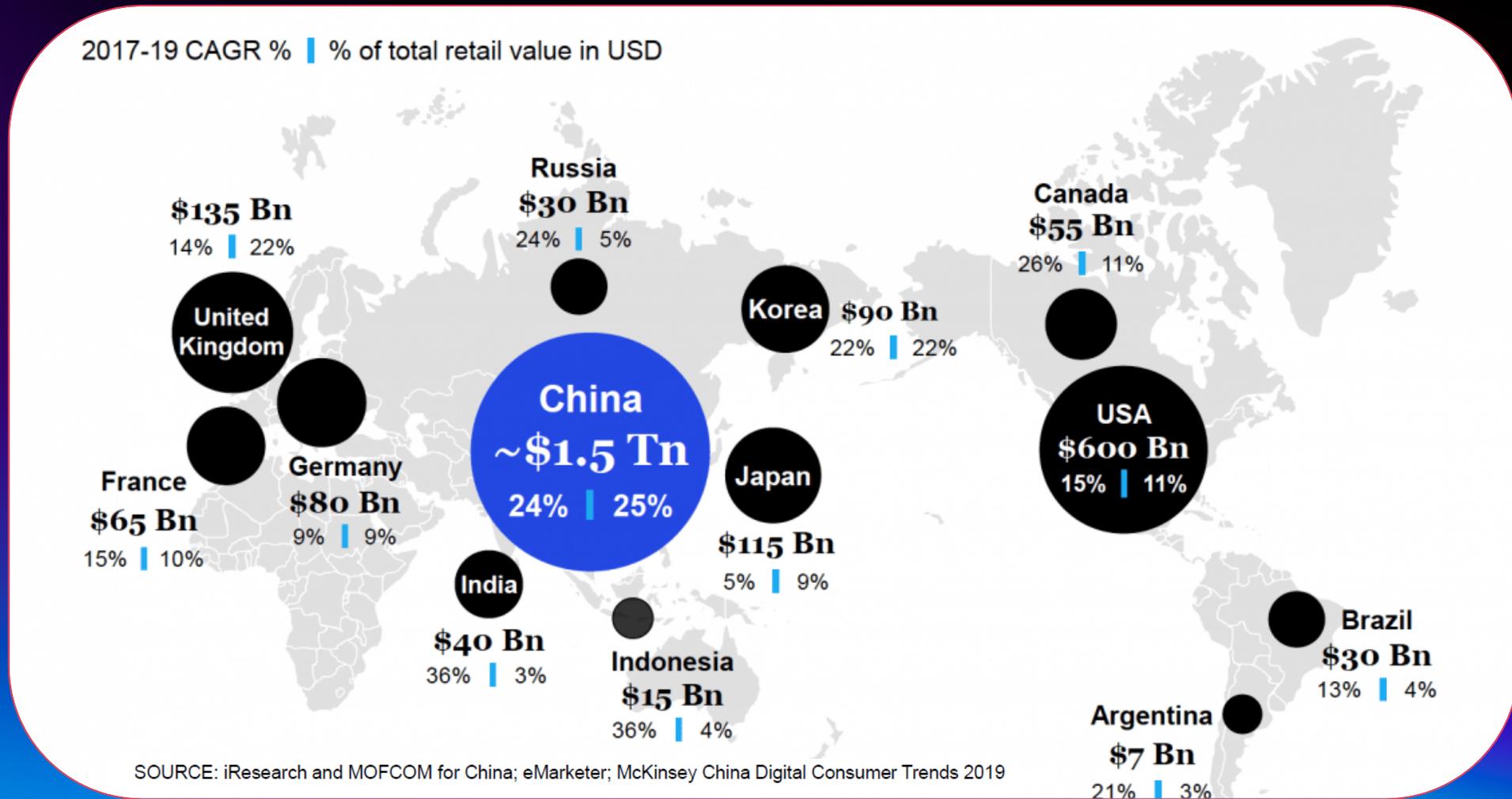
7,5 billion people



GDP evolution, pre and post covid



China ecommerce is aprox. 50% of total Online retail transaction value



SOURCE: iResearch and MOFCOM for China; eMarketer; McKinsey China Digital Consumer Trends 2019



ON-LINE BUSINESS

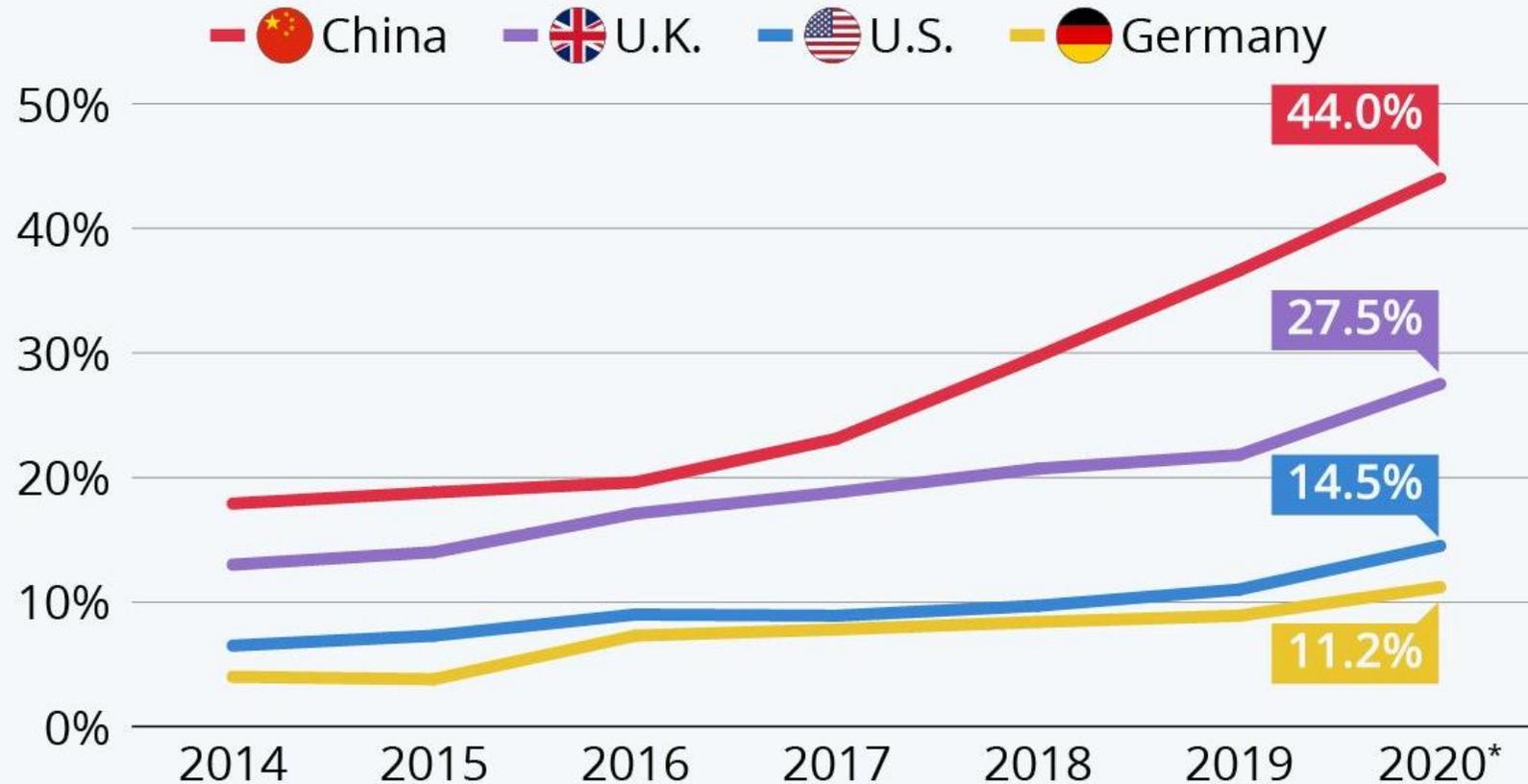
CHINA,

**5 years ahead
the rest of the world**

A totally digitized society



Online retail share keeps growing



China:

**52,1% in
May 2021**

* 2020 data from May (China: 2019 forecast)
Retrospective data where available, some forecasts

Source: eMarketer



CHINA

**How the digital business
works?**

A totally different ecosystem



Three main digital ecosystems: the TAB

Tencent



Alibaba



Baidu



Self-operated businesses Invested partners

Where do ecommerce shoppers buy?

In the World



THE WALL STREET JOURNAL.

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Dyn Says Cyberattack Has Ended, Investigation Continues



Visa Taps Blockchain for Cross-Border Payment Plan



Airbnb Revises New York Rules Amid Possible Legislation



Russian Hacker Suspected of LinkedIn Attack Indicted in U.S.



FCC Settlement Mobile C Unlimite



DIGITS

Amazon Opens Store Inside Alibaba's Tmall in China

By **JURO OSAWA**

Mar 6, 2015 12:36 am ET

0 COMMENTS



SORRY

We're closed.

Marketplaces types and some samples

Mass Market

淘宝网
Taobao.com

天猫
TMALL.COM

京东
JD.COM

亚马逊
amazon.cn

1号店
yhd.com

GOME

国美在线
gome.com.cn

苏宁易购
suning.com

Vertical Market

SF EXPRESS 顺丰速运
顺丰优选
sfbest.com

易果生鲜
YIGUO.COM

贝贝
beibei.com

中粮 COFCO
我买网
womai.com
中粮集团旗下食品购物网站

@per market

FIELDS
A Taste of Quality

Supervertical Markets

天天果园
Fruit Day

肉管家
Mr.Meat

Horizontal markets

VIP 唯品会
VIPSHOP.COM

DHGate.com
敦煌网

唯品会
vip.com
全球精选 正品特卖

蜜芽 mia.com
进口母婴限时特卖

Cross-border

洋码头

天猫国际
TMALL.HK

京东全球购
JD Worldwide

云猴全球购
yunhou.com

淘宝网 Global

Kaola.com

Brand Own Stores

L'AMER
挚爱呵护礼
官方商城

dyson
网上商城

Social Commerce

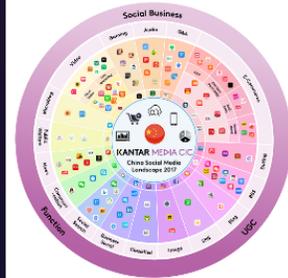


美丽说
meilishuo.com

值 什么值得买
SMZDM.COM

小红书
Little Red Book

Social Communication



Alibaba marketplaces

Within China

1688 采购批发
上1688.com

B2B

淘宝网
Taobao.com

C2C & B2C



天猫 TMALL.COM

B2C

LUXURY PAVILION

点击进入天猫奢侈品 >

Luxury B2C

聚划算
-juhuan.com-

B2C – Group Buy

天猫超市
CHAOSHI.TMALL.COM

B2B2C

易果生鲜
YIGUO.COM

B2B2C



B2B2C y retail

China + International

天猫国际
TMALL GLOBAL

B2C

阿里巴巴
Alibaba.com

B2B

全球购
G.TAobao.com

C2C & B2C

天猫国际官方直营
Tmall Global Direct Import

B2B2C

AliExpress

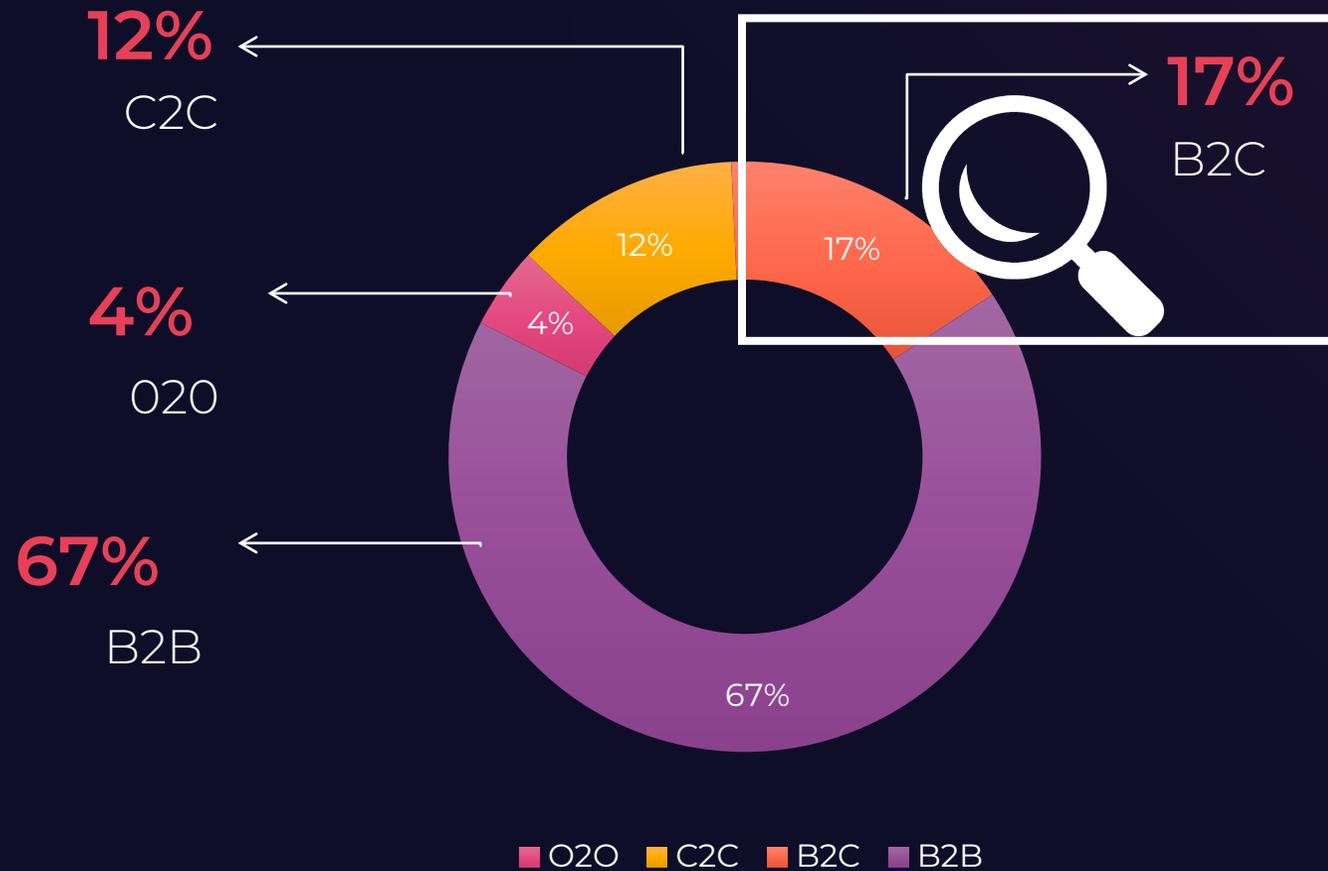
B2C From China to Intern.

AliExpress

PLAZA

B2C From EU to Intern.

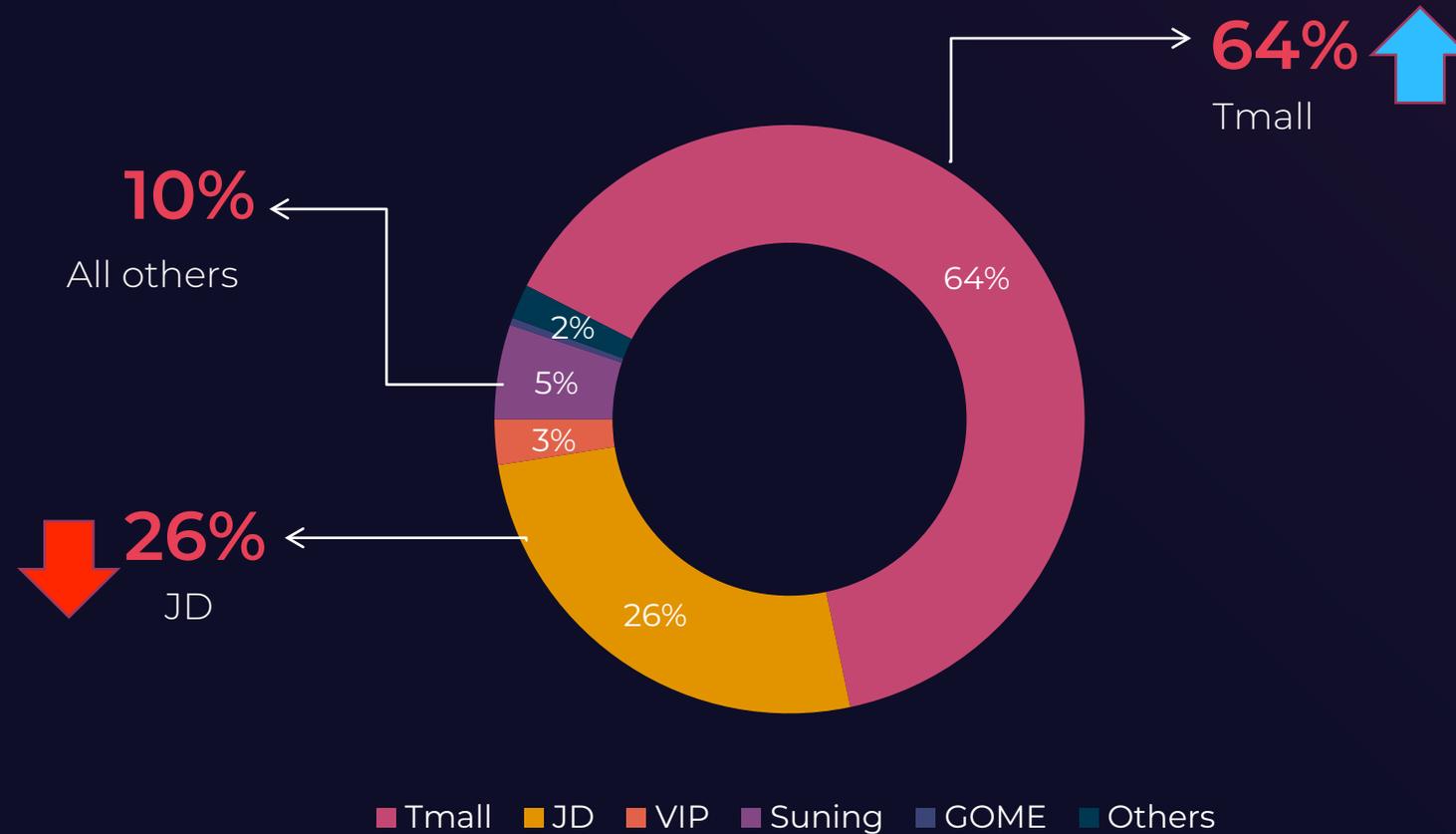
Sales Split by ecommerce type



2019

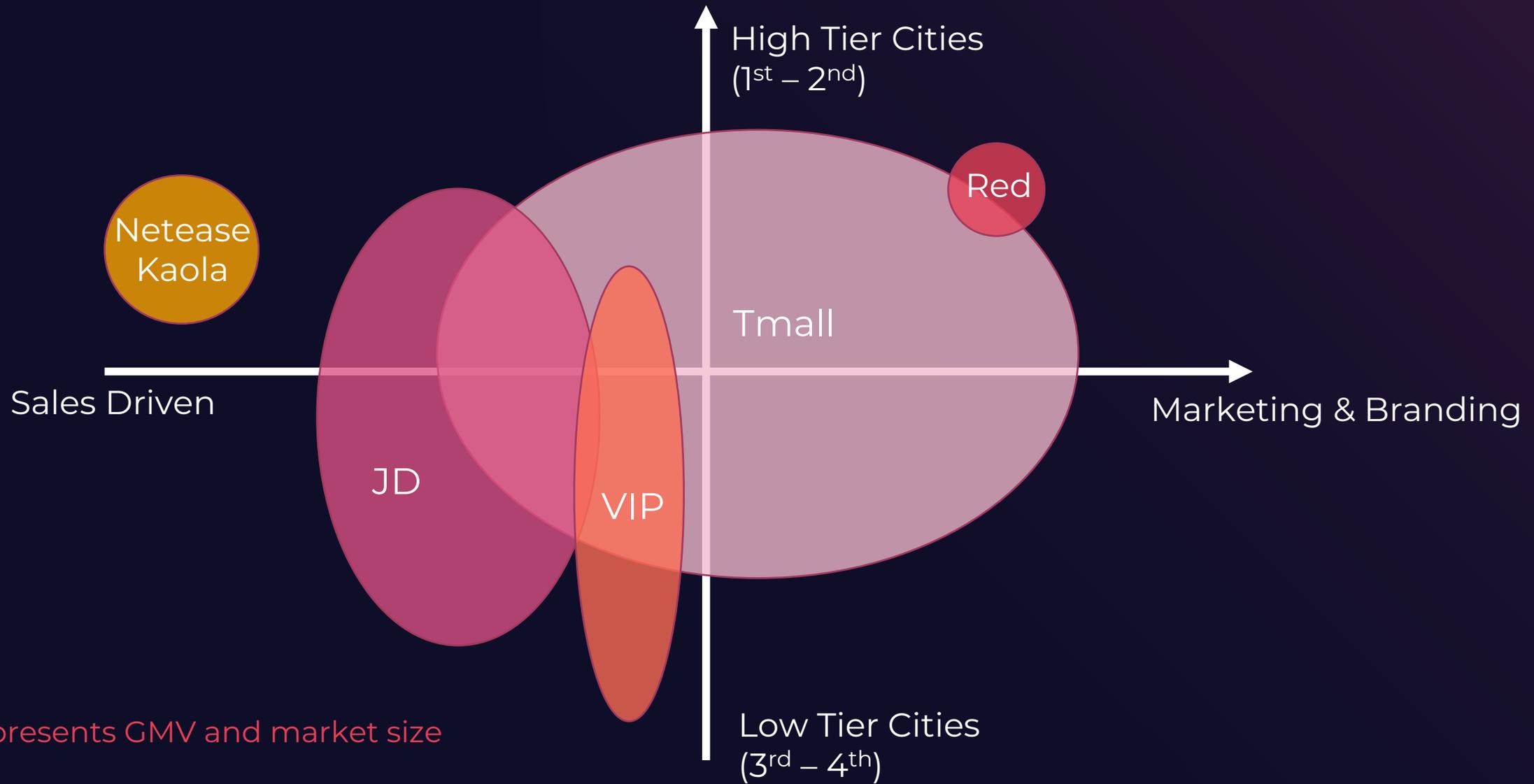
B2C sales split by platform

Tmall increase its leadership ...



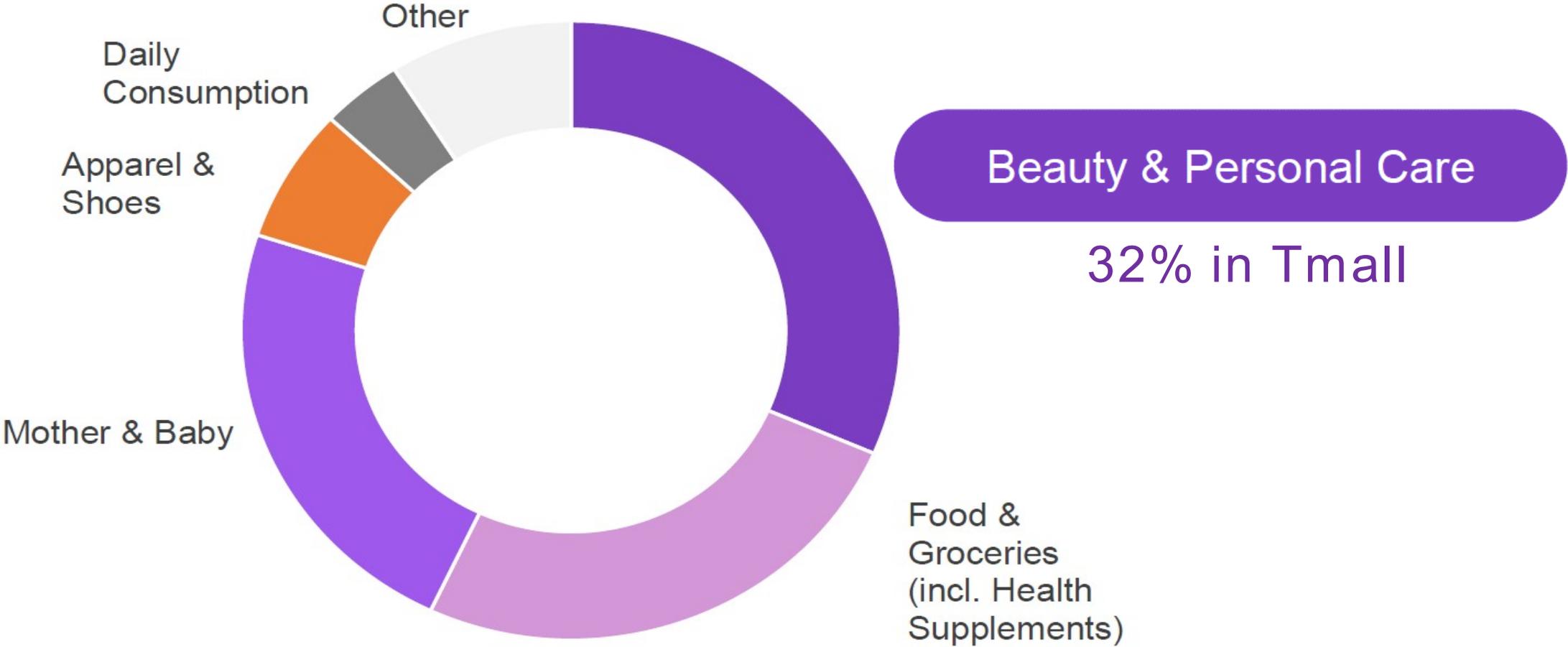
2019

Main B2C Marketplaces positioning



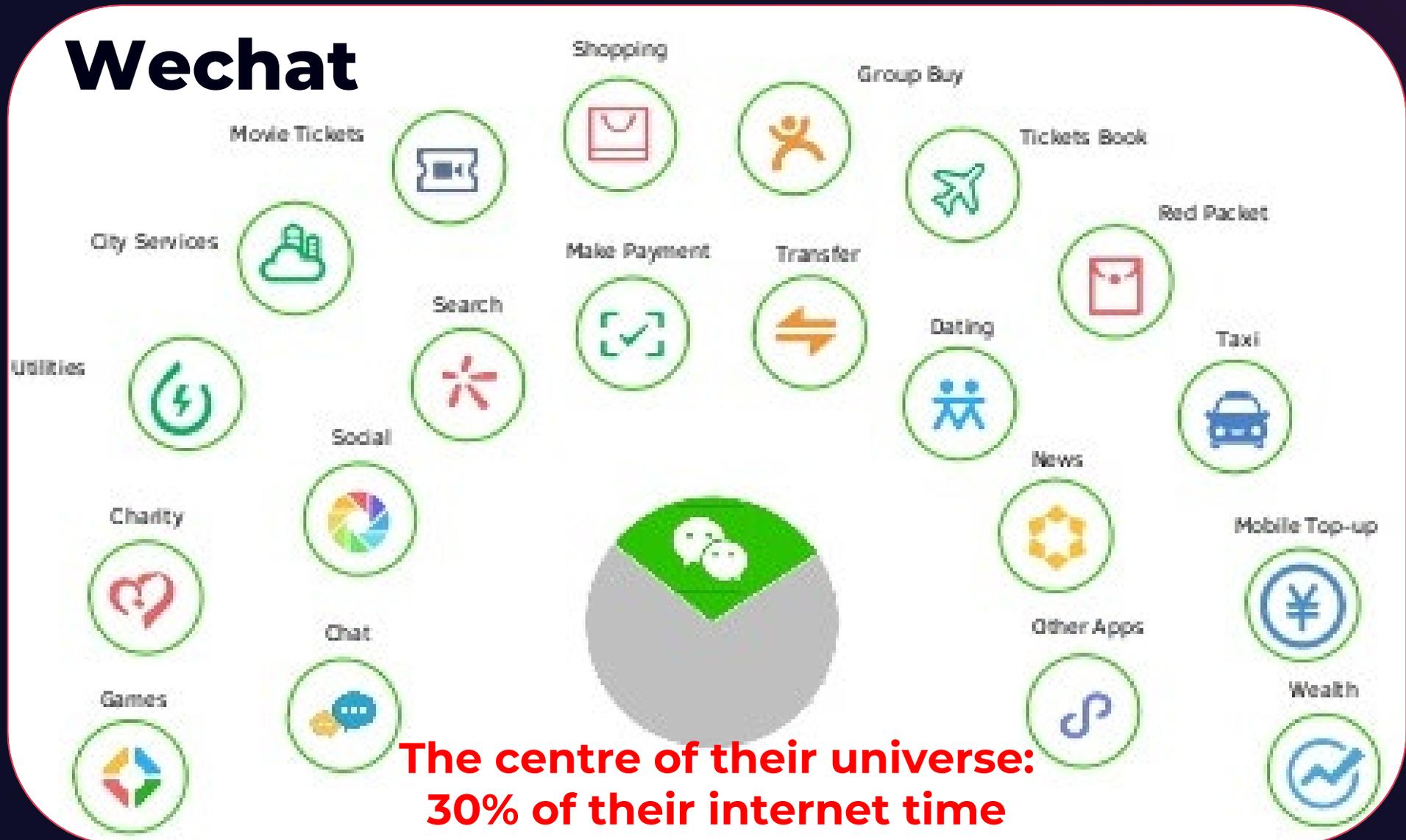
*Size represents GMV and market size

CBEC sales by category

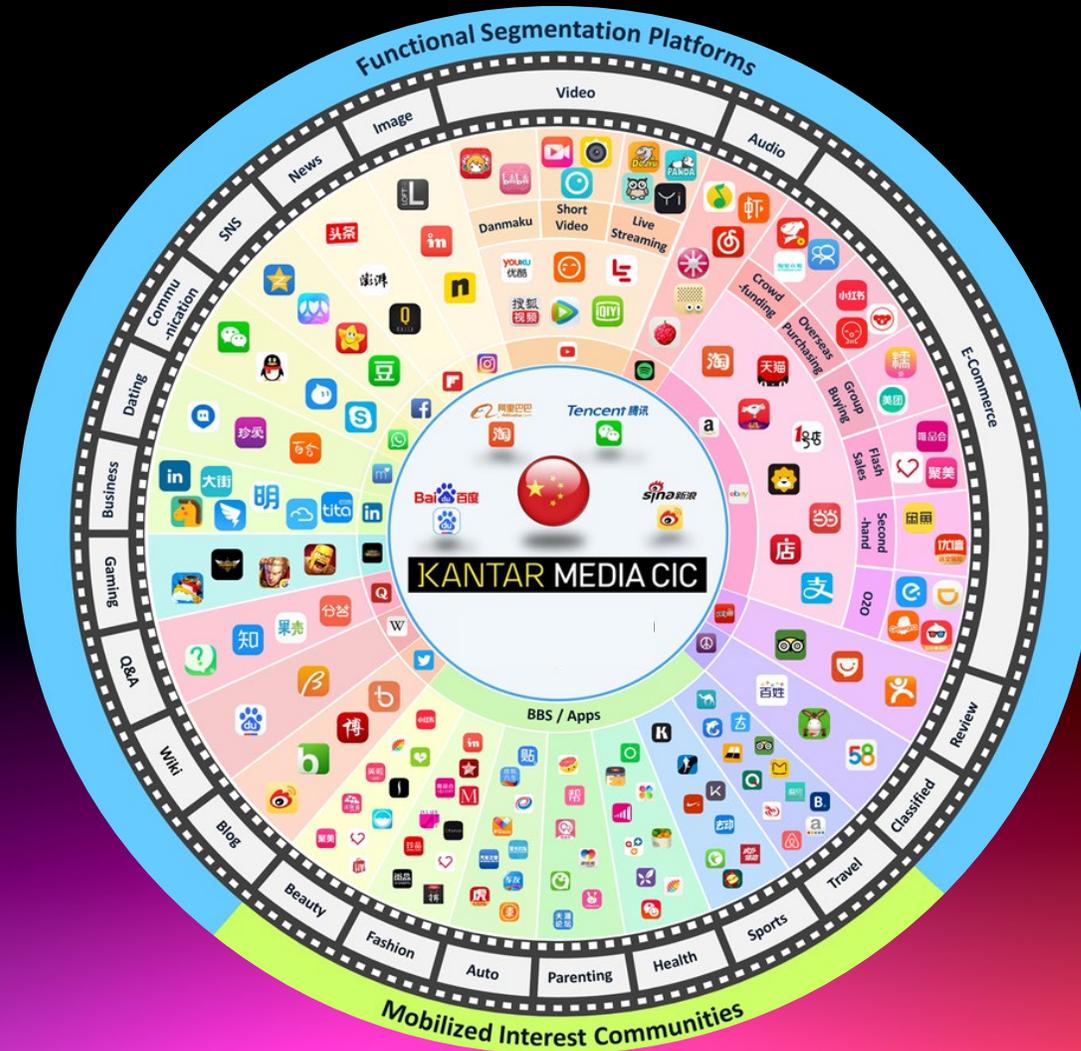


Source: Tmall Global & CBNData. 2016 Cross-border consumption report

85% is mobile ecommerce

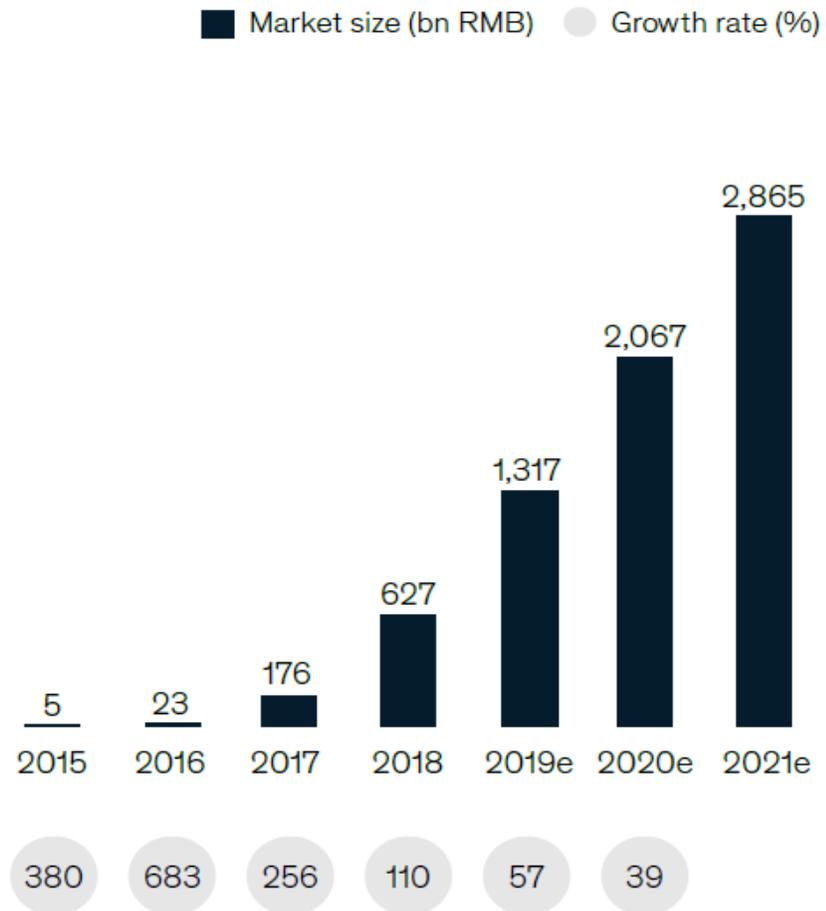


SOCIAL MEDIA: very complex but segmented

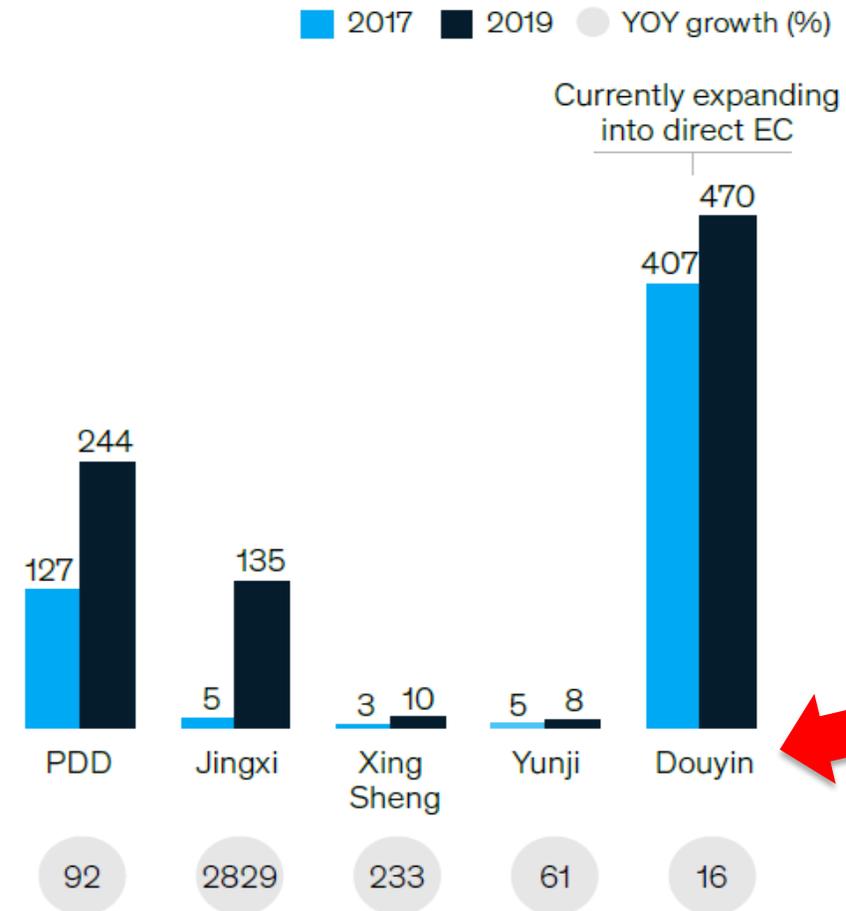


Social-commerce grows very fast

Social commerce overall market size and growth



Social commerce key platform growth, MAU in millions



The role of the KOLs

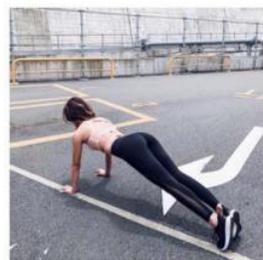
NAME: 陈暖央



Followers: 1,368,873
Writing Quality: Excellent
Content Breakdown:
Fitness (80%)
Life (10%)
Other (10%)

Highest Repost: 11,660
Average Repost: 150
Average Comments: 400
Average Likes: 1,000

CORE MEDIA:



<https://www.weibo.com/munggirls>



The role of the KOLs

Fashion Blogger Sells 100 Cars On WeChat In 5 Minutes

✍ CHINA CHANNEL / 📅 JULY 25, 2017 / 📁 CASE STUDIES

Would you buy a car on WeChat? Well, 100 people just did exactly that a few days ago (July 22nd). Read on to find out all the details of one of the most interesting WeChat ecommerce case studies to date: *How were the cars sold? What sales techniques did they use? Why would anyone want to buy a car on WeChat anyway?*



Love for live-streaming

March 25 2020



Revenue: **1.5M RMB**

of Purchasers: 19K

Viewers: 12M

UV: 291K

CR: 6.52%

Duration: **4 min**

Offer: 25% discount offered

May 17 2020



Revenue: **3M RMB**

of Purchasers: 38K

Viewers: 25M

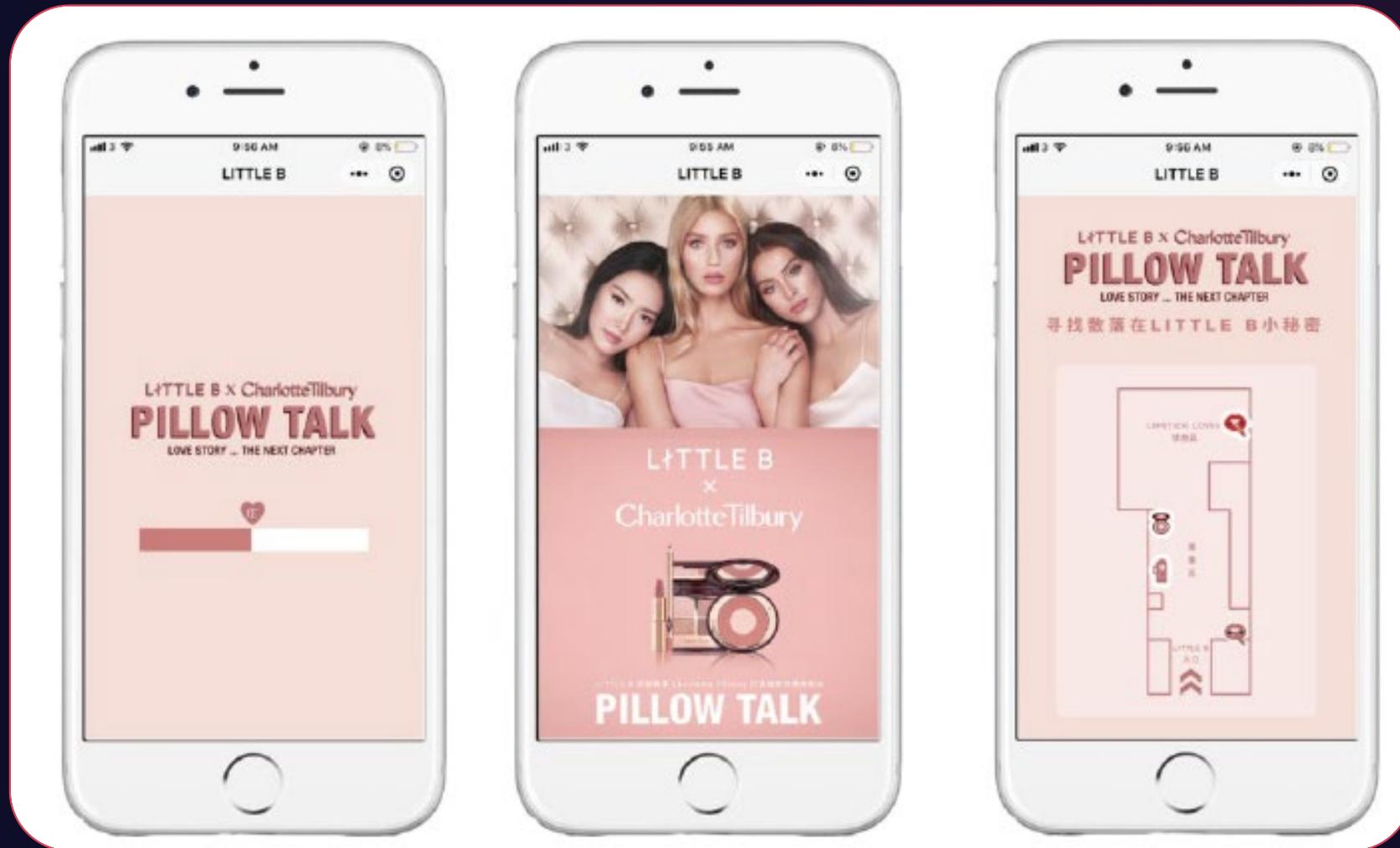
UV: 284K

CR: 13.43%

Duration: **2 min**

Offer: 25% discount offered

The role of miniprograms and games



The last player in the scene: KOCs & UGC



Red



Douyin

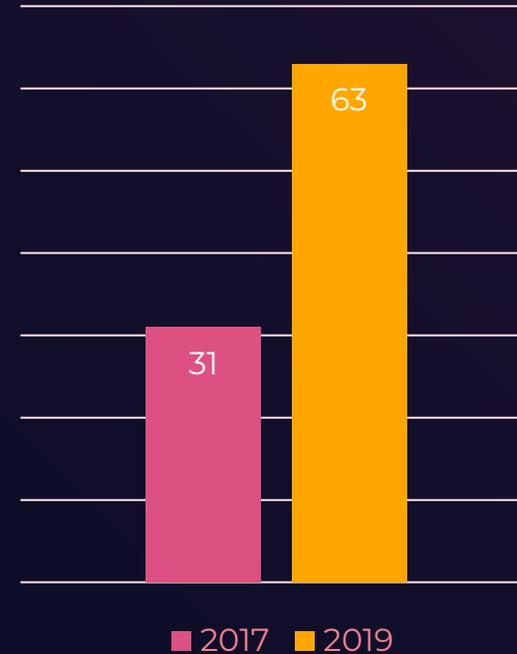
They love limitless sharing



China: home of the omnichannel



% of fashion buyers who search online within the physical store





LEARNINGS

Key success factors

Key success factors

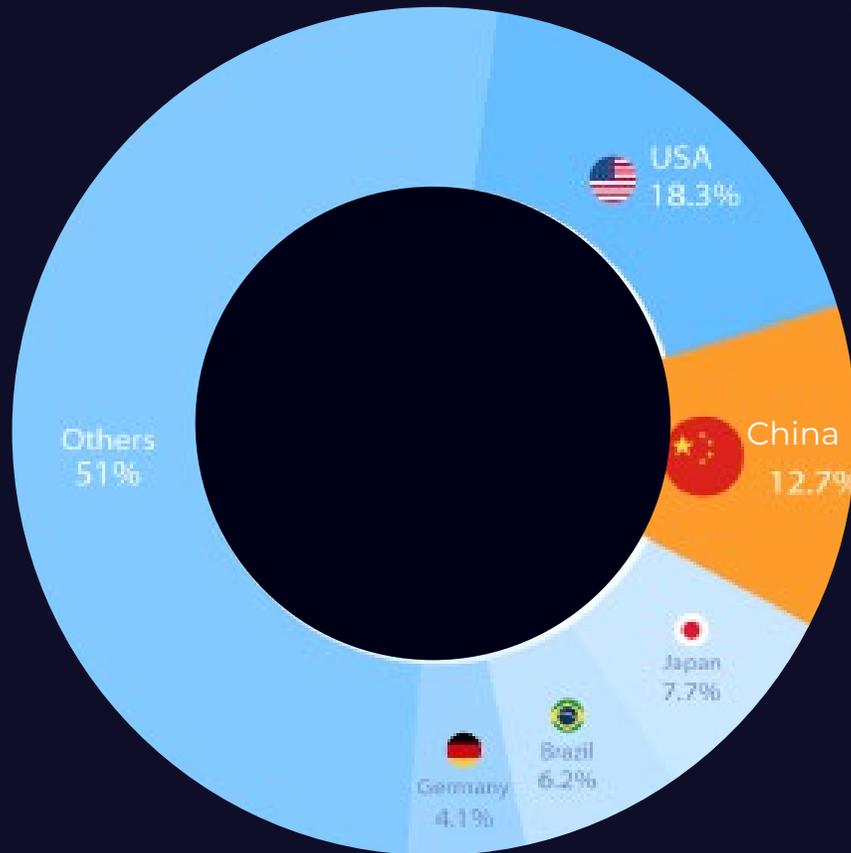
Growing category or low competition niche.

**The cosmetics
and personal
care categories**



China will be the largest market in 7 years time

Top ten global beauty markets in 2018



Beauty market growth by country (2009-18 CAGR)

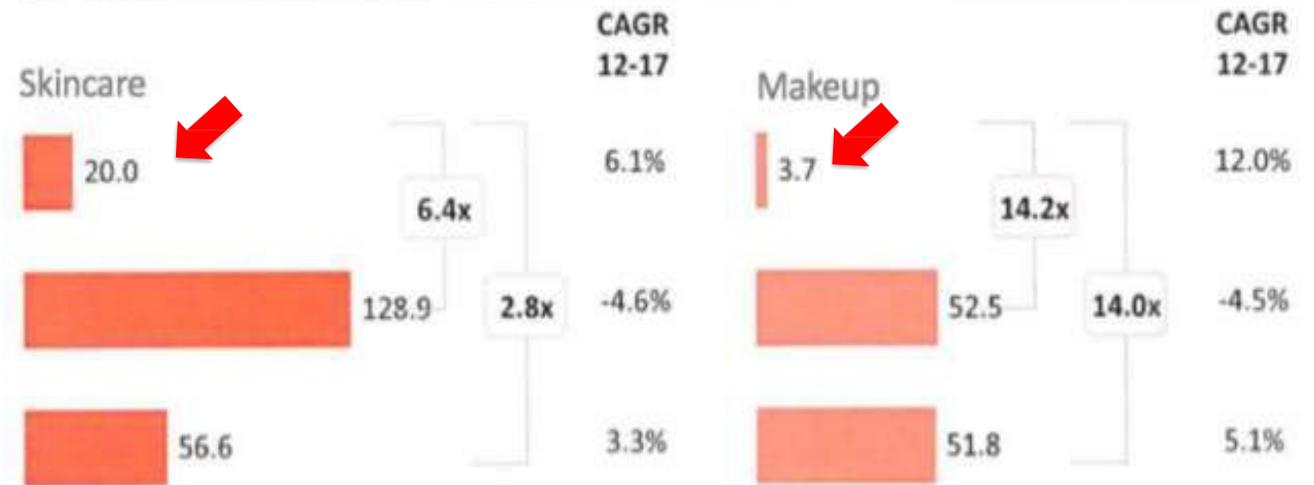


Still a lot of room for growth

2017 Market Size Comparison (bn USD)

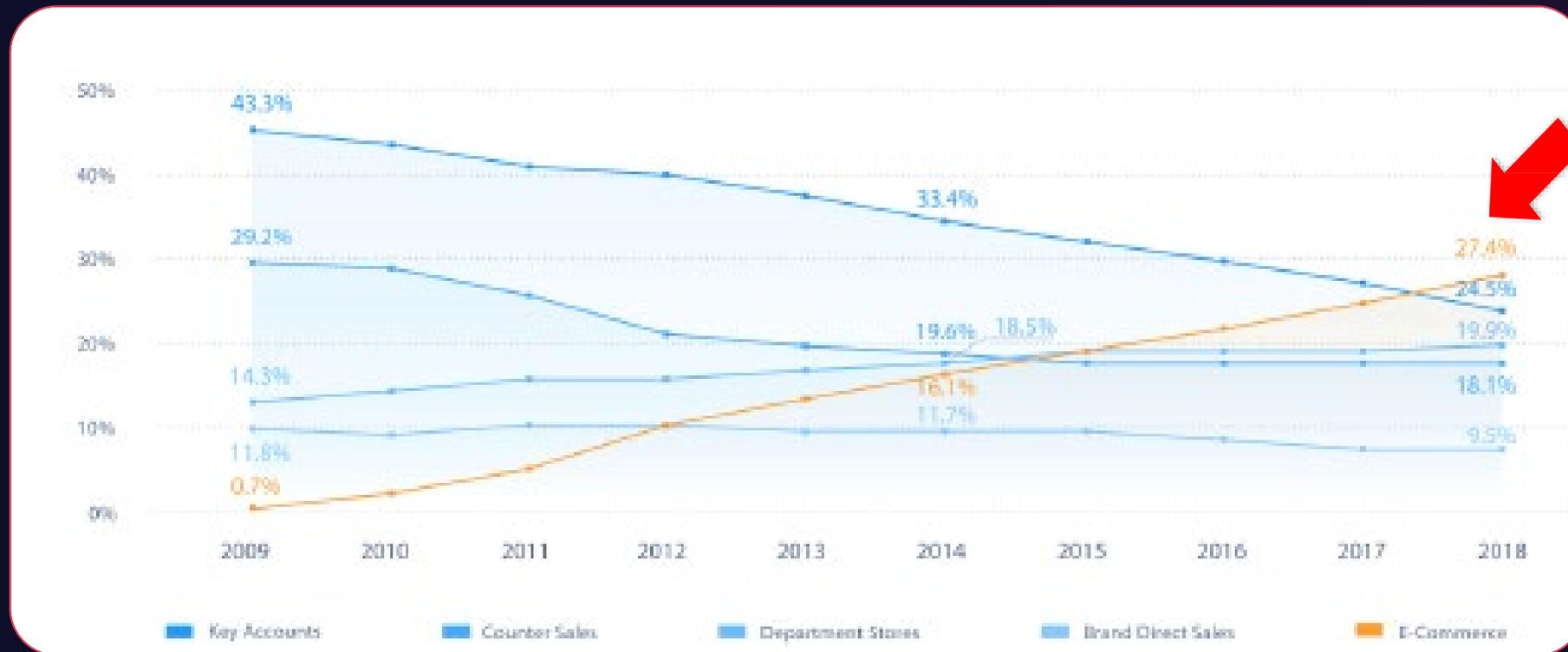


Per Capita Consumption (2017, USD)



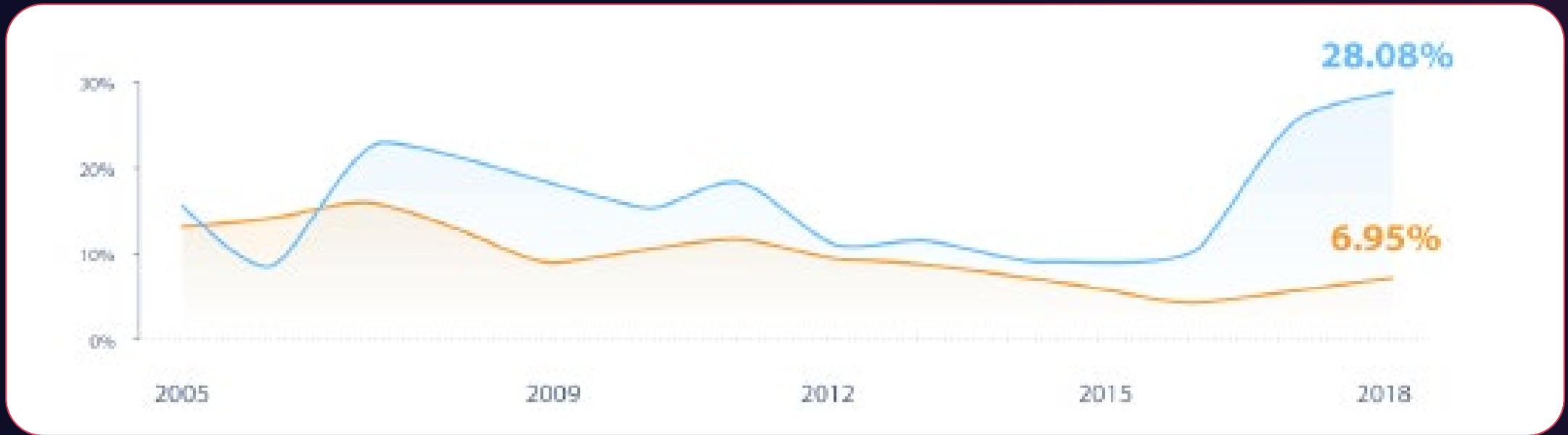
E-commerce has transformed the beauty business

China beauty sales channels as % of total sales



Premium beauty is growing faster

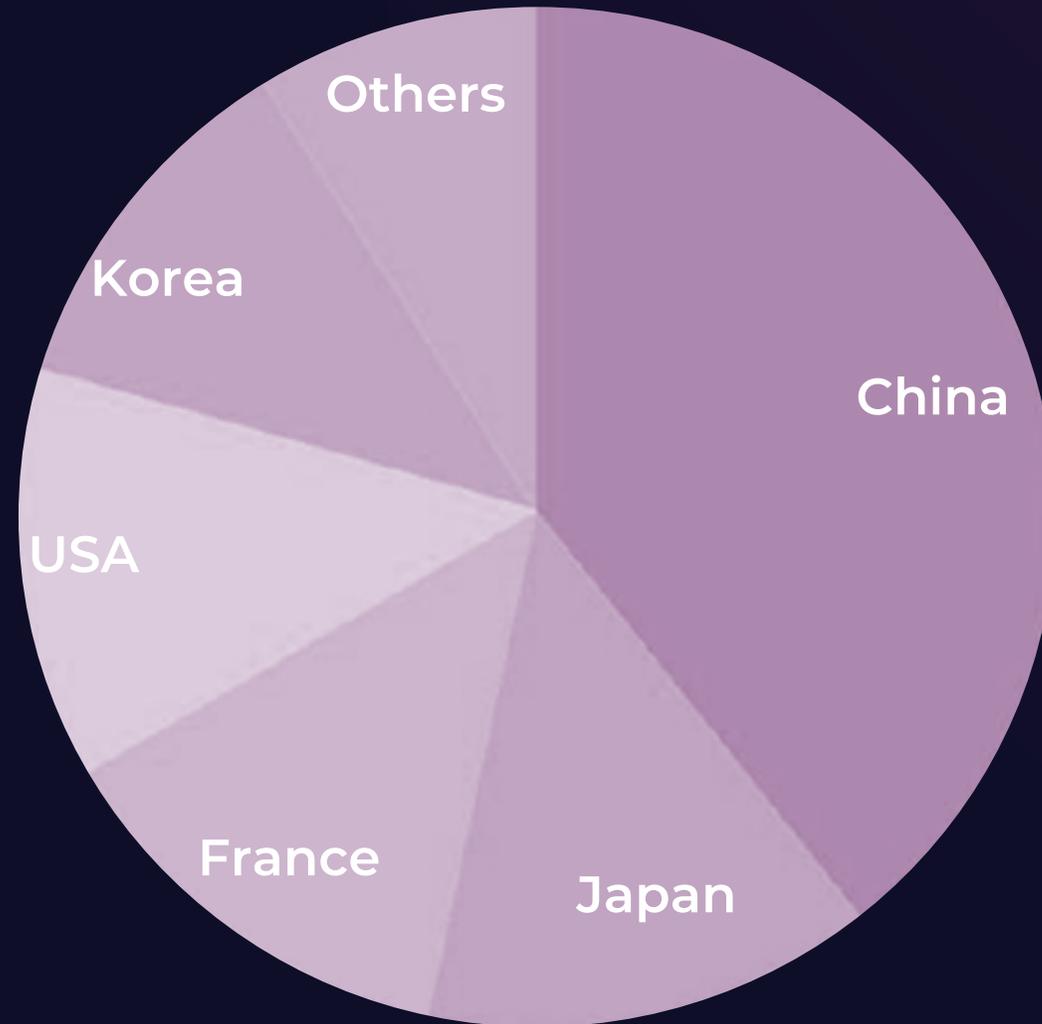
China beauty growth rate, mass market vs high-end market, 2005-2018



■ High-end market products ■ Mass market products

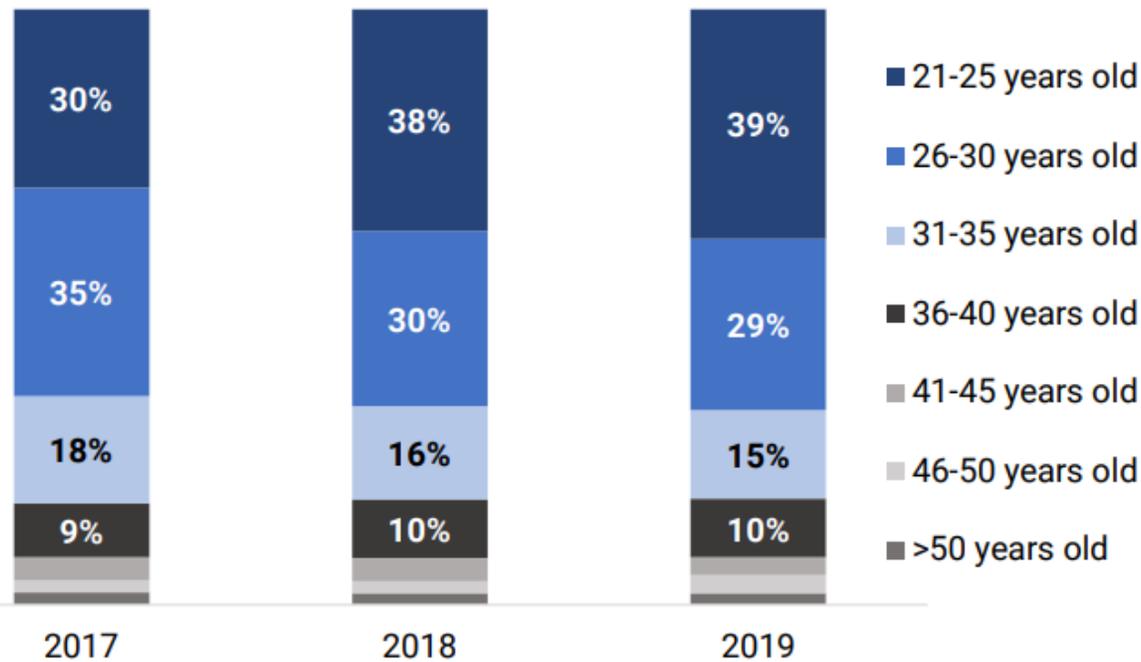
Countries share by on-line revenues

April – Sept 2019



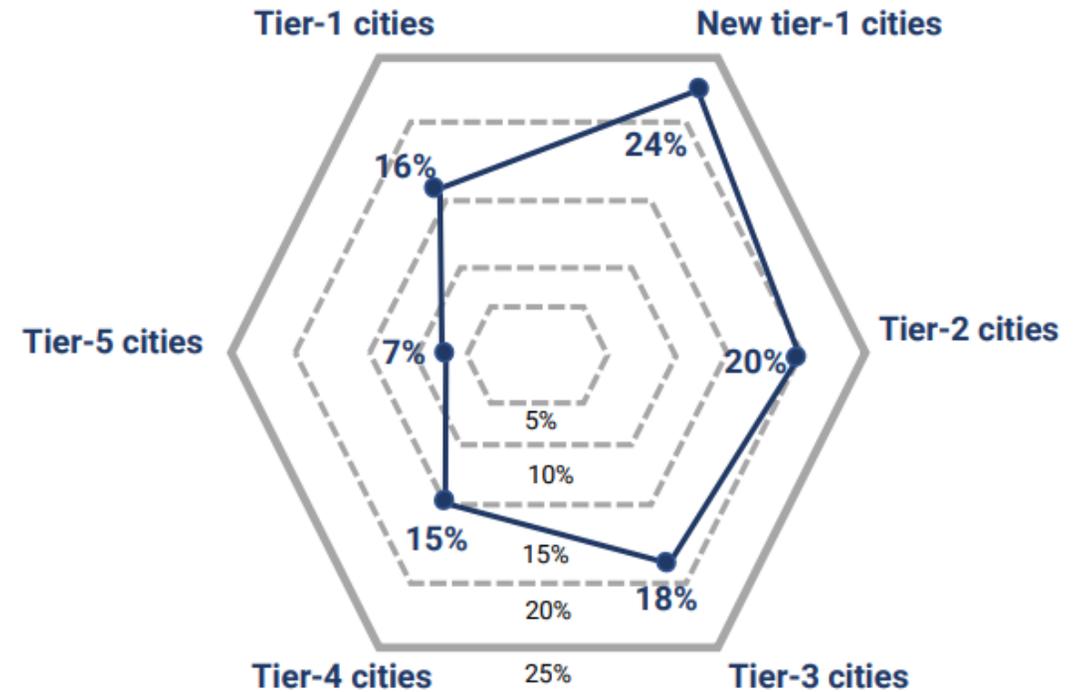
NEW: Male personal care is booming

Age distribution of Chinese male beauty consumers
(2019)



Source: TalinnData, designed by daxue consulting

Geographical distribution of male beauty consumers in China
(2019)



Changes in cosmetics' consumer behavior

- # They can't travel abroad → Look for foreign products within China.
- # More nationalists → At the same time, local brands preference grows.
- # Time devoted to social networks and on-line shopping increase.
- # Events in “streaming” is the new normal. (X8 Beauty – 150.000 h/d)
- # Big events become on-line (Shanghai Fashion Show).
- # Brands promote the use of augmented reality apps.
- # Personal care and home cleaning products lead growth.

Three major trends:

- # natural ingredients,
- # environmentally friendly products,
- # functional skin care.

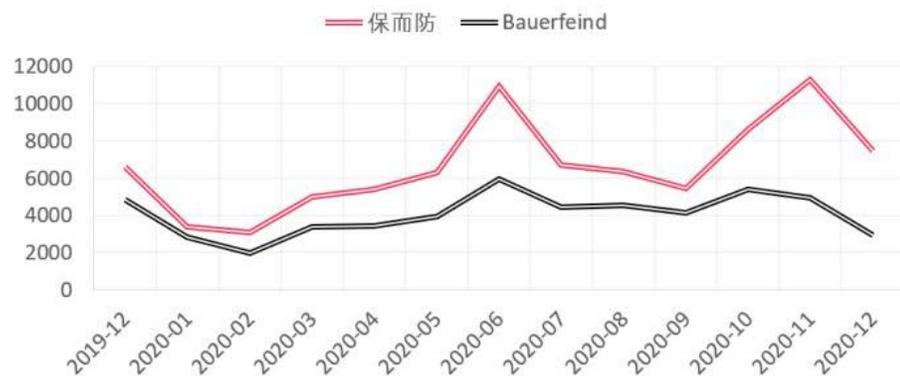
Key success factors

- # Growing category or low competition niche.
- # **Exquisite care of the brand. Registered own trademark.**
- # **Chinese name.**

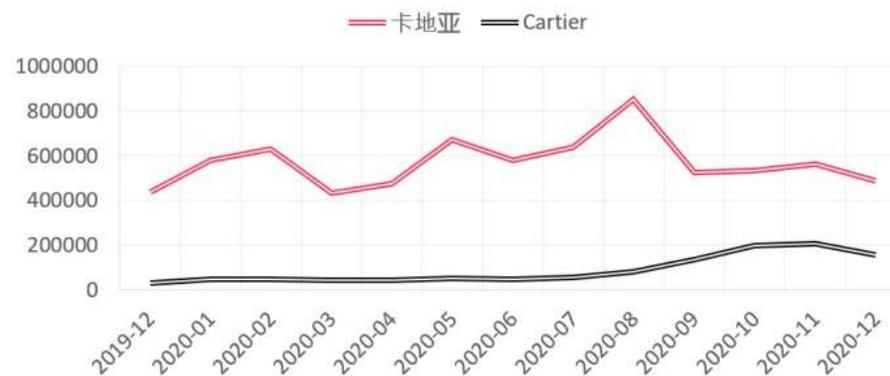
You must have a Chinese name

Keyword Search on Alibaba: Chinese Name vs English Name

保而防 vs BAUERFEIND



卡地亚 vs CARTIER



安德玛 vs UNDERARMOUR



优衣库 vs UNIQLO

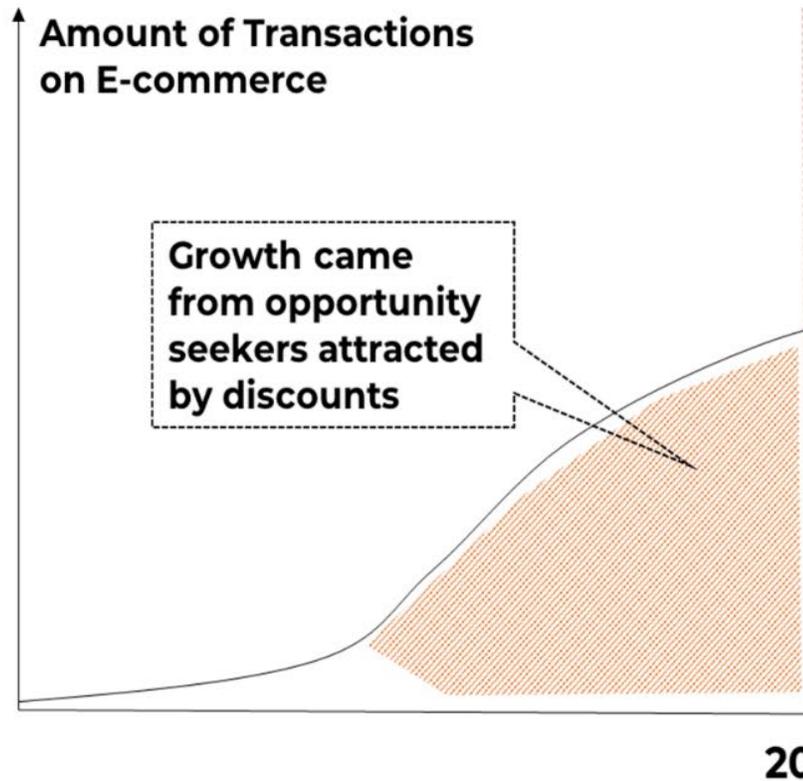


Key success factors

- # Growing category or low competition niche.
- # Exquisite care of the brand. Registered own trademark.
- # Chinese name.
- # **Good product with differential values. Preferably, emotional ones.**

Consumers' profiles have changed

Now they look for experience and exclusivity



30%
of sales



Time

Key success factors

- # Growing category or low competition niche.
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- # **Some experience in China and/or decision to make China a strategic market.**

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- # **Understanding culture: with team in China in the medium term.**

Key success factors

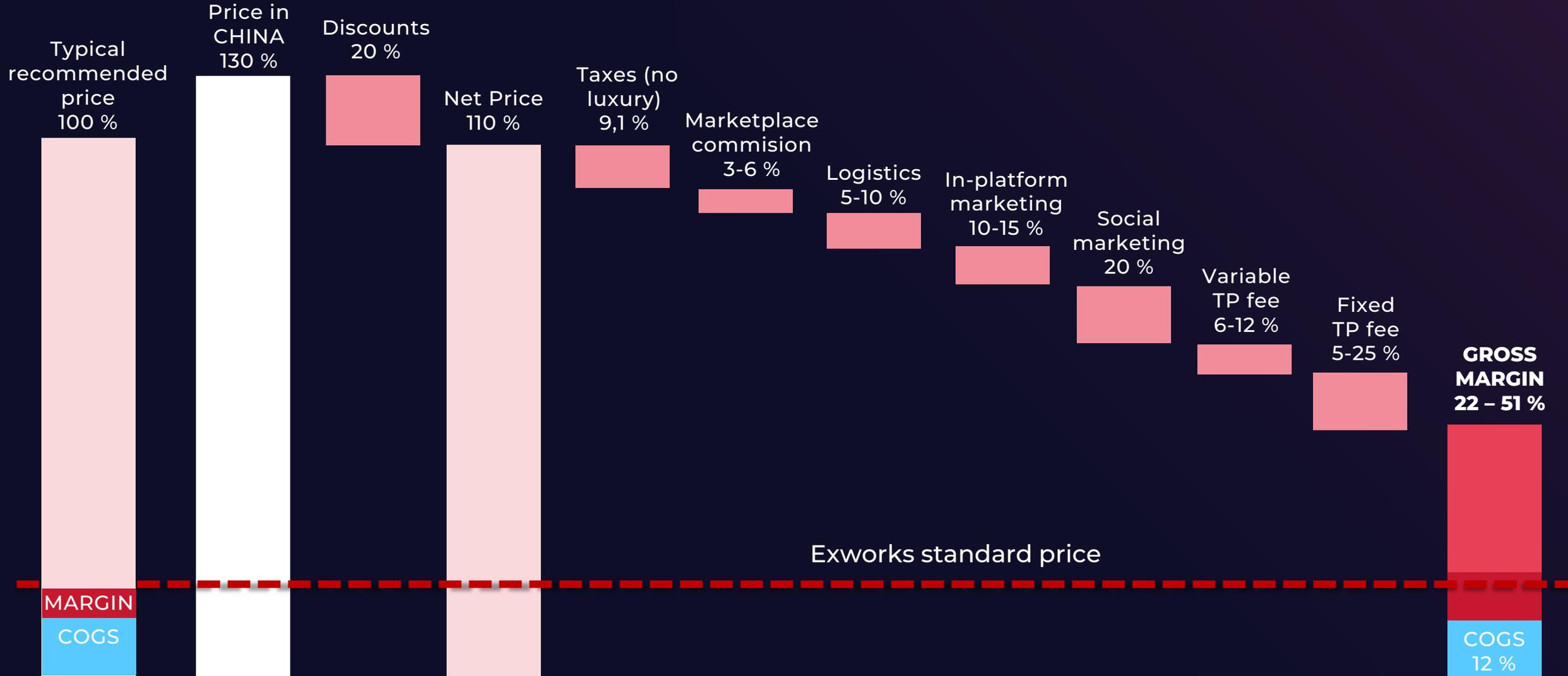
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- # Overall company involvement in the long-term project.
- # Understanding culture: with team in China in the medium term.
- # **Need for investment: → Financial capacity.**

5 years losing money...



Cost Waterfall (range depending on maturity)

NOTA: Set-up, deposits, yearly fees and other expenses not included



Few brands can afford the expenses

Even less of them, endure them over time

If Tmall accepts them



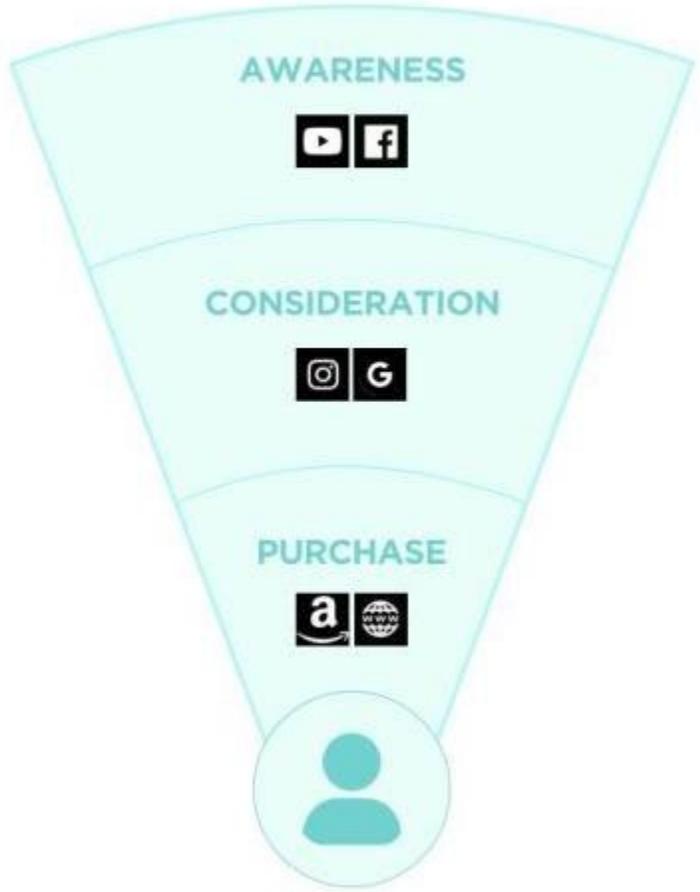
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- # Understanding culture: in the medium term, with team in China.
- # Need for investment: → Financial capacity.
- # **Understanding ecommerce strategy as communication means and vice versa.**

Different consumer journey

GLOBAL

CUSTOMER JOURNEYS
ACROSS CHANNELS



**Advertising as predominant business model*

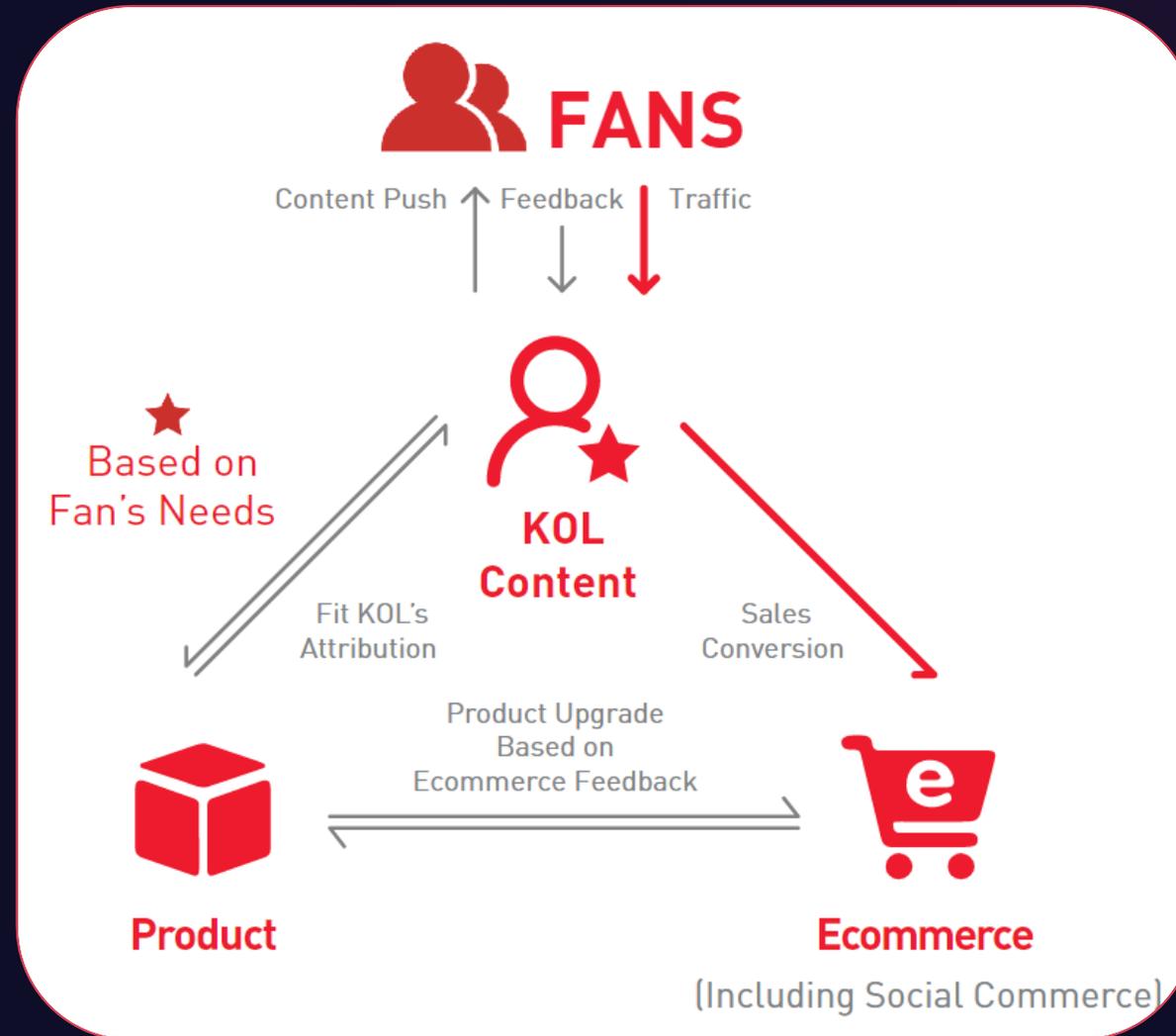
CHINA

'SUPER APPS' FULLY
ENCIRCLE AUDIENCES

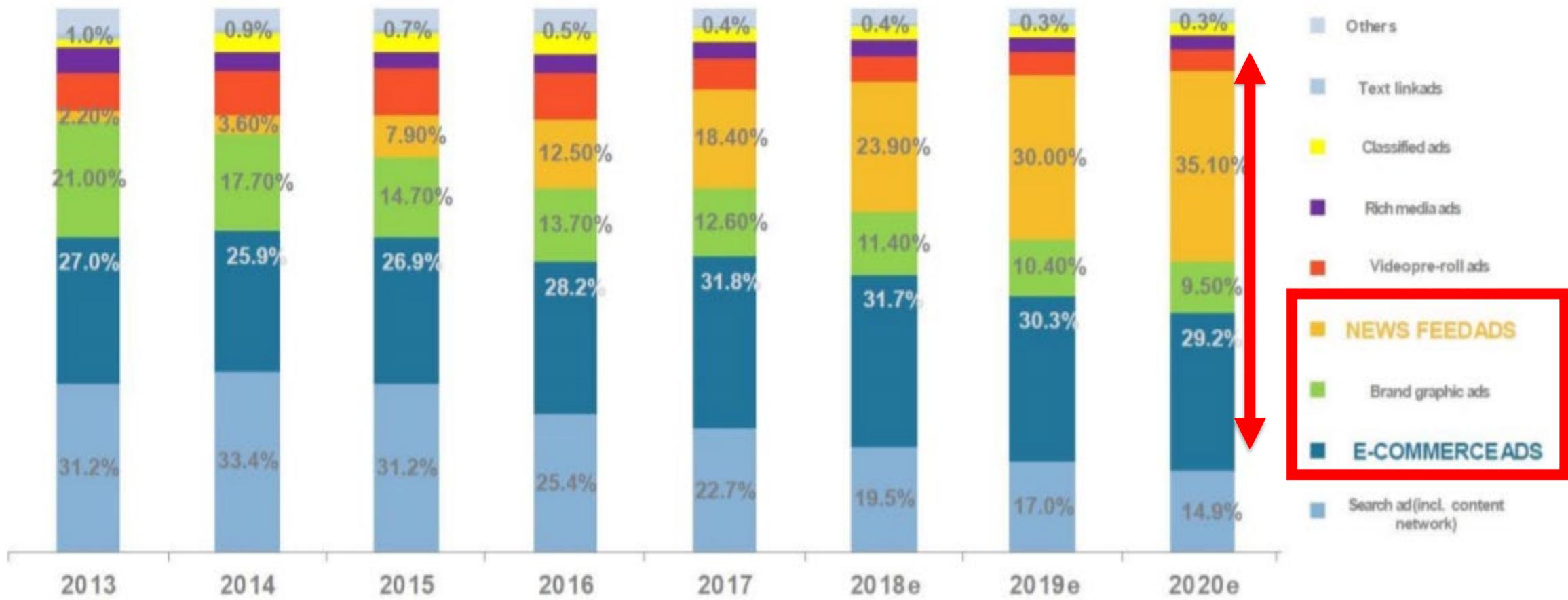


**Digital platforms prioritize eCommerce business model*

Key success factors: Fan base growth



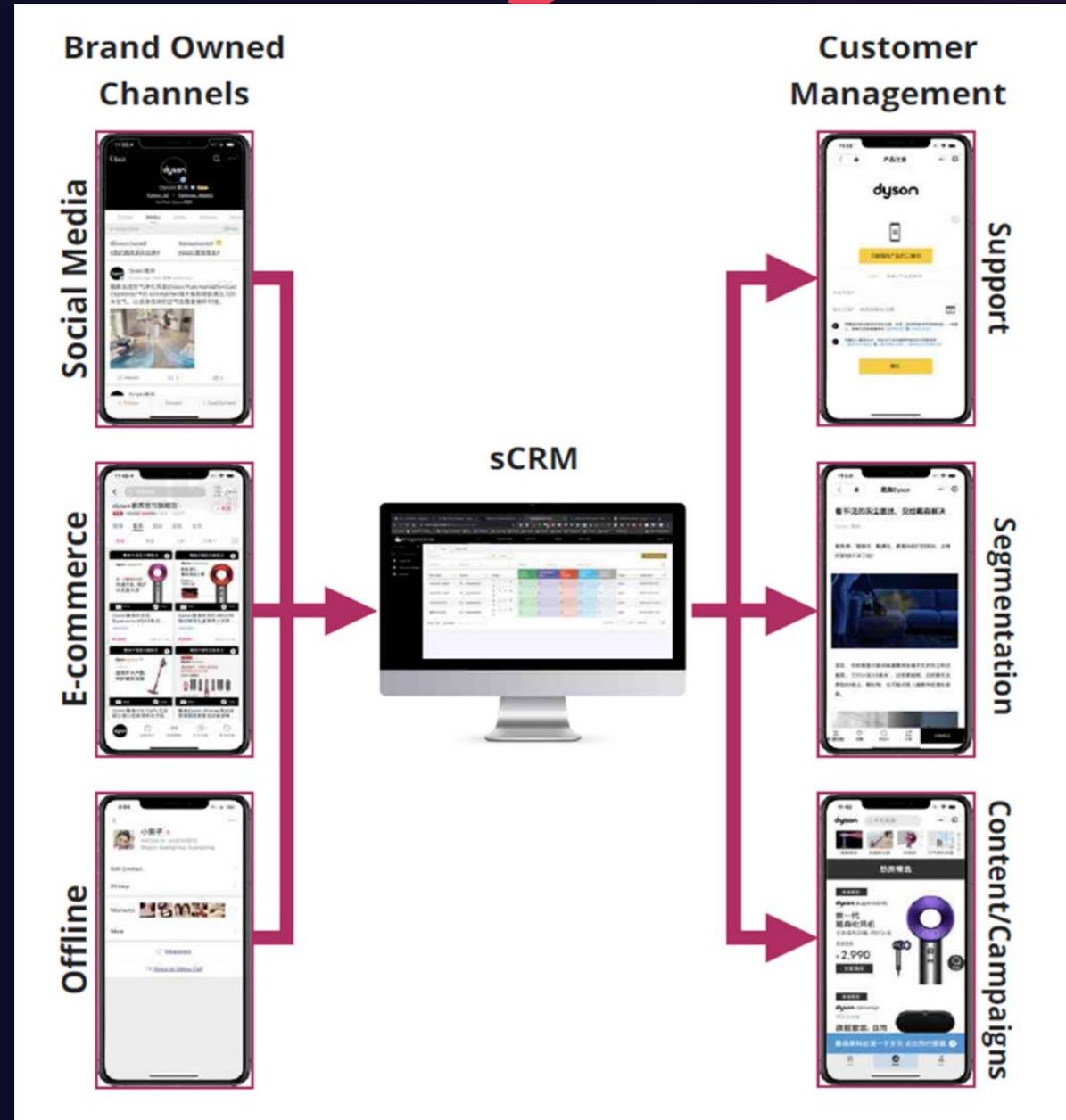
Online Ad Spend in China: €60 Billion



The new e-marketing



Strategy &
Management



Key success factors

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- # Overall company involvement in the long-term project.
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- # Understanding ecommerce strategy as communication means and viceversa.

The right partner and/or TP (Third Party).

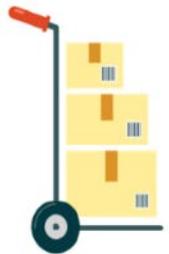
NECESSARY: Trading partner (TP) & digital agency

TP (Tmall Partner) is critical to your store's success

TP is an independent company hired by the brand to manage its operations



Store design



Logistics



Customer service



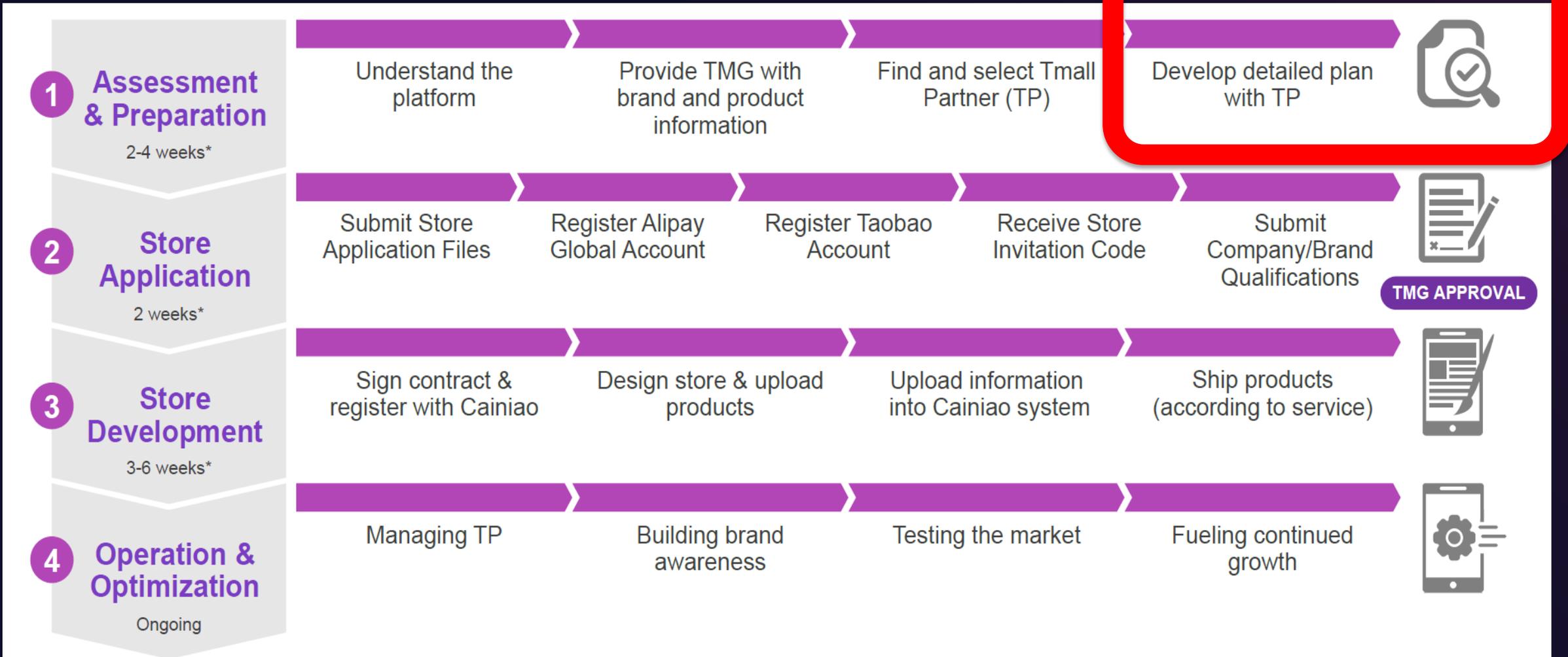
Marketing & Promotion



Sales analysis and reporting



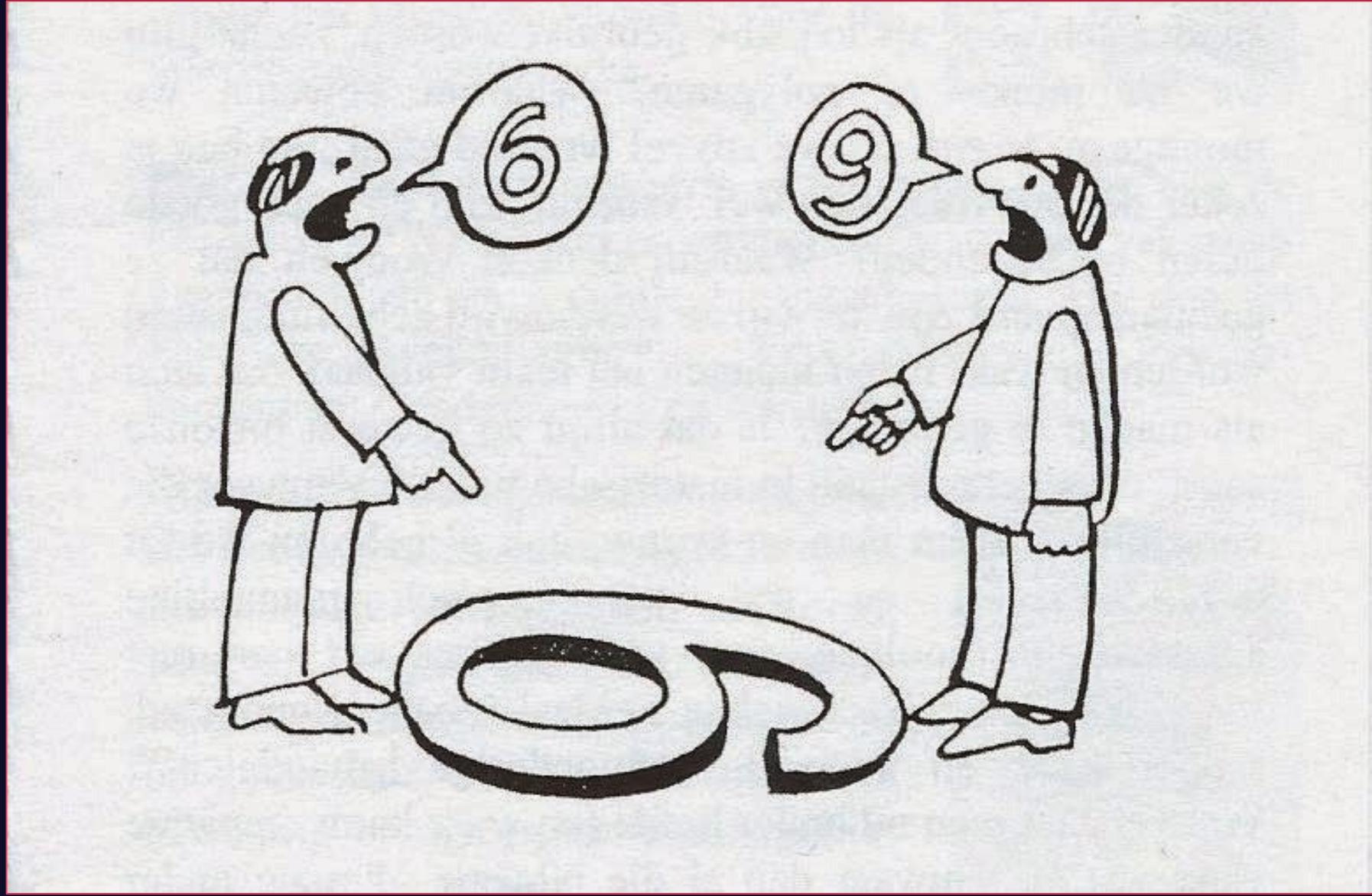
Tmall store opening steps



Large TPs & agencies just want renowned brands



With opposite points of view



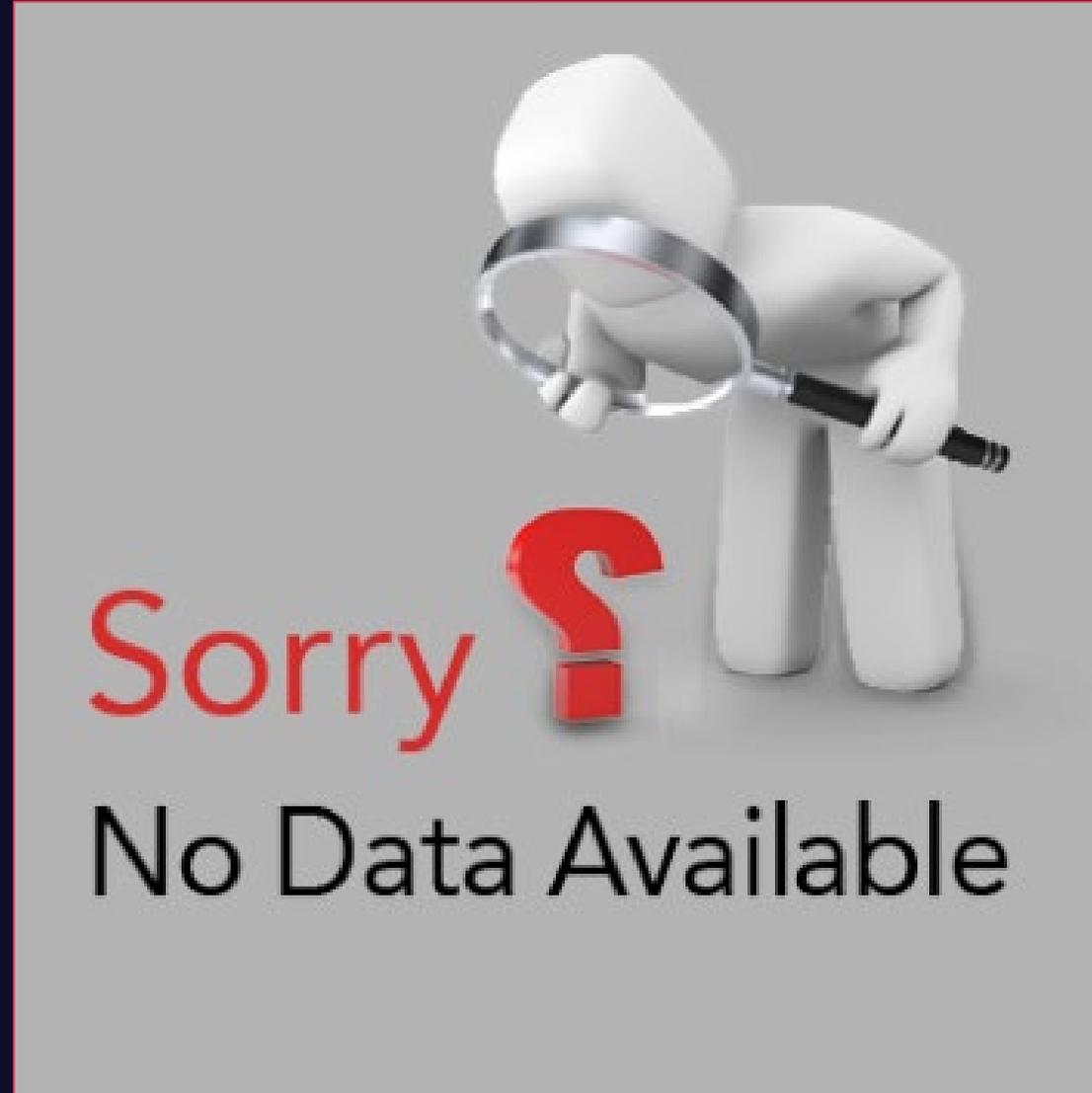
Different goals: Price vs recurrent purchase



Different goals: Promotions vs Brand building



THE WORST: Lack of transparency



Mistrust arises



Desperation + conflict



Key success factors

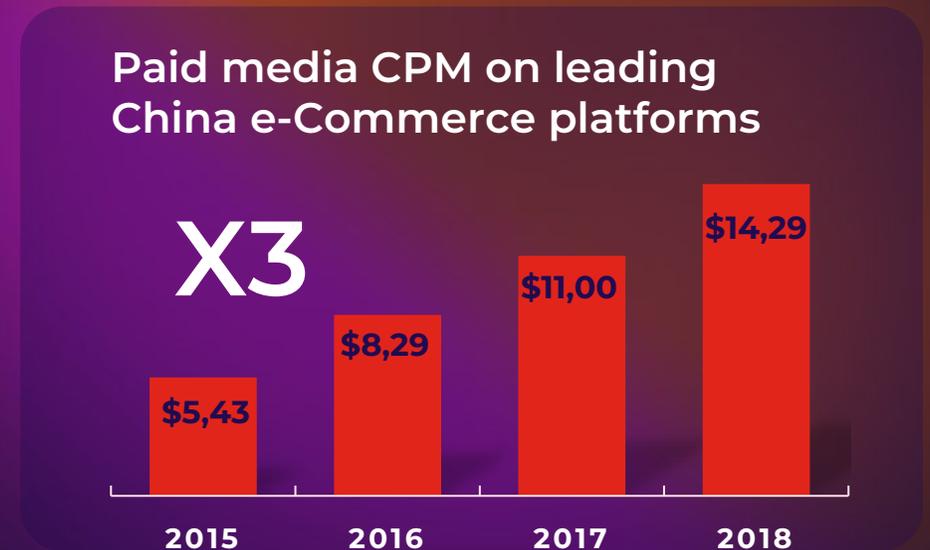
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Consumer and shopper behavior DATA.

All international brands SUFFER:

- Lack of shoppers' data
- Late and biased transaction data
- Several e-stores
- Low conversion rates
- Unfocused promotions
- Lack of loyal customers
- Growing e-marketing cost





Get Data Driven

MULTIPLATFORM and REAL TIME

- Same data set for everyone,
- No intermediate reports

www.genetsisdata.com





HOW IT WORKS

www.genetsisdata.com

Collects data from all e-Commerce and social media platforms, sCRM, market and COMPETITORS and we our AI-powered business intelligence solution clean and combine data to offer live, dynamic, multiplatform data analysis, predictions and recommendations

Data Sources

+50 SOURCES & PLATFORMS

• E-commerce

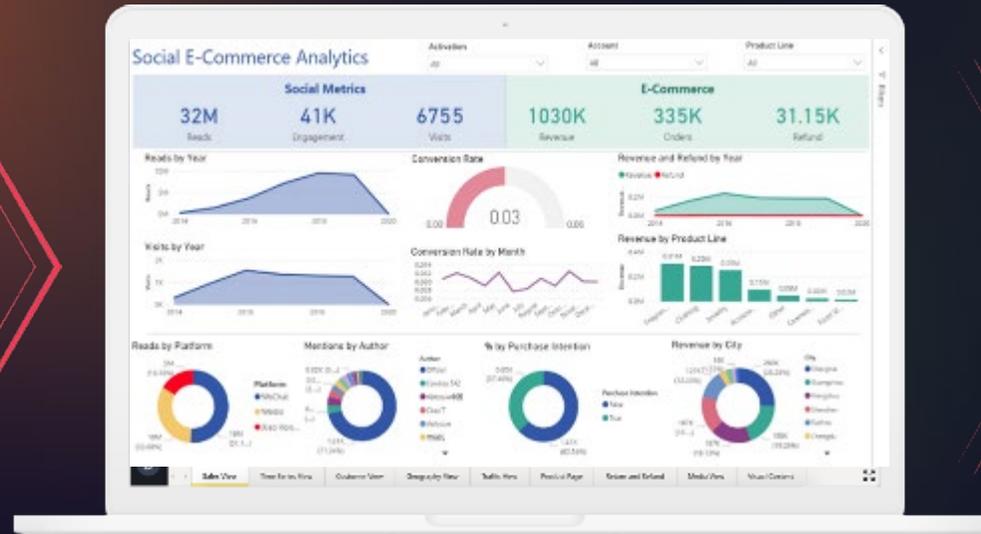


• Social Media



• Market & Competitors

• Offline POS



Valuable Take Away

- **Real-time dashboard**
Multi platform live real-time, dynamic data visualizations.
- **Analysis**
Simultaneously track the performance of your omni multiple channels, competitors and industry.
- **Prediction**
Forecast sales and performances of across multiple different scenarios.
- **Actionable recommendation**
Discover the optimal scenario to get the best performance



BRANDS DASHBOARDS

Brands use DATA TO MAXIMIZE THEIR ONLINE SALES
Measuring the ROI of all actions and promotions



Company operations



Competitors monitoring



Actions ROI measurement

Select Date Range:
 Start 01/09/2018 31/03/2020 End

Yesterday Today

Province: Todas

Platform: Todas

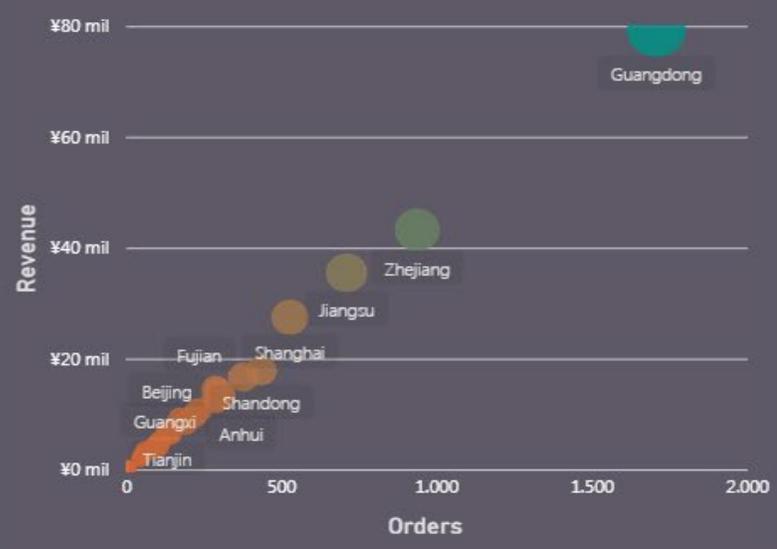
SKU Code: Todas

Province -English	% Change MoM
Henan	-16,7%
Tianjin	-37,5%
Shanghai	-48,3%
Yunnan	-70,0%
Beijing	-76,7%
Zhejiang	-77,6%
Shanxi	-80,0%
Jiangsu	-81,7%
Guangxi	-84,6%
Sichuan	-85,2%
Liaoning	-87,1%
Total	-84,3%

Select Unit of Analysis: Orders

7,78 mil

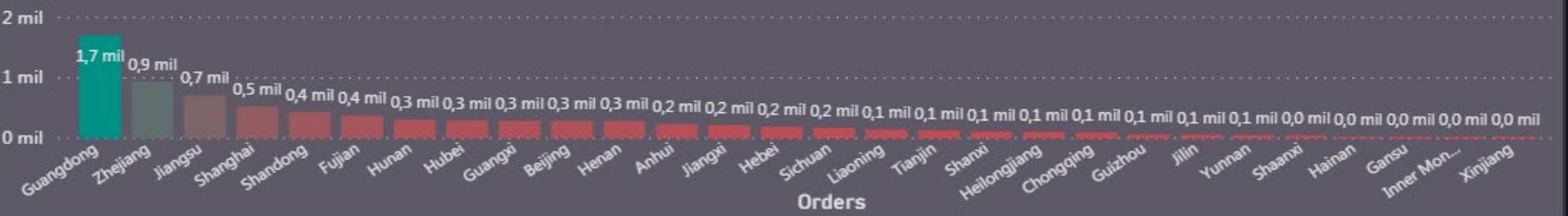
Comparison Revenue vs. Selected Metric (Size of Circle = Revenue)



Map of Sales Activity by Indicator



Selected Metric Ranked by Province



Social Media ANALYSIS

Time Filters

01/01/2020

08/04/2021

2020

2021

Jan

Feb

Mar

Apr

May

Jun

Jul

Aug

Sep

Oct

Nov

Dec

Q1

Q2

Q3

Q4

This Month

Category

- Anti-ageing
- Anti-dark spot
- Cleansing
- Eye cream
- Sunscreen

Platform

- Redbook
- Wechat
- Weibo

Brand

- Avene
- Bella Aurora
- Clinique
- Darphin
- Dermina
- Filorga
- Isdin
- Martiderm
- Sesderma

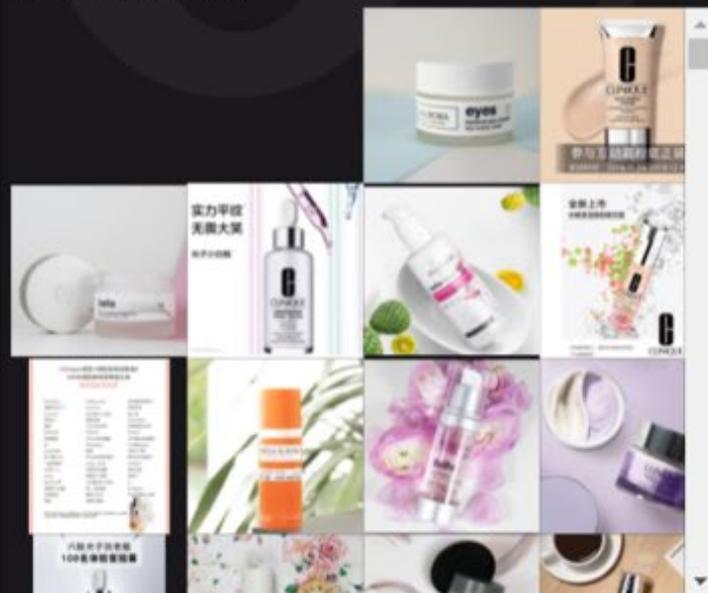
Post Summary Table

Account	platform	Text	Reads	Likes	Comments	Repost	Engagement Score
ISDIN	Weibo	他，是生活里的氧气，无惧挑战充满活力。他，是舞台上的阳光，向YOUNG而生有实力。他，是ISDIN怡思丁品牌全球代言人@THEO-朱正廷xao#朱正廷ISDIN怡思丁品牌全球代言人#怡思丁防晒水，高倍防晒，清透如星，有效抵抗98%的紫外线，让他每一次挑战，都无惧骄阳，轻装上阵。上淘宝搜“怡思丁防晒”，马上预定正正同款防晒，抢限量周边：ISDIN【2支装】怡思丁隔离防晒霜女SPF50 学生军训户外超强防晒，一起在ISDIN海外旗舰店#天猫超级品牌日#开启#向YOUNG而生#的旅程吧。#朱正廷好会晒#	362,045.00	67,115.00	280,697.00	38,369.07	
Avene	Weibo	专研专注，传承皮肤学护肤。锁定先机，蜕变但衷于内心。敏感肌护肤专家雅漾，与全新品牌代言人@范丞丞Adam0616 一起，邀你加入这段护肤之旅，一同相伴，“丞”风破浪，锁定鲜肌！#范丞丞被锁了##雅漾品牌代言人范丞丞#	109,080.00	11,772.00	294,858.00	19,530.34	
ISDIN	Weibo	很荣幸@THEO-朱正廷 能成为ISDIN怡思丁品牌全球代言人#朱正廷ISDIN怡思丁品牌全球代言人#。#朱正廷好会晒#你尽管保有年轻的冲劲，去#向YOUNG而生#，守护肌肤就交给小怡！现下单购买#向YOUNG而生#礼盒，即可获得贝贝限量周边，带着小怡，无惧骄阳！3月24日，在ISDIN怡思丁海外旗舰店天猫超级品牌日等你	106,194.00	21,020.00	234,403.00	11,410.89	
ISDIN	Weibo	#朱正廷好会晒# #朱正廷ISDIN怡思丁品牌全球代言人#沙漠，拥有极致	108,530.00	2,080.00	52,135.00	9,061.61	

Rank of Post



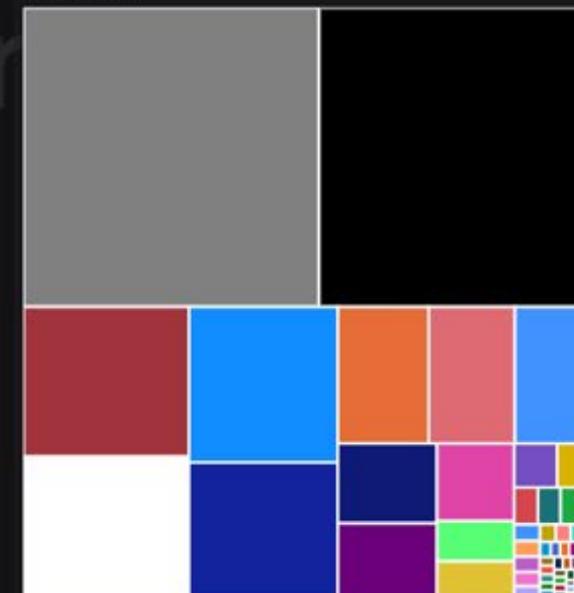
Visual Content Analysis



Word Cloud Analysis



Color Analysis



Key success factors

- # Growing category or low competition niche.
- # Exquisite care of the brand. Registered trademark.
- # Chinese name.
- # Good product with differential values. Preferably, emotional ones.
- # Some experience in China and/or decision to make China a strategic market.
- # Overall involvement of the company in the long-term project.
- # Understanding culture: in the medium term, with team in China.
- # Need for investment: Financial capacity.
- # Understanding ecommerce strategy as communication means and viceversa.
- # The right partner and/or TP (Third Party).**
- # Consumer and shopper behavior DATA.**
- # A sound holistic strategy (consumer, positioning, portfolio,...)**

Just a consumer segment as centre of the integral strategy



Target audience profile

Evolution from Demographic to Psychographic & personas

 Age	35-49
 Gender	65% male, 35% female
 Place	Tier 1 cities
 Income level	Middle-upper

35% Inaccuracy

Growing diversity by demographic segments



Jiana Wang
Overseas study experience, single, 27 year old, lived in Shanghai

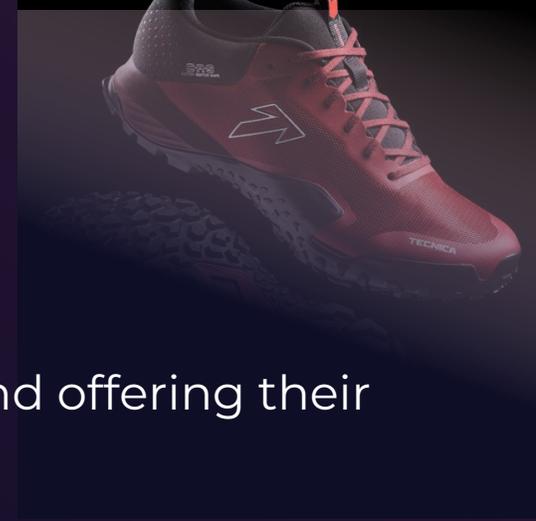
“ I started running casually with friends but now it's key part of my social life. ”

Sports Habits Regular exercisers, Amateur marathoners occasional trail run with community.	Lifestyle Very outgoing, sociable at every chance, follows food trends
Purchase Behavior 20% Traditional shopping 80% online	Brand commitment Rational judgment on price and quality; Interested Fashion and Niche Brands
Interests Wellness	Desire Belonging
Social Media Channels Keep, KOLs on Red, social & sports wechat groups, Instagram, douyin	Sport of Choice  RR
Performance metric Speed, esthetic appeal	

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Case Study



Tecnica Athlete G2 giving training

Tecnica is using its values as an *Expert* brand and offering their customers real expertise

By carefully selecting connection points and leveraging their sponsored athletes.

Connection Point	Activities
Running Clubs	<ul style="list-style-type: none">- Regular running meet-ups- Community learning sessions- Small community races
Outdoor adventure groups	<ul style="list-style-type: none">- Promote pre-trip training sessions- Product bundle packages for trip goers
Outdoor experience centers	<ul style="list-style-type: none">- Chance to expose new and experienced outdoor goers to brand- Association with widely popular brand synonymous with
Advanced health / fitness centers	<ul style="list-style-type: none">- Seminar/webinars for knowledge sharing from KOLs- Partnership with center offering unique brand know-how

Learnings

“Choosing the right partner is always relevant, but in China is the most important key factor for success or failure”.

“The Chinese consumer is the most self-informed one, therefore the communication strategy and reputation are a must”.

VIELEN
DANK.

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Genetsis g-commerce



OUR DIFFERENTIATING VALUES



Client Focus

We put maximizing profit and ROI for our clients at the heart of everything we do.



Data Driven

We believe in the power of data to transform your online business



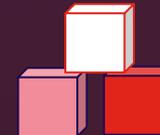
Transparency

We ensure that all performances are trackable and viewable anytime



Integrated Solution

We integrate all your digital marketing and eCommerce operations needs in one place, from planning to implementation.



Multi Platform

We provide expert and independent strategy on the best platforms to maximize our clients' performance