



Build, Operate, and Profit from a Cross-Border WeChat Shop in China

November 2017



China-Britain
Business Council
英中貿易協會



BENELUX
CHAMBER OF COMMERCE
IN CHINA



Camera di Commercio Italiana in Cina
中国意大利商会
China-Italy Chamber of Commerce



CCI FRANCE CHINE
中国法国工商会



EUROCHAMBRES



THE EUROPEAN UNION
CHAMBER OF COMMERCE IN CHINA
中国欧盟商会



Get Ready for China!

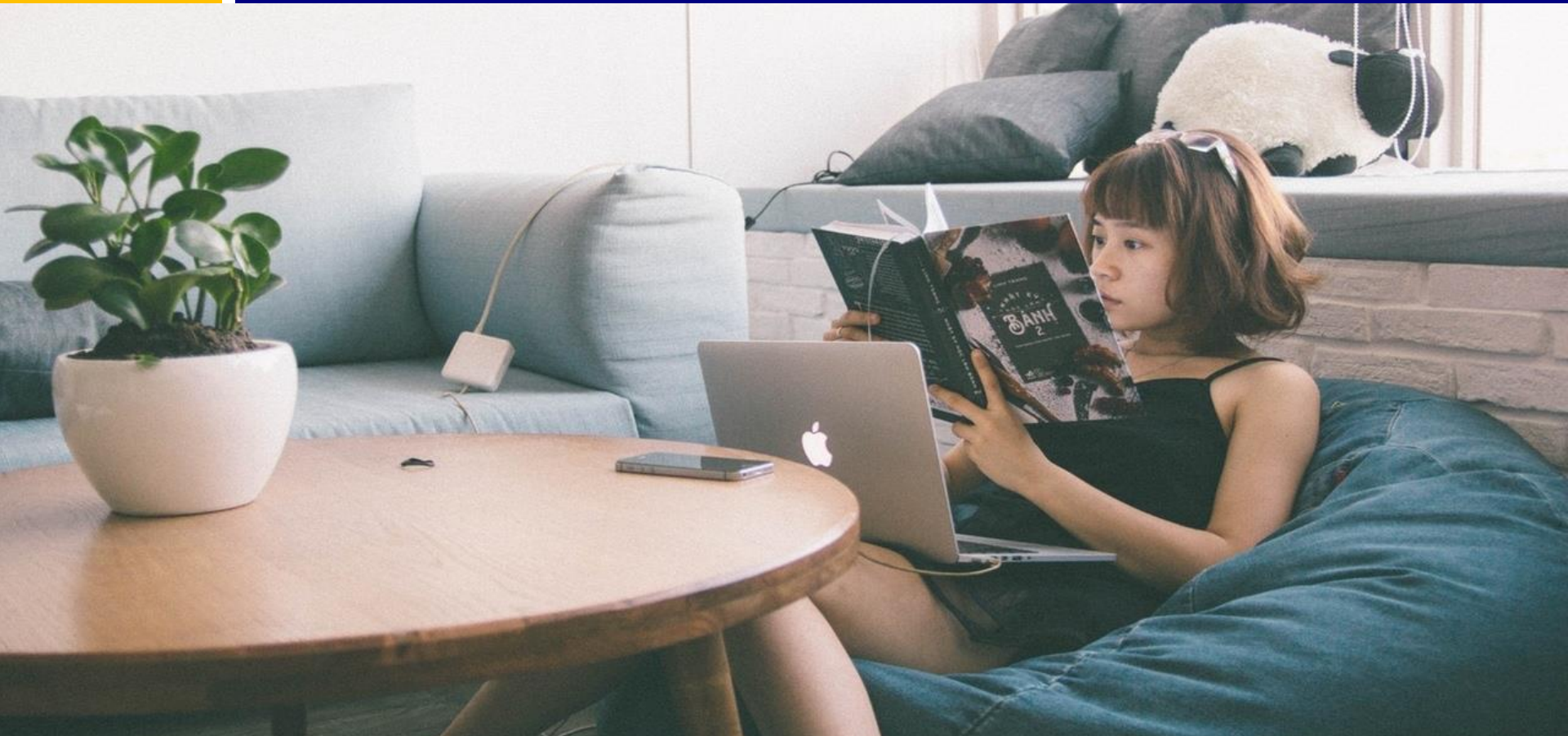
The EU SME Centre is an EU Commission funded project which helps EU SMEs prepare to do business in China by providing them with a range of information, advice, training and support services.

The Centre is implemented by a consortium of six partners and was established in October 2010. It successfully completed its first phase in July 2014 and has now entered its second phase which will run until July 2018.



Cross-Border WeChat Shop

A proven way to sell directly to Chinese consumers



Setting up a cross-border shop in WeChat

1. Advantages for EU SMEs
2. Real examples at work in China of EU shops
3. How does it work?
4. The blocks you need
5. Introducing WeChat Shop Solution Service



The Advantages

Cross-Border over General Trade

Cross-Border Trade

- No need of an importer in China or setting up a legal entity
- Quick process to authorize the imports of the product
- Brand's gross margin is much higher [= Shelf Price – Taxes – CIF Cost]
- Consumer's data in the hands of the brand, who is purchasing, when, what, why

General Trade

- It needs an importer in China (long, costly scouting process)
- Cumbersome process, to test your product category isn't easy
- Brand's gross margin is much lower [= EXW Price – Product Cost]
- Consumer's data is the hands of importer, distributor, or Chinese e-commerce platform

There are more....

The Advantages

Cross-Border Trade

- The brand can step down the process any time
- The brand controls and decides over the cost of promotion and knows it beforehand
- And it can actually measure the return on investment (ROI) almost in real-time
- It can be deployed China-wide

General Trade

- The brand is bound by the time agreement with the importer
- Importers use to claim upfront from the brand ludicrous promotional expenses
- Importers' feedback on promotional expenses ROI uses to be poor or non-existent
- Only the area of influence of importer or its network

Still more advantages, see next slide...

The Advantages

Cross-Border over General Trade

Cross-Border Trade

- It can be integrated with O2O operations, your brand displayed and **sold** in brick-and-mortar stores
- It provides your company with real consumers' **data** and channel **knowledge**, a priceless asset, very costly to achieve by other means
- Once you operate cross-border is much easier to find an importer to import via General Trade. You have a **proof** that your brand is selling in China

General Trade

- Having your brand in an **off-line** store is expensive, requires paying listing fees, and inherent difficult negotiations
- Consumer's **data** and sales channels' **performance** is in the hands of the importer. It is not unusual the EU brand ignores where the brand is sold
- General Trade importers have little interest in developing the market for the brand. They demand a **proof** that the market demands the brand

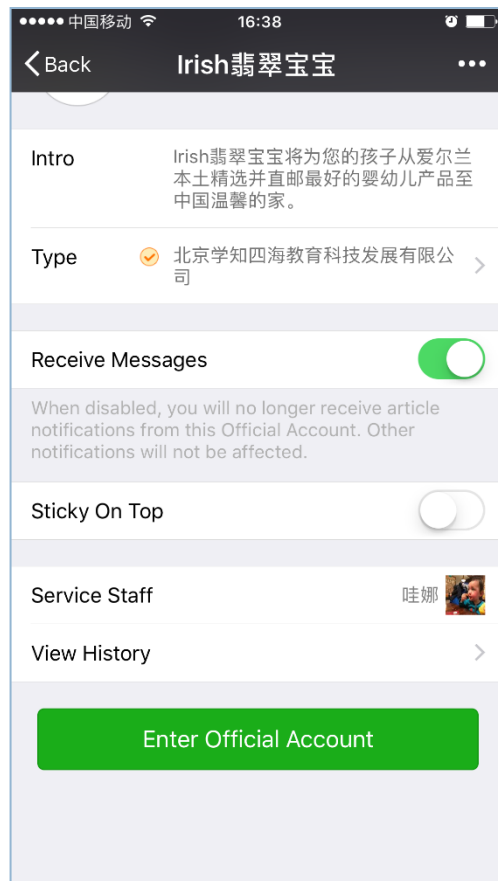
A couple of examples to get familiar with the concept



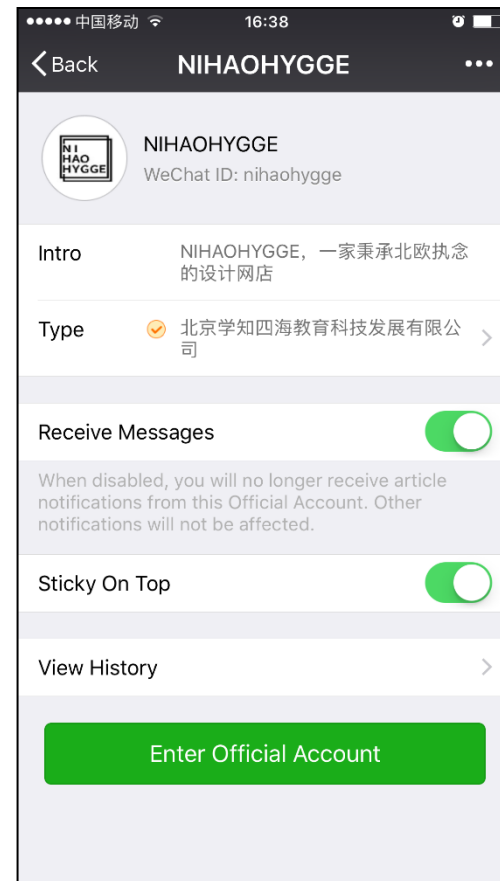
Two Real Cases

Cross-border E-commerce WeChat Shop

Emerald Green Baby (Ireland)



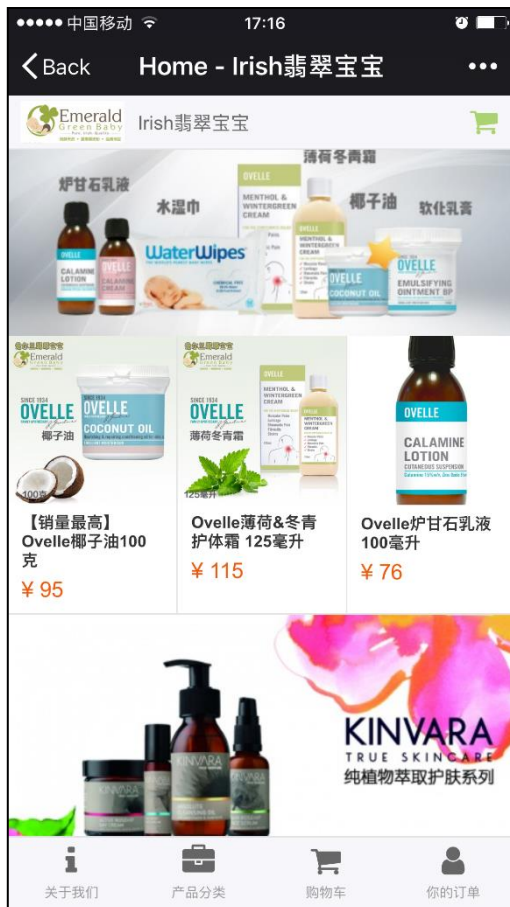
Nihao Hygge (Denmark)



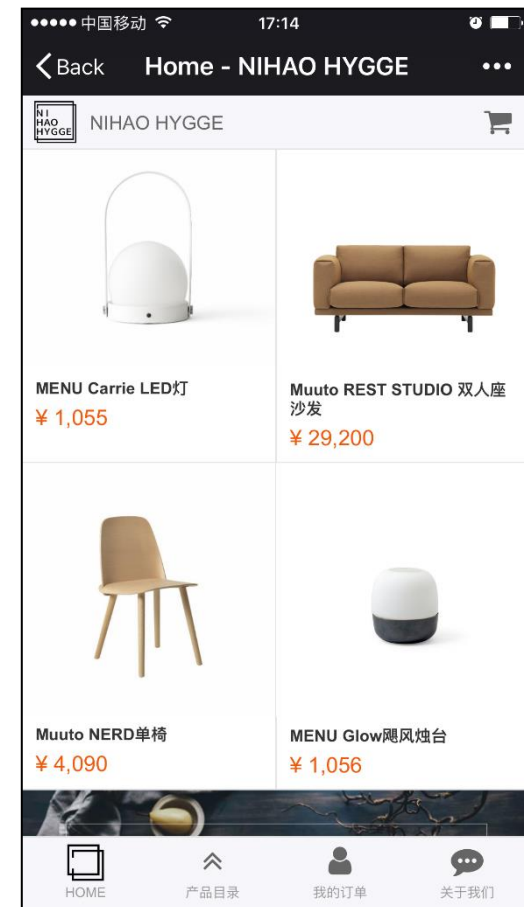
Two Real Cases

Cross-border E-commerce WeChat Shop

Emerald Green Baby (Ireland)



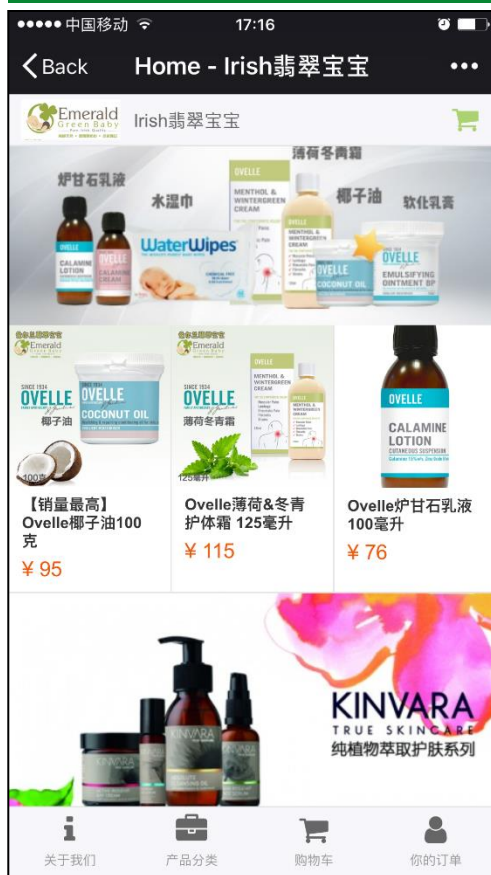
Nihao Hygge (Denmark)



Two Real Cases

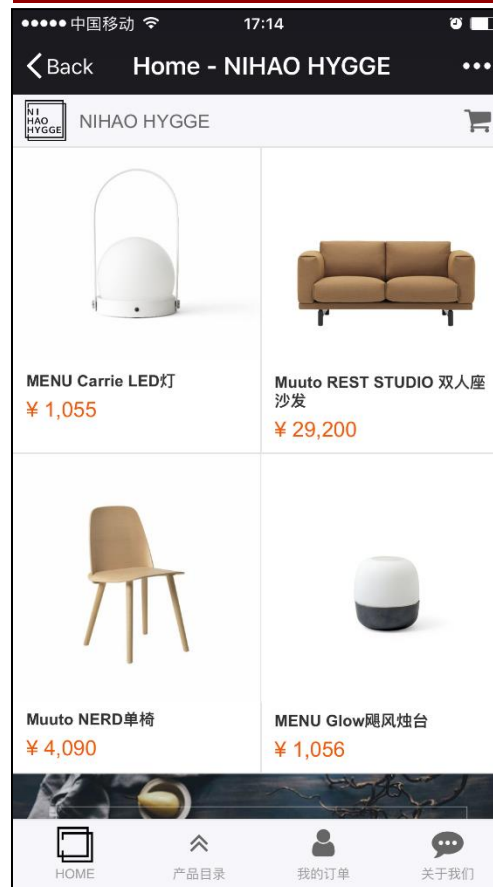
Cross-border E-commerce WeChat Shop

Emerald Green Baby (Ireland)



Emerald Green is in the business of mother-care, infant formula, and baby-care. With products stored in an off-shore warehouse at a Free Trade Zone, the company sells online China-wide through its WeChat shop. It also sells O2O via agreements with regional chains of O2O stores. It plans to move to off-line shops importing via general trade in the future. It uses all sort of digital marketing techniques, such as influencers (KOL), live streaming, or broadcasting from Ireland

Nihao Hygge (Denmark)

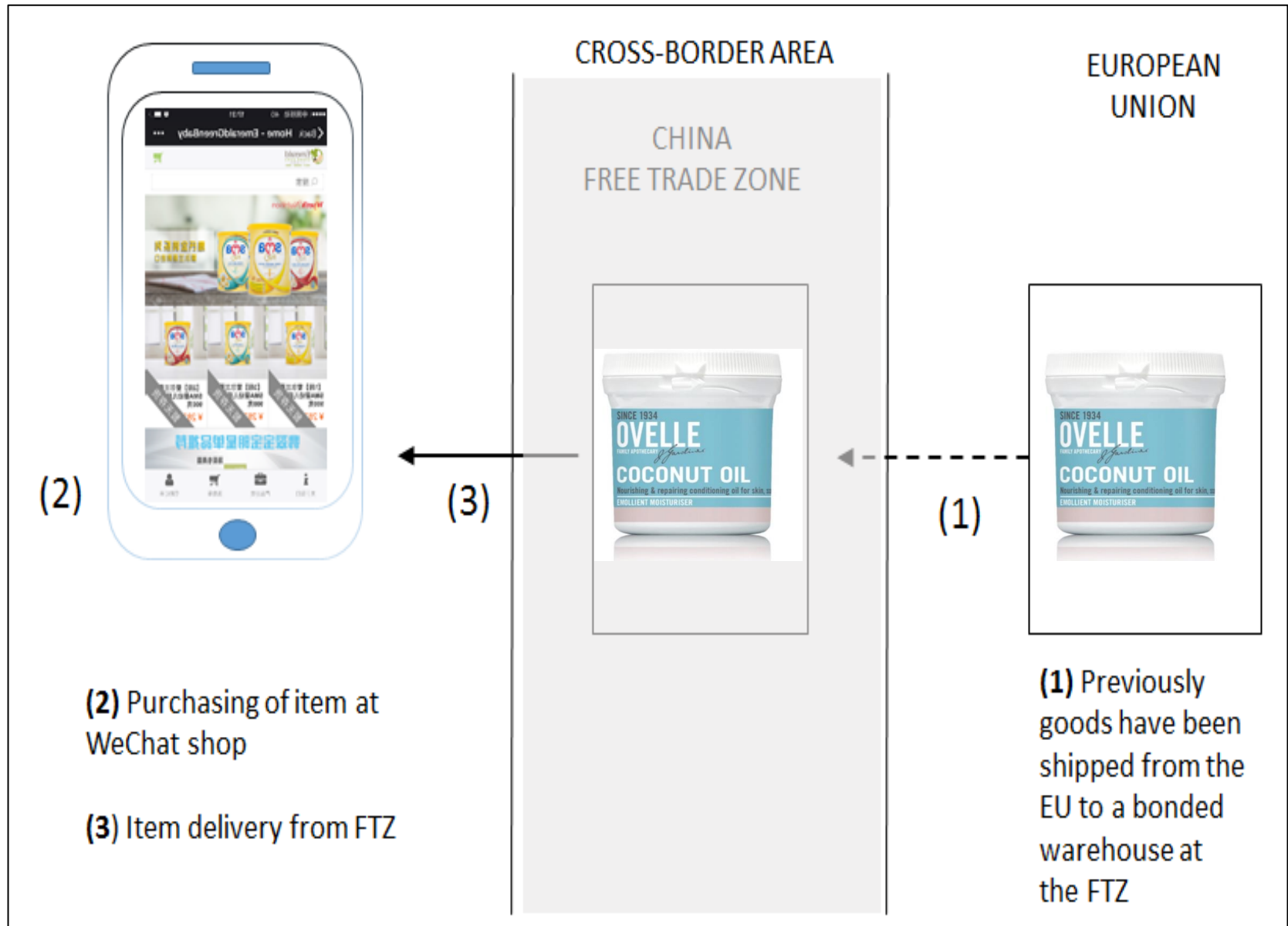


Nihao Hygge sells the Nordic concept of *hygge*. Products that transmit a quality of cosiness and comfortable conviviality engendering a feeling of contentment or well-being. The Nordic design is present in each of products of assortment. Nihao Hygge is currently selling cross-border via its WeChat shop shipping directly from Denmark. The company is exploring to shorten the delivery time by using a bonded warehouse at a Free Trade Zone

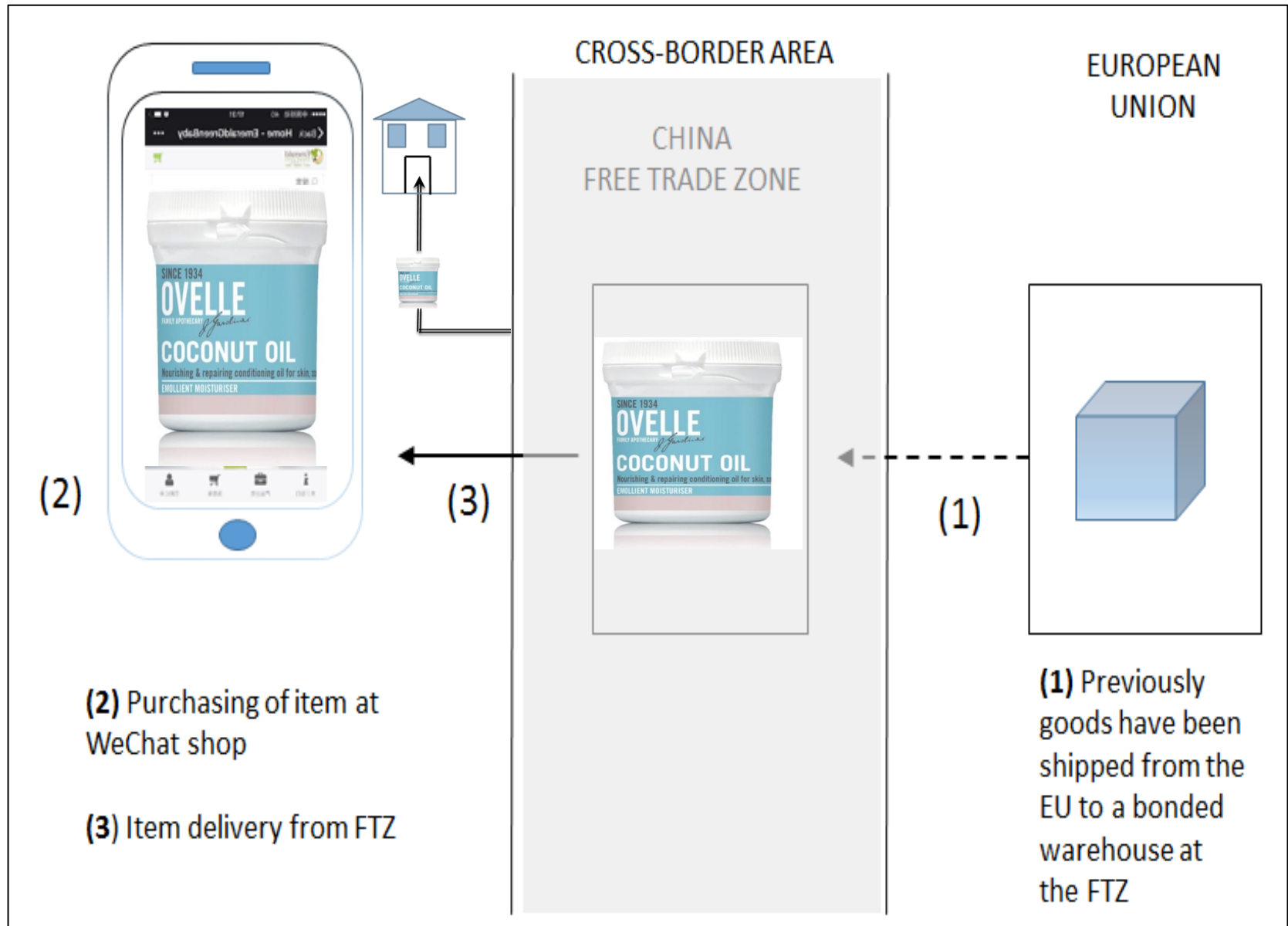
How Does it Work?



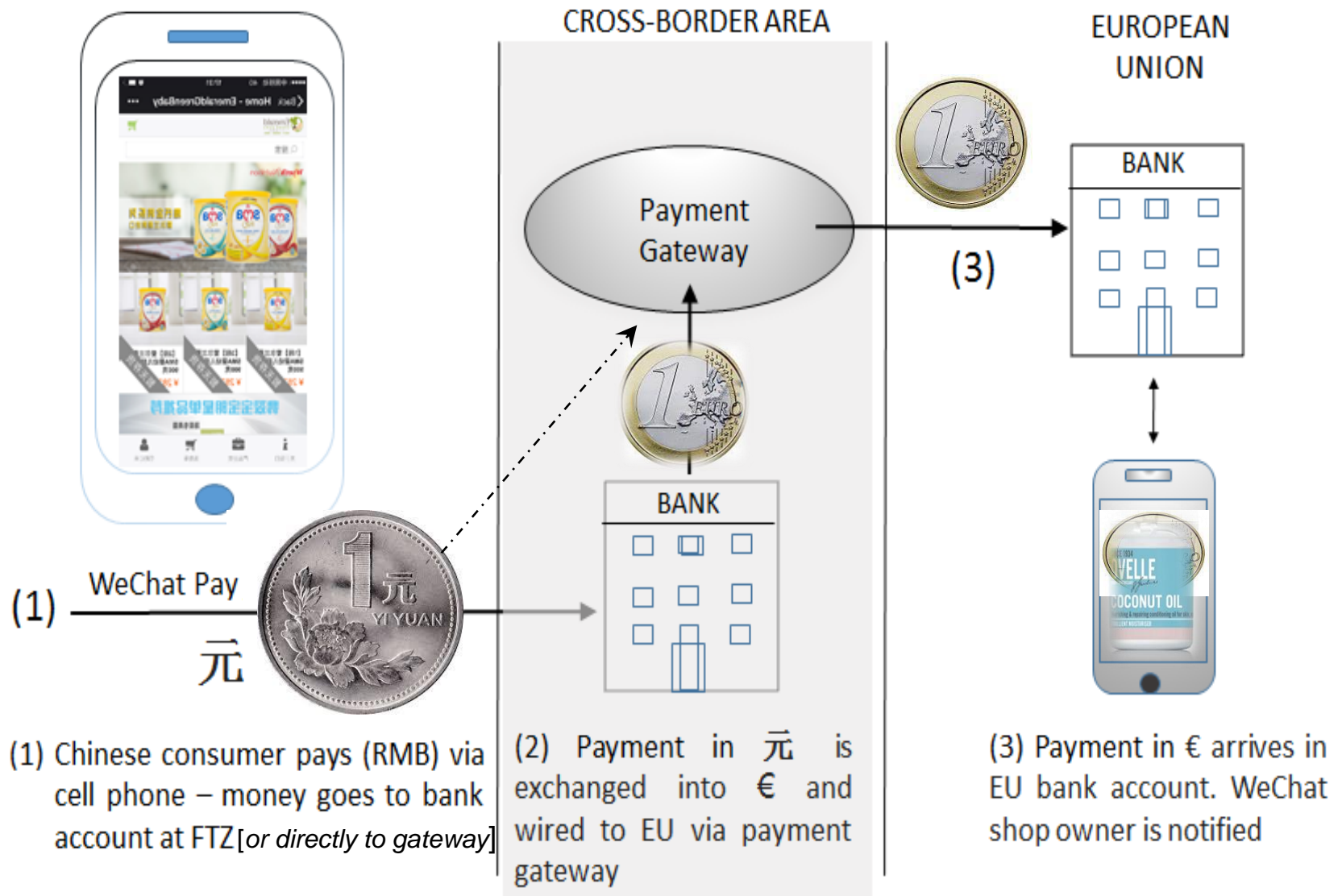
The flow of goods



The flow of goods



The flow of payments



The Blocks You Need

The Blocks You Need

1



Register your Trademark

You need to demonstrate you have the rights over the trademark. Also the products at store. Selling in China without having registered the trademark is a huge mistake business wise

E.g



Emerald
Green Baby

Pure. Irish. Quality.

纯净天然 • 爱尔兰奶粉 • 品质保证

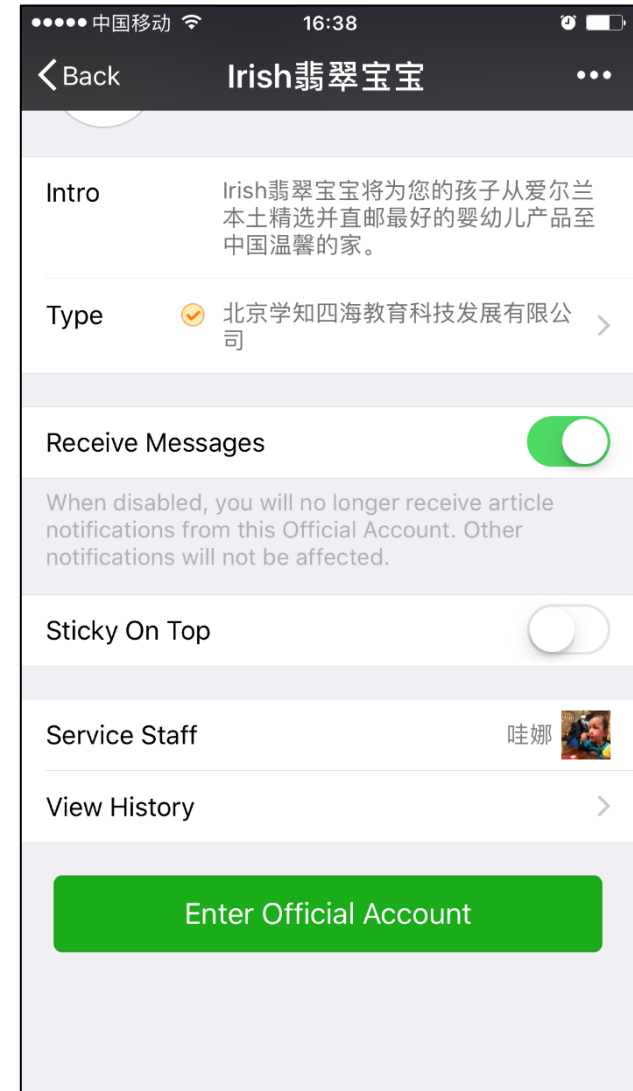
The Blocks You Need

2



WeChat Account Set Up

An Official Account (OA) is mandatory. This is how Tencent – owner of WeChat – identifies and registers the bona fide data of an account owner



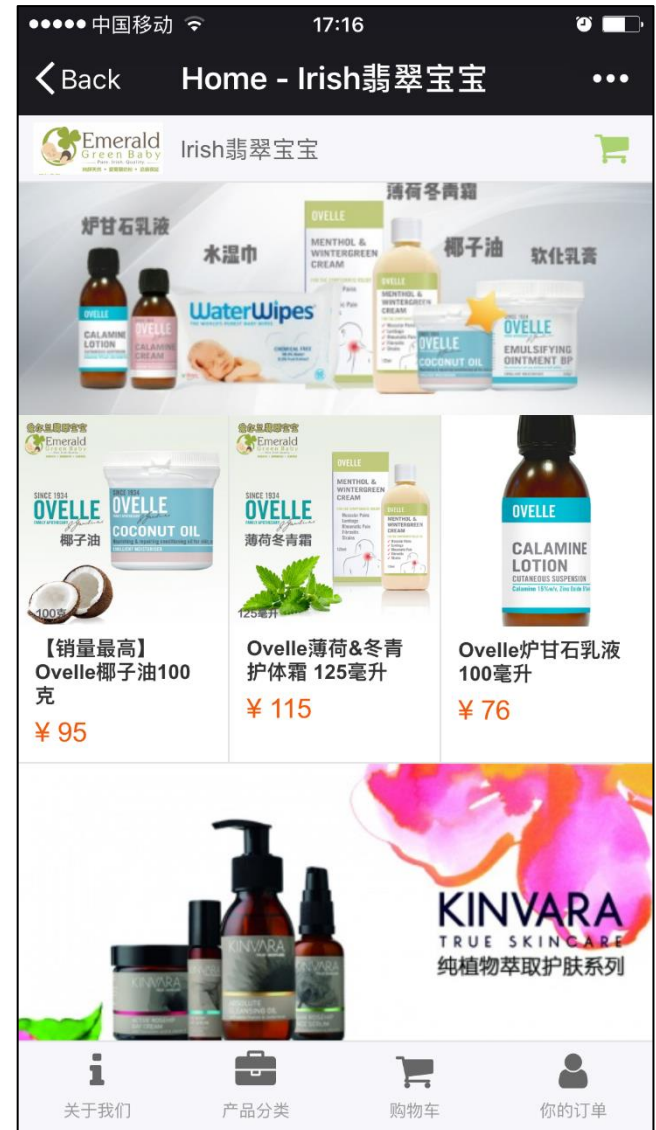
The Blocks You Need

3



WeChat SHOP Set Up

The mobile website – the shop itself, fully built within WeChat – is associated with the WeChat OA. Your potential client can use the smartphone to browse products in your WeChat store. Once there, they are only a click away from making a purchase

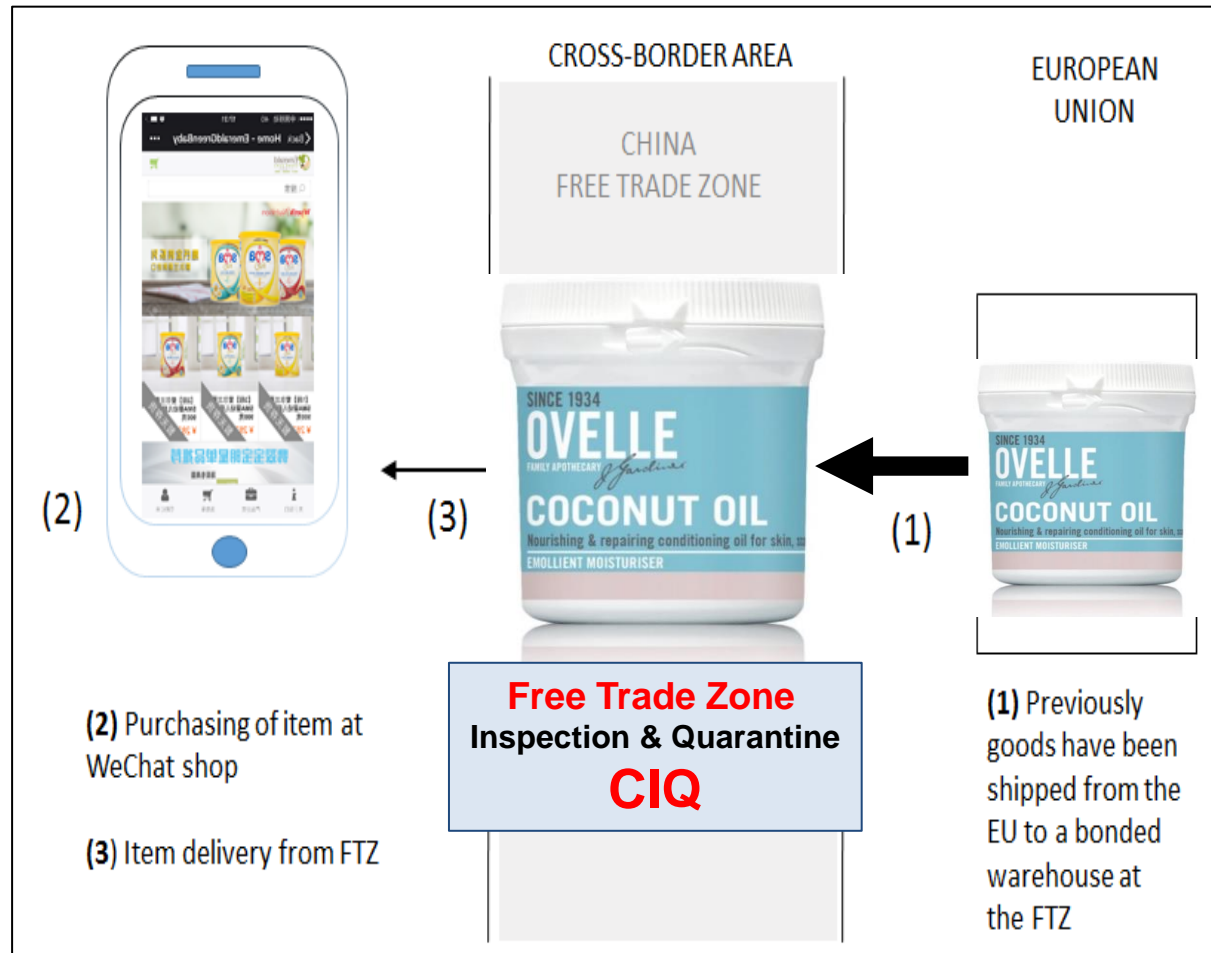


The Blocks You Need

4

Products entering China require CIQ approval. Registering at CIQ in the Free Trade Zone is necessary before start operations

Register Your Products
China Inspection and Quarantine
CIQ

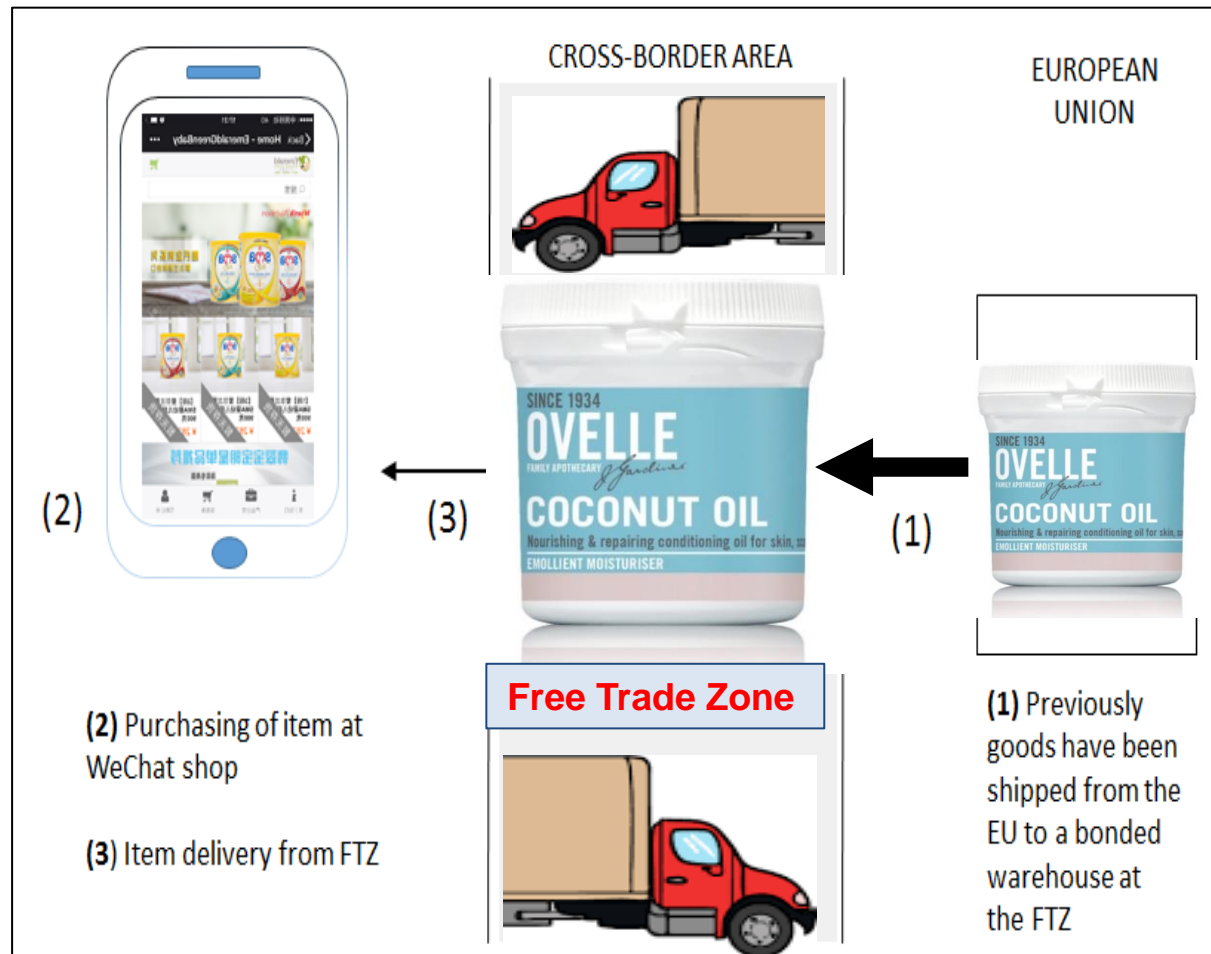


The Blocks You Need

5

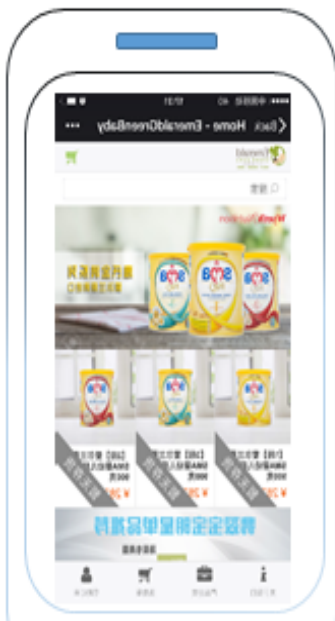
Select a Logistics Operator
Integrate the Shop with Logistics

Products entering China require CIQ approval. Registering at CIQ in the Free Trade Zone is necessary before start operations



The Blocks You Need

6



Integrate a Payment Method WeChat Pay/Union Pay

WeChat Pay is the preferred mobile payment method within WeChat. The Chinese consumers take for granted they can pay via WePay

需付

¥ 110



Wechat Pay



需付: ¥ 110

提交订单

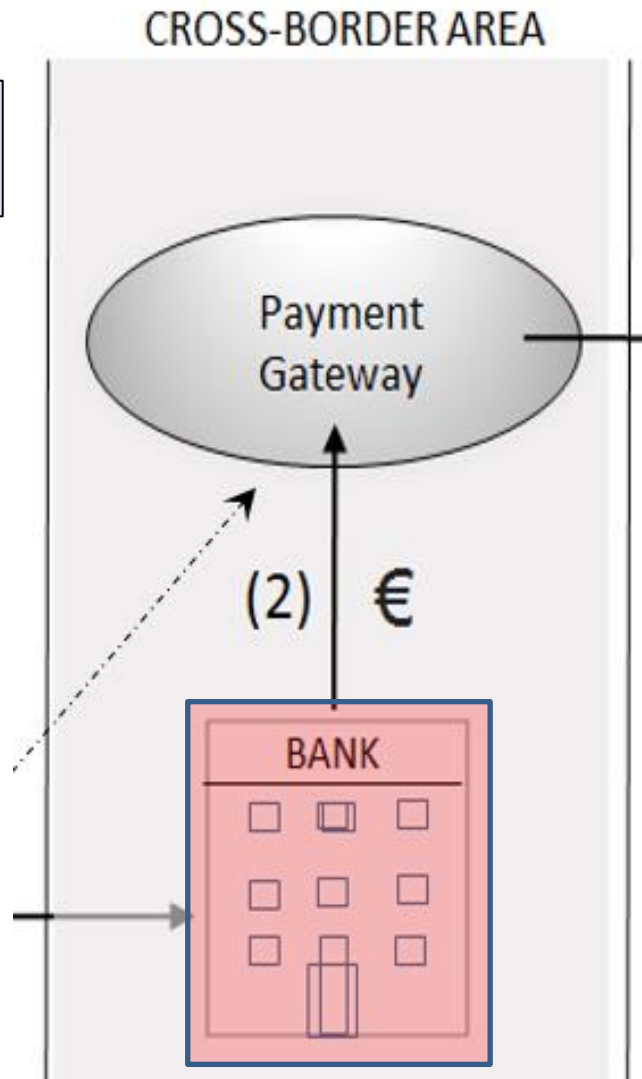


The Blocks You Need

7

Open a Bank Account in China

A bank account may be needed to receive consumer payments, exchange currency, and wire money to the EU. Not strictly needed if the WeChat Shop payment method (WePay) is directly connected to a Payment Gateway

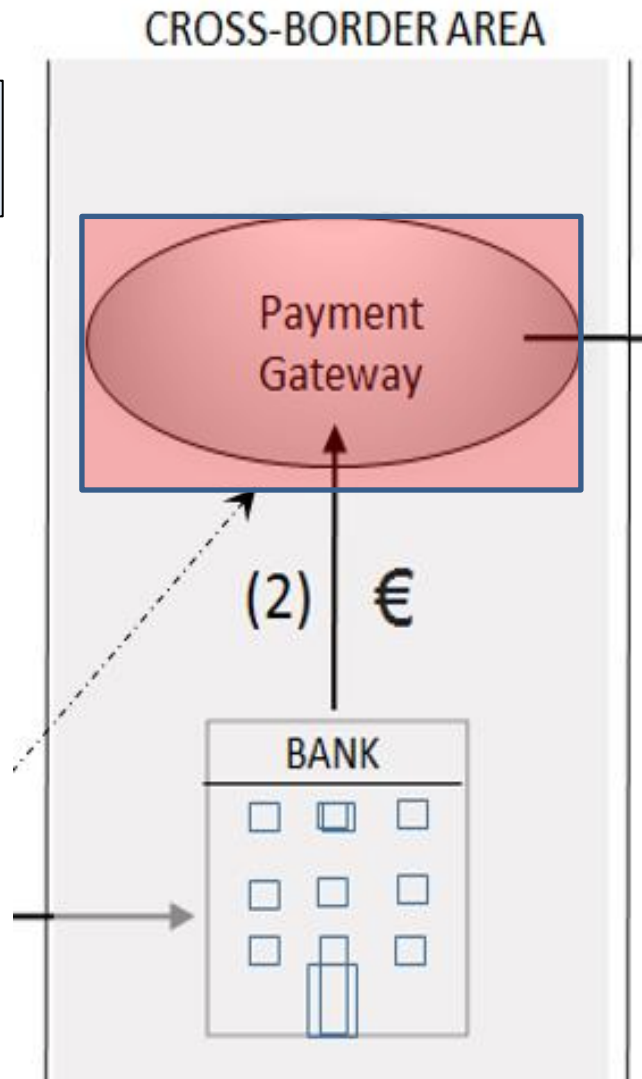


The Blocks You Need

8

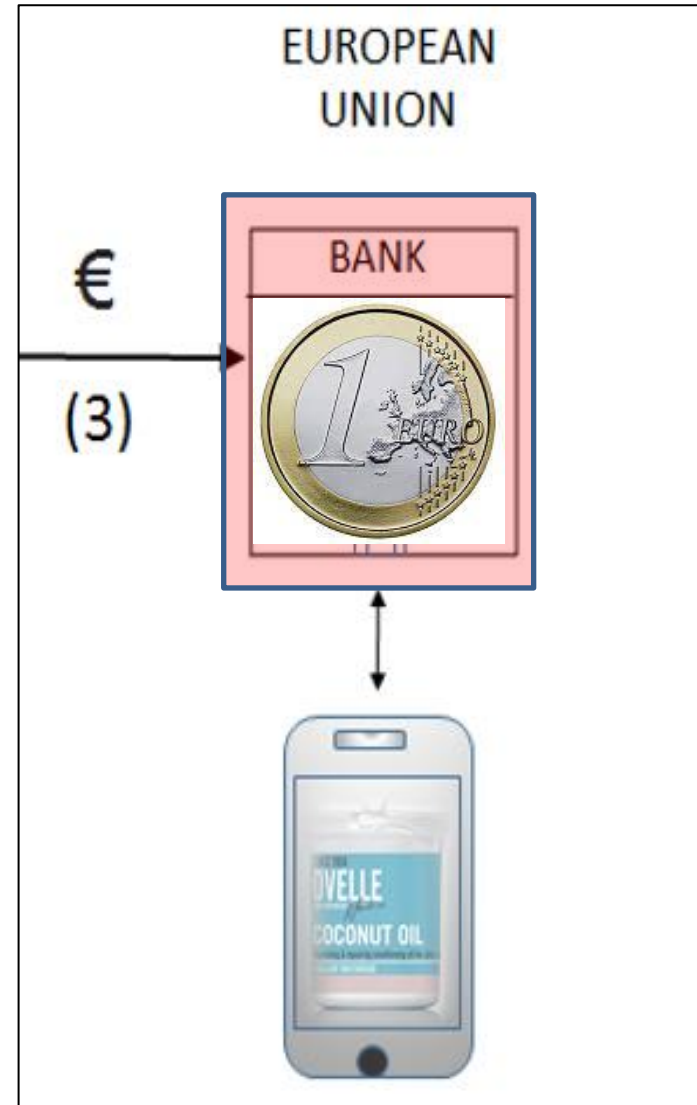
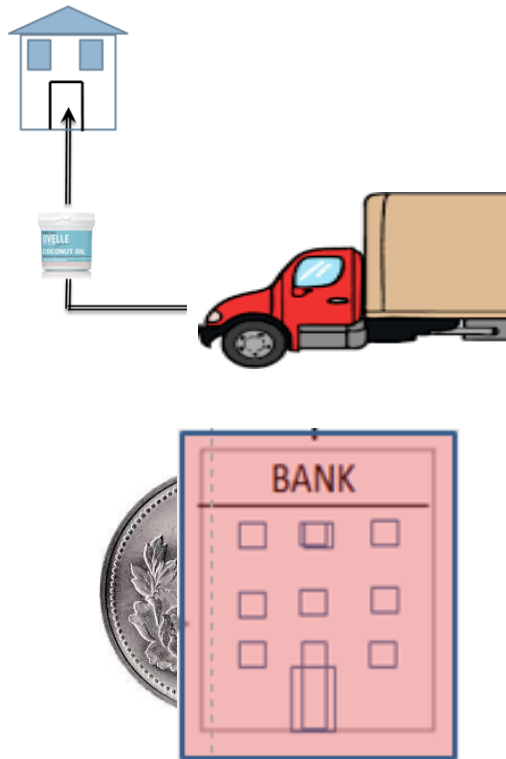
**Integrate with the
Payment Gateway**

To do the clearing or
Renminbi into EURO
and receive the
payment into your bank
account in Europe



The Blocks You Need

It's DONE



Introducing WeChat Shop Solution Service

Get Ready for China!

The EU SME Centre is glad to announce the WeChat Solution Service!

Carried out by [Emerald Green Consulting](#), the WeChat Shop Solution enables EU SMEs to access the Chinese market by:

- Setting up their own WeChat Store
- Registering their trademarks
- Establishing distribution channels
- Developing their digital marketing strategy.

Why the WeChat Solution:

- Tap into China's premier social media platform
- 1 billion users globally
- Offers connections to thousands of Key Opinion Leaders (KOLs)
- Easy on-line payment and money transfer to EU bank account



Who Can Benefit from the Service?

Small-to-Medium sized enterprises in the following categories:

- ✓ Food and Beverages
- ✓ Cosmetics
- ✓ Baby Products
- ✓ Beauty Products
- ✓ Clothing SMEs



The WeChat Shop Solution

Bronze

Ideal for businesses establishing a corporate face in China and WeChat official presence without marketing or e-commerce functionalities.

Starting from
30,000 EUR*

Silver

Designed for businesses that want to sell online and market directly to the Chinese consumer.

Starting from
50,000 EUR*

Gold

Designed for businesses that wish to establish an e-commerce strategy and engage directly with the Chinese consumers through a network of key opinion leaders and on social media channels.

Starting from
70,000 EUR*

* Includes one-time fixed set up costs and annual fees
For more information contact wechatshop@eusmecentre.org.cn

The Service in Detail

	Bronze	Silver	Gold
Application for CIQ	✓	✓	✓
WeChat Official Account Set Up	✓	✓	✓
WeChat Store Build	✓	✓	✓
Chinese Payments Setup		✓	✓
Trade Mark Protection	✓	✓	✓
Shipping		✓	✓
Marketing Strategy		✓	✓
Marketing Live Streaming			✓

from **30,000 EUR***

from **50,000 EUR***

from **70,000 EUR***

Contact

To have a turnkey solution for your Cross-Border WeChat Shop, including all blocks 1 to 8, please contact the EU SME Centre in Beijing:

WeChatShop@eusmecentre.org.cn

