China Cross-border eCommerce
Hawaiian Market Solution

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Alibaba- Tmall Global & Kaola.com
What is Tmall Global (TMG)?

The largest B2C cross-border e-commerce platform in China

It provides a channel for international brands to test the China market, and offers different business solutions for merchants entering the market.

- 25,000+ International Brands
- 92 Countries and Regions
- 5,100+ Categories
## How is Tmall Global different from Tmall?

### Tmall Global
- Helps brands enter the Chinese market through cross-border trade.

### Tmall
- Helps brands that are already established in China.

<table>
<thead>
<tr>
<th></th>
<th>Tmall Global</th>
<th>Tmall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal entity</td>
<td>Outside of China</td>
<td>In Mainland China (subsidiary or distributor)</td>
</tr>
<tr>
<td>Bank account</td>
<td>In home country</td>
<td>In Mainland China</td>
</tr>
<tr>
<td>Payment</td>
<td>In home currency</td>
<td>In CNY</td>
</tr>
<tr>
<td>Trademark registered</td>
<td>In home country</td>
<td>In Mainland China</td>
</tr>
<tr>
<td>Warehouse Location</td>
<td>Outside of China</td>
<td>In Mainland China</td>
</tr>
<tr>
<td>Shipping to Chinese consumers</td>
<td>From overseas</td>
<td>From within Mainland China</td>
</tr>
</tbody>
</table>
Cross-Border E-commerce - Ideal First Step into China

Cross-Border Benefits

- Low barrier of entry
- Low tax rates
- Unique advantages to test the market

Maintaining Original Packaging
Overseas Legal Entity
Country of Origin Safety Standards
Consumer Trends on Platform

- **Getting Younger**: 57% of Import Goods Consumers are Post 95s.

- **Penetrating Into More Areas**: 60% of New Active Consumers are in Less Developed Areas.
Food & Beverage Trends on Platform

F&B Trends

- Red wine
- Olive oil
- Milk Powder
- Coffee
- Oatmeal
- Spirit & Sparkling
- Infusion & Functional tea
- Yogurt
- Cold Brew
- Healthy snack
- Nut
- Dry Fruit
- Instant Food
- Chocolate
- Puffed snack
Business Solution

商业合作方案
Tmall Global Offers SEVERAL BUSINESS SOLUTIONS

**FLAGSHIP STORE**
- Brand-operated storefront on Tmall Global and Kaola platforms
- Partner with TP who helps with the store operations
- Costs (Deposit, Annual, Commission, Service, Logistic)
- Bonded warehouse/Global Fulfillment Center (GFC)
- Brand Building and Marketing Billboard

**SPECIALTY STORE**
- Supplier model to a Tmall Global partner
- By Invitation Only – Decided by the partner, Mutual Selection Process
- Tmall Global partner operated the store to sell overseas products
- Costs (Marketing recommended)
- Shipment decided by brands and the partner
- Inventory and assortment optimization
B2C Business Model
Merchant (together with TP) is responsible for the entire business chain including – marketing/branding, daily operations, customer service, logistics.
Flagship Store – Key Value Proposition

- Brand-operated online storefront on the Tmall Global marketplace platform
- Partner with TP (trade partner) who helps with daily store operations
- Brand building and marketing billboard
- One-stop brand hub to introduce range of products and lifestyle
- Build, maintain and engage with own customer base through a dedicated CRM system
- Access to store sales data and macro category trends
Tmall Global Specialty Store

Tmall Partner pays the supplier based on the terms agreed upon between the partner and the supplier.

Bulk shipping → Bonded warehouse

Exporter to ship goods to Cainiao bonded warehouse on CIF terms

Branding → Specialty Store

Tmall Partner manages the product listing, sale, marketing and domestic delivery to customer.

Sale → Domestic delivery → Customer
Specialty Store– Key Value Proposition

Specialty Store

- Direct Sale to a distributor TP – lower upfront investment
- 100% access to Chinese consumers seeking overseas products
- Low cost market entry for testing and assortment optimization
- Take advantage of cross border to ship inventories as is
- Flexible settlement options
- Work closely with partner TP and Tmall Global for portfolio selections
Brand Showcase from Americas Region

- Brazil’s first brand in food category on Tmall global;
- Introduced unique Brazilian Specialty products for Chinese consumers
- Key item – All Natural Granola Products;
- Worked with local partner team in depth to promote brand awareness: working with influencers, emphasize quality, nutrients, and a taste coming directly from raw materials
Thank you

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