Global E-Commerce Trends and Best Practices

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Merging Old School Ways with Digital Marketing

Pioneered Sale of Kitchen Disposer in Japan, 1989-2001; Managed representative office in Japan- no website
Launched ETEC to promote Education/Training in Asia, Middle East, 2003-current, info. website
Opened Branch Offices in Beijing, 2009; Stand-Alone Office in HCMC, Vietnam, Fall 2012, in-country websites
Co-Author, Exporting in the Connected World
www.connectedworldtrade.com, blog, podcast, mobile apps.
Cross Border E-Commerce Marketing Service Company- “The Digital Age Export Management Company”
Why You Need this Book to Succeed in International Trade Today
by Mark & Miguel

Dear Exporter, Importer, and Entrepreneur,
Did you ever get a feeling that it’s becoming harder for your product to get recognized? Or that you’re competing against a crowd? The world of international trade has changed dramatically in the past few years and your competition is no longer just between you and another company in a different state, now it’s between you and companies across the globe. What happened? Why does it seem more difficult?

We live in a Connected World.
2017- International Trade Success requires merging Old School Methods with Digital Age Resources

• Started N.I. Exports pre-internet; Fax ruled, human connections king- circa 1990

• Products made in U.S. and exported from point of production-1991 Kitchen Disposer OEM; 2017 complex supply chains (eg. produced in Vietnam, Imported by virtual company, sold on Amazon) Find suppliers on Alibaba/Aliexpress; Asiansources; HKTDC; KOTRA; JETRO; etc.

• Cross Border E-Commerce- Import or Export from anywhere direct to consumers- The Alibaba and Amazon Effect! China E-Commerce expected to reach $1 Trillion in 2019; S.E. Asia starting to show signs of life, $150 Billion in 2017(ASEAN Region); Amazon FBA platform goes to Europe, Middle East and beyond; India the next big opportunity

• Digital Marketing outperforming offline marketing- Google, Facebook, You tube driving more business leads than traditional advertising methods.
World’s Top E-Commerce Markets

Countries with the largest B2C e-commerce markets in dollars:

- **China**: 766.6 billion dollars in 2015, 975 billion dollars in 2016
- **United States**: 585.1 billion dollars in 2015, 646.6 billion dollars in 2016
- **United Kingdom**: 192.5 billion dollars in 2015
- **Japan**: 114.4 billion dollars in 2015, 124.4 billion dollars in 2016
- **France**: 119.5 billion dollars in 2015, 129.1 billion dollars in 2016
- **Germany**: 106.2 billion dollars in 2015, 114.1 billion dollars in 2016
- **South Korea**: 84.8 billion dollars in 2015, 113 billion dollars in 2016
- **Canada**: 44.7 billion dollars in 2015, 43.5 billion dollars in 2016
- **India**: 22.8 billion dollars in 2015
- **Russia**: 24 billion dollars in 2015
The Amazon Effect!

The rise of virtual companies that can import/export anywhere in the world simply establishing an account on Amazon.

Amazon as part of the total e-commerce market in the U.S. -43.5 % or nearly $200 Billion Dollars per year

Perspective- Wal-Mart’s dominance in offline retail and supplier acceptance
U.S. E-Commerce Trends and Market Drivers

- Snapshot of U.S. Retail E-Commerce Market:
  - 96% of Americans with internet access have made online purchase, 80% in last month
  - 67% of Millennials prefer online shopping to in-store, 56% of Gen Xers - 6 hours of online shopping per week
  - 52% of smartphone owners buying online
  - 60% purchased clothing/apparel; 49% electronics; 34% beauty items

- Profile of U.S. Online Sellers:
  - Omni-channel selling rising quickly!
  - 56% have a physical store
  - 21% have a pop-up store or event
  - 34% have their own website
  - 25% sell through marketplaces- Amazon, Ebay, Etsy
  - 25% sell through Facebook (40% through social media)
  - 85% of U.S. online shoppers start purchase on one device and finish on another - mobile, tablet, desktop and online tele-sales.
A comprehensive digital marketing strategy a necessity in 2017

2 million businesses advertise on Facebook; 75% of all internet users in U.S. on Facebook
You Tube receives more views from 18-34, 34-49 demographics than any single cable network
Consumers more likely to refer a business they interact with through social media - 80% of social media interaction from mobile
A listing on Google Places essential for small businesses
Google Ad-Words leads more likely to lead to business than off-line leads
LinkedIn fastest growing job finding tool

Quality Content Key!
The Alibaba Effect!

U.S. e-commerce buyers approaching 200 million; Total e-commerce sales comparison- China-to surpass $1 Trillion in 2019; U.S. $550 billion in 2017

Source: Fung Business Intelligence Report, 2013
China Cross Border E-Commerce Essentials

$120 Billion and growing fast!

Cross-border transactions in China (trillion RMB)

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<td>2013</td>
<td>2.8%</td>
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<td>2014</td>
<td>3.0%</td>
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<td>2015</td>
<td>4.3%</td>
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<td>2016</td>
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<td>2017</td>
<td>5.3%</td>
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<td>2018</td>
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Why do users choose cross-border e-commerce (top 4 reasons)

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<th>Reason</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Quality</td>
<td>57.7%</td>
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<tr>
<td>Quality-price ratio</td>
<td>34.4%</td>
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<td>More brands to pick from</td>
<td>30.9%</td>
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<tr>
<td>Guaranteed authenticity</td>
<td>30.2%</td>
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Source: iMedia Research, WeKtheChat
Cross Border E-Commerce Success Factors

- Top selling product on Amazon
- Lots of favorable online reviews
- Product with established offline marketing channels
- Social media buzz
- Pick up on Baidu.com (How)
- Unique selling features, price point/margin that makes sense for cross border sales

Hot Products- Baby, Beauty, Health, Organic
E-Commerce not just marketplaces and websites - Chat-Commerce thrives in Thailand
Hong Kong Trade Development Council- A Model for supporting SME’s for global e-commerce

Trusted Online Marketplace

Source from quality suppliers and manufacturers from Hong Kong, Chinese mainland and around the world on our trusted online marketplace.

With our core values - Relevant, Reliable and Resourceful, we provide supplier search and referrals supported by professional authentications.

Learn more about our customised service for: Buyers Suppliers

hktdc.com Small Orders

The hktdc.com Small Orders is an online sourcing platform for buyers looking for suppliers accepting small-quantity orders. Online payments are processed and protected by PayPal.

Click here to see the products and buy now!
Implications for Global SME’s

• Unprecedented opportunities for SME’s to buy or sell globally
• Digital Marketing Knowledge Key - Understanding and accessing e-commerce marketplaces, social media strategy, mobile apps, and mastering omni-channel sales methods
• Position companies to be suppliers or sellers of products or services (Fintech growing fast!).
• Trade Consulates need to support easy access to suppliers - www.hktdc.com, www.tpp.jetro.go.jp, www.tradekorea.com, etc.

• De Minimis Value Increases to $800
• Fulfilled by Amazon (FBA) your virtual store-front in the U.S. A) www.sellerscentral.amazon.com 2) company registration 3) Registered TM
• Demand growing for same day delivery - eg. Amazon Prime
• Direct to consumer businesses will soar as will B2B e-commerce
• The numbers don’t lie - China e-commerce will reach $2 Trillion by 2023; nearly double the rest of the world - Must have an engagement strategy