

The Big Opportunity: Proven Strategies for Entering Emerging Markets

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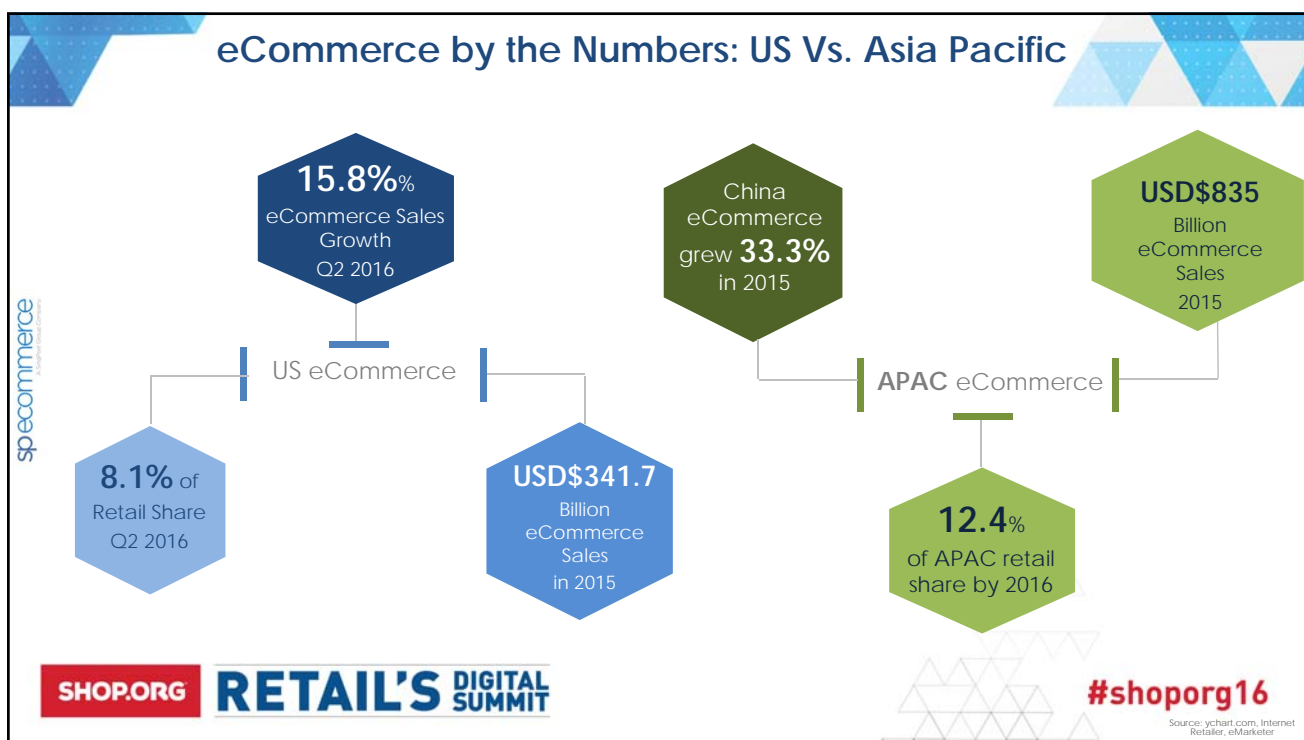
In this session you will learn:

- Asia Pacific – Market characteristics and nuances
- Proven strategies & best practices for entering Asia Pacific including India and Southeast Asia
- Case Study: How Calvin Klein did it

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Asia Pacific – Key Characteristics

Digital Maturity & Behavior

AVERAGE CONNECTION SPEED



20.5 Mbps
in South Korea
Vs. 12.6 in US

ACTIVE ONLINE SHOPPERS



60% of
Australia

TIME SPENT ON SOCIAL



Philippines 3.7 hours
vs. 1.7 hours in US

MOBILE SHARE OF WEB TRAFFIC



India 66%
Global 39%
US 27%

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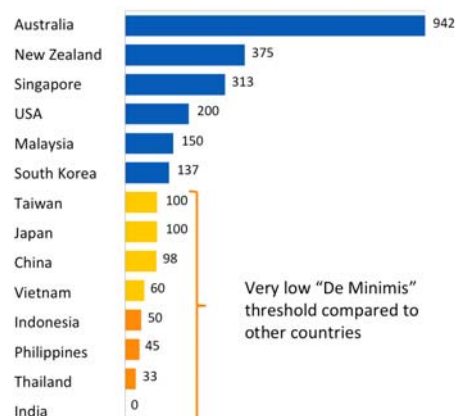
Source: Wearesocial

Asia Pacific – Key Characteristics

Logistics, Duties and Legal Frameworks

De Minimis (in USD) –

The challenge with custom duties.



Other regulatory challenges...

- Complex rules (e.g. import approvals for many commodities like books, etc.)
- Valuation concerns
- Uneven application of rules
- Requirement to setup legal entities to trade in local currency and obtain domain
- Foreign ownership restrictions
- Product restrictions
- Regulatory approvals

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Asia Pacific – Key Characteristics

One Region – Two Different Worlds

speccommerce

	INDIA 	AUSTRALIA 
DE MINIMIS	US\$ 0	US\$ 942
PAYMENTS	80% Cash-on-Delivery	75% Visa & Mastercard
AVERAGE SPENDING P.C.	US\$ 247	US\$ 1,764
ONLINE SHOPPERS	39 Million (but will grow 10x by 2020)	12.6 Million

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Source: Adyen, BI Intelligence, The
Paycom Equinox, E-commerce
Foundation, Deloitte

Asia Pacific – Key Characteristics

Payments

speccommerce

CONSUMER
PREFERENCES
VARY GREATLY
&
REQUIRE
LOCALIZATION



CHINA

Alipay has a 48% share Vs. 1% for Intl. Cards



INDIA

80% Cash-On-Delivery of Flipkart Orders



SINGAPORE

83% Credit Card share SP eCommerce Clients

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Source: Adyen, BI Intelligence, Payvision

Asia Pacific – Key Characteristics

Payments

An Example:

PAYMENT
OPTIONS
LOCALIZATION

An SP eCommerce fully managed webstore:



brand.com.sg



brand.com.ph



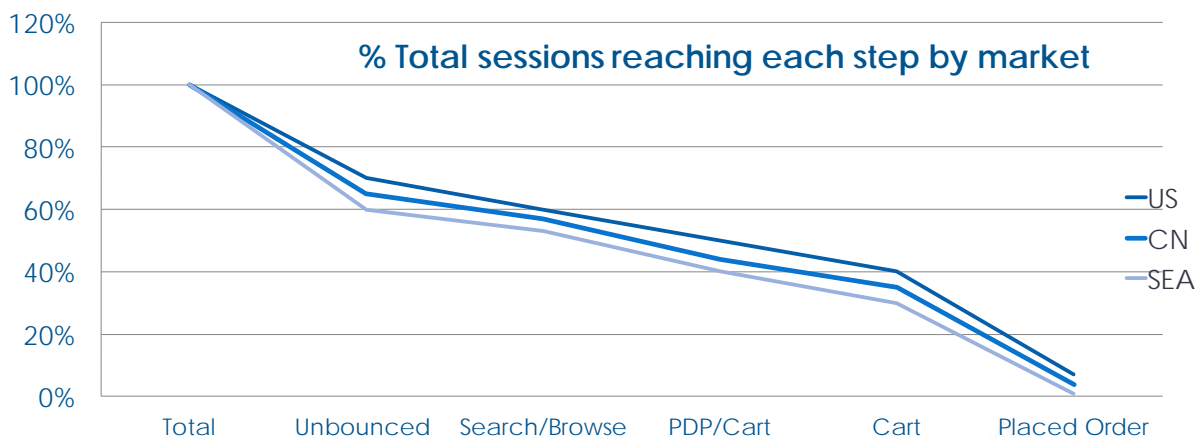
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Asia Pacific – Key Characteristics

Your Business Case



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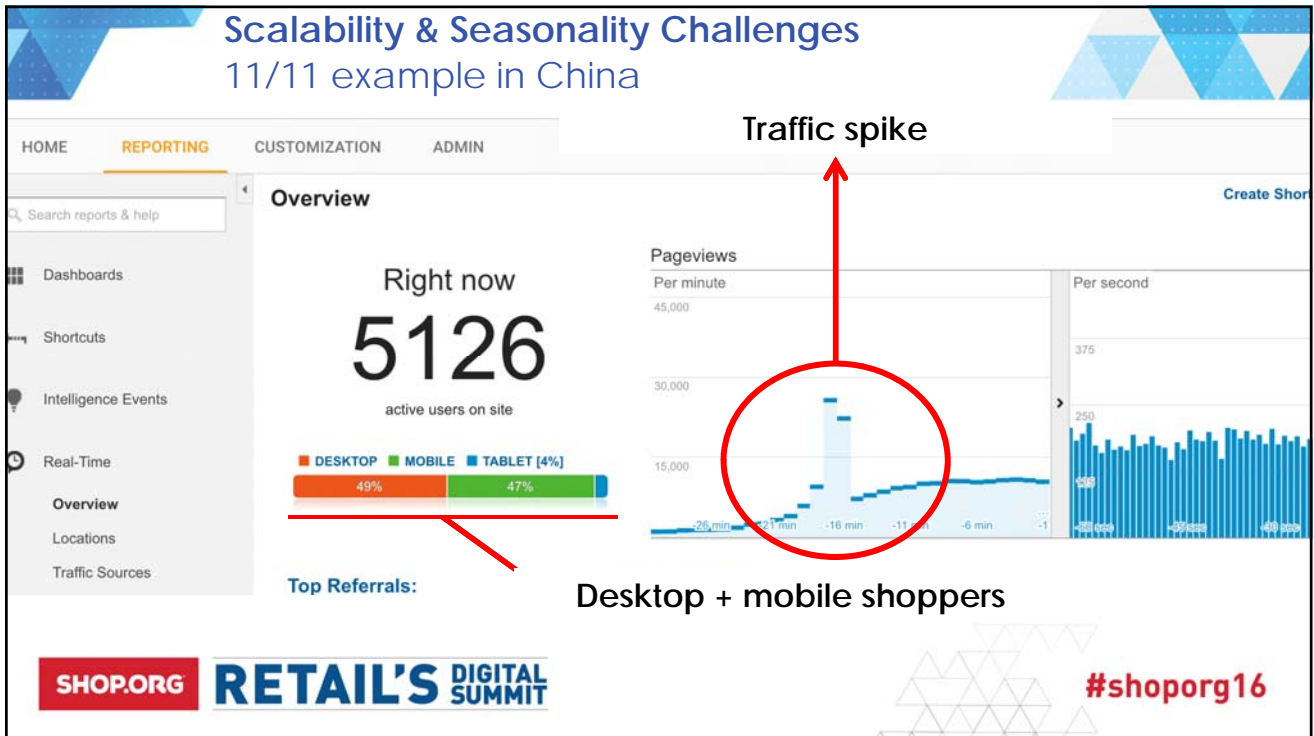
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Source: Nielsen

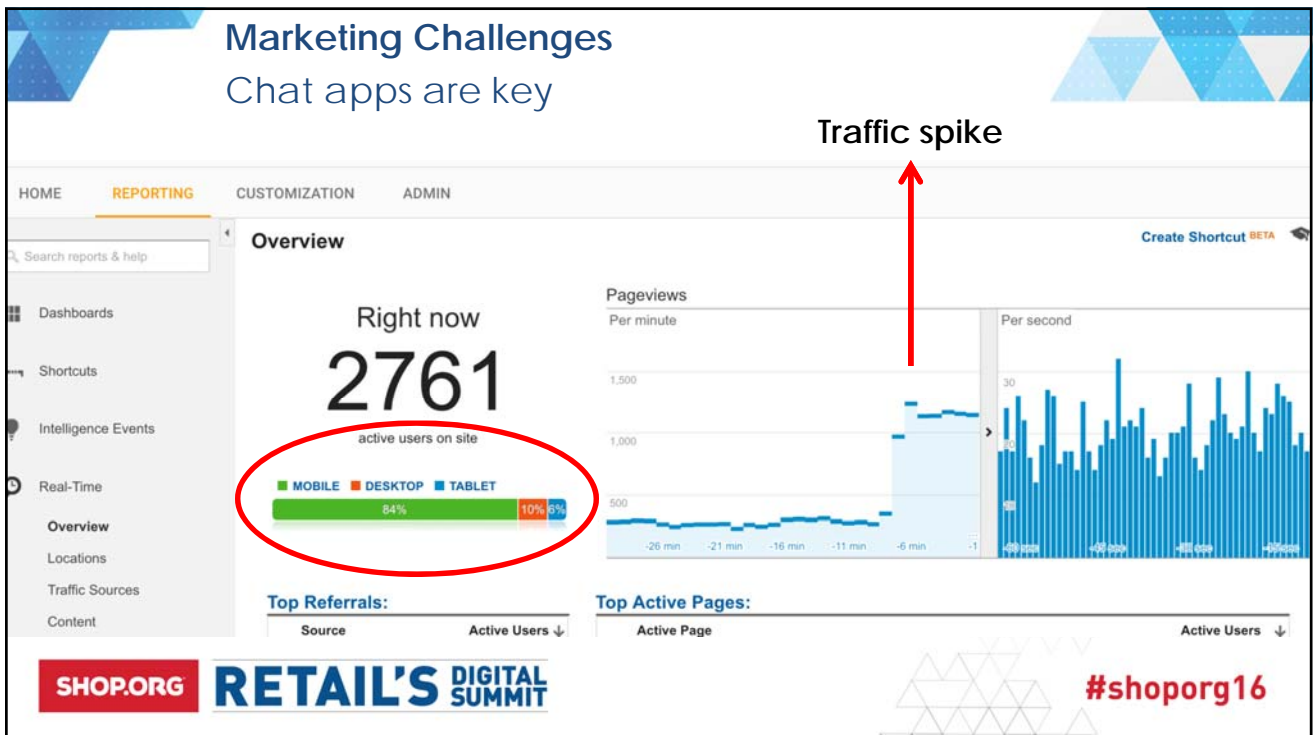
Scalability & Seasonality Challenges

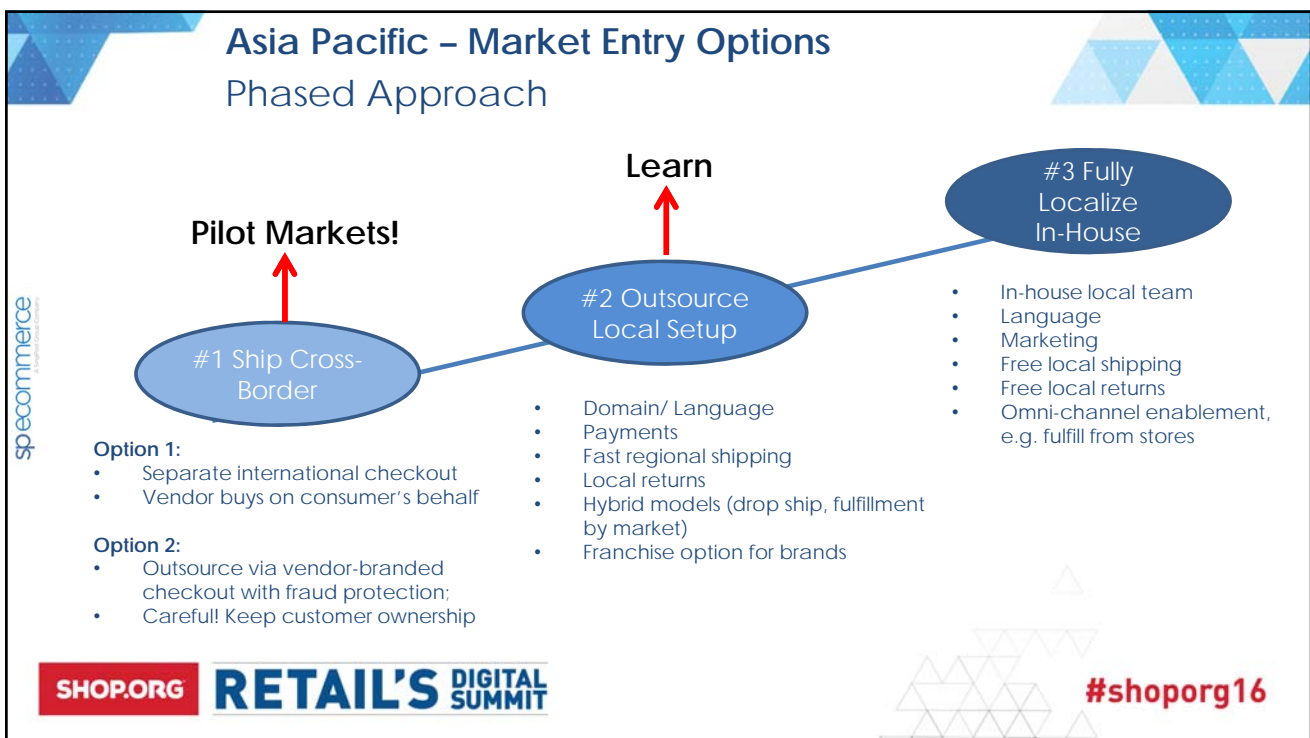
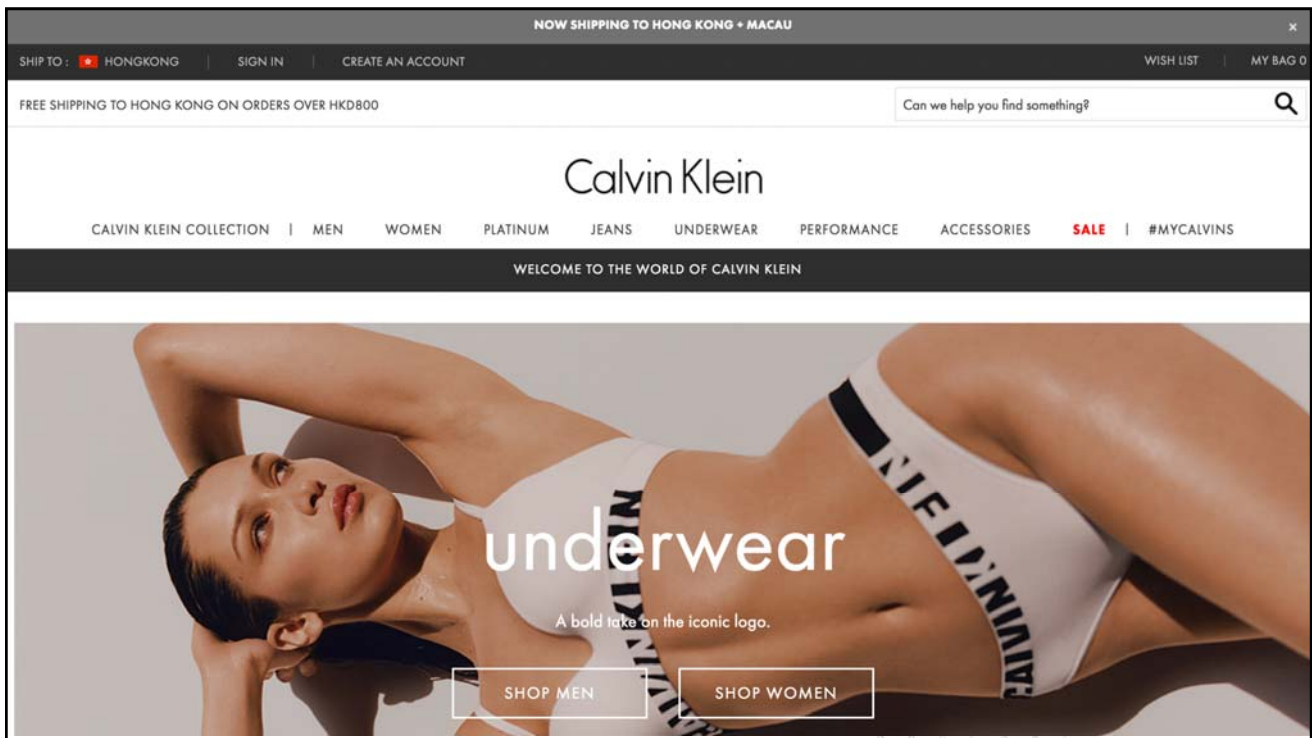
11/11 example in China



Marketing Challenges

Chat apps are key





How Calvin Klein Does It

One Hub, Six Localized Sites

Direct shipping from Hong Kong to 7 markets across Asia Pacific



Insight into Buyer Behavior

Shoppers' locations, preferences, and spending power and patterns



Scalability through Managed Operations

High scalability through fully managed store operations and customer care



Rapid Turnaround

3 months from conceptualization to first site rollout



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Summary

- Test the waters before you jump
- Carefully select markets and platform
- Know the regulatory & product restrictions
- Evaluate inventory and fulfillment strategies
- Marketing will be your biggest expense & challenge

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QUESTION TIME & Chatrooms

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