

JD Italy National Pavilion Project Overview and Italian Company Settlement Process Guideline



Agenda





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Italy Pavilion Project Introduction Positioning — Help more Italian brands enter China

> The Italian National Pavilion uses JD Mall as a carrier Italy Overseas National Pavilion (Cross-border) - JD.HK Italy National Pavilion (General Trade) - JD.COM

Promotion and display of Italian companies or brands Promote the landing sales and brand exposure of Italian companies or brands in JD Mall



Italy Pavilion Project Introduction Project division



ITALIAN TRADE AGENCY

Organizer : ITA

- Organizer of the National Pavilion
- Recruit Italian companies or brands
- National Pavilion Opening Cost Support
- National Pavilion marketing expense support



Platform side : JD

- National Pavilion Early Planning
- JD marketing resources cooperation
- JD Marketing Activities and Exposure



Operation : Wisepartners

- Opening of the National Pavilion
- Assist ITA in recruiting companies or brands
- Daily operation and maintenance of the National Pavilion
- Marketing planning and execution
- Regular operation and marketing data feedback
- Provide warehousing and logistics assistance to companies or brands



Italy Pavilion Project Introduction Italian company or brand-Business value

Increased sales

 Brands stationed in the National Pavilion can sell products to Chinese consumers

Brand exposure

Based on the marketing and promotion activities of the National Pavilion, increase the exposure and popularity of settled brands and products in the Chinese market

Cost optimization

 End-to-end sales services to optimize overall costs

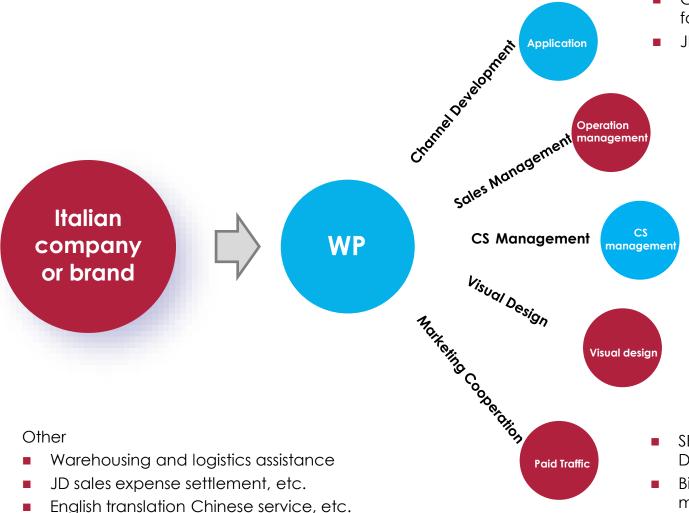
Product verification

Based on the data capabilities of the JD platform and the marketing promotion activities of the National Pavilion, verify the true feedback of the products for the Chinese market in the target audience



Italy Pavilion Project Introduction

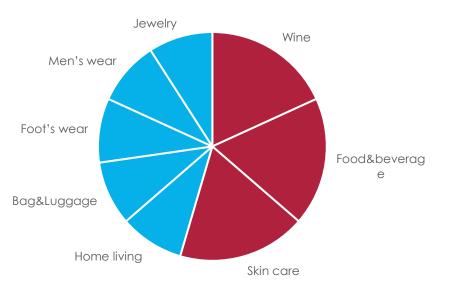
WP services for Italian companies or brands



- Collection and submission of information required for the brand to enter the National Pavilion
- JD platform application and review
 - Sales planning
 - Product price and strategy formulation
 - Traffic and conversion rate optimization
 - Data analysis report
 - Daily communication
 - Knowledge base optimization based on brand and product
 - Customer consultation
 - Order processing, logistics verification, return and exchange processing, etc.
 - Product page planning and design
 - Brand page planning and design
 - Material planning and design of activity resource location
- SEM plan, Keywords, Operation optimization, Data analysis
- Bidding Advertising plan, Budget management, Cost planning, Data analysis
- CPS, Budget management, Graphic editing, Data analysis

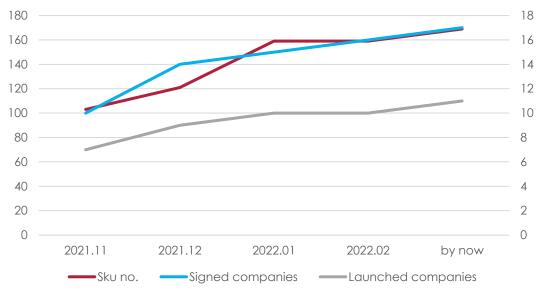


Italy Pavilion Project Introduction Status of categories, brands and the trend in the store



Categories & Brands

The increasing trend of Italy National Pavilion



- There are 11 brands around 8 categories are in JD National Pavilion now
- The leading categories as shown in the above chart are wine, food& beverage, skin care;
- Moveover, as the traditional industry Italy, foot's wear& luggage etc.are also very popular
- Regarding both the <u>amount of signing & launching</u> <u>companies & the sku number has a steady increase</u> <u>since the 'launching'Nov 2021 till now</u>
- By now, the signed companies has reached 17, 11 companies are online now, and the amount of sku has reached 166 now

Italy Pavilion Project Introduction Visual structure_home page



 Homepage carousel kv showing store activities, points of interest, emphasizing the tonality of the store



- Followed by category navigation
- The option button at the bottom links to all products, customer service, etc.

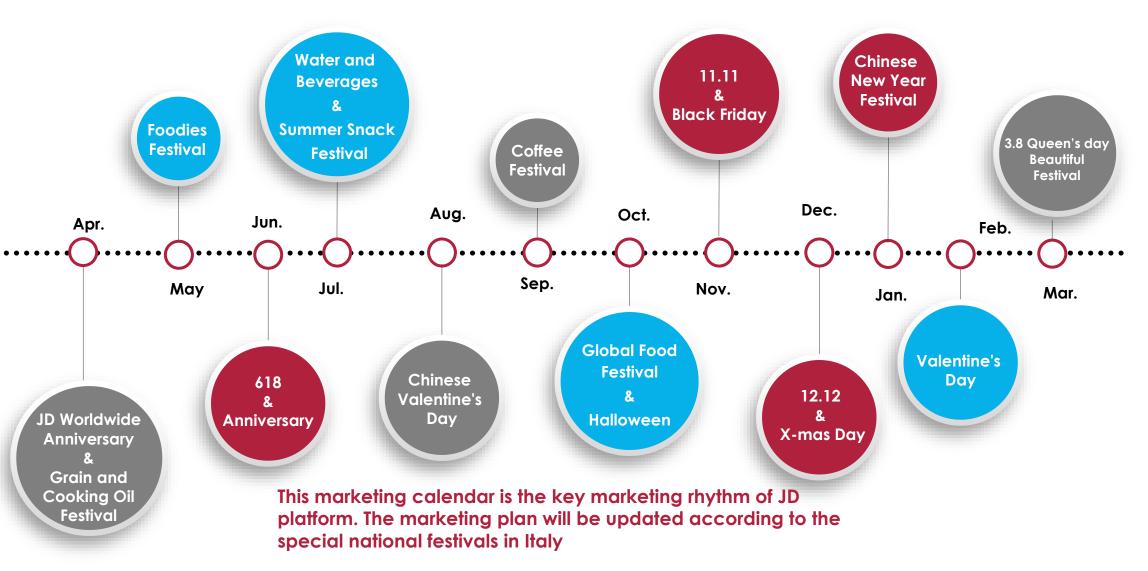
Italy Pavilion Project Introduction Visual structure_home page



- Under the category navigation, follow the hot selling or recommended products of the brand under the category
- The picture above is an example

The bottom of the home page is the introduction of the Italy national pavilion and packaging instructions

Italy Pavilion Project Introduction Marketing activities — General Trade & Cross Border



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Italy Pavilion Project Introduction Marketing activities — Platform traffic support

Platform traffic support_Brands provide certain discounts **(10%-20% off)** to participate in platform activities (A-S level and some high-frequency venue) to obtain platform traffic



participate in flash sales, installment payment, Taoke, etc. venue activities, which could be entered directly from the home page By registering selected products, participating in the platform promotion, exposing products and brands according to the platform rhythm National Pavilion exclusive Traffic support

Italy Pavilion Project Introduction Marketing activities — Store operation support

Store operation support

for performance improvement





Optimizing the SKU and price

Advice reasonable sku setup&prices

For exemple;

SKU of goods with low price such as spaghetti and pasta etc. can have larger quantity, since the transportation cost from Italy to warehouse of Germany and then to China is expensive

Promotional Product

 Choosing a product with a competitive price, which can allow the brand to attract potential customers also for other products



Italy Pavilion Project Introduction Traffic Plan — Paid Traffic

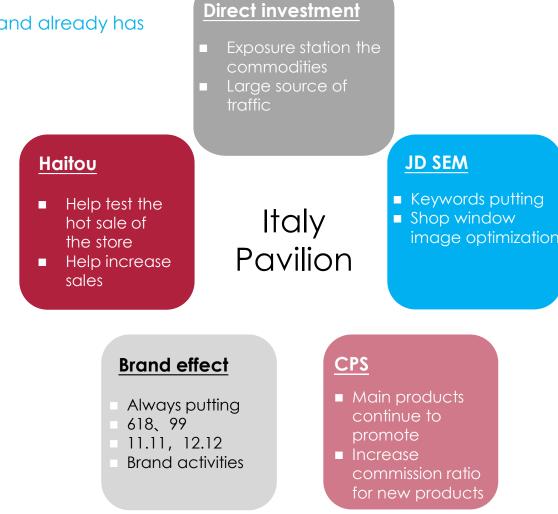
- Brand exposure: Multi-channel more display, the brand already has consumer access
- Precision crowd: High conversion, More UV

JD SEM



Brand effect







Italy Pavilion Project Introduction Traffic Plan — Off-side Traffic Plan







Closed

Vertical, depth, relationship

 Friends circle, public account, small program as the core

Semi-closed And Semi-open

Short video, scene, outstanding grass planting

 Personalized short video lifestyle sharing community where users can share a variety of lifestyles

<u>Open</u>

Square, vertical, short video

 Extremely open, content is obtained and presented through information flow and other means

Discovery community with Notes at its core

Consumer search and grass - growing behavior concentrated explosive



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Italy Pavilion Settlement Process Guideline

Entry company screening requirements

Cross-border

Category

- Food and beverage
- Maternal and infant
- Beauty & skin care
- Home decoration
- Clothing, Luggage
- Electrical appliances
- Pet articles
- ETC.

Product

 Based on the market demand can provide product portfolio customization and other services

Company

- Willing to do a certain amount of investment in the e-commerce market
- Some companies that are willing to enter the Italian pavilion and can cooperate with the operation of the project
- Small and medium-sized companies with certain regional characteristics in Italy

General Trade

Category

- Food and beverage
- Maternal and infant
- Beauty & skin care
- Home decoration
- Clothing, Luggage
- Electrical appliances
- Pet articles
- ETC.

Company

- Some companies that are willing to enter the Italian pavilion and can cooperate with the operation of the project
- Companies already operated on JD/Tmall are preferred



Italy Pavilion Project Introduction Budget requirements

Service	ITA Investment _ Company Settlement Fee	Company Investment _ Basic Service Fee	Company Investment _ Commission
			Beauty & skin care: 12%
			Food and beverage: 12%
Every Italian company (Does not exceed) 40 SKU/4 brands	6,000€/Italian company ITA payment	Companies who sign the contract by 30 th Jun 2022 will be exempted from the 1 st annual fee	Alcoholic beverage: 12%
			Pet articles: 12%
			Luggage: 15%
			Clothing: 15%
		6,000€/Year	Electrical appliances: 15%
		One-time payment	Home decoration: 15%
			Maternal and infant
			Supplies: 15%
		ŀ	Home cleaning/paper products: 15%

Remarks:

- ITA pays an entry fee of up to 200 companies during the service agreement
- Any Italian company intends to sell different SKUs in general trade flagship stores and overseas flagship stores. For example, if the total number of SKUs in both flagship stores does not exceed 40, there is no need to pay extra costs. If the total exceeds 40, the Italian company and WP will negotiate to resolve it.

Italy Pavilion Settlement Process Guideline Entry company screening requirements





Brand

- Possess a trademark registration certificate or trademark application acceptance notice issued by China
- Those who have foreign trademarks have obtained extension certificates or submitted territorial extension applications through the Madrid Agreement

Company and Product

 Products must comply with the relevant investment requirements of JD Mall. Manufacturing companies with legal addresses and production plants in Italy must comply with the laws and regulations of products manufactured in Italy

Transport

 Italian companies should ensure that the goods are shipped directly to JD.com's bonded warehouse in Europe or designated warehouse in mainland China



Personnel

The company has at least one human resource specializing in managing e-commerce projects in JD Mall and writing English communication skills

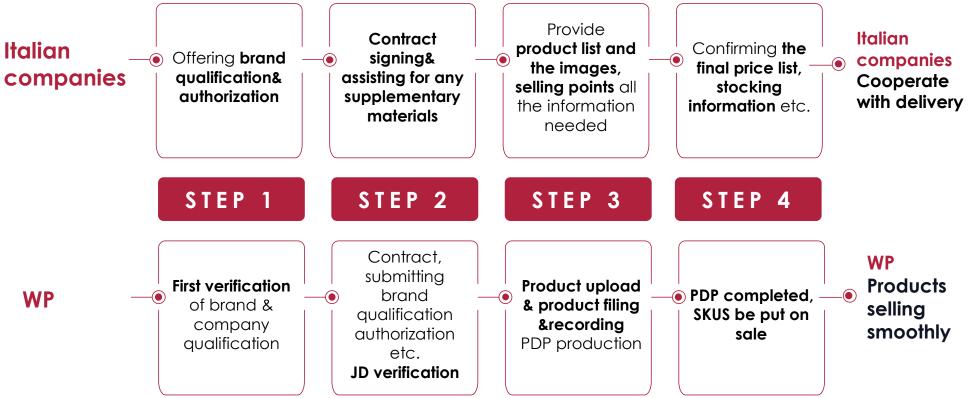
Remarks:

These are the minimum requirements for Italian Companies' eligibility



Italy Pavilion Settlement Process Guideline

Italian Company Settlement Process



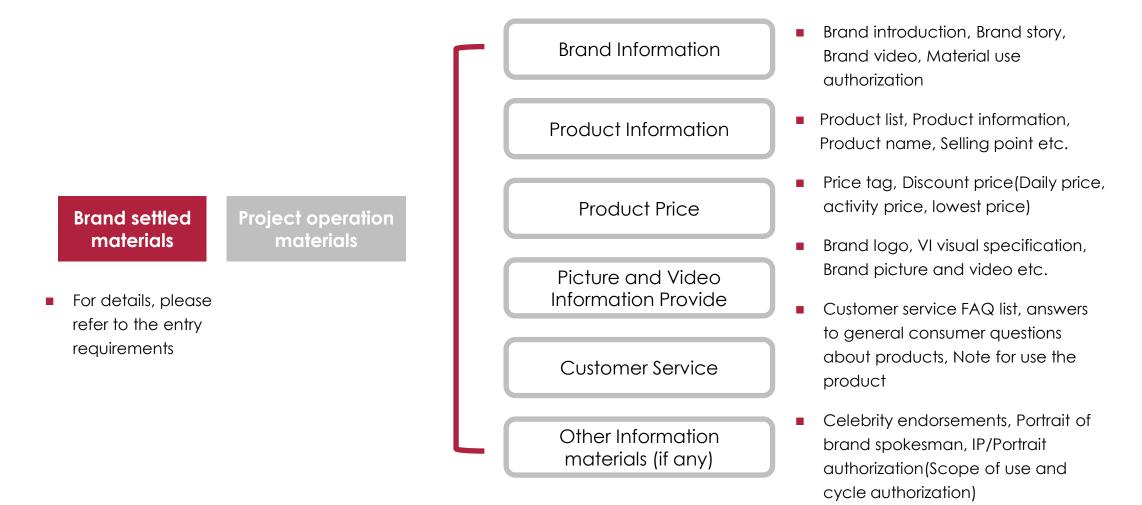
For a more efficient recruiting and to undertake larger number of companies in the future, the recruiting process and system have been further optimized on the basis of the previous experience

- Step 2, in order to be more secure, all qualifications will be finalized by JD first, and then completing the contracts with Italian Companies
- Step3, it takes the longest time, to ensure the highest efficiency processing multitasks (the products recording, collect materials, and pages producing etc.) simultaneously

Italy Pavilion Settlement Process Guideline Italian Company Prepare Materials Before Cooperation

Brand Name	Brand Introduction	Product Introduction	Historical sales	Official Website
 English and Chinese name of the band Please fill in the English and Chinese name according to the brand trademark. If it is not a English or Chinese brand, fill in the Chinese name in English 	 Brand introduction Brand story and history Characteristics of the brand in order to better carry our cooperation 	 Mainly promote products, prices Product selling points 	 Historical sales figures for the past one year It can help us to make a better sales analysis 	 Please let us know your company's official website or brand's official website for us to have better understanding

Italy Pavilion Settlement Process Guideline Italian Company Prepare Materials After Cooperation



Italy Pavilion Settlement Process Guideline Italian Company Entering Timeline

Timeline (Working Day)



Remarks:

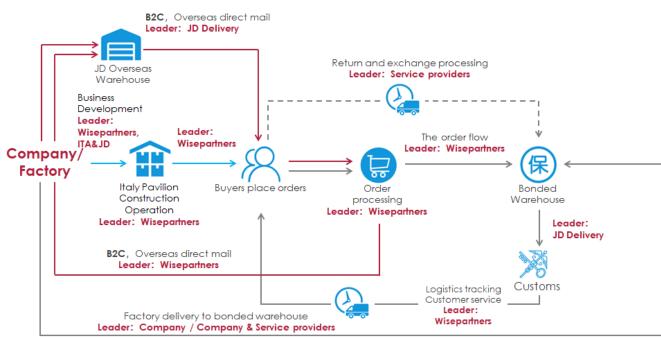
- This is an assessment of the time point and output at this stage.
- During the process, the time point and output are adjusted due to changes in the situation or JD Platform adjustment. Both parties can agree otherwise in the form of mail or supplemental agreement.

Italy Pavilion Settlement Process Guideline

Business model of Direct Shipping & Bonded Warehouse

Suggestion to new comers

Suggest to use direct shipping model when brand come to Chinese market at first stage, after few month operation, based on sales and product turnover rate to suggest whether to switch bonded warehouse model



Direct Shipping model

- Italian company: products to Overseas (could choose reserving or collecting model) to Warehouse in Europe (Frankfurt, Germany)
- JD: Delivery
- WP: Order processing, logistics tracking and customer service
- No return or replacement is allowed base on the JD platform rules (If the product don't have any quality problems)

Bonded Warehouse model

- Italian company: Factory delivery to bonded warehouse in China (Ningbo Bonded Warehouse)
- JD: Delivery
- WP: Order processing, logistics tracking and customer service,

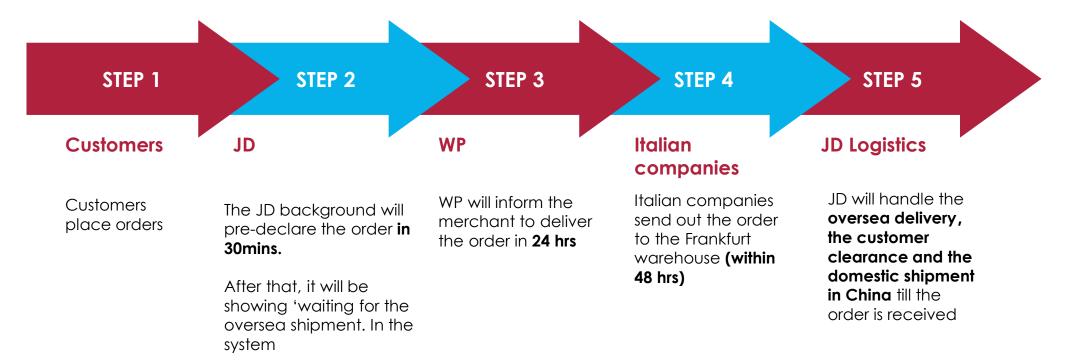
Remark:

- JD Platform rules may be updated or fine-tuned from time to time in future, if there is any adjustment, the latest rules shall prevail
- Cross-border direct shipping and bonded model, the product does not need to be labeled in Chinese

If there is any adjusted of JD Logistics (JD Cross Border) service scope, WP will update and supplement according to the adjustment of JD. This process will serve as a reference for the current stage



Italy Pavilion Settlement Process Guideline Direct Shipping model_collecting model

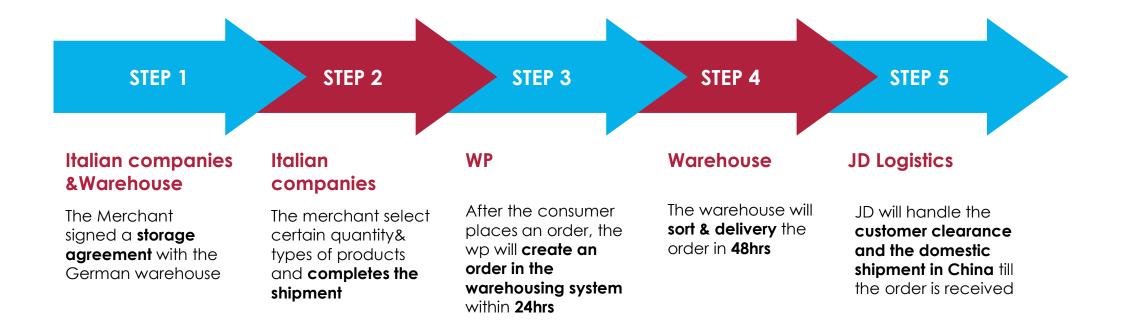


Once the order is placed, Italian companies is will be informed to send the order to German warehouse

- System: JD System, handling the international transportation, customs clearance, domestic transportation handling the international transportation, customs clearance, domestic transportation
- Advantages: no need to stock products, saving cost at initial stage
- Disadvantages: poor efficiency, difficult to execute when there's large amount of orders

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Italy Pavilion Settlement Process Guideline Direct Shipping model_reserving model



Once the order is placed, it will be handled by warehouse, and be carried by JD logistics

- System: JD System, handling the international transportation, customs clearance, domestic transportation handling the international transportation, customs clearance, domestic transportation. Warehouse system, Packing, sorting, or tax claim (added service if needed)
- Advantages: Save the costs from Italy to Germany
- **Disadvantages:** Italian Companies shall sign another contract with the warehouse, settling with the warehouse

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Italy Pavilion Settlement Process Guideline Business model of General Trade

Suggestion

If the company or brand has a warehouse in China, it is recommended to use general trade



Companies not in China market model

 In this scenario, WP suggest that the brand start with the cross-border Direct Shipping model

Company or brands already in China model

- Italian company: products to JD warehouse in China
- JD: Delivery
- WP: Order processing, logistics tracking and customer service,

Remark:

- JD Platform rules may be updated or fine-tuned from time to time in future, if there is any adjustment, the latest rules shall prevail
- Due to the limited capacity of each warehouse, the new warehouse will be used after the warehouse is full. Warehouse location is subject to the warehouse provided by JD at the time of warehousing

If there is any adjusted of JD Logistics (JD Cross Border) service scope, WP will update and supplement according to the adjustment of JD. This process will serve as a reference for the current stage

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Communications Processes and Meeting Software

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Italy Pavilion Communication Process Efficient and Convenient Communication Ways

Daily Communication		Meeting		Materials Transfer	
1 st Option	2 nd Option	1 st Option	2 nd Option	1 st Option	2 nd Option
Wechat	Outlook	Tencent meeting	Teams	Wetransfer	DropSend
P			TB	WeTransfer.	oropSend
Daily communication and messaging		Communicate and monthly report meeting and item confirmation		It is used to transfer various brand information, brand qualification, product materials and other large documents	

We Can Support Several Ways to Communicate with You

Although we are in different regions, but through the software and contact with us, to ensure that our cooperation can be stable and reliable





WE FIGHT TOGETHER 」用过的都说好!





神奇朽為