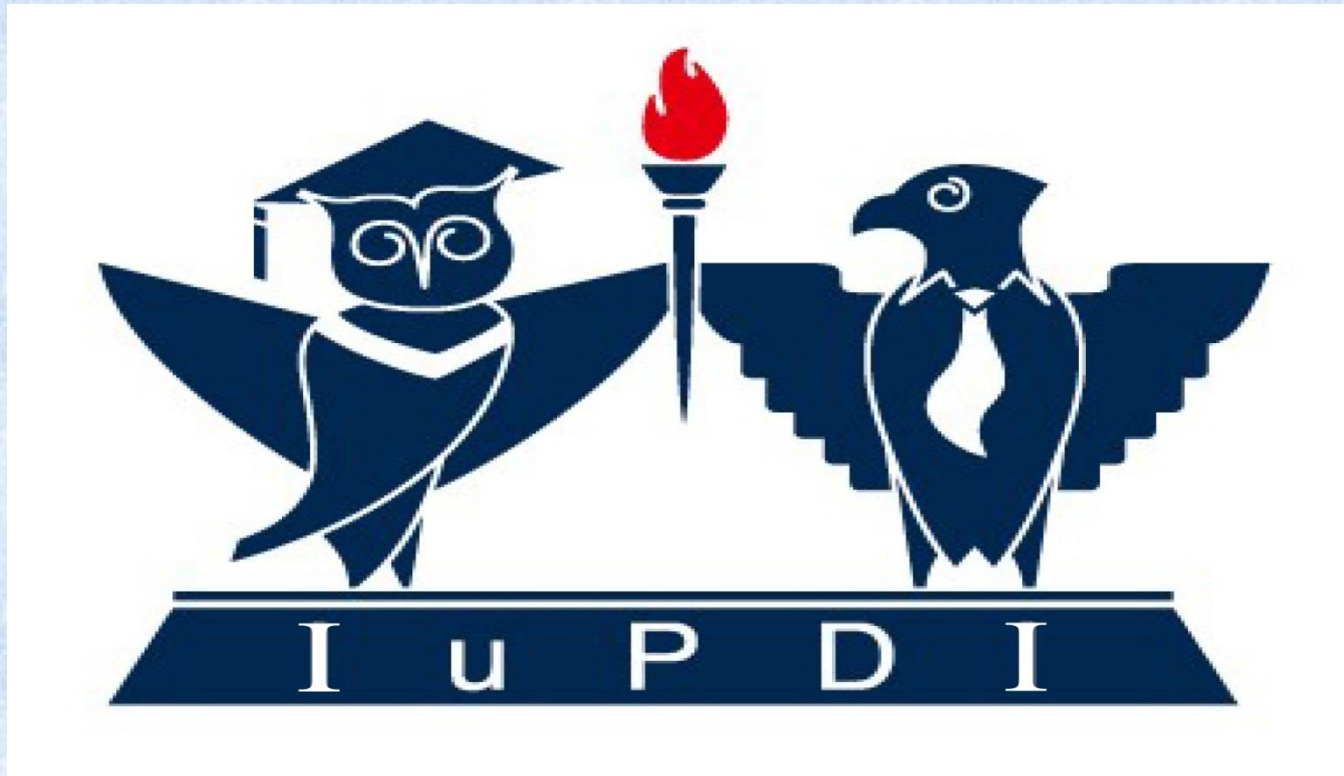


Assurance + Protection and Recognition of Online Shops



Presented by: Leslie 李賢勝- Chairman of IuPDI

Date: 17th June 2016

About IuPDI

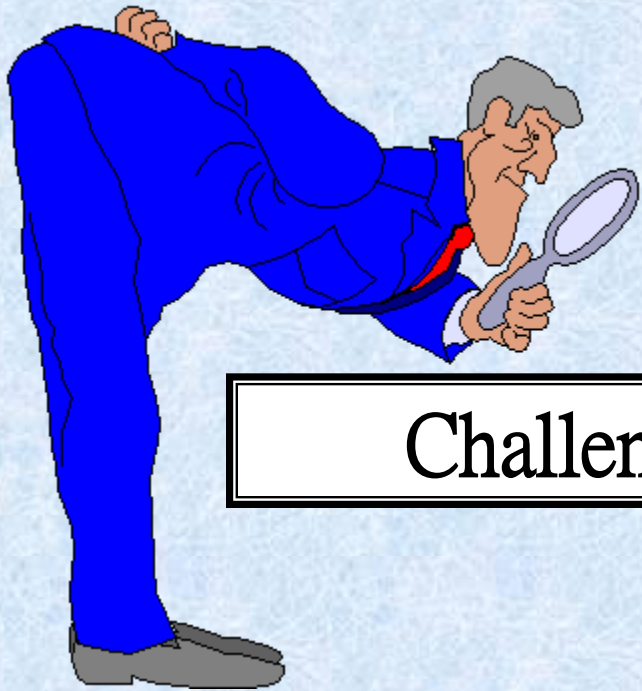
- **Who we are?** We are a **Research and Application institution** formed by a group of **Professionals and Academics**
- **What we do?** We conduct research and application of **business management practices** projects with the aims to provide **Solutions** (knowledge and best practices) to assist to **businesses and industries** in order to enhance their **competitive advantages** and **achieved business results**

Perception of “Made in China” brand

How the “Made in China” brand is perceived?

- Tops EU and US list of Unsafe products
- Mainland China concerned about food safety
- Tops EU and US list for Fake Products
- **State Administration for Industry and Commerce (SAIC) of China (国家工商行政管理总局)** reported in Jan 2015. Up to 40% of products sold in online shop platforms were fake ◦





Challenges and Opportunities (商機)

Online Retailing: Europe, US and Canada 2016

European Online Growth:

Online sales in the UK, Germany, France, The Netherlands, Sweden, Italy, Poland and Spain

In 2014: £132.05 bn [€156.28 bn]

In 2015: £156.67 bn [€185.39 bn] (+18.6%).

Forecast in 2016: £182.80 bn [€216.32 bn] (+16.7%) and

Forecast in 2017: £215.38 bn [€250.28 bn]

Source of information: Centre for Retail Research (UK)

Online Retailing: Europe, US and Canada 2016

Online Growth in North America

Online sales in the U.S:

In 2015: US\$349.20 bn [£215.38 bn] in 2015

Forecast in 2016: US\$399.48 bn [£246.39 bn] (+ 14.4%)

Online sales in Canada:

In 2015: US\$17.14 bn [£10.57 bn] in 2015 to reach

Forecast in 2016: US \$22.96 bn [£14.16 bn] (+34.0%)

Source: Centre for Retail Research (UK)

Online Retailing: Mainland China and Hong Kong 2016

- Source: National bureau of Statistics
- Online retail sales (全國網上零售額): 1st five months of 2016, the national online retail sales of goods and services was RMB ¥1,808.9 billion, increased 27.7% year-on-year.
- Online retail sales of physical goods was RMB ¥1,463.3 billion
- For Hong Kong (Statistics Govt): **e-commerce sales in 2014 is HKD\$400.6 billion**

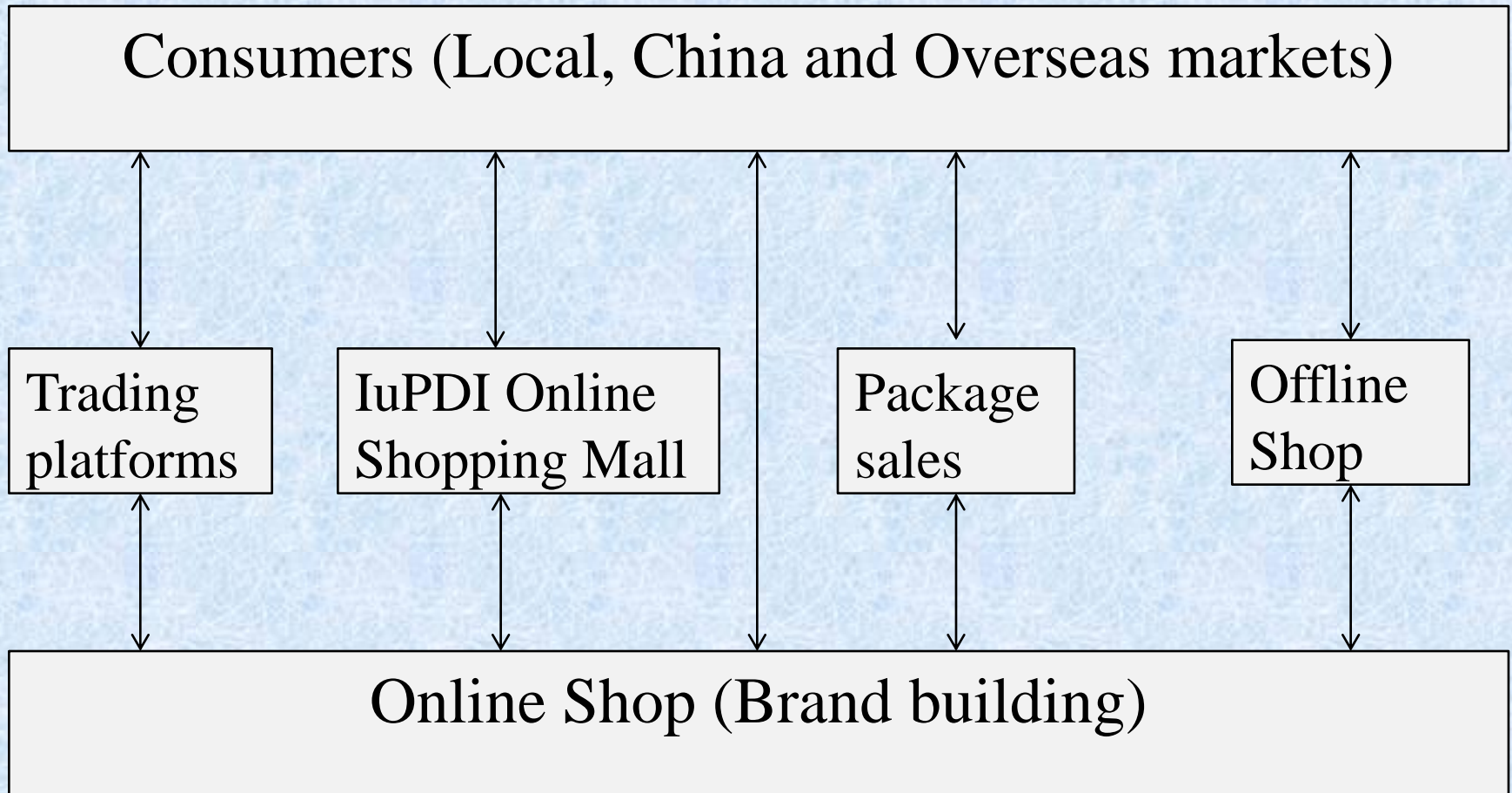
Summary of Online Retailing sales for 2016

Country	Online sales
China	RMB ¥1,463.3 bn [£ 1,56.97 bn] (1 st five months)
US	US\$399.48 bn [£246.39 bn] (Forecast)
Europe	£182.80 bn [€216.32 bn] (Forecast)
Canada	US \$22.96 bn [£14.16 bn] (Forecast)

Challenges facing HK online shops

- ❑ For local market: Market is small in HK and offline shopping is still popular
- ❑ For China market:
 - Too much competition in China
 - Foreign vs HK vs China brands
 - Customs and Tax issues
 - Channels (which trading platforms) for Sales
 - Copying of your products

Sales and Marketing strategy for online shops



All affordable channels (百花齊放)

- ❑ All affordable channels:
 - Use Trading platforms (affordable ones)
 - Join “group purchase” and “discount sales”
 - Sales through own online shop
 - Join IuPDI certified online shop scheme
- ❑ Tends to be Short term strategy:

O2O strategy

- ❑ Complimentary approach:
 - Online for promotion and Offline for sales
 - Online for sales and offline for “Display and Collection”
 - Strategically separate items for sales in Online and Offline shops

Trading platform strategy

- ❑ Build up the business (increase sales) approach:
 - Pay to join popular trading platform (上架費)
 - Popular Trading platform providers dictate terms
 - Large sales but very small margin of profit
 - Spend money on advertisement (traditional and digital)
- ❑ Build up brand with own online shop:

IuPDI Online Shopping Mall approach

- Online shop must be CERTIFIED :**
- Publish and link to each online shop
- Attract Consumers to shop at online shops
- Active or passive approach to Digital marketing
- Increase Brand awareness with scheme
- No need to pay commission (not trading platform)

Warning: Trade honestly and fairly



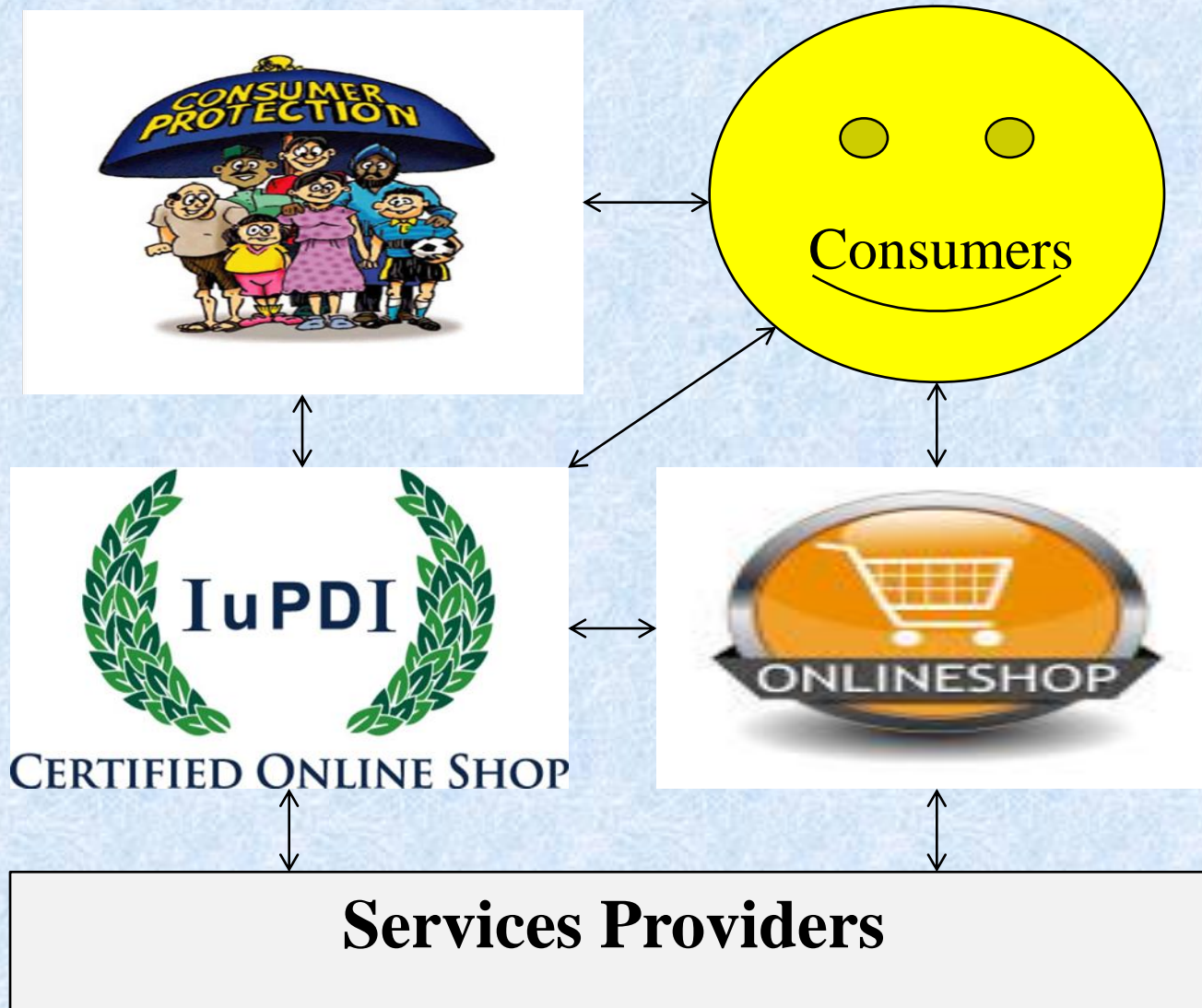
Consumers concern

- Trustworthy online shop
- Fake, illegal and banned products
- Information on Price, Delivery and After-sales
- Personal data protection
- Payment (safely and securely)
- Fraud and delay
- Safe products (health and property risks)
- Poor quality products
- Handling dispute (After-sales service)



How can IuPDI assist online shops?

IuPDI online shopping solutions



How can we assist online shops?

Solution 1: Trust and Differentiation in online shop

- **Certification** of online shop by **IuPDI** (**Independent** and with **Creditability**)
- A **Recognition** that consumers can **TRUST**
- **Differentiate** (**Competitive advantages**) you from other online shops



www.CertifiedOnlineShops.org

How can we assist online shops?

Solution 2: Cross check for validity of certification

- Consumers can “**cross check**” the validity of the “Certification logo” in **online shop** or **IuPDI** websites
- Transparent and real time



www.CertifiedOnlineShops.org

How can we assist online shops?

Solution 3: Strategic services providers and useful information

- Online Payments System: **Paypal & a local bank**
- Accredited Test laboratories (**CMATCL** and **HKSTC**)
- eCert SERVER and delivery: **Hong Kong Post Office**
- Online shop operational information: **HKTDC**
- Online shop website system: **Frasertec**



www.CertifiedOnlineShops.org

IuPDI

How can we assist online shops?

Solution 4: Online Shopping Mall for Certified Online shops

- Provide **Assurance + Protection + Fair treatment** to consumers to “safely shop” at our Online Shopping Mall (visit website below)
- **Not a trading platform**



www.CertifiedOnlineShops.org

How can we assist online shops?

Solution 5: Promote our website to consumers (directly and indirectly)

- Use Advertising and Marketing (digital) agencies
- Work with overseas institutions
- Provide seminars
- Publish articles



www.CertifiedOnlineShops.org

本認可網購店計劃的特點:

- 👉 網購店的認證
- 👉 與眾不同(顯示競爭優勢)
- 👉 識別正規的網購店 (增加消費者信任感)
- 👉 提供獨立的消費者反饋調查
- 👉 網購店受到獨立監管

認可網購店商場:

- 👉 提供認可的網購店
- 👉 消費者可以即時核對認可網購店
- 👉 讓消費者感覺安全感(信心保證)去購物
- 👉 提供保證 + 保護和公平待遇
- 👉 中立機構不涉及買賣



CERTIFIED ONLINE SHOP

聯繫我們: 如欲取得更多認可網購店計劃之資料, 請聯絡

Polly Wong 黃一琮小姐
市場推廣經理
電話: 6768 7666
電郵: Polly@IuPDI.org

Leslie Lee 李賢勝先生
IuPDI 主席
電話: 9429 8799
電郵: leslie@IuPDI.org

請瀏覽網址: www.CertifiedOnlineShops.org

關於我們:

(請瀏覽網址: www.IuPDI.org)
IuPDI 是由大學教授及專業人仕組成
作研究及實現企業管理的項目
(協助業界發展)

Solution 6: Good practices of online shops

Assurance to consumers:

- Clear and Truthful information
- Genuine products (No fakes)
- Safety and Quality products

Fair treatment and Protection to consumers

- Cancel order
- Safe payment system
- Supply as PROMISED
- Replacement or Refund

Values added Services

- Handle complaints (assisted by **IuPDI**)
- Independent survey and feedback (via **IuPDI**)
- Monitor and assess by **IuPDI**

Answers all Consumers concern

- ✓ Trustworthy online shop
- ✓ Fake, illegal and banned products
- ✓ Information on Price, Delivery and After-sales
- ✓ Personal data protection
- ✓ Payment (safely and securely)
- ✓ Fraud and delay
- ✓ Safe products (health and property risks)
- ✓ Poor quality products
- ✓ Handling dispute (after-sales)

Assistance and support to Young Entrepreneurs (new business starters 18-30 years old)



Assistance and support to Young Entrepreneurs (new business starters 18-30 years old)

Join Certified Online shop scheme (must be certified):

- Waive application fee (free)
- Waive 1st year renewal fee (free)

Business Advisory services (complimentary):

Four 1 hour sessions (mentor to mentee)

1. Review of Business Plan
2. Review how the business is conducted
3. Review performances (business results)
4. Review the business (status and development)

Procedure for Certified Online Shop scheme



- Conduct assessment
- Preliminary report (improvement)
- Final report



CERTIFIED ONLINE SHOP

- Monitoring
- Surveillance
- renewal

“Certified Online Shop Criteria”

1. **Valid Business registration**
2. **Conducting online shop business:**
 - 2.1 Product information and price
 - 2.1.1 Compliance with Hong Kong regulations
 - 2.2 Ordering process:
 - 2.3 Contact information
 - 2.4 Payment terms and methods:
 - 2.5 Delivery method and fee:

“Certified Online Shop Criteria”

3. Buyers protection policy:

3.1 Cancellation of order

3.2 Replacement of goods

3.3 Refund

3.4 Data protection

4. Product compliance with regulations:

4.1 Genuine products (own brands and/or authorise to sell other brands)

4.2 Products meeting safety requirements

“Certified Online Shop Criteria”

5. **Factory audit** (certification for Electronics and Electrical products only) (CIG 021):

6. **Customer enquiry:**

6.1 Complaint handling system

7. **Independent monitoring by IuPDI**

7.1 Buyers feedback survey and report conducted by IuPDI

7.2 Mysterious buyers

7.3 Follow up on complaint

Thank you !!!

☐ Contact us:

☐ Marketing manager:
Miss Polly Wong

☐ Tel: 6768 7666

☐ email: Polly@IuPDI.org;

☐ Contact us:

☐ Chairman:
Mr Leslie Lee

☐ Tel: 9429 8799

☐ email: leslie@IuPDI.org;

☐ websites:

☐ www.CertifiedOnlineShops.org;

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