



# How to win with customers and influence purchases.

Embrace the future of retail by following six innovative cues from China.

The physical store isn't dead — it's evolving. Chinese retailers are using technology to meet growing customer demands for near-instant gratification online and offline. They're blurring the distinction between physical and digital shopping and making sure every encounter with a brand is relevant, convenient, and enjoyable. Here's how you can follow their lead.



## 4x

### Skip the lines.

People place orders in-store or online through Hema Supermarket's Hema Fresh mobile app, a feature that's helped the supermarket achieve sales per square meter of RMB 56,000 (\$8,285) — or close to four times that of traditional supermarkets.



### Take the routine out of routine shopping.

Since 2017, market giants Alibaba, JD.com, and Tencent have made substantial investments in their tech infrastructure to make brick-and-mortar retail more dynamic. Even mom-and-pop stores in China are using proprietary devices to gain a real-time understanding of customer transactions and inventory. They can also issue timely coupons and build loyalty programs that include social components.

## Deliver service with a smile.

Take the hassle out of transactions by going cashless. In China, people queue for breakfast baozi at a shop that only accepts WeChat and Alipay. From street vendors to car dealerships, digital payments are the norm.



### Smile to pay.

At a KFC concept store in Hangzhou, diners can order through a digital kiosk that scans their face with a 3D camera, collecting biometric data it matches with information on computer servers. Users key in their mobile number for added security. The company credits the lightning-fast system with helping lines move quickly during peak hours.

## Know customers better than they know themselves.

Chinese customers can get almost anything they want online, but brick-and-mortar retailers can give them a physical space where everyone knows their name — and their likes, dislikes, and location.

### To go, your own way.

Luckin Coffee operates almost entirely through a mobile app. Customers can place their order and have it delivered to nearly any location without putting down their phones — or ever visiting the store. Luckin uses customer data to customize menus and offer tailored discounts based on order history, preferences, product costs, and demand.



Consumers in China are more likely to seek out personalized services and unique brand experiences than consumers anywhere else worldwide.

Source: JDA Software

## Let them talk about themselves.

In China, livestreaming isn't just for entertainment. Chinese retailers give new meaning to social shopping on platforms where merchants can sell products and customers can chat with the host in real-time.

### Crowdsourcing commerce.

Alibaba's online marketplace Taobao recently teamed up with local retailers to launch a brick-and-mortar multi-label store to host independent clothing brands that sell through livestreaming.

Taobao Live also hosts agriculture livestreams to give rural farmers a much-needed boost.

China has a 54.7% share of the world's ecommerce sales, while the US has just 16.6%.

28.7% OTHER



54.7% CHINA

16.6% USA

Source: eMarketer

## Respect their boundaries.

Chinese retailers are starting to master the balance between personalization and privacy, something every business needs to do to comply with tight government regulations. China's version of consumer data privacy rights is considered even more stringent than the European Union's General Data Protection Regulation (GDPR).

50%

50% of urban digital buyers ages 20 to 49 in China are concerned about retailers storing and using their personal data.

Source: PWC

61%

61% are comfortable with a retailer monitoring their shopping patterns and preferences.

Source: PWC



### Help me buy.

Ele.me is a delivery app that enables delivery of everything from food to cut flowers, and from pharmaceutical supplies to alcohol.

The app has a feature called "bang wo mai" (literally means "help me buy"), which allows a user to send a delivery person like a courier to collect things or wait in lines on their behalf.



### Make them feel important.

Across the board, Chinese customers have grown accustomed to shopping online — particularly via mobile devices. The incredible speed in terms of both responsiveness to market opportunity and provision of services have created hungry and demanding customers who expect to have products and services available to them exactly when and where they desire.

## A C2B mindset.

China's "new retail" is a glimpse of things to come. Instead of business to consumer (B2C), Chinese retailers are setting a different standard of consumer to business (C2B) by not only matching but anticipating customer expectations — and you can follow suit. Start rethinking the relationship between e-commerce and physical spaces, embracing cashless payments, and flipping the traditional B2C model on its head to set up your business for future success.

Moving forward, choose tech partners who have global reach and local scale, plus deep understanding of China's unique market. Adobe has team of over 100 and a strong network of partners in China, where Adobe Experience Cloud is currently being deployed for hundreds of brands.

Learn more at [explore.adobe.com/retailinchina](https://explore.adobe.com/retailinchina)

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