



Thursday
April, 5th - h. 11.00 am

Workshop

How to Operate a Niche Fragrance Brand in China

Speakers:

Song Yuan,

Founder and CEO of Perexpo, KOL in China

Xinxin Cai,

Executive Vice President and Co-Founder of Perexpo



- Who are we
- What's going on in china
- What can Perexpo offer
- Case study





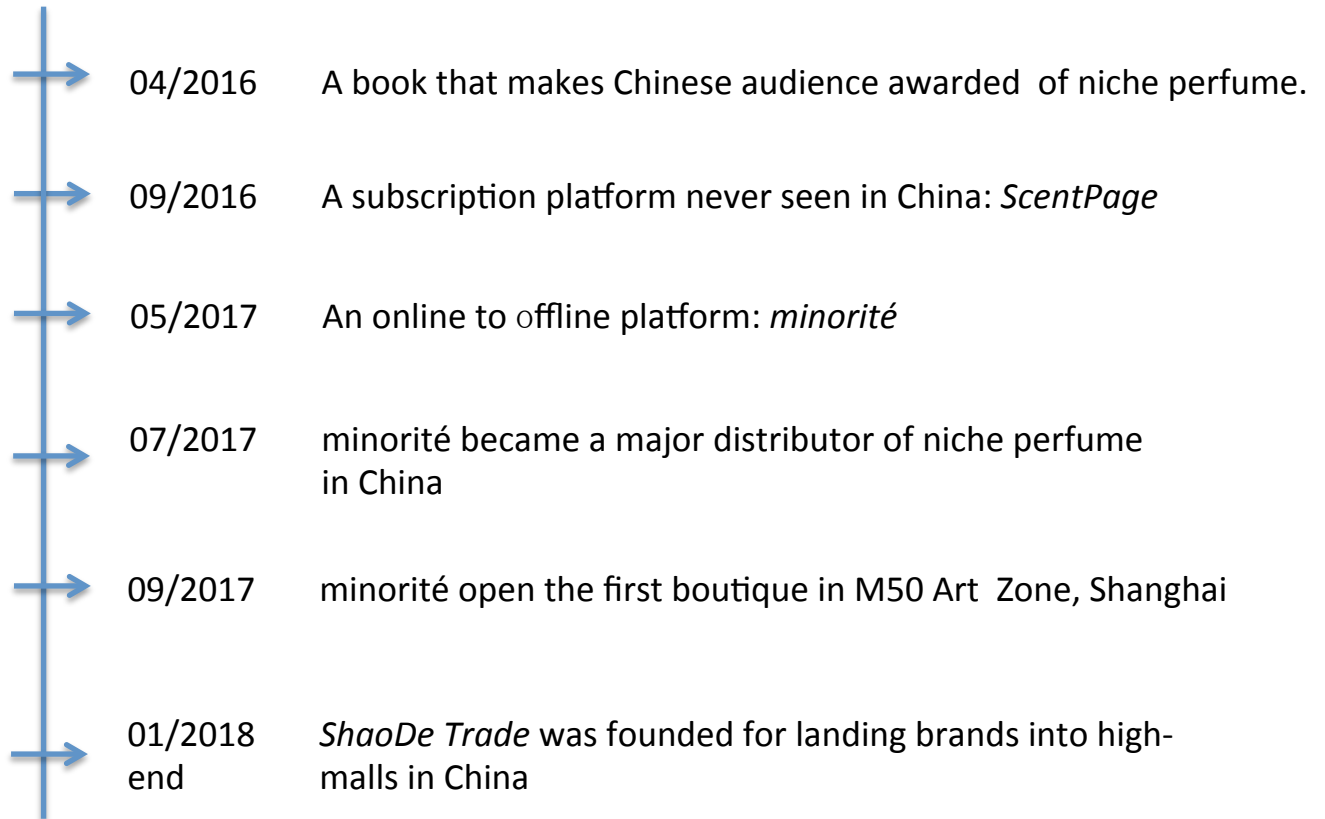


WHO ARE WE?

What is Perexpo?



The progress of launching Perexpo

- 
- A vertical timeline diagram with a central blue line and arrows pointing to the right, marking key milestones in the launch of Perexpo.
- 04/2016 A book that makes Chinese audience awarded of niche perfume.
 - 09/2016 A subscription platform never seen in China: *ScentPage*
 - 05/2017 An online to offline platform: *minorité*
 - 07/2017 *minorité* became a major distributor of niche perfume in China
 - 09/2017 *minorité* open the first boutique in M50 Art Zone, Shanghai
 - 01/2018 end *ShaoDe Trade* was founded for landing brands into high-malls in China

We only focus on niche and artistic.

P E R E X P O
香气博览



minorité 小眾地[™]

SHADE
少濶貿易

Intl. Investors

Cherubic Fund \$0.5m.
Qixi Capital \$1.5m.



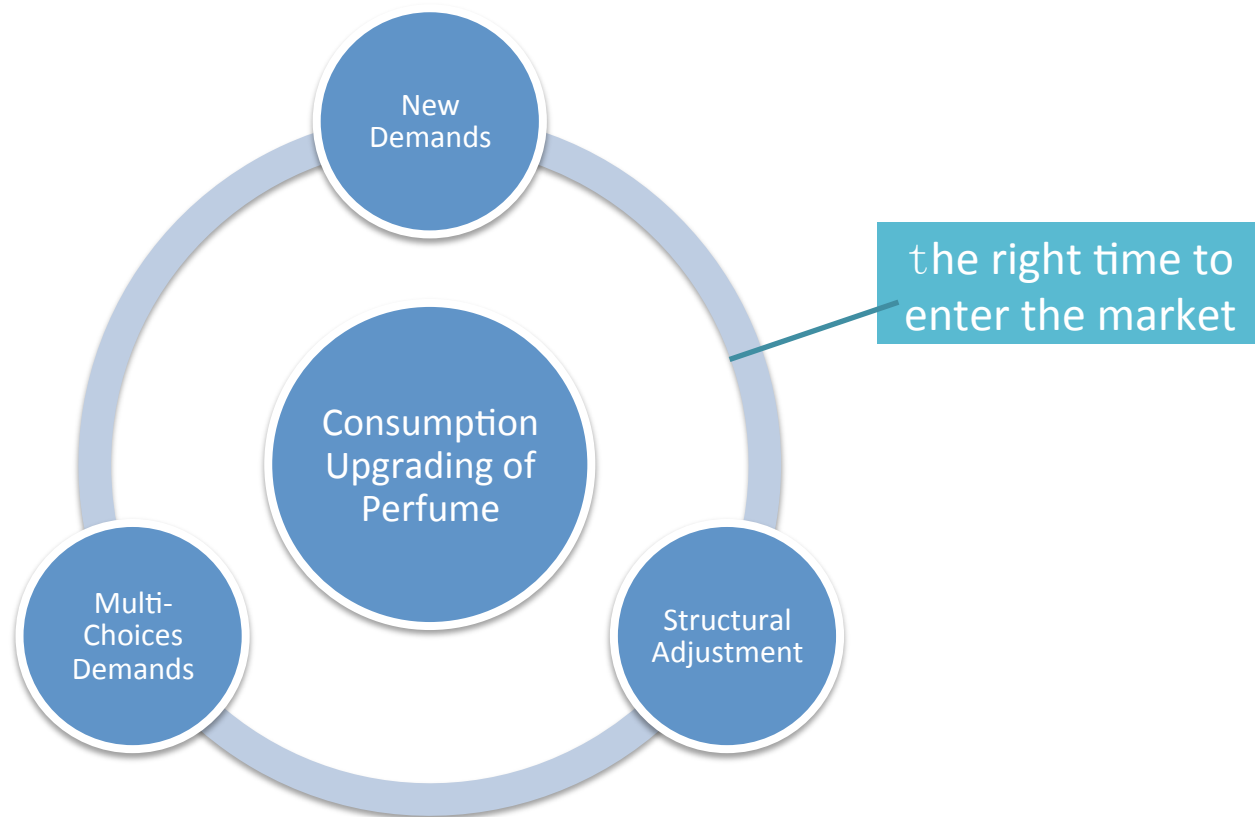
What's going on in China?

for Niche and Artistic perfumes



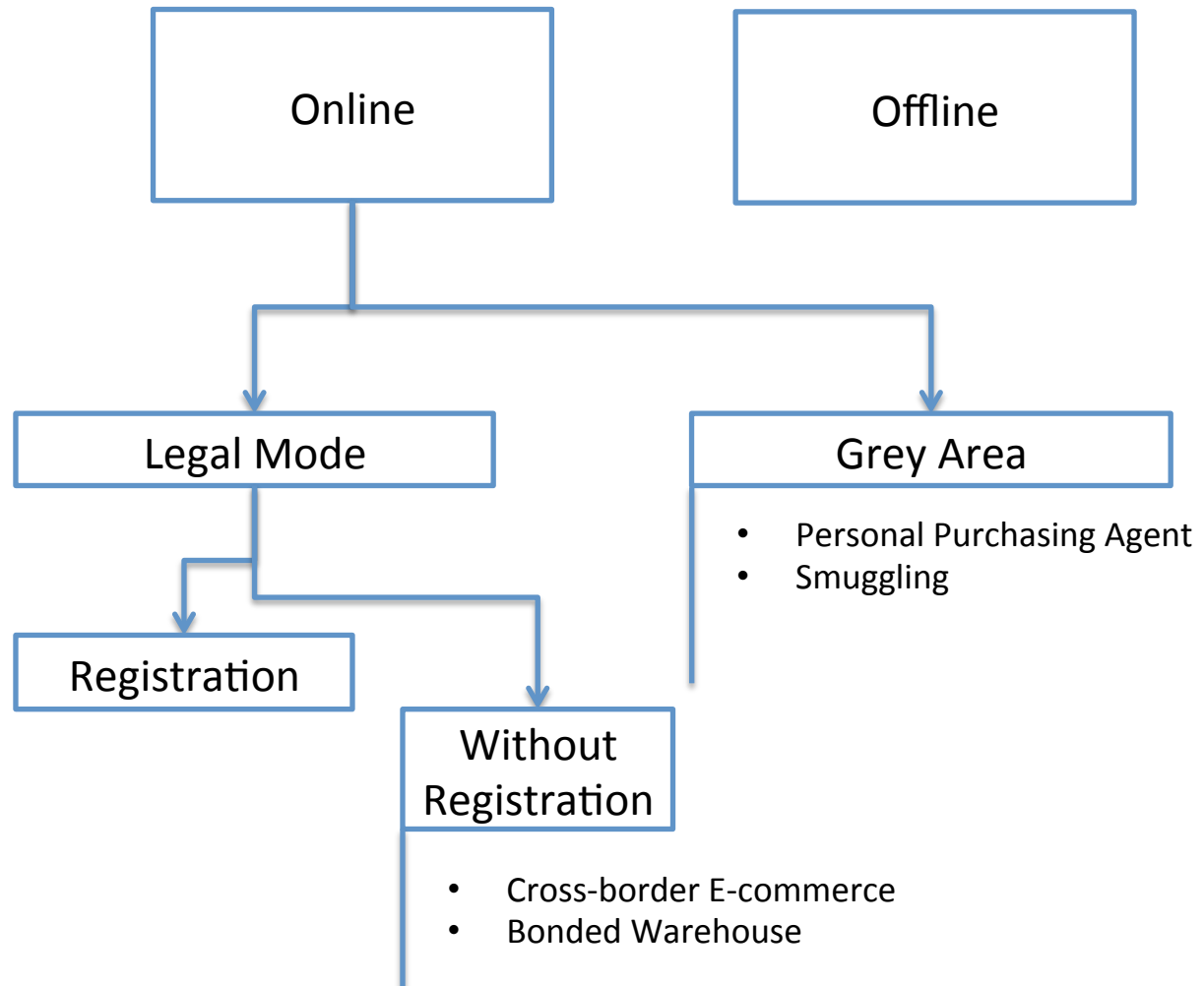
The Consumption Upgrading

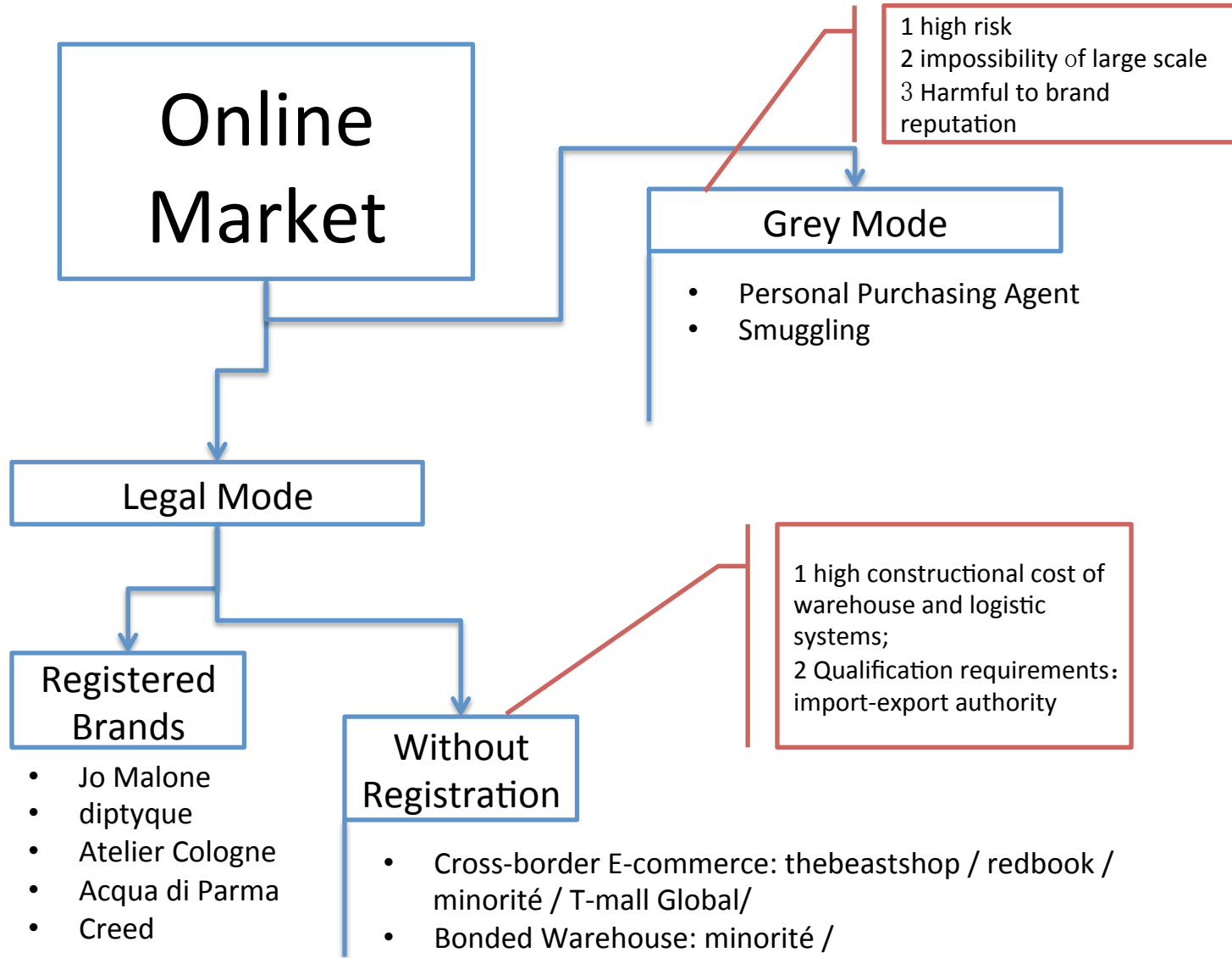
Of perfume for Chinese consumer.



What's the market like nowadays?

Niche Perfume market in China





Offline Market

1 high registration cost ;
2 high rental fee for shopping mall;
3 niche brands merged by big group

Single-Brand Boutique/ Department Store

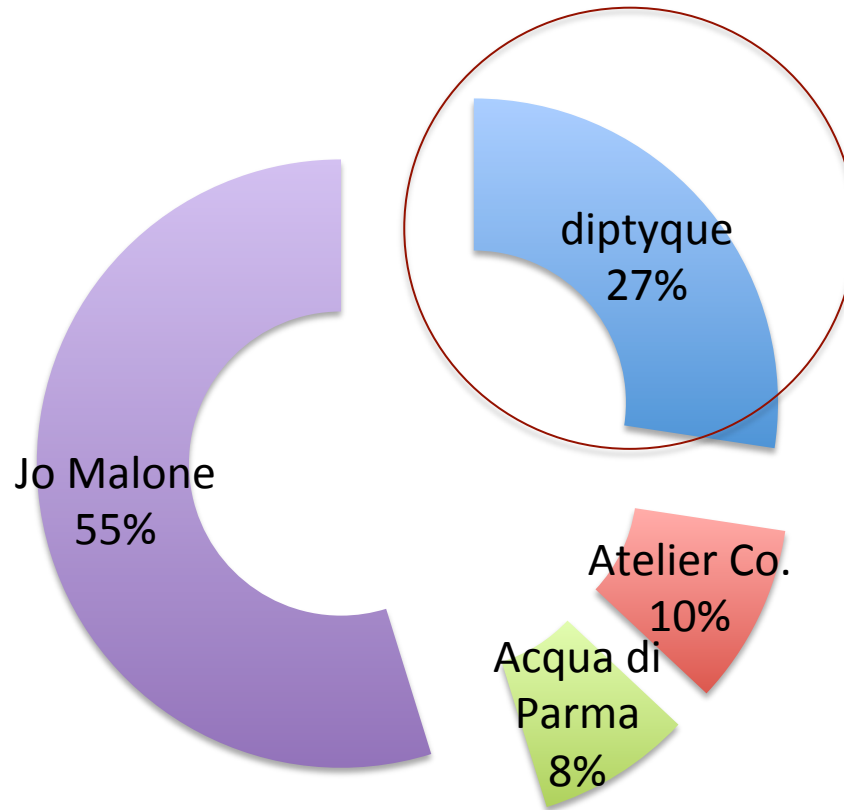
- diptyque
- Acqua di Parma
- Atelier Cologne
- Creed
- MFK (2018)
- Other Local Brands

- Jo Malone ?

Multi-Brands Buyer`s Shop/Select Shop

- Space NK (10/10)
- Scent Library
- 10 Corso Como SHANGHAI
- Lane Crawford

Estimated Market Share



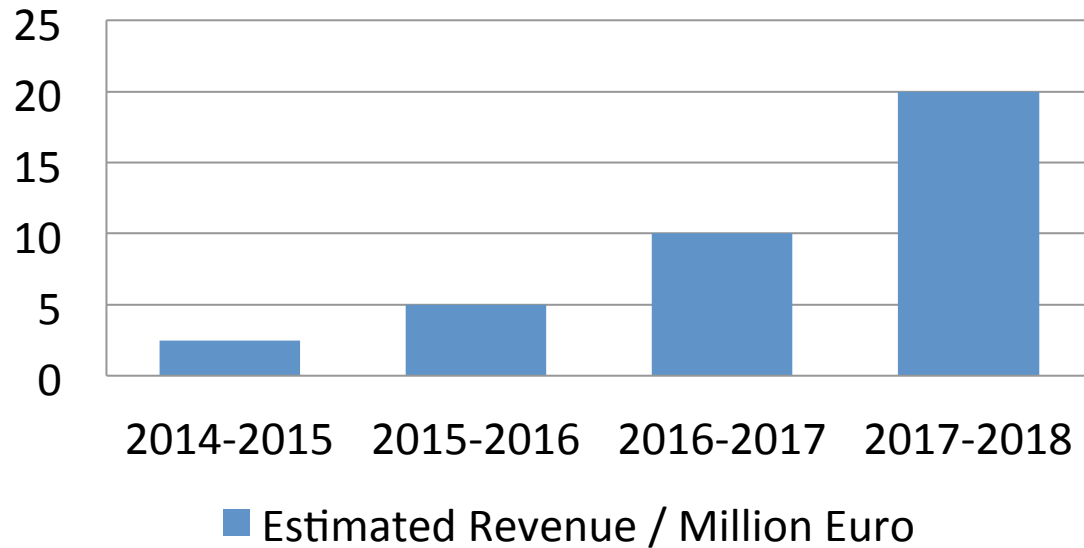
A case of diptyque in China

When: 2014-2015

Where: Beijing / Shanghai / Chengdu

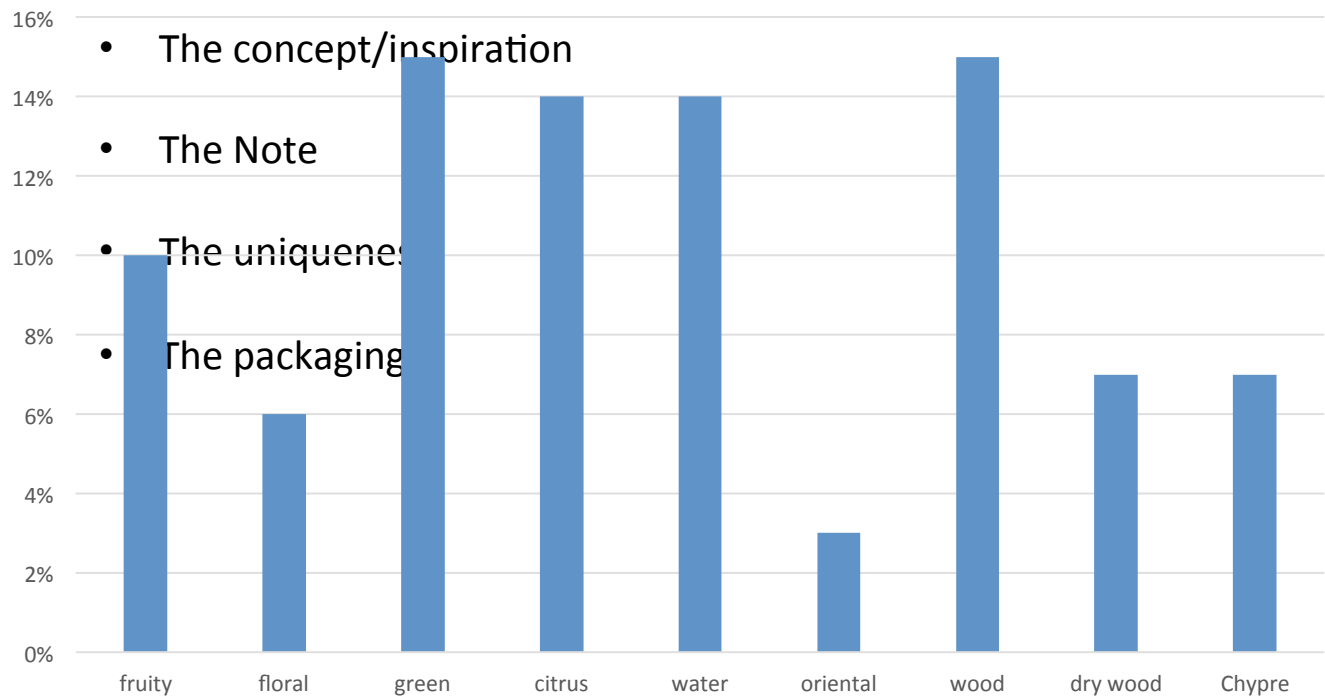
Current Boutiques & Counters: 12

Estimated Revenue / Million Euro



What elements define the popularity? in Chinese market

Popularity of different notes





Our Standpoint

What does Perexpo means to all the partners

- Niche is niche.
- Selling perfume is selling artwork.
- Choose our partners and retailers prudently.





What Can We Offer?

Honestly, we can do all the work for you



Entering Chinese market officially

But why?

- By registration you get the “passport” or “ID card” for your cosmetics.
- Only with the passport your cosmetics can go anywhere in China.

** “Go” means to import and sell here. Without this cosmetic passport you could only choose the other option by international e-commerce channel which is limited by logistics.*



Materials Required for Applying Enterprise

1. Trademark Registration in mainland China.
2. Full recipe ingredients.
3. Quality and safety control requirements of producing enterprises.
4. Certificate of free sales (CFS) issued by industry associations or official institutions of the country of origin.
5. Original producing agreement between the entrusting party and the entrusted party (OEM products required).
6. Proofs of good manufacturing practices such as ISO or GMP of entrusted party (OEM products required).
7. Samples of same batch, 18 pieces for each product, above 30ml/g for each piece. (14 for test usage, 1 for sample preservation, the rest for damages in case)

Time and Cost?

The total process: 8 – 12 months

Total cost: Test Fees: 625 euro/product

Agency fees: 600 euro/product





Business Model of Perexpo

1. Cross-Border Electronic Commerce
2. O2O (Online to Offline/Offline to Online)
3. Traditional Retailing





Cross-Border Electronic Commerce

Pros

1. Without Officially Cosmetic Registration process
2. Less risky to test new market
3. Door to door delivery
4. Less Fixed cost compare to Retailing business model

Cons

1. Long duration of door to door delivery (7-15 days)
2. Not allow to sell at offline boutique





O2O (Online to Offline/Offline to Online)

Online=Cross Boarder E-Commerce

Offline= Experience centre (actual boutique)

Pros

1. Mutual attract traffic between Offline and Online
2. Online could boost the sales in a short period of time
3. Offline could remedy and reinforcing customer's experience process

Cons

1. Limitation of offline sales





Traditional Retailing

In the High-end Shopping mall

Pro

1. Rapidly boost offline sales
2. High Purchasing power
3. Experience & Purchase at the same time
4. Diversity opportunities of Offline sales events
5. Average Revenue is Higher than online
6. High Demand from China Consumers

Con

1. Long duration of Cosmetics Registration
2. Costly of all the process of Enter China market
3. High risk without testing market in advance
4. High management fees & fixed costs

Attention!

Two things need to be aware

1. Taobao.com

- Similar to E-bay or Amazon
- Hard to define the falsehood of the product on Taobao.com
- Mostly are smuggled goods
- Lack of meeting the requirement from China custom policy
- High risk
- Damage the brand image
- Disturb the market price (National & International scale)

2. Pricing Strategy

- Base on the Original Price, the price for the rest of countries need to be higher or remain the same
- Due to the International Trade and E-Commerce, any single country's low price will influence the other countries sales

Case Study

Online Sales

1. Ulrich Lang – Apsu
 - 500 bottles sold out around two weeks
 - Approximately 4000 bottles sold out in 6 months
2. Nicolai – Fig-tea
 - 1000 bottles sold out in 10 days
 - 2000 bottles sold out in 40 days

Offline Events

- 2 times per week at minorité boutique in Shanghai
- Target group/Co-brand:
- Harvard Business School Alumni/High-end Jewelry Brand
 - DBS Bank/ Waldorf Astoria Hotel/ SCB(Standard Chartered Bank) etc.



Thanks!

**For more information:
Perexpo.com.cn**

