

BUSINESS CONSULTANT TERMS OF REFERENCES

Support for Ukrainian SMEs on entering Chinese market through cross-border e-commerce B2B marketplace

1. Background: With the looming effects of the Coronavirus pandemic and the global economic turmoil that has ensued, proper use of e-commerce instruments will become essentially important to ensure the entrance and enhancement of the presence of Ukrainian SMEs on Chinese market.

Primarily, the most effective tool for set-up of cross-border e-commerce in China is the use of or Chinese domestic B2B trade marketplaces, which provide Ukrainian SMEs with an unparalleled opportunity to receive direct connection with Chinese retailers and buyers. Chinese businesses of all sizes (including the biggest chain retailers) traditionally use B2B marketplaces as the primary (and sometimes even the only) source of selecting goods for their further operation. For example, according to the Chinese marketplace general data, transactions of China's cross-border e-commerce exceeded US\$654 billion in the first half of 2018. The export business accounted for 77.1% while B2B took 84.6% in shares by transactions.

As evidenced by numerous researches and market analyses, Chinese buyers are extremely conservative and are open to purchasing only those commodities, which look visually common for their market and are responsive to their consumption habits. Therefore, there is a vast need to adapt accordingly the visual look and textual description of each product on a B2B marketplace. Moreover, proactive promotion of a single product within the marketplace is too expensive for an individual Ukrainian SME, therefore leading to limited and low sales opportunities.

Therefore, in order to ensure the entrance and enhancement of the presence of Ukrainian SMEs on Chinese market through the use of China's cross-border e-commerce instruments, the project «Ukraine: Consolidation of SME export potential and facilitation of access to foreign markets» plans to engage and select a consultant to facilitate the placement of the products of up to 20 Ukrainian SMEs under the collective Trade with Ukraine brand on one of China's leading online B2B marketplaces 1688.com.

2. Dates: May 2020 – August 2020

With informational support:

3. Industries:

Multisectoral, with the following focus:

- Food/agro
- Beverage (primarily coffee, soft drinks, wine)
- Textile and clothing
- Household chemicals
- Cosmetics
- Furniture (small decorative)

4. Participants description: up to 20 Ukrainian SME's from the indicated industries

5. Goal: to provide opportunities for Ukrainian SME's to achieve realistic success on the Chinese cross-border e-commerce B2B marketplace

6. 1688.com platform information: 1688.com is a sister website of Alibaba.com, which is home to more than 10 million enterprise storefronts, with 150 million users visiting the site per day. The 1688 marketplace is a go-to sourcing destination for merchants selling on Alibaba's e-commerce sites Taobao and Tmall, while also is even a primary source for major private and state-owned conglomerates such as China Railway Group.

7. Target activities for the selected consultant are to include:

- ✓ assisting the Ukrainian SMEs with the selection of the products which will be most fitting to be promoted and marketed through the 1688.com B2B marketplace (up to 4 products from each SMEs) under the collective Trade with Ukraine brand;
- ✓ ensuring proper visual and textual adaptation of the selected SMEs products profiles (up to 4 products from each SMEs) according to Chinese common marketing strategies and buyer's consumption habits;
- ✓ securing translation of all information and materials into Chinese and English to secure the placement of profiles;

With informational support:



- ✓ assisting the Ukrainian SMEs to establish correct positioning on the 1688.com B2B marketplace;
- ✓ assisting negotiations of Ukrainian SMEs with customers to boost the sales;

8. Proactive marketing promotion of the collective Trade with Ukraine brand and the represented products accordingly to facilitate leads and trade opportunities for Ukrainian SMEs is to be conducted and secured by the selected consultant and is to include:

- ✓ promoting the Trade with Ukraine brand content on various channels to reach wider audiences (we chat, spreading information through different associations/ buyers/ importers via e-mail/ phone calls/ social networks), focus on long-term contracts in negotiations with direct clients via 1688.com and promotional programs;
- ✓ advanced search advertising promotion within 1688.com;
- ✓ selecting and implementing the right high-frequency and low-frequency search words for high-quality, relevant content promotion.

9. Tools to be used in order to achieve the goal: 1688 as well as other Chinese leading e-commerce platforms (marketplaces) have strict restrictions on the "manual" direct placement of goods due to the high goods turnover and advanced verification procedures. Instead, a special «Opencart» (<https://mall.opencart.cn>) platform technology is used, which allows to upload all products with a necessary visual and textual requirements. Afterwards, the Opencart-uploaded products are synchronized with the selected e-commerce marketplace.

The selected consultant is to 1) first secure the use (rent) of an Opencart technological platform from the authorized Chinese provider, than 2) ensure the proper placement of the products of the selected Ukrainian SMEs under the collective Trade with Ukraine brand and 3) further integrate the developed platform with the 1688.com B2B marketplace.

10. Target indicators: at least 10 000 collective Trade with Ukraine brand visits and reviews, at least 1000 total leads (items in the basket/ or number of requests, including direct, through communication channels, phone calls, emails etc.) in the 1688.com B2B marketplace for the represented products achieved with the consultants assistance;

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11. Reporting: The selected consultant is to develop and provide the project report, no later than a week after the end of activities. The report should at least include:

- The final number and list of collective Trade with Ukraine brand visits and reviews;
- The final number and list of collective Trade with Ukraine brand items in the basket, number of requests, including direct, through communication channels, phone calls, emails etc.) in the 1688.com B2B marketplace for the represented products.

12. Draft program and timeline:

Selection of Ukrainian SMEs for participation and the products to be represented on 1688.com B2B marketplace: June 03, 2020 – June 10, 2020

Collection of information from the selected SMEs for the profiles: June 11, 2020 – June 23, 2020

Translation into Chinese, visual and textual adaptation of the selected SMEs products profiles: June 11, 2020 – June 23, 2020

The final companies and products profiles are formed on an Opencart platform tool and ready to be integrated with the 1688.com B2B marketplace: June 25, 2020

Selected Ukrainian SMEs profiles are represented on a 1688.com B2B marketplace under the collective Trade with Ukraine brand: June 25, 2020

Proactive marketing promotion of the collective Trade with Ukraine brand and the represented products accordingly on a 1688.com B2B marketplace: at least until August 05, 2020

Project data and results aggregation, report preparation: August 10, 2020

With informational support: