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AmCham China | Social Impact Initiative

# Report on Digital Economy

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We have been ushered in an era of the digital economy, where there are both new development opportunities and challenges from uncertainties. The unexpected outbreak of COVID-19 in 2020 accelerated the digitalization process in almost every industry, forcing companies to transform their supply chains and business models. Identifying digital economy and digital transformation as priorities, the Chinese government has implemented the strategies such as “Internet+” and launched a series of policies and regulations for emerging industries and business models such as the digital economy and e-commerce.

On March 11, 2021, the Fourth Session of the 13<sup>th</sup> National People’s Congress adopted the 14<sup>th</sup> Five-Year Plan for National Economic and Social Development and Long-Range Objectives for 2035 (the “14th Five-Year Plan”). Chapter 5 of this Plan focuses on accelerating digital development and the construction of a “Digital China,” stating that “greater integration

of digital technology and the economy will power the transformation and upgrading of traditional industries, the development of new industries, and the creation of new business models, which can lead to new drivers of economic growth.”

The first measure this Plan proposes is to promote the innovative application of digital technologies, focusing on key areas such as high-end computer chips, operating systems, AI algorithms, and sensors. The second is to accelerate digital industrialization by scaling emerging digital industries such as artificial intelligence, big data, blockchain, cloud computing, and network security; this measure also focuses on improving the quality of communications equipment, core electronic components, and key software. The third measure proposes the creation of comprehensive, data-integrated business value chains. Chapter 5 of the 14th Five-Year Plan also highlighted the need to cultivate leading enterprises in cross-border e-commerce, well-connected overseas warehouse leaders, and excellent industrial parks.

Multinational companies should seize these emerging development opportunities. As China’s interest in cultivating a strong digital economy increases, multinationals should work with their Chinese partners to accelerate the digital transformation and support the development of the cross-border e-commerce. To help businesses achieve these goals, the American Chamber of Commerce in China (AmCham China) collected cases studies from its member companies on supporting cross-border e-commerce and digital transformation in China and provided recommendations to help businesses seize the opportunities presented by China’s focus on the digital economy.

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# I. Policy Analysis

## (I) Evolution of policies on digitalization

The Chinese government views digital transformation as a priority and has released a series of policies and guidelines on the development of digital industries.

In 2017, the 19th CPC National Congress proposed measures to accelerate the development of China's capacity in manufacturing, network, and digital infrastructure. This congress focused on advancing the full integration of internet, big data, and AI. Particular emphasis was placed on strategies for capturing a first-mover advantage on the commercialization of cutting-edge technology. This included ensuring that access to internet was expanded using core standards, technologies, and platforms to support a healthy, digitally-driven industrial ecosystem, build a digital economy based on data, integrating the real economy and the digital economy, and recognize the critical role that data can play as a basic resource and engine of innovation.

Since 2018, the Report on the Work of Government has included explicit requirements on the development of the digital economy, a major driver of China's thriving digital economy. In July 2020, 13 ministries jointly released the *Opinions on Supporting the Healthy Development of New Business Forms and Models and Activating Consumer Markets for Expanding Employment* (《关于支持新业态新模式健康发展激活消费市场带动扩大就业的意见》), demanding the cultivation of a shared digital economy, the intelligent utilization of data and digital technology in tourism and other industries, and the creation of high-end online brands.

The Chapter 5 of the 14th Five-Year Plan focuses on accelerating digital development and the construction of a "digital China," stating that "greater integration of digital technology and the economy will power the transformation and upgrading of traditional industries, the development of new industries, and the creation of new business models, which can lead to new drivers of economic growth."

On January 12, 2022, the national government enacted the 14<sup>th</sup> *Five-Year Plan for the Development of Digital Economy* (《“十四五”数字经济发展规划》). Chapter 5 places an emphasis on accelerating the development of digital trade, especially with regards to "broadening access to new digital economy business models; encouraging global service companies to establish new operations headquarters, R&D and design centers,

purchase and logistics centers, and settlement centers; and introducing excellent foreign enterprises and venture teams,” thus to funnel foreign capital into China to support the digital transformation process. Additionally, China announced its plan to build safe and convenient international internet data channels for cross-border delivery logistics, cross-border payments, and supply chain management. Particular focus is placed on developing cross-border e-commerce, advancing the construction of comprehensive cross-border e-commerce pilot zones, encouraging research and development in all business segments, cultivating leading enterprises in cross-border e-commerce and overseas warehousing, and constructing excellent industrial parks, thus establishing a cross-border e-commerce ecosystem.

## **(II) Relevant Policies on Digitalization of Production and Trade**

At the G20 Hangzhou Summit in 2017, the G20 defined digital economy as “a broad range of economic activities that include using digitized information and knowledge as the key factor of production, modern information networks as an important activity space, and the effective use of information and communication technology (ICT) as an important driver of productivity growth and economic structural optimization.”

According to policy documents issued by the central government and subordinate governments at all levels, there are three highlights:

The first is to focus on developing key cutting-edge technologies, laying a solid industrial infrastructure foundation, creating shared and open industry technologies.

Second, the emphasis on the creation of an industrial ecosystem where large, medium and small enterprises share equal development opportunities. In particular, generating support for micro, small and medium-sized enterprises, encouraging cooperation between large enterprises and SMEs, prioritizing SMEs when allocating certain government resources.

The third highlight is the importance of digital transformation for the post-pandemic era. COVID-19 was a tremendous shock to the economy in 2020 and highlighted the leading role of emerging industries in economic recovery. Since then, digital transformation has been seen as critical for enterprises and industries in responding to the pandemic.

Small and medium-sized enterprises are critical stakeholders of digital transformation, and it is particularly important for them to receive policy support and assistance to facilitate their innovation and growth. In this regard, the European Union’s relevant poli-

cies and practices to support the digital transformation of SMEs are worthy of reference. The Enterprise Europe Network (EEN) customizes services for improving transformation capacity for SMEs. The EU has also set up a European Digital Innovation Hubs (DIH) for SMEs, providing them with support and network access. Funds are sourced from the Digital Europe Program and related European digitalization funds. The DIC and EEN cooperate on government-enterprise relations, providing comprehensive support to SMEs in digital transformation. The EU provides SEM practitioners with educational seminars and training, such as crash courses in digitalization, to help them improve their digital practices and apply cutting-edge technologies such as AI and blockchain.

Cross-border e-commerce has achieved rapid development due to digital trade in recent years. As a key part of the digital economy, cross-border e-commerce has been a major pathway for the transformation and upgrading of traditional trade, allowing SMEs to access new markets.

Cross-border e-commerce involves domestic vendors, global consumers, e-commerce platforms, and other stakeholders. Increase the awareness and capability of domestic small- and medium-sized enterprises is critical to the digitalization of trade. According to the WTO, China has been the biggest cross-border e-commerce player in the world since 2014. According to China customs data from 2012 to 2019, China's cross-border e-commerce grew at an average annual compound growth rate of over 27%, dominated primarily by exports. In 2021, the scale of China's cross-border e-commerce imports and exports reached 1.98 trillion yuan, up 15% from the previous year. Of it, 1.44 trillion RMB was exports, growing by 24.5% YoY.

Against a backdrop of slowing export growth, cross-border e-commerce is undoubtedly a major way to enhance China's export trade and has won strong support from the government. To better promote cross-border e-commerce, the Chinese government attaches great importance to improving legislation and guidance on cross-border e-commerce.

For 9 years in a row, cross-border e-commerce has been included in the Report on the Work of the Government. The 2022 Report on the Work of the Government proposes to accelerate the development of new models of foreign trade, give full play to the role of cross-border e-commerce, and support the construction of more overseas warehouses. This year, the number of Integrated Pilot Zones for Cross-Border E-Commerce (跨境电商综合实验区) has increased the sixth time in seven years to 132 and the Pilot Zones have covered 31 provinces.

In November 2020, the General Office of the State Council proposed to develop emerging service trade and accelerate the digitalization of trade in Opinions on "Promoting Foreign Trade and Innovative Development" (《关于推进对外贸易创新发展的实施意见》). The 14th Five-Year Plan for E-commerce Development, issued in October 2021,

supports the high-level development of cross-border e-commerce, encourages e-commerce platform companies to operate globally, promote international cooperation, support small and medium-sized enterprises in various countries to participate in global trade, and promote the integrated development of global e-commerce supply chains.

Governments are also releasing policies to support cross-border e-commerce at the local level with consideration of their specific contexts. The priority the government has placed on the digital economy has given rise to the flourishing of China's cross-border e-commerce.



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## II. Recommendations

### ***(I) Further government support for enterprises***

It's impossible to advance digitalization without the guidance and support from the government, including policy support and industry guidance. The government could provide support for enterprises to overcome the challenges presented by digital transformation in the following ways:

First, it could increase its investments in digital infrastructure. The government should further invest in digital technology infrastructure, including 5G networks, big data research centers, blockchain technologies, etc., thus providing enterprises with the basic digital infrastructure required to undergo digital transformations.

Second, it could increase the funding it gives to enterprises, especially SMEs. In the initial stage of enterprises' digital transformation – especially with regard to technological R&D and equipment upgrading – heavy financial support is needed. Therefore, at this key stage of enterprises' digital transformation, government agencies should increase the financial support that it provides to enterprises, especially SMEs. Special funds to support enterprises in digital transformation are recommended to provide corporations with adequate policy and fund support. Tax incentive measures could also be taken, such as tax reduction and exemption.

Third, the government could further protect intellectual property to promote innovation in digital technologies and increase the awareness of compliance. Infringing on enterprises' IPs should be held accountable and punished and comprehensive administrative enforcement to guarantee intellectual property rights should be strengthened.

Fourth, the government should actively invest in cultivating talents in digital technology and explore innovative approaches to cultivate those talents. More efforts should be focused on cultivating interdisciplinary digital transformation talent. Support should be given to major enterprises and research institutes to promote cooperation, organize targeted talent training, increase laborers' digital proficiency, and accelerate the development of leading talent training platforms.

Fifth, the government should support the development of cross-border e-commerce by launching supportive policies. Based on the foundation of the Integrated Pilot Zones for Cross-Border E-Commerce, more supportive policies including financing, tax cut, convenient customs clearance, pilot parks for logistics of cross-border e-commerce, and others. Government could also support and guide the transformation and development of industry leaders. More policy support could also be offered for the construction of cross-border logistics hubs, digital technology infrastructure, talent training, and others.

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## III. Best Practices from AmCham China Members

### (I) Opportunities

Digital transformation offers enterprises new opportunities for growth. First, digital transformation helps enterprises improve production efficiency. With better computing capacity, machines could be used as a replacement for humans to solve more complex problems. It has become easier to collect and store data and get feedback on business operations and processes. Internal and external collaboration tends to be easier, and digital platforms help enterprises better respond to emergencies.

Digitalization also helps to improve product and service quality, resulting in more satisfied customers and improved market competitiveness. Information technology helps companies quickly identify consumer needs and information gaps, thus helping them optimize their products and meet market needs.

Finally, digitalization can significantly lower the cost of information collection, accelerate decision-making processes, reduce inventory and waste, and lower energy consumption, thus cutting operation costs for enterprises.

For multinationals, digital technologies can promote cross-border investment, e-commerce, and trade. When engaging in cross-border investment and trade, information asymmetry can cause businesses to incur unnecessary costs. Businesses must spend a lot of time searching for information, building good credit, and seeking and identifying business opportunities. Digital technologies help them search for information on a wider scale, making it faster to find potential customers and easier to communicate with them. Digitalization is of great significance for corporate upgrading, especially for cross-border e-commerce and going global.

### (II) Case studies

AmCham China solicited case studies from member companies on supporting China's SMEs with digital transformation and accessing new markets. The following eight cases are selected for reference after screening and editing.

# List of Case Studies from AmCham China Member Companies



## INDUSTRY

Manufacturing  
Supply chain  
Product  
Cargo  
Customer  
Delivery  
Inventory  
Management  
Freight

1. Google: Support Exporters for Digital Transformation and Increase Capabilities to Go Global
2. Meta: How did Insta360, a VR and 360 Camera Tech Innovator, Grow in the Global Market?
3. Meta: VIVAIA Explores Overseas Markets with the DTC Model
4. eBay: Supporting the Transformation and Upgrading of China's Traditional Export Industries
5. eBay: Talent Development System for the Cross-border E-Commerce
6. LinkedIn: Supporting Chinese Enterprises Go Global
7. IBM: Intelligent Manufacturing Enabled by Visual Supply Chain Technology
8. Amway: Leveraging Upgraded Digital Capabilities to Empower Entrepreneurs to Transform Community Operation



## Google: Support Exporters for Digital Transformation and Increase Capabilities to Go Global

### I. Chinese Exporters Facing Greater Challenges in Exploring Overseas Market

With the increasing challenges due to Covid pandemic and continued turmoil of international situations, there is urgent need for the Chinese exporters to enhance their capabilities to explore overseas market

More and more Chinese cross border sellers choose online marketing with digital storefronts, focus more on uplifting digital readiness and brand awareness with their own websites.

Lack of digital marketing talents has been a pain point for exporters and local govts. It is a common challenge for them how to strengthen faculty capacity of universities and institutes and accelerate the talents cultivation

### II. Google helps Chinese Exporters Achieving Transformation by Multiple Ways

In order to make the digital marketing training more targeted, we categorized the training into elementary and advanced for B2B, B2C, vertical industries, those who do not have professional brand websites or with needs for website optimization, and those who already have some experiences for digital marketing.

In view of the new trends and needs, we extended the Google Digital Marketing Talents Program to include training the university teachers majoring in digital marketing and cross-border e-commerce, and support them to improve their curriculum.

We provided free website construction support to some B2B exporters who need digital storefronts but do not function well on this. The advantages of Google official site tool are fast visiting speed, clear cut landing page, and multi-language support. Some companies received more inquiries and conversions and became quick in setting up online channels.

With over 10 fixed Google export experience centers in various cities, we started pilot-



## Google: Support Exporters for Digital Transformation and Increase Capabilities to Go Global

ing more flexible means to give on-site support to those key export cities who do not have fixed experience centers but have strong need to export.

Hold “Think Retail” annually to discuss with business partners about the consumer behavior change, status quo of China’s cross-border e-commerce and best practices to support them to achieve transformation.

Through the online, offline, and community programs like Google Developer Summit, support local developers to innovate and develop, and to explore overseas markets.

### III. Google’s Program Yielded Broad Social Benefits

Google Digital Marketing Talents Program attracted 50,000 ppl from 16 key cities to register, 28,800 to participate, 170~ companies to partner, and 1000~ job opportunities provided. Also, via the program, we have provided training to over 170 teachers from universities and institutes majoring in foreign trade and cross-border e-commerce.



## **Meta: How did Insta360, a VR and 360 Camera Tech Innovator, Grow in the Global Market?**

As the idea of the metaverse becomes a reality, individuals and businesses alike are reimagining what's possible with VR and AR, and how this technology could impact our daily lives. With VR taking users into a digital world and 360 videos recording live action reality to be watched through a headset, our digital futures are set to be rich and immersive. One pioneering company who foresaw this development is Insta360. As an innovator of VR and 360 cameras, it is now promoting its state-of-the-art products to users worldwide with the help of social media platforms under Meta.

### **Sharing Exciting Moments and Recording Every Minute**

A chance encounter with Google Cardboard while still in university caught Jingkang Liu's imagination. A lifelong tech enthusiast and budding entrepreneur, Liu was amazed at the immersive nature of the 360 videos he watched. Spotting a gap in the market, Liu wondered whether this technology could be applied to live-stream university lectures and other presentations.

In 2015, setting themselves the mission of helping people better capture and share their lives, Liu and a group of like-minded fellow students founded Insta360. Since then, Liu's company has become a market leader in the field of panoramic imaging technology. They have developed VR and 360 action cameras which allow users to share their lives in creative, immersive and exciting ways.

Since its creation, Insta360 has always been aware that the desire to share our lives is a universal one, and so the opportunities for its products are global. Its founders knew that to compete on the international stage, they would need to place great importance on adapting to differences in economic, cultural, and geographical conditions, getting to know users' habits and employing a wide range of marketing approaches. Big names from North America, Europe and Japan dominated the panoramic and action camera market at the time. To gain a foothold in markets across the world, Insta360 therefore set about recruiting talents from all corners of the globe for its localization teams.



## Meta: How did Insta360, a VR and 360 Camera Tech Innovator, Grow in the Global Market?

### Building the Brand and Creating Global Influence

Insta360's initial target audience included early tech adopters, videographers, athletes and travelers, and to connect with these groups it needed an international platform. It soon adopted Meta's platforms as its key marketing tool. As the largest social network in the world, Facebook represented the ideal choice for marketing and building brand awareness while introducing its VR and 360 cameras to the widest audience possible.

Today, Insta360 promotes its products and creates social ads on both Facebook and Instagram. Using Facebook Ads Manager, Insta360 reaches targeted users, raising awareness of the brand in these and in wider communities. With Facebook Pixel, Conversion API and other data tools, it has also been possible to focus remarketing precisely on the targeted groups. As a result, in the past three years, the company has seen its Facebook ads revenue more than double.


On Instagram, Insta360's channel promotes high-quality content to viewers around the world. This has enabled the official brand account to attract over one million followers, growing its social media influence with every new post, share and follow.

At the same time, the company is constantly improving the results of its sales funnel on Facebook. From awareness to consideration and conversion, the brand presents engaging, attractive and creative ads to Facebook users. This is a big factor in raising awareness and revenue.

Thanks largely to its use of Meta platforms, Insta360 grew to dominate 35% of the global market for 360 cameras in 2020, according to Greenlight Insights. This ranked the business number one worldwide. The company's products are now sold in more than 200 countries and regions and to date it is the only 360 camera brand sold in the Apple Store.

### Growth Through Communication and the Community

As its reputation has grown and products have been upgraded, Insta360 has paid ever more attention to the quality of its social media output. By engaging with UGC and



## Meta: How did Insta360, a VR and 360 Camera Tech Innovator, Grow in the Global Market?

PGC, the business has further expanded its social media influence and following, collecting and sharing its own content and contributions from users across the world.

Equally, great importance has been attached to the role of Meta's platforms in strengthening connection and loyalty between the brand and its users. Facebook provides the perfect setting for Insta360's user community. The Insta360 Facebook Community Forum allows users to interact with the company, giving constant user feedback from a large and diverse community. This leads to the company being able to create better products with users' feedback at their core.

One example of how Insta360 interacts with its users through Meta is the case of Terry Martin. An active Insta360 user based in Florida, USA, Martin was a vocal and regular contributor in the brand's Facebook community. As a respected and popular member of the group who often discussed products and content with the company and other users, he was appointed the Insta360 Community Ambassador. In this role, he attends trade shows and promotes the brand to consumers both on- and offline, acting as the eyes and ears of the company and a bridge between developers and users.

Another case is Evan Lalanne (@evan\_lala on Instagram), a young athlete who shoots footage of himself skiing and skateboarding while still using his wheelchair. He had been using the Insta360 ONE series to shoot exciting 360 content. With his camera, he was able to shoot first and reframe the shots afterwards thanks to the company's 360 imaging technology. By allowing him to fully focus on the action instead of the camera positioning, Lalanne was able to record amazing shots that captured the imaginations of many Insta360 followers. One of his videos attracted more than 290,000 views. As a result, the company provided him with more of the latest cameras and accessories to enjoy and to use to record even more of his inspiring content.

These two cases reflect well the importance of Meta to Insta360's success. Founder Jingkang Liu described using Meta's platforms as crucial for Insta360 to increase exposure and improve the volume and efficiency of communication with users. He also explained that feedback from customers on Facebook has been a critical factor in the development and success of its technology. The feedback allows the company to create and update products to meet the wants and needs of current and potential customers, and it provides an excellent foundation for future innovation and growth.





## **Meta: VIVAIA Explores Overseas Markets with the DTC Model**


Although the concept of environmental protection is widely accepted, many are still frustrated at their distance from environmental protection. A new-born brand that makes daily shoes and garments out of wasted plastic bottles helps integrate environmental protection into people's daily life. This brand has recovered millions of plastic bottles and transformed them into comfortable and fashionable shoes. With the value of environmental protection and diversification embedded, they are promoted to users around the world with the help of Facebook.

### **Create an Eco-friendly Fashion Brand through DTC and Introduce Environmental Protection into People's Daily Life**

VIVAIA was founded in June 2020 as a response to human-nature interactions amid COVID-19. In the spirit of environmental protection, it is committed to providing worldwide urban females with comfortable, attractive, and sustainable shoes and garments. Making shoes out of environmentally-friendly materials is not a new idea. However, VIVAIA believes that environmental protection should not linger on the concept. Instead, it needs to reach people's daily life. VIVAIA aims to tell the world that recycled plastic bottles can become comfortable and beautiful shoes. Clients not only become practitioners of environmental protection, but also popularize a green lifestyle.

A clear value positioning for a brand triggers its strong desire for communication and helps attract like-minded clients. Usual methods of selling good, with no big differences from other sellers on e-commerce platforms, does not apply to VIVAIA products. Considering the relatively maturity of consuming environmentally-friendly products in foreign countries, VIVAIA decided to adopt the DTC (Direct to Consumer) model which not only reduces the retail cost generated by intermediaries but also displays brand value and design concepts by establishing its own official website and social media accounts to directly engage potential clients. The business model of DTC enables the brand to immediately access consumer feedback in addition to feeding data into R&D and optimizing brand experience.

Obstacles and opportunities always go hand in hand. A mature e-commerce brand has



## Meta: VIVAIA Explores Overseas Markets with the DTC Model

its own traffic on its own platform while brands using DTC must direct traffic by themselves, which is only possible if the brand value, attractiveness, and product popularity stand out from numerous new brands.


### Reach out to Potential Clients Across the World and Spread the Brand's Concept of Environmental Protection with Meta's Platforms

Proper channels would greatly help VIVAIA to pass on its technical information and in-depth environmental concepts to potential receivers. As a result, users will gain a deeper understanding of its products and develop recognition of its values. Based on its brand positioning and previous research, VIVAIA decided that Facebook and Instagram would be the best platforms for brand promotion.

On the one hand, social media such as Facebook and Instagram have many environmentalists who would love to support environmental brands to contribute to the cause of environmental protection. They are potential users of VIVAIA. Additionally, on Facebook and Instagram, with 2.85 billion and 1 billion users respectively, users across the world that share an awareness of environmental brands could be efficiently accessed.

Since its inception, VIVAIA has been running its accounts on Facebook and Instagram. These platforms have helped VIVAIA with brand and product promotion. VIVAIA now records over 800,000 followers on Instagram and Facebook and is highly recommended by global fashion icons and influencers who support sustainable lifestyles and concepts. Within a short period of just over one year, it is well-received in more than 59 countries and regions and enjoys over 150,000 users.

Marina Chen, Brand Director of VIVAIA, stated that, "Facebook is accompanying VIVAIA in its global exploration by playing a critical role. Excellent products, brands, and concepts have to be communicated to the public. Facebook links VIVAIA with world users. Social media has become the channel for us to popularize our concepts and communicate with users. On these platforms, users are kept posted with the latest about products im-



## Meta: VIVAIA Explores Overseas Markets with the DTC Model

mediately and the brand could efficiently access user feedback. Recently, our broadcast on Instagram has produced impressive results and cut short our distance with users.”

### **Precise Marketing and Deeper Insight into Clients’ Demands to Achieve Sophisticated Brand Communication**

On social media platforms such as Facebook and Instagram, people are fond of sharing their interests and likes, which is conducive to helping brands target potential clients.

At the early stage of brand establishment, VIVAIA has been tapping into Facebook for its large volumes of users, precise tags, and accurate algorithms of matchmaking to rapidly locate potential user groups. Moreover, purchasing is realized by boosting exposure via advertisement in forms of videos and pictures. VIVAIA is applying Facebook’s tracking, data decomposition, and customized user functions into stratified advertising and exposure multiplication to raise the total revenue from advertisements.

Facebook also supports VIVAIA to engage in deeper brand communication and interaction with users. In the building of brand awareness, VIVAIA directly shares its brand concepts and stories with users. With the user base in place, it further interacts and communicates with clients on social media platforms to access their feedback and to further optimize products.

Users will share their awareness and feelings about the product, design, and brand value. Feedback and communication not only help the VIVAIA team to further polish its products and advance its conceptual promotion, but also bond the brand and users more closely together.

Last, but not least, Facebook also provides the brand with clients’ feedback collected by its advertisement system, which supports the brand to access user response to brand concept, product quality, and delivery timeliness. This is beneficial for optimizing advertising, product design, and shopping experience.



## **eBay: Supporting the Transformation and Upgrading of China's Traditional Export Industries**

As the global business scene changes rapidly, consumers constantly experience upgrades and breakthroughs in the market, but some companies face difficulties in following up with the transformation. To prepare for the changes, eBay has established a channel for enterprises to join in its platform to assist more traditional foreign trade enterprises to transform and share the development dividends in the cross-border e-commerce (CBEC) industry. After joining in the platform, traditional enterprises are entitled to the preferential policies and service support provided by eBay to help them get closer to the demands of consumers, understand the market trend more accurately and comprehensively, identify the trend, acquire knowledge on technologies and accumulate experience, and realize transformation and upgrading in the end.

eBay has established a professional team delivering cross-border transaction services in China. The team regularly conducts training courses for vendors in major cities across the country to provide various support and value-added services for Chinese vendors. In addition, customer managers pay close attention to vendor accounts, offer guidance, and provide cross-border transaction certification, business consulting, problem solutions, special training for foreign trade, telephone training, hotline of foreign trade BBS, logistics discount negotiation and a range of services, as a way of helping Chinese vendors to develop global business smoothly. eBay has launched [www.ebay.cn](http://www.ebay.cn), a platform developed specially for Chinese exporters for exchange, communication, and sharing, which not only provides eBay training courses on transnational trade, shares the trade update of each target market and helps Chinese vendors expand overseas markets, but also has a user forum which helps users improve their sales skills through experience exchange.

Moreover, eBay has set up a R&D center, data analysis center, and an import team for overseas shopping in Shanghai to help Chinese vendors sell products made locally to the global market. Many traditional Chinese SMEs and individual entrepreneurs have taken advantage of globalization on the eBay platform to break through the obstacles in traditional international trade and transform into multinational companies in small and micro sizes with integrated development of local and global markets. On January 25, 2018, eBay, together with E-Commerce Institute of Chinese Academy of International Trade and Economic Cooperation, held the first China Cross-Border E-Commerce Export Forum and released the Guide of Cross-border E-commerce Export for Chinese Enterprises (《中国企业跨境电商出口指南》) for the first time. The guide analyzes the development status and trends of global CBEC, major products and development trends of CBEC in China, and CBEC exporters in China's coastal economic belt and



## eBay: Supporting the Transformation and Upgrading of China's Traditional Export Industries

emerging regions, helping Chinese enterprises better understand global CBEC policies and putting forward specific suggestions.

Under the promotion and cultivation by eBay, many outstanding CBEC retail exporters have emerged in China. They have made efforts, thus not only realizing their own commercial value, but also promoting industrial upgrading and economic development locally. Based on different location advantages and industrial characteristics of various provinces and cities, eBay team has worked actively with local governments to activate the potential export advantages of local CBEC retail export.

As the COVID-19 pandemic drove online shopping demands in 2020, eBay saw strong growth in sales on its platform, new vendors, and sales volume across all categories, including home and garden, electronics, fashion, auto parts and collections. The strong growth of these categories could not have been possible without the help of Chinese vendors. According to eBay's data, in the first quarter of 2020, although Chinese vendors were affected by impeded logistics, product supply shortages and short-handed situation due to COVID-19, products of all categories sold by Chinese vendors on eBay platform showed a rising trend in United States, United Kingdom, Germany, Australia and other markets, especially home decorations, sporting goods, health and beauty products and other categories. On eBay's US site, there was an increase of 30% in aerobic equipment sales by Chinese vendors and a significant increase of nearly 40% in mower sales. According to eBay's German site, there was an increase of nearly 60% on average in sofa and armchair sales by Chinese vendors, over 50% in vacuum cleaner sales, and 130% in air conditioner sales. On eBay's Australia site, there was a rapid increase of 120% in electric scooter sales.

In 2020, guided by Shanghai Municipal Commission of Commerce, "Excellent Products for Selling Abroad, Move Forward Together Along the E-way" serial events hosted by eBay in collaboration with Shanghai Cross-Border E-Commerce Association were officially launched in Shanghai. Under the framework of the program, eBay provided Shanghai enterprises special channels to join in it and approval procedures for quick joining, as well as corresponding traffic support. Meanwhile, large offline CBEC summit, serial salon events and additional industry events in the industrial belt will be progressing gradually, with a view of further assisting Shanghai enterprises and brands to open up trend prediction, pricing, financial management, logistics management and other links in cross-border trade industry chain, promoting the transformation and upgrading



## **eBay: Supporting the Transformation and Upgrading of China's Traditional Export Industries**

of high-quality enterprises and traditional brands in Shanghai and quickly expanding the global market through the CBEC retail export.

In 2021, together with Shanghai Municipal Commission of Commerce, eBay hosted the first anniversary summit of "Excellent Products for Selling Abroad, Move Forward Together Along the E-way", took advantages of CBEC new industrial mode, continued the promotion of the transformation and upgrading of high-quality enterprises and traditional brands in Shanghai, and quickly expanded the global market through the CBEC export channels. Nearly 500 representatives from Shanghai enterprises, institutions and related CBEC organizations attended the summit. During the event, eBay presented the Outstanding New Vendor Award in Shanghai area, in recognition of the outstanding achievements of Shanghai Xinglengda International Group. It signed eBay's "E-Youth" talent development program with Shanghai University of International Business and Economics and Shanghai Modern Vocational and Technical School on site, aiming at promoting cross-border talent development in Shanghai. In addition, eBay invited outstanding vendor representatives from mature cross-border trade areas such as Shenzhen and Fujian to participate in the summit and shared the pain points of the transformation and upgrading of traditional manufacturers into CBEC enterprises, helping vendors across the country to become more confident in transformation to go abroad.

### **About eBay**

Founded in 1995 in Silicon Valley, California, eBay represents one of the largest transaction platforms in the world, providing cost-effective and selected goods for users and helping consumers buy and sell anytime, anywhere and in almost any country in the world.

In China, eBay is committed to driving the development of CBEC retail export, and open up direct overseas sales channels for Chinese enterprises. In order to help Chinese enterprises successfully develop global trade on eBay, it has established a professional team delivering cross-border transaction services to provide cross-border transaction certification, special training for foreign trade and online training, hotline of foreign trade BBS, business consulting and a series of other services. It also actively cooperates with third-party suppliers to promote the introduction and application of CBEC logistics, financing, insurance and other solutions to solve the worries of CBEC enterprises.



## eBay: Talent Development System for the Cross-border E-Commerce

With the rapid development of the cross-border e-commerce (CBEC) industry and huge market opportunity in recent years, shortage of qualified personnel has become increasingly prominent. In 2016, eBay launched a camp for CBEC talent development to cultivate innovative Internet talents along the coastal economic belt. In 2017 and 2018, eBay worked in partnership with Jiangxi College of Foreign Studies and Fujian Business University respectively to establish "eBay Cross-border E-commerce Course" and "eBay Cross-border E-commerce School", with a view to help students seamlessly get prepared for their campus and workplace through directional development of CBEC talents in the mode of "industry and education" integration. After initial success, eBay continued its resource integration and launched the "E-Youth"( 易青春 ) talent development program under the guidance of National Teaching Steering Committee for Foreign Trade Vocational Education, aiming at cooperating with colleges and universities in the whole country to provide training on professional eBay knowledge and real eBay account practice for students who wanted to engage in CBEC industry. They will be developed to be high-quality CBEC talents with practical operation experience and get into CBEC industry for employment and entrepreneurship, as a way of addressing shortage of qualified personnel in the industry.

eBay's "E-Youth" talent development program will provide full support from industry guidance, textbook support system to industry practice and workplace preparation for CBEC talent development, and cultivate e-commerce talents with both professional knowledge and practical operation experience for the industry. The whole program will be carried out around four core modules of E-Classroom, E-Workplace, E-Plant and E-Tutor, covering all aspects of eBay's basic operation, including training of eBay policies, publishing skills, product selection skills, logistics, payment collection, customer service and other CBEC links.

- E-Classroom: Rich systems of offline courses , cutting-edge information of the CBEC industry; complete and flexible online courses, systematic teaching materials support system.
- E-Tutor: "Zero distance" communication with senior industry experts to solve problems in an all-round way.
- E-Plant: Exclusive student internship account, exchange of massive industry resources, professional social practice base.

# 2019全国跨境电商大人才培养高峰论坛

暨湖北省高校跨境电商创新创业挑战赛颁奖仪式

指导单位：武汉市商务局

主办方：eBay中国

承办方：阿里巴巴电子商务（武汉）有限公司

## eBay: Talent Development System for the Cross-border E-Commerce

- E-Workplace: Updated report of industry talents, on-site recruitment by quality enterprises, and comprehensive support for self-employment.

During the Third National Cross-border E-commerce Talent Development Summit in 2020, eBay signed a Memorandum of Strategic Cooperation with National Teaching Steering Committee for E-commerce Vocational Education, launched "E-Youth" 2.0 and released a three-year action program for the ecological talent construction in the CBEC industry. They planned to increase investment for the all-round upgrade of the current talent development system on the basis of the existing "E-Youth" talent development system and with fully combination with the resource advantages of National Teaching Steering Committee for E-commerce Vocational Education. Both parties jointly promoted the integration of industry and education in CBEC, improved the quality of professional talent development in the industry, and helped Chinese enterprises better explore the global market through eBay platform. According to the Memorandum, National Teaching Steering Committee for E-commerce Vocational Education invited eBay to be a partner of "industry + leading enterprise" ecological construction for industry and education integration, set up substantive programs on the development of teaching resources for the cross-border e-commerce major, and develop high-quality courses, textbooks and digital teaching resources for cross-border e-commerce jointly. eBay also explored and created an ecosystem for cross-border e-commerce talent development with a closed loop including students, schools, National Teaching Steering Committee for E-commerce Vocational Education, CBEC Pilot Zones, employers, and eBay. eBay will also release a report with stakeholders later.

To further expand the influence of such program, eBay held three National Cross-border E-commerce Talent Development Summits in Qingdao, Wuhan, and Hangzhou. eBay has worked closely with the government, universities, enterprises, industry associations, and other resources to jointly discuss new directions and new ideas of CBEC talent development, for the delivery of a large number of professionals with both practical and theoretical knowledge to the booming CBEC industry. Meanwhile, during the Third Cross-border E-commerce Talent Development Summit, eBay launched the "eBay President Scholarship" program, in which "E-Youth" students that are outstanding based on both academic and practical performance should be selected, once a year, as scholarship winners. They will be invited to receive the awards.

Since 2020, eBay has held seven innovation and entrepreneurship competitions, at-





## eBay: Talent Development System for the Cross-border E-Commerce

tracting more than 350 colleges and universities and 6,000 students. In innovation and entrepreneurship competitions, the method of real eBay account operation was adopted to evaluate the composite scores of the competitors in store operation, road show, and academic performance, to test their understanding of CBEC, market analysis of products, future planning, and other capacities.

In March 2021, eBay also launched the first National Cross-border E-commerce Innovation and Entrepreneurship Competition, which attracted 2,560 teams from 288 colleges and universities across the country, with more than 10,000 people entering for it. In this competition, eBay not only provided students with real student accounts as support, but also prepared high-quality supply chain resources for students to help them practice and compete in a real business environment. Some competition areas arranged pre-game training camp particularly for each team, for the purpose of helping each team to achieve good results. During the intensified training, college lecturers provided the competitors in-depth training and cultivation from both theoretical and practical skills, and motivated their initiative through various interactive sections such as online and offline prize-winning answers and registration wall messages. Competitors said that, through the intensified training, they had a deeper understanding of the industry, greatly improved their practical operation skills of the platform, and strengthened their confidence and determination in the CBEC industry.

Together with colleges and universities across the country, eBay has been exploring the mode of "Learning through Competition and Replacing Training with Competition", hoping to cultivate CBEC talents with practical operation ability who are able to operate in the real environment, and to provide a stage for excellent professionals to show themselves. One of the major purpose of the innovation and entrepreneurship competitions is to accelerate the development of CBEC talents, promote the integration of industry and education, and expand the channels of "mass entrepreneurship and innovation" in cooperation with platforms. eBay expects that more students from colleges and universities will be guided to engage in employment and entrepreneurship in the CBEC industry through the holding of innovation and entrepreneurship competitions, and it will also offer convenience for college graduates engaged in CBEC with first-class teaching and services.

To answer the call of "spare no efforts to stabilize foreign trade and foreign investment



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指导单位：武汉市商务局

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## eBay: Talent Development System for the Cross-border E-Commerce

and promote high-quality trade development" by the State Council, eBay hopes that it can make full use of CBEC to promote the development of open economy and seek deeper and broader collaboration in CBEC training, talent entrepreneurship and employment with government-school-enterprise cooperation as an opportunity, as a way of furthering resource complementarity, co-construction and sharing, promoting the integration of industry and education and achieving mutual benefit and win-win results.

Government-school-enterprise cooperation serves as a key driver for local economic and social development, optimization and upgrading of the industrial structure, and the comprehensive reform of colleges and universities. It helps to establish a diversified talent development system to develop application-oriented talents as per employment needs of enterprises. Contents and areas of the cooperation will be enriched and expanded continuously, and solid progress will be made in talent development and local service. In order to vigorously develop local vocational and technical education, enable the institutions to cultivate application-oriented talents with both sound professional knowledge and practical operation skills, implement a mode of teaching focused on vocational competence development, and transform institutions into places to provide targeted talents for enterprises in the park, these enterprises have become practical training bases of institutions. Through government-school-enterprise cooperation, committed to "industry-academia-research" integration, eBay has carried out effective resources integration to make it mutually beneficial for both parties.



## LinkedIn: Supporting Chinese Enterprises Go Global


### I. Overseas Recruitment Challenges for Chinese Enterprises

The profound changes in the internal and external economic situation and the challenges China's economy is facing propel policymakers to launch the latest deployment of "accelerating the formation of a new development pattern that takes the domestic economic circulation as the mainstay while letting internal and external dual circulations boost each other". It is essential to maintain a positive and open attitude under the "dual circulation". In the context of increasing risks of industrial supply chain transfer, it is still necessary to increase opening-up measures and accelerate the construction of free trade zones to attract foreign investment. Under the impact of the epidemic in 2021, although the overseas recruitment of Chinese overseas enterprises is affected, there are plenty of opportunities in expanding overseas business and the vast majority of them are still committed to doing so. Internet and high-tech enterprises from China have succeeded in finding more and better opportunities in business model innovation, industrial advantage extension, and core technology application when entering emerging markets in the Middle East, Southeast Asia, Africa, and other regions.

Also, Chinese enterprises have encountered extremely severe challenges in the process of internationalization, including difficulties in talent ability screening, lack of recruitment channels, lack of cross-cultural integration capabilities, and weak employer branding. China urgently needs to deploy overseas talent strategies when the "dual circulation" framework encourages Chinese companies to go global. LinkedIn can provide insights on recruiting overseas talent and help Chinese companies solve pressing problems from a unique perspective.

### II. The White Book Provides Insights for the Development of Chinese Overseas Enterprises

*The White Paper on Talents Development of Chinese Enterprises Overseas* is the latest research achievement on the development of overseas talents of Chinese enterprises co-published by LinkedIn and China Trade International Think Tank Platform affiliated



## LinkedIn: Supporting Chinese Enterprises Go Global

to China Trade News, released on February 1st, 2021. From the angle of talent demand and talent management in different markets and industries, combined with specific cases, the report described, analyzed, and assessed the status quo and trends in the development of overseas talent in Chinese enterprises. The report also provided suggestions on how to improve the strategic layout of overseas talents of Chinese enterprises in the future. With its experience and insights in the global talent field, LinkedIn has contributed to the formulation of talent development policies, the improvement of city competitiveness, industry attractiveness, and national cohesion for the public service departments in China.

Key Findings of the White Paper:

1. For overseas employee recruitment, 34% of the Chinese enterprises still have a large demand for overseas employees in the future; 23% of the Chinese employers chose to expand their recruitment for international talent during the pandemic; 66% of Chinese enterprises have their overseas talent structure strategy.
2. In terms of the skills and characteristics of overseas talents demanded by Chinese enterprises, the report suggests that for Chinese enterprises based in Europe, North America and Oceania, 60% of the positions for recruitment are middle-level to high-level positions, higher than the other markets across the globe. Among them, technological and managerial talents are the most popular ones.
3. The challenges Chinese enterprises encountered during overseas talent recruitments could be further broken down into difficulties in talent ability screening, insufficient recruitment channels, insufficient cross-cultural communication ability, and low recruiter brand awareness among applicants. Hence it is suggested that China's enterprises should be clear about their goal for internationalization, enhance their internal culture strategy, increase the sustainable competitiveness of the company, establish a talent pool connecting departments with domestic and overseas talents, improve talent localization, and build a professional team with discipline.
4. To be specific, among the talents urgently needed by China's overseas enterprises, technical talents have taken the first place, followed by talents in man-



## LinkedIn: Supporting Chinese Enterprises Go Global

agement. In addition, talents practicing in the industries of languages, research and development, government and public relations, law, front-line operations, procurement, and logistics are also in high demand.

### III.Social Impacts of Overseas Talent Solutions

LinkedIn provides data support for the growth of Chinese overseas enterprises and offers recommendations on the aspects of overseas talent strategic deployment, employer brand establishment, organizational structure, and cooperation between headquarters and overseas branches. LinkedIn helps enterprises expand their vision and solve talent problems by pointing out the types and functions of talent vacancies urgently needed by overseas enterprises, summarizing the causes of difficulties in recruiting overseas talents, and clarifying the development direction of talent recruitment for overseas enterprises based on a series of analyses. Because of the impact of the pandemic on the international market in 2020, LinkedIn analyzed the economic situation and recruitment trend of the manufacturing industry, which was an objective reflection of the changes in enterprises' demand for different talents such as digital talents post-COVID, providing insights for post-pandemic talent recruitment and talent cultivation.

### About LinkedIn

As the world's leading professional network, LinkedIn was founded in 2003 and is headquartered in Silicon Valley, California, USA. LinkedIn's vision is to create economic opportunity for every member of the global workforce, and create the world's first Economic Graph. As of March 31, 2022, LinkedIn has nearly 810 million members from more than 200 countries and territories around the world, with the number of Chinese members currently amounting to over 55 million. In 2014, LinkedIn officially announced its entry into China and has been providing quality localized products and services to members and enterprise-level clients. In December 2021, LinkedIn launched InCareer, to continue to have a strong presence in China.

## IBM: Intelligent Manufacturing Enabled by Visual Supply Chain Technology

### I.Sustainable Development of the Industry Requires Enterprises Along the Supply Chain to Work Coordinately

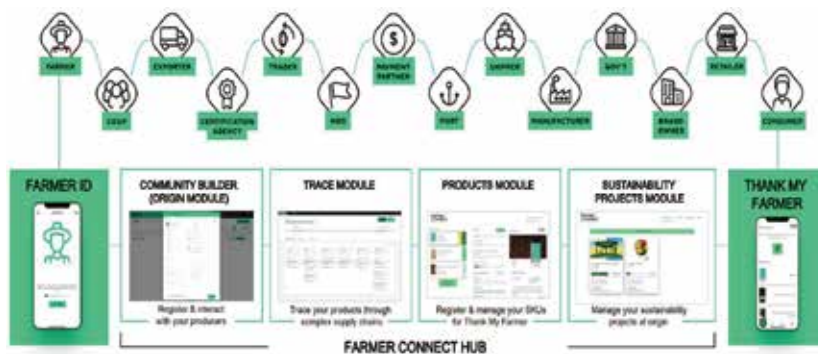
Many enterprises find that indirect carbon emissions from the supply chain, including those from their upstream and downstream activities, account for more than 90% of their total emissions. Therefore, it is essential for enterprises of all industries to consider and understand their entire supply chains with a holistic view in order to achieve sustainability. If industrial organizations do not have accurate supply and demand planning, there will be a negative knock-on effect, generating waste in other areas of the supply chain. Therefore, creating a green and low-carbon supply chain requires data sharing across the entire ecosystem of the supply chain in a trusted manner with the assistance of an accurate, real-time view of the global inventory.

### II.IBM Cooperates with Canadian Solar to Open Up the Supply Chain

Canadian Solar is a leading manufacturer of solar photovoltaic module and general solar solution provider in China. To support the global development strategy and lay the foundation for further upgrading intelligent manufacturing, Canadian Solar joined hands with IBM, aiming to achieve end-to-end transparent management of the supply chain and establish a globally-shared-and-coordinated supply chain ecosystem basing production on sales through establishing a globalized efficient operation and management platform.

The core foundation of intelligent manufacturing is "visualization". Canadian Solar's globally efficient operation management platform with S4 HANA as the core has changed the information management and business communication model which features fragmentation, poor offline operation and communication, and asymmetric basic data in the past, realized the digital, visual, transparent management of the end-to-end supply chain data of 6 continents, 12 sales companies, and 7 production bases, and created the fastest global coverage of core ERP implementation in the photovoltaic industry.

## IBM: Intelligent Manufacturing Enabled by Visual Supply Chain Technology



### III.Application Outcomes of Visual Supply Chain Technology

During the 4-month launch of this platform., 4,000 sales orders, 2,100 planned orders, 7,600 production orders, 4,400 shipping instructions, and 10,300 shipping orders were released, all of which were processed in accordance with the supply chain’s process specifications, thus reducing invalid internal communication and greatly improving the inventory accuracy and work efficiency, with the inventory error rate reducing by 50%, and the turnover rate increasing by 5%.

### IV.Suggestions on Enterprises’ Development in the Context of “Dual Carbon” Goal

The “dual carbon” goals are on the top planning level of the Chinese Government for economic development in the next stage and a topic of great concern to governments worldwide. Enterprises of all industries shall carry out key actions, including sticking to the concept of sustainable development, improving the utilization rate of renewable energy, and reducing carbon emissions in all links of business activities.

## IBM: Intelligent Manufacturing Enabled by Visual Supply Chain Technology

Although the “dual carbon” goals will bring risks in compliance and pressure in emissions reduction, it pushes enterprises to advance their management and technology. On the whole, we suggest that enterprises consider and carry out low-carbon activities from the following aspects:

- (1) Formulate a clear sustainable development strategy and carbon neutrality goal, find its own positioning in the market in terms of “dual carbon” goals and make corresponding adjustments in its organizational structure, business, and products.
- (2) To achieve sustainable development and carbon neutrality goals, enterprises should effectively balance the opportunities that carbon neutrality may bring about and the negative impacts it may produce. For enterprises in new energy and other fields, carbon neutrality brings important development opportunities and further improves the competitiveness of their segments. For companies whose profits are severely affected by carbon emissions reduction, they should focus on energy conservation, emissions reduction, cost reduction, and efficiency increase in their existing businesses and carry out supplementary actions such as carbon capture and carbon trading. In addition, they are advised to actively explore sustainable development and new energy fields to speed up business transformation.
- (3) Information technology is a necessary tool for enterprises to achieve sustainable development and carbon neutrality. Enterprises’ carbon footprint tracking and carbon asset management are increasingly relying on information technology, and the realization of cost reduction and efficiency increase of enterprises also largely depends on their digitalization capacity and intelligence level. The integration of carbon neutrality businesses with existing information systems and business processes, regulation-oriented information disclosure, and connection with the carbon trading market are all that information development work can effectively help to provide.





## Amway: Leveraging Upgraded Digital Capabilities to Empower Entrepreneurs to Transform Community Operation

### I. Shock induced by emerging e-commerce to conventional direct selling

Direct selling, a sales model based on conventional communities, has its sharing and selling of products mainly rely on social network. However, the rapid rising of the mobile network, 5G and other technologies gave birth to explosive development of new marketing and selling models (through streaming, by e-commerce, in online communities, etc.), creating enormous challenges to many conventional sales business including direct selling. New forms of sales are reshaping consumers' behaviors as their basic requirements tilt towards more efficient, convenient, enriched and interactive options. All retail businesses must seek transformation, or they will be prevented from enjoying market bonus. The sector of direct selling when challenged presented an overall slide as practitioners' confidence takes a heavy blow. From the micro perspective, numerous practitioners and entrepreneurs in direct selling are facing the difficulty of transformation. First of all, they need sufficient technical support so as to migrate their previously accumulated abilities to the virtual world. Meanwhile, they need to refresh their thinking, renew models, and update marketing and operation approaches in response to changes.

### II. Amway facilitates digital transformation of entrepreneurship

The driving force for Amway's digital transformation mainly comes from two sources, its positive response to external challenges and its cultivation and development of internal innovative trends. Its business lines are structured more like an entrepreneurial ecosystem than a unified model. Some pioneering entrepreneurs have already applied new online models in operation which turbocharge the business growth. Amway's DNA is highly compatible with new technologies and models, which represents a transformation direction.

Propelled by internal and external forces, Amway's digital transformation is to empower entrepreneurs from the following aspects.



## Amway: Leveraging Upgraded Digital Capabilities to Empower Entrepreneurs to Transform Community Operation

### ***1. Clarified direction: Focusing on Big Health and advantageous areas***

In the beginning of 2021, Amway formally introduced a development strategy focusing on Big Health. On one hand, the concept of Healthy China has been enshrined as a national policy with consumers having a stronger awareness of maintaining health. A favorable external environment has taken shape. On the other hand, Amway has the Nutrilite brand and advantages in nutrition and health. When external and internal conditions matured, it made a wise decision to focus on Big Health. Marketing and sales partners to Amway now have a clearer direction and focus of attention.

Under the guidance of the Big Health Strategy, its digital tasks and work are to provide Amway entrepreneurs with full supports in Big Health including knowledge sharing, enrichment and upgrading of contents, as well as development of health-related tools and APPs.

### ***2. Figuring out a transformation model suitable for Amway entrepreneurs***

Which one of the numerous new marketing and sales models can best fit Amway entrepreneurs? Taking into account Amway's DNA of "social life", it treats communities as a starting point and promotes the transformation by Dual Forces (online + offline) apart from boosting online digital capabilities and the competence to run communities. It also utilizes digital technologies and means to help its entrepreneurs migrate their core competence to new platforms.

### ***3. Propelled by infrastructure and concept development, Amway empowers entrepreneurs by adjusting measures to local conditions***

Amway's digital transformation is a systematic function for it has to not only maintain its advanced and forward-looking technology in an attempt to ensure that provided digital experience could match products and services on Internet platforms at the front line in China in terms of consumers and entrepreneurs' satisfaction; but also make new technologies and operation concepts fully penetrate into the thinking of entrepreneurs so that they can be seamlessly inserted into business scenarios, addressing pain points in business and thereby registering growth.

In the field of digital infrastructure construction and development of applications: Am-



## Amway: Leveraging Upgraded Digital Capabilities to Empower Entrepreneurs to Transform Community Operation

Amway cooperates in a wide range of sectors with Alibaba, Tencent and JD to make digital experience more efficient and convenient. Meanwhile, it provides better solutions to digital communities, digital insight and client management, including solutions to learning and training through playing games and watching videos in fragmented time periods. Digital application covers every aspect of its business, enabling entrepreneurs to align seamlessly with data platform. By this way, digital technologies support the development of business.

The process of transforming mindset is a huge task driven by education, training and guidance. Amway regards its core sales team as a major asset and uses innovative pilots and digital workshops to experience and upgrade digital applications together with participants, leveraging a huge sales team with the help of their influence. Moreover, we balance values in the short and long run, which means that we have to make rapid responses to address pain points in sales, and to lay a solid foundation for the modernization and transformation of the overall business model, based on which the best practices at market are selected for refinement and promotion, so as to boost the force for market transformation. “Online Book Club for Big Health”, a community ran by Amway, is a case of summarizing outstanding experience in successfully running communities and sharing it with a large number of sales partners so that everyone can see the actual transformation results and know that long-term persistence and efforts will bring in business growth. In addition, Amway adopts a concept of “precise empowerment” for the diversified and differentiated market. It respects differences of various markets and doesn’t impose one model or unified promotion campaigns. On the contrary, it helps markets in different development stages to find the appropriate digital solutions while maintaining a focus on promoting APPs most relevant to their business so as to ensure market acceptance.

### III. Fruitful achievements of Amway’s digital strategy

Amway has supported over one million practitioners to achieve digital transformation since 2012 when it introduced its digital strategy. Sales performance on virtual platforms now accounts for 98%. After it made the commitment to Big Health, it prioritized the online promotion of nutritious breakfast, weight management and health&youth



## Amway: Leveraging Upgraded Digital Capabilities to Empower Entrepreneurs to Transform Community Operation

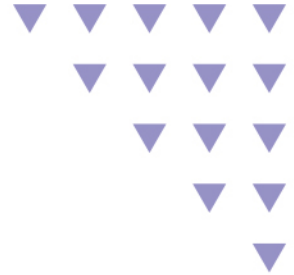
improvement among other major platforms, building over 2,000 Big Health communities covering over 479,000 people. Besides, it empowers entrepreneurs to expand their business, playing the role of passing on a healthy lifestyle and supporting the development of the health industry.

### IV. Conclusions and suggestions for entrepreneurs to pursue digital transformation

1. When entrepreneurs are empowered for digital transformation, they must set the correct strategic direction and be precisely positioned;
2. A synchronized transformation of technology and concepts will better empower entrepreneurs;
3. It is necessary to help entrepreneurs to find suitable and differentiated transformation modes instead of imposing one rigid format on all of them.



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