



Pharmacy Online, An Australia-based Retailer, Boosts Its Sales by Expanding to China



Australia

- CHINESE SITE <http://cn.pharmacyonline.com.au>
- GLOBAL SITE <http://www.pharmacyonline.com.au>
- HAITUNCUN FLAGSHIP STORE
<http://www.haituncun.com/ycguojia/ycan/ycpo/>

Pharmacy
Online

Expanding to a new market has always been a great opportunity to grow sales and promote brand awareness. However, it's never been an easy task to expand to a completely new market like China, given the complexity of market and policy environment. That being said, there are always first-movers who are bold enough to have a try.

Pharmacy Online, an Australian pharmacy retailer, is one of these successful first-movers who has grown its business considerably after establish business presence in China. By the end of May, 2016, Pharmacy Online' Chinese site has grown its monthly GMV by 10 times based on its launch in February 2015.

OPPORTUNITIES

- 1 Australia is recognised by local consumers as having a clean and green environment with good quality products and brands. Some Australian exporters have already taken advantage of this competitive edge and are established suppliers of healthcare and baby care products.
- 2 Safety is a major concern amongst Chinese consumers. Australian baby and children products have consequently been attracting greater attention amongst parents given the overall clean and green reputation of Australia. Parents are very willing to buy expensive baby care products given the strong association of price with quality.
- 3 Chinese consumers are highly brand conscious and prefer premium consumer products. Branded and imported products are almost always regarded as being of high quality in the eyes of Chinese consumers.

BARRIERS

For pharmacies planning to expand to China, they need to solve many problems before they can establish a solid presence in China. The barriers are:

- 1 Lack a sound and proven entry strategy. There are various marketing channels that only local experts know how to fully leverage. To introduce a new business to the market, overseas retailers need to choose the right channels to broadcast their messages and employ the right marketing strategies to achieve the optimal results.
- 2 Unfamiliar with intricacy of policies and Guanxi. Doing business in China involves dealings with government and other stake holders. Maintaining a good Guanxi network is never an easy task even for many local businesses.
- 3 Fierce competition amongst Aussie suppliers. Lured by the profitability of the market, many Aussie suppliers have already started to sell to China. They are already on Tmall or other online platforms. The competition can make it harder for new comers to get spotlight and differentiated from others.

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HOW AZOYA HELPS

1 Brand building

To differentiate Pharmacy Online from other Aussie suppliers in China, Azoya built a dedicated Chinese site for Pharmacy Online. By doing so, Azoya helped Pharmacy Online get a direct brand exposure in China. Unlike many overseas retailers in Chinese online marketplaces, who get little spotlight and find it hard to attract traffic, Pharmacy Online can build its own brand identity and get unstrained traffic source in China. This is important for the reason stated above – Chinese consumers are brand conscious.

2 Going mobile

Data ^[1] shows that Chinese online shoppers are shifting from PC to mobile. This phenomenon leads online retailers to emphasize more on mobile experiences. Azoya built a mobile site for Pharmacy Online to capitalize this trend. Mobile social media is another gold mine for marketing. Azoya created many engaging HTML5 mobile pages to attract attentions from mobile users.

3 Customer education

Chinese online healthcare products consumers are less informed than their counterparts in the West. They need guide and professional opinion to make choices. Azoya's specialist team engages with customers on social media to share information about products with them. Simple advertising approach will annoy the customers. Offering useful information to them is a safe way to cultivate customer loyalty.



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RESULTS

1 Sales are climbing

After the launch of Pharmacy Online's Chinese site in 2015, orders from China started to grow rapidly. The monthly growth rate of GVM maintains an average of 45 %. Complaint rate is satisfyingly low, indicating that the local operation team can meet the needs of Chinese customers.

2 A high level of customer loyalty

The number of registered users keeps increasing steadily. Over 50% of them are from east coastal provinces with higher disposable income. 53% of them make purchases more than 2 times within in year. Average basket value is relatively high, reducing the marginal shipping cost significantly.

3 More growth potential awaits to be realized

With the entry strategy being implemented, more growth potential awaits to be realized even after Pharmacy Online has secured great growth. Traffic continues growing, brand influence keeps rising, registered customers are growing and a large portion of them become regular customers.

ABOUT AZOYA

Azoya is a leading turnkey eCommerce solutions provider who endeavors to help overseas retailers break into China via cross-border eCommerce. The company prides itself as being the eCommerce leader who has signed exclusivity agreement with the largest number of overseas retailers in China. With its all-encompassing services and dedicated specialist team, the company has won trust from more than 35 overseas retailers until May 2016. Among all the partners from 11 countries, La Redoute is the largest online retailer of women's apparel in France; Sigma is the largest pharmacy group in Australia.