WHAT IS PRIVATE TRAFFIC





淘

CREATE YOUR OWN PRIVATE TRAFFIC POOL

PRIVATE TRAFFIC POOLS MAKE GAINING AND CONTROLLING TRAFFIC MORE COST-EFFECTIVE

PRIVATE TRAFFIC POOL PUBLIC TRAFFIC POOL ••• 小红书 0 Personal Group Personal / message chat public account 0 **8°8** WeChat Community WeChat Moments Mini program Platform and marketplace with Personal account and community huge traffic and resource with close relationship with VS consumers Direct contact with consumers Contacting with consumers through platforms More focus on targeted audience Reaches a wide range of consumers \checkmark Improving consumer retention rate

- Mainly disposable flow, hard to complete retention
 - High cost on getting traffic
- Like owned traffic in the West, private traffic is a direct response to the rising costs of reaching fans and followers. 0
- Private traffic is free from the algorithms of large ecommerce platforms, putting the brand in control of how consumers 0 see their products.

✓ Low cost on getting traffic





"PRIVATE TRAFFIC" IS TRENDING AMONG CHINESE MARKETERS

MORE PEOPLE WANT TO LEARN ABOUT PRIVATE TRAFFIC IN 2019

Baidu index "Private traffic" (in last 12 months)



- Higher search index on Baidu shows that the "private traffic" concept started taking off in Spring 2019.
- With several successful examples emerging in the market, marketers want to learn how they can leverage private traffic.

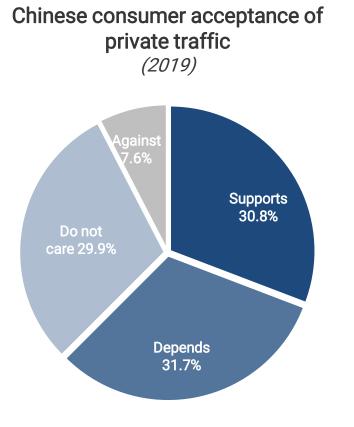
Zhihu column "Private traffic"



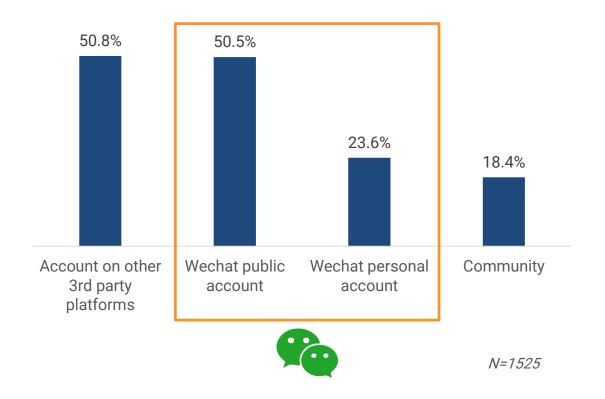


HOW CONSUMERS FEEL ABOUT PRIVATE TRAFFIC IN CHINA

CONSUMERS SHOW THEIR WILLINGNESS TO JOIN PRIVATE TRAFFIC POOLS, WITH WECHAT AS THE MOST WELCOMED CHANNEL



Distribution of private traffic marketing channel in China (2019)



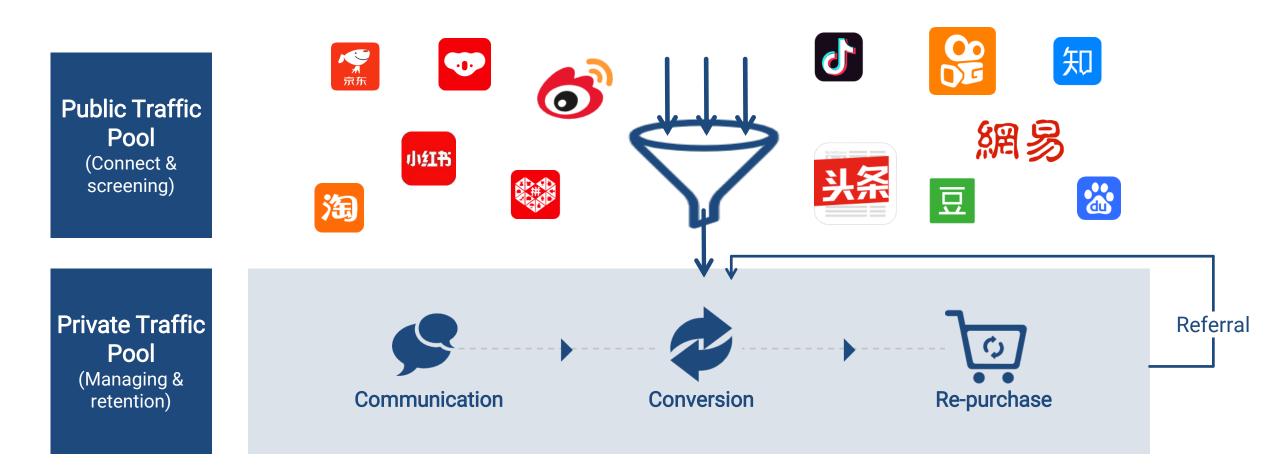


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HOW PRIVATE TRAFFIC MARKETING WORKS IN CHINA

IMPROVING CUSTOMER STICKINESS AND CLIENT RETENTION RATE AFTER GETTING TRAFFIC FROM PUBLIC TRAFFIC POOL.

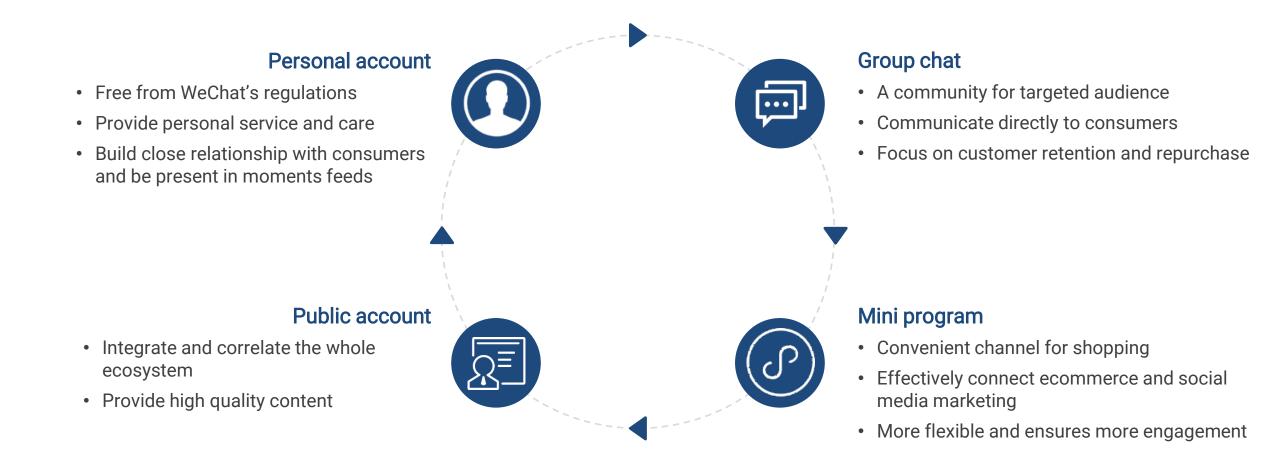


Source:

https://zhuanlan.zhihu.com/p/83707641?utm_source=wechat_session&utm_medium=social&ut m_oi=619454018930610176



CREATING AN EMOTIONAL TIE WITH CONSUMER AND INTEGRATING SOCIAL MEDIA MARKETING WITH ECOMMERCE



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HOW TO COMMUNICATE WITH CONSUMERS IN PRIVATE TRAFFIC POOL

BEING CLOSER TO CONSUMERS BY SATISFYING THEIR DEMANDS QUICKLY AND DIRECTLY





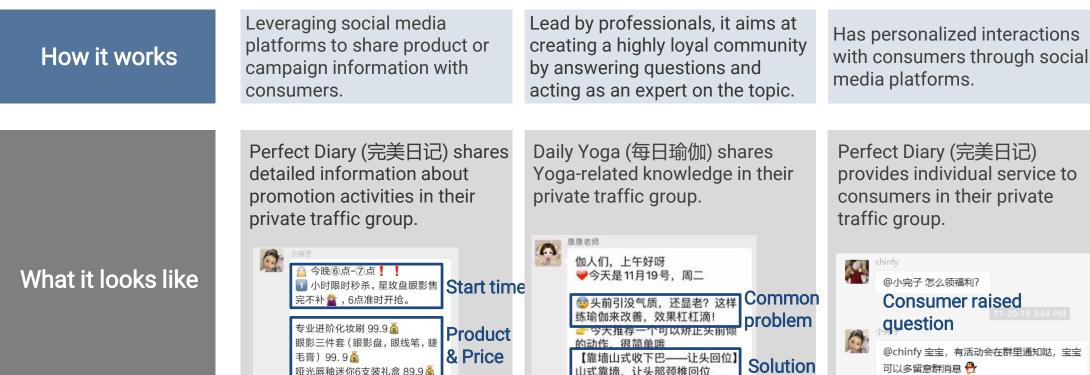
颈部后侧延展,双手向两侧打开

站立3-5分钟

sharing



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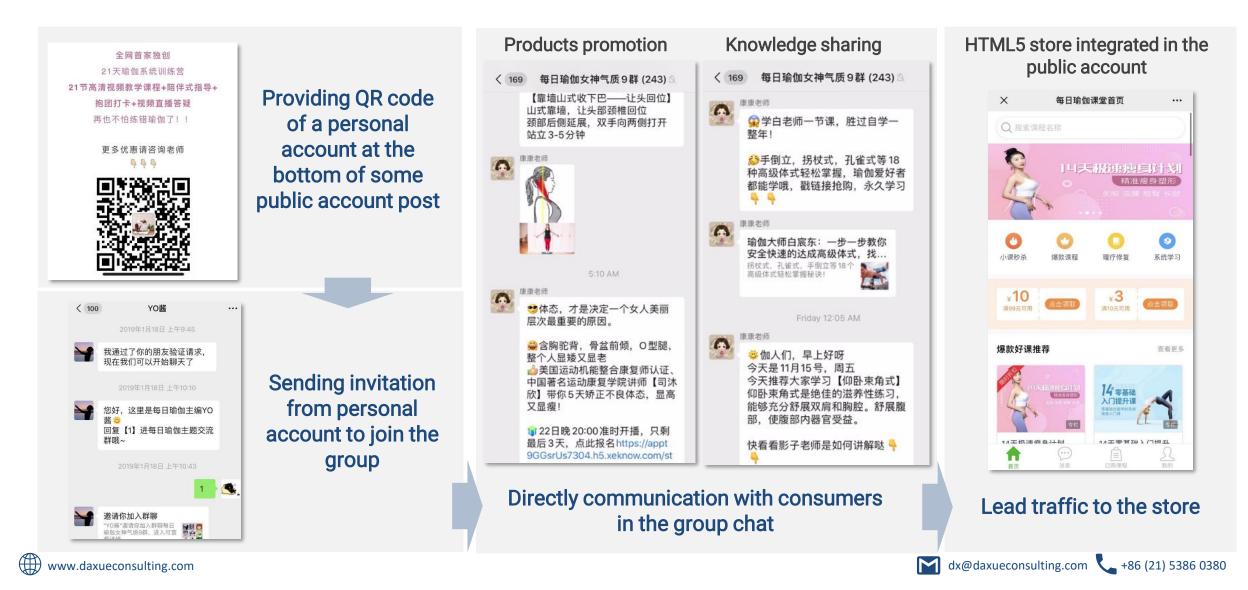


小可爱们快点先添加购物车啦~



HOW PRIVATE TRAFFIC WORKS WITH REAL EXAMPLE

LEVERAGING WECHAT ECOSYSTEM TO ATTRACT TRAFFIC AND BUILD COMMUNITY INDEPENDENTLY



CASE 1: LOUIS VUITTON

INDEPENDENCE FROM MARKETPLACES

LOUIS VUITTON



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LOUIS VUITTON IN CHINA

MAINTAINING INDEPENDENCE IN ALL SALES CHANNELS





- LV entered China in 1992. Currently, it has around 40 offline stores and three self-operated online stores in China.
- In the 9 months between October 2018 and May 2019, about 8% sales came from LV's online store.



By allowing online purchases on it's website, the click-through rate of the site increased by 14% and had become LV's highest performing retail channel.

LV's sales channels in China







LV IS HIGHLY INDEPENDENT IN THE DIGITAL MARKET

MARKETPLACES ARE NOT INDISPENSABLE, BRANDS CAN DRIVE TRAFFIC THROUGH SOCIAL MEDIA



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Brand-owned channels Social media platforms 0 理 Weibo Brand.com Traffic & Membership data Traffic Membership data WeChat Membership data 小红书 brand zone Douyin Xiaohongshu Brand APP

With little presence on marketplaces, brand.com and brand apps are central in LV's digital strategy.



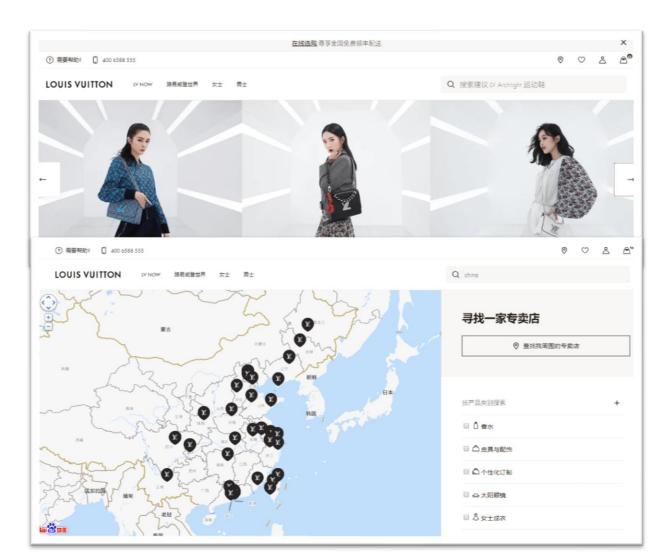




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BRAND.COM IN CHINA: LOUISVUITTON.CN HOW LV SELLS TO CONSUMERS DIRECTLY

LOUIS VUITTON





Product category All products are available on their website



Payment method Alipay, WeChat pay, Bank card

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Delivery service

- Free delivery
- Delivered by SF Express
- In stock products: delivered 1-2 days after payment
- Pre-order products: delivered within 1-8 weeks

Click & Collect service

- Available to collect in offline stores by choosing this purchase method
- Consumers are notified when the good is ready

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After-sales service

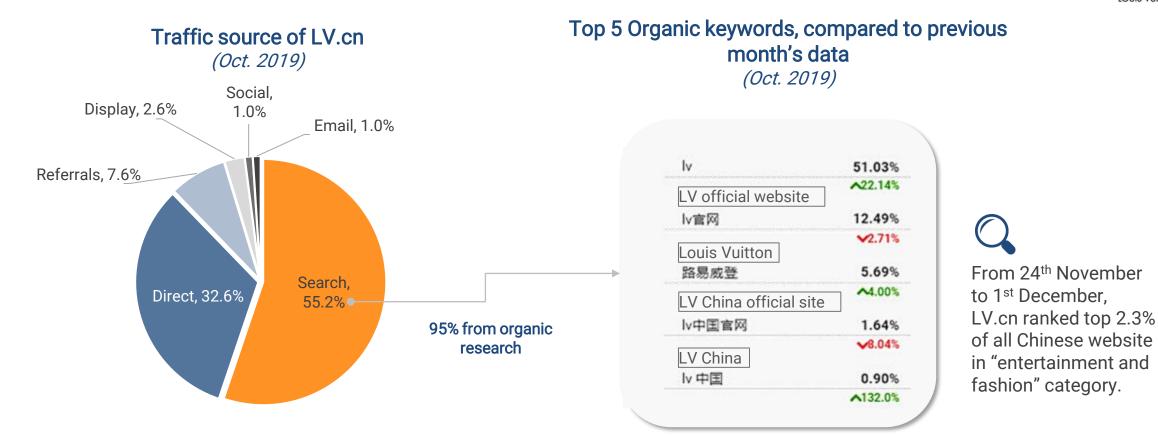
- Returns available within 7 days by receiving
- Free door-to-door collection and delivery service



SELLING AS A BRAND, NOT A PRODUCT

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- With more than half of traffic coming from direct research, LV has successfully improved its brand awareness in China.
- More Chinese consumers search LV because of the brand itself but not for specific products.



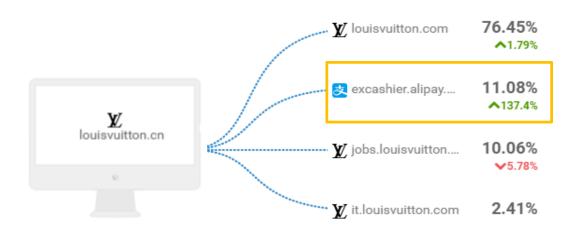
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TRAFFIC MONETIZING OF LOUISVUITTON.CN

REALIZING STRONGER TRAFFIC MONETIZATION ABILITY



Top destination sites of traffic from referrals (Oct. 2019)



- About 10% of website visitors from referring site complete a transaction.
- With significant traffic growth on excashier.com in October, it seems LV has successfully built its independent brand image and market strategy in China.



Organic exposure rate of Burberry's flagship store on Tmall (5th Nov. 2019 – 5th Dec. 2019)

Monthly sales	Store exposure index	Conversion rate
9,932	80,172	12.39%

** Store exposure index refers to views volume index of direct research on Taobao & Tmall*

* Conversion rate = Monthly sales / Sore exposure index * 100

Compared to Burberry's flagship store on Tmall, the traffic monetization capability of LV.cn is no worse than competitors on marketplace such as Tmall.





MARKETPLACES ARE NOT SUITABLE FOR ALL BRANDS

IT IS DIFFICULT FOR BRANDS PROVIDE HIGH QUALITY PRODUCTS AND KEEP PRODUCTION SPEED UP WITH INCREASING SALES.



Consumers' perception of LV's official website on Weibo

呆小雅儿 ∨ 在LV官网买▲需要十足的耐心…真的会让你等够三个月以上… ② ③ 分好在终于收到了 ◎ 南宁							~
11月11日 13:00	来自 iPhone≇	经户端					
收藏		转发		评论 13		1∆ 4	



Weibo is China's biggest social media network that was launched in 2009. Over the past years, it has transformed from a Chinese equivalent of Twitter to a comprehensive platform.



Consumers perception

Most Chinese consumers complained that some of LV's products are often out of stock, so they always need to wait for a long time after making order on LV.cn.

LV's current situation

Although LV has not officially sold on marketplace, there is still a shortage of supply. It may discourage some consumers from buying.

Tips for brands



For brands who are insisted on providing high quality products, marketplace would not be a good choice. Because it's hard to catch up with the increase on sales brought by exposure from the marketplace.



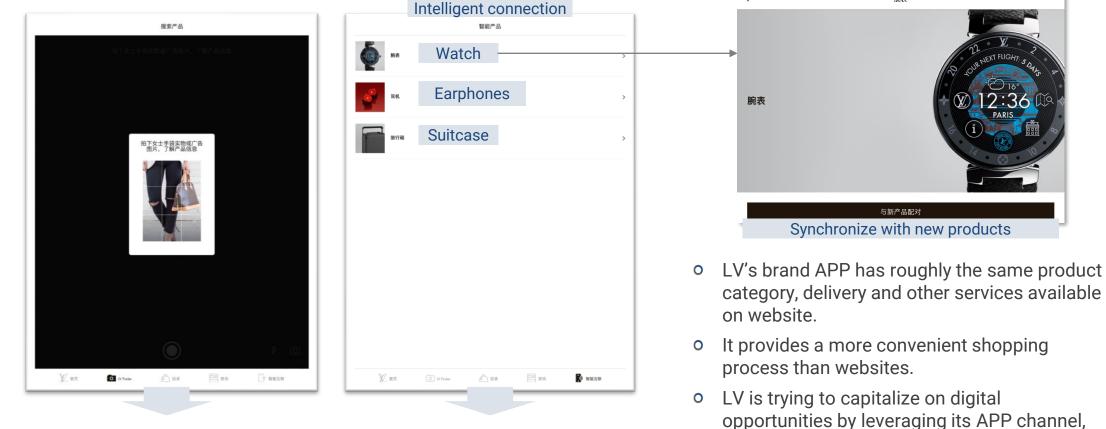




BETTER CONNECTIVITY BETWEEN CONSUMERS AND PRODUCTS

LV'S BRAND APP SHOWS MORE INNOVATION AND CREATIVITY BY LEVERAGING DIGITAL TECHNOLOGY

Applying artificial intelligence technology on LV APP



Allows APP users to find products in its online store by scanning a QR code.

Allows APP users to connect LV's intelligent products.



which cannot be realized by having store on

marketplace.

腕表

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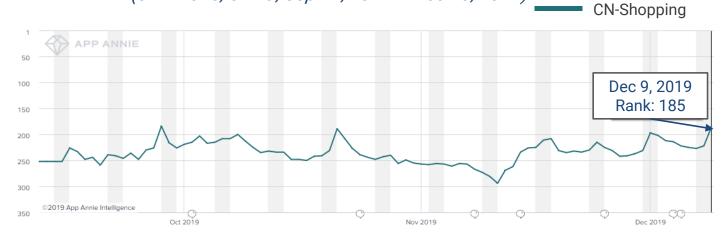
BRAND APP SHOULD PRIORITIZE USER EXPERIENCE

BETTER USER EXPERIENCE CAN INCREASE BRAND LOYALTY.



Rank history of LV APP in shopping category

(on iPhone, China, Sep 12, 2019 – Dec 10, 2019)



Most recent feedback on APP Store

💋 Write a Review

通。

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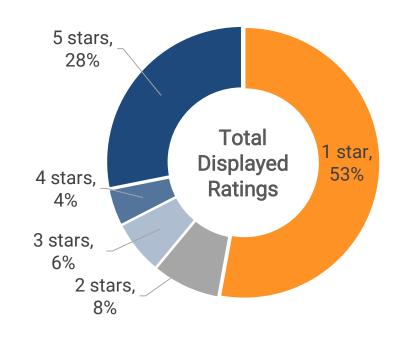
- ③ App Support
 Almost no positive feedback
- Sort by Most Recent 🗸

Soft by Most Recent
软件做的太烂了吧! Tue ★☆☆☆☆☆ ZZ~猪猪ZZ 一直登不上是怎么肥四?
去年还能在 app 上下单,现在却 20 Nov ★☆☆☆☆ 墩墩 有 app,我还得去官网下单。不明白弄这个

app的意义何在。而且线上购买信息还不互

- Almost no positive feedback from Chinese consumers
- Most complaints are around:
 - \checkmark Unable to login and no fixed version until now
 - Product and order information is inconsistent with that on website
 - ✓ Hard to connect intelligent devices
 - ✓ Slow in operation process

Ratings of LV APP on APP Store (Dec 10, 2019)



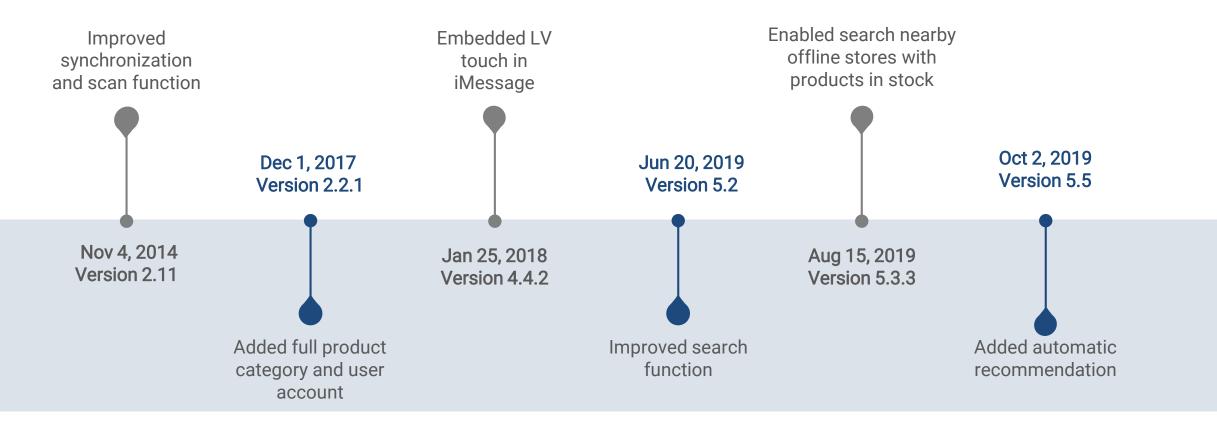
- LV APP ranked not very high as a shopping APP.
- There still are some defects need to fix, especially technical issues.



LV CONTINUOUSLY IMPROVES USER EXPERIENCE

AS A HIGHLY INDEPENDENT BRAND, LV BETTER UNDERSTANDS THEIR CUSTOMERS AND THEREFORE CAN EASILY ADAPT TO DEMAL LOUIS VUITION

Some critical updates of LV APP in APP Store





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BUILD INDEPENDENT BRAND IMAGE ON WECHAT

BRAND INDEPENDENCE ENABLES LV TO HAVE A FLEXIBLE PROMOTION STRATEGY ON WECHAT



Shopping channels (Different ecommerce events are introduced for different marketing campaigns)

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LV PROMOTIONS ON WECHAT DRIVE TRAFFIC TO MINI-PROGRAM STORE

LV's WeChat public account



 LV APP
 LV APP

 以大代刀石
 路易威登邀您喜迎假日缤纷
 常见问题



Rank 75th in fashion category



4 latest posts on LV Official AccountDateSubjectView24 Oct.LV Archlight sneakers100k+5 Nov.LV twist bag100k+15 Nov.LV's cobranding with
League of Legend100k+22 Nov.LV men's bag100k+

Providing entrance to mini-program popup stores at the end of article





Performance

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Evaluation of LV Official Account

Item	Score
Value of investment on ads	9/15
Completeness of basic information	15/15
Activeness	3/10
User stickiness	5/15
Content quality	9/15
Impact	29/30

- LV's WeChat public account is well-connected with other channels.
- Most article posts are correlated with marketing campaigns.
- All articles are quite successful, we can assume these posts do drive large volume of traffic to its WeChat stores.



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Traffic in be redirected from one to another. December 0 Product category: Sneakers Shopping channels Men's fall & winter collection \checkmark * pop-up stores Boutique \checkmark change based on promotion campaigns **Payment method:** WeChat pay only "Homepage" works as the main

HOW LV SELLS TROUGH MINI-PROGRAM ECOSYSTEM

LEVERAGING SOCIAL MARKETING STRATEGY TO DRIVE TRAFFIC FOR BRAND ITSELF



- Improving traffic monetization capability by providing easier shopping process.

page of mini-program

ecosystem, and provide

entrance to other mini-

programs.

WeChat posts

Navigation bar in chat-box

Entry points of

mini-programs:

- Brand mini site
- WeChat search 0 engine

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LV's mini-program ecosystem (Dec 10, 2019)







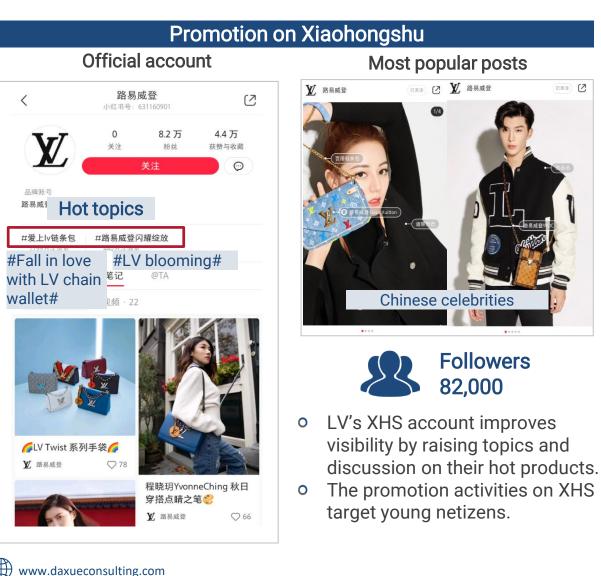
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HOW LV USES KOL MARKETING







Official account 已关注 【7 路易威登 🛛 🗃 Louis Vuitton官方微慎 私信 + 关注 Brief brand profile 路易威登(中国)商业销售有限公司 审核时间 2019-07-22 \odot 行业类别 服装/箱包服饰/运动户外-箱包 简介: 自1854 年成立至今, 路易威登作为全 7 球奢侈时尚品牌,完美结合旅行与探索、历史 与艺术、工艺与时尚感,不断... 友情链接 路易威登官方网站 路易威登优酷视 频空间 路易威登专卖店 路易威登移动官方网

沾

link to louisvuitton.cn

Promotion on Weibo

One of most popular posts 路易威登 V 🐽 11月2日 10:00 来自 微博 weibo.com 转动LV#灵感焕新经典,时髦从不定格。路易威登携手@InStyle优易 自 2019 秋冬**开**游玄列 link to louisvuitton.cn A Chinese idol 凸 470163 722975 ··· 3893 Followers 4.1 Million

Reaching more than 4 million followers, Weibo could be an ideal channel for potential consumers.

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HOW LV DRIVES TRAFFIC TO BRAND.COM

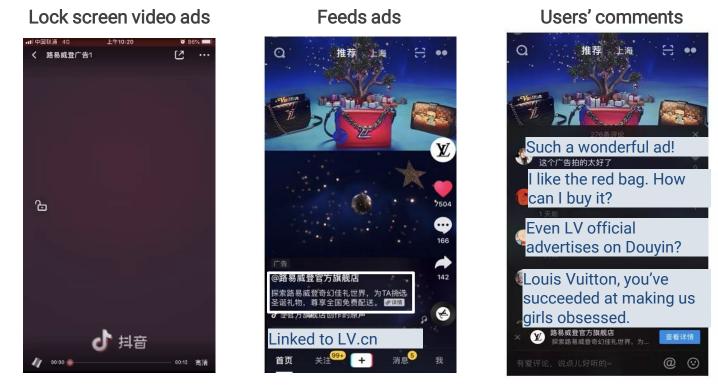
UTILIZING MAINSTREAM SEARCH ENGINE AND SHORT VIDEO PLATFORMS FOR HIGHLY TARGETED PROMOTION

LV's advertising on Baidu shows up during searches for "Luxury goods"

奢侈品		Lux	ury	go	ods				Ó	百度
网页	资讯	视频	图片	知道	文库	贴吧	采购	地图	更多»	
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搜索结果》	场价格仅	作参考,请	以商家官	网为准						
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PR.	ADA			配送服务 om 2019	-11 👻 🕼	- <u>评价</u> 」	广告			
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www.louis	svuitton.cr	n 2019-11	- 0	Ν	1ICH	IAE	LK	ORS	S	
MICHA	EL KOR	S中国首	E 🕅 - 16x		余クリヘボ	輸金				
e /8	20-		•国官网 - 免费包邮		《,焕新假E		」。官网选购	的尊享精美	龟装和	

LV paid for targeted keywords to be preferentially showed in the search engine Baidu to help increase traffic of LV.cn.

LV's Christmas promotion ads on Douyin



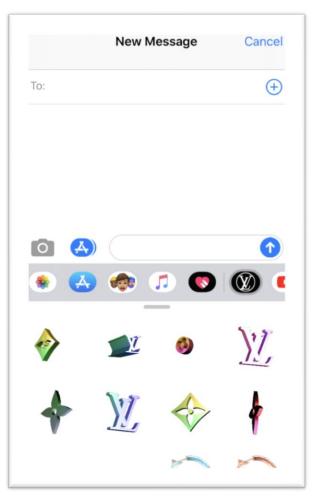
- LV started to do advertising on Douyin, a Chinese social media platform which owns rich resource and traffic volume.
- Since LV has no presence on marketplaces, these advertisements can drive all traffic to its own sales channels.



ADDING INTELLECTUAL PROPERTY IN MESSENGER

USING SHARABLE BRANDED VISUALS TO GET CLOSER TO CONSUMERS.

LV's iMessage stickers



- In January 2018, LV embedded LV touch into iMessage and provided attractive stickers based on its brand visuals.
- Every iPhone user can send the sticker through iMessage after downloading LV APP.
- Leveraging iPhone users' social connection to expand influence and improve brand awareness.
- It is also a trigger to attract people download the LV APP.

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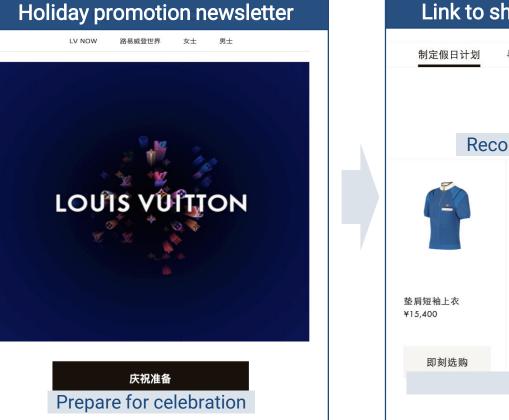
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SENDING NEWSLETTERS FOR CUSTOMER RETENTION

DIRECTLY, REGULARLY AND COST-EFFECTIVELY WAY TO PROMOTES FOR BRAND ITSELF







- LV's newsletter is designed to drive traffic to LV.cn and its major social media accounts.
- Ensuring direct communicating with potential consumers to stimulate demand and realize retention.



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CO-BRANDING: INCREASING EXPOSURE TO NEW CONSUMER GROUPS

COLLABORATED WITH A BRAND WHICH HAS A HIGH PURCHASE FREQUENCY TO BOOST BRAND AWARENESS

Recently, LV collaborated with LEAGUE of LEGENDS (world leading video game), and created a series of co-branding products.



Comments on Weibo

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Source: http://www.1th1.com/weixin/price/3940.html ost-2-47840.html

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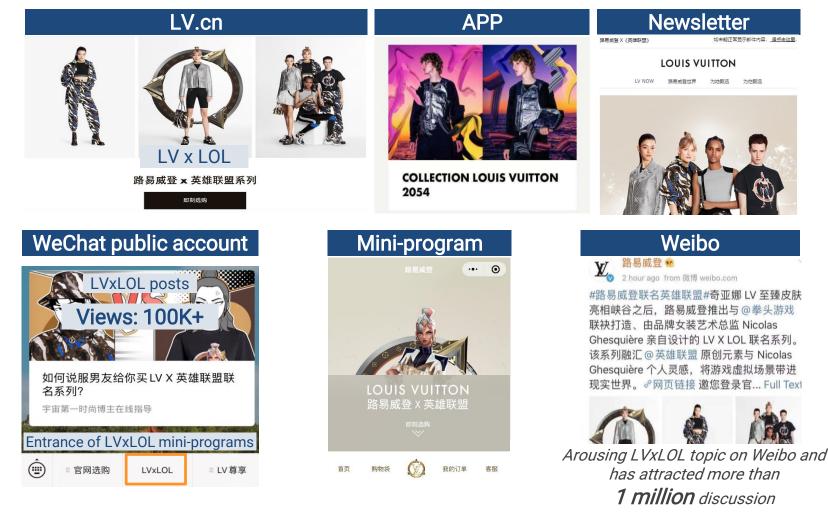
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ROADMAP OF LV X LEAGUE OF LEGENDS MARKETING CAMPAIGN

COVER NEW GROUPS OF CONSUMERS THROUGH COORDINATED PROMOTION ON ALL CHANNELS

LV's promotion ecosystem



Vote launched on Weibo

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More than 10.6K people voted

LV's promotion has reached large volume of potential consumers.

LV has built a mature promotion system by itself to meet different demands.

CASE 2: PERFECT DIARY 完美日记

EXCELLENT EXAMPLE OF PRIVATE TRAFFIC MARKETING





Source: https://baike.baidu.com/reference/22119286/426eN0Spxp_s-tePzTwHLeZZyK_-fFaP2hUnv7rVMwx4odCi0xZJWeY3Z64W3IfD6N544Sr-kdKAzz5C6gSkq9vVMTf6C5dlRn1AnE_4GMcmyGeaew

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AN EMERGING BRAND THAT STARTED ON MARKETPLACE BUT IS GRADUALLY BECOMING INDEPENDENT.

PERFECT DIARY 完美日记

PERFECT DIARY 完美日记

- PERFECT DIARY is a young Chinese Beauty brand targeting young women born in the 90s.
- The brand started its online business on Taobao, and tried to sell independently later.
- It now has 40 offline stores and one brand-owned store on WeChat.

In the "Hurun Greater China Unicorn Index 2019 Q3" report published by Hurun research unit*, Perfect Diary was ranked 6th on the top new Unicorn list, with valuation at 7 billion RMB.

* Hurun research unit is a leading luxury publishing group

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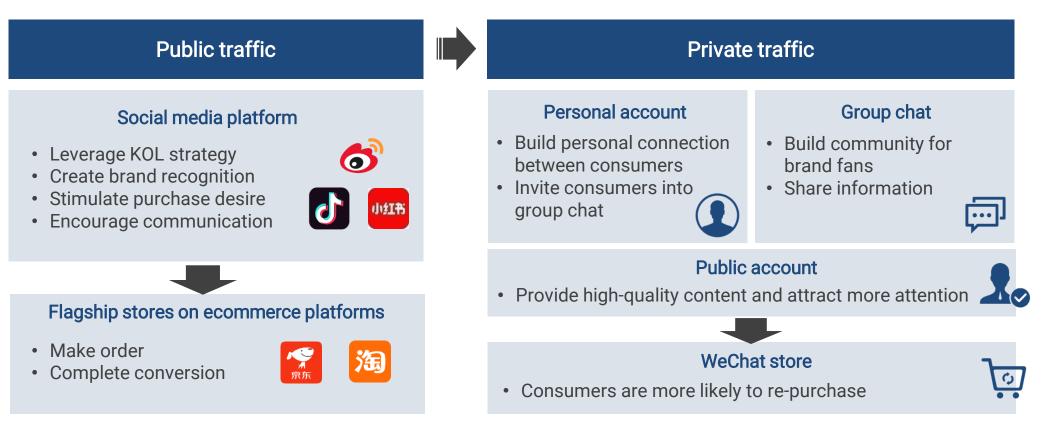






A PERFECT EXAMPLE TO LEARN HOW TO GAIN INDEPENDENCE FROM THE MARKETPLACE

Perfect Diary's online marketing strategy



- Perfect Diary builds its private traffic pool on WeChat, which can be conducive to re-purchasing.
- This brand leverages rich outside resources and then converts it into its own resources and realizes consumer retention.

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LEVERAGING XHS TO IMPROVE BRAND AWARENESS

INCREASING BRAND VISIBILITY BY WORKING WITH KOLS

Job description for "KOL advertising" position

岗位要求

1、本科及以上学历。1年以上互联网相关工作经验 Be familiar with new 女相关经验); 2、熟悉小红书等各类新媒体渠道, 了解小红书的 media channels like XHS.

3、有较强的沟通能力,能独立解决问题

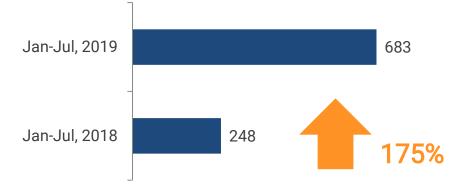
5、有一定MCN机构和小红书红人资源者优先

4、有团队意识和较强的抗压能力:

Better to have some KOL and Multi-Channel Network (MCN)* resources.

* Multi-Channel Network (MCN): Agency manages KOL activity including content creation and marketing.

Perfect Diary's KOL advertising volume on XHS (no. of cooperated KOL)





- Perfect Diary shows particular preference for KOL marketing on XHS.
- The brand is still working on expanding their influence on XHS by cooperating with more KOLs.
- Their strategy on XHS performed well, even better than world leading brand in the cosmetics industry.

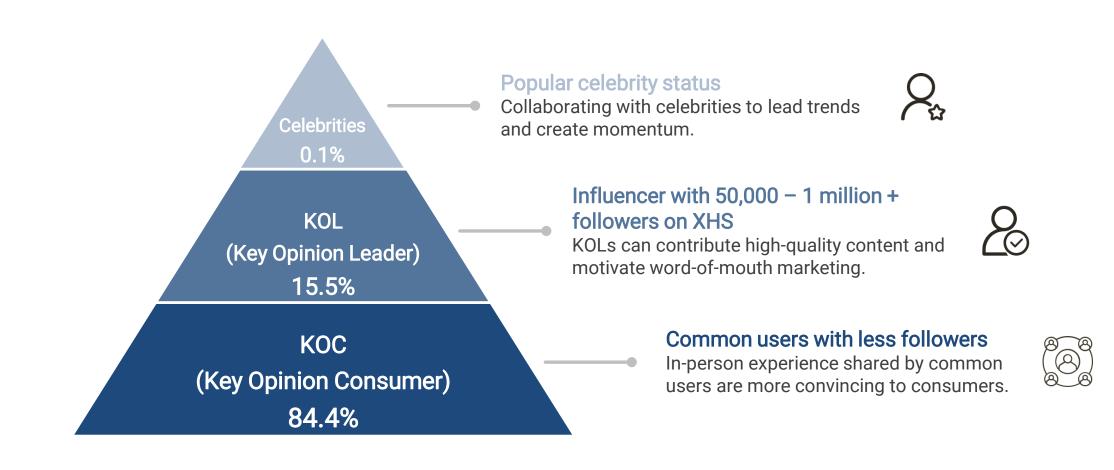




UTILIZING THE BANDWAGON EFFECT FOR HIGH BRAND VISIBILITY

PERFECT DIARY'S HIGHLY COST-EFFECTIVE ADVERTISING STRATEGY ON XHS

Perfect Diary's KOL advertising structure on XHS

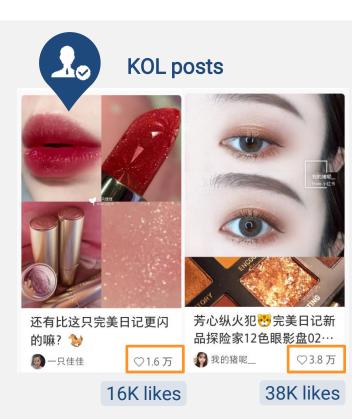




DIFFERENT GROUPS OF PEOPLE PROVIDE DIFFERENT CONTENTS

EXAMPLES OF PERFECT DIARY'S KOL ADVERTISING ON XHS





Head KOLs' posts normally introduce products with charming pictures and detailed description.



- Content from KOCs appear more ordinary but are more trustworthy for consumers.
- Though each can reach to limited number people, a large volume of KOCs can make waves.

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CONVERTING PUBLIC TRAFFIC INTO PRIVATE TRAFFIC

MOTIVATING CONSUMERS FROM MARKETPLACES TO ENTER ITS PRIVATE TRAFFIC POOL AT A LOW COST



Perfect Diary's private traffic acquiring process

• The promotion card is attached to products sold on marketplace*.

• Lucky money encourages consumers to enter its private traffic pool.

Personal account Xiaowanzi gives access to get lucky money and sends personal invitations to enter private traffic group.





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PERFECT DIARY 完美日记

CREATING A VIRTUAL KOC CHARACTER

CREATING EFFECTIVE COMMUNICATION IN BRAND'S PRIVATE TRAFFIC POOL

Xiaowanzi 小完子

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Who is She?

An imaginary KOC character created by Perfect Diary.

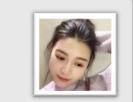
What's her role?

- Provides information on 0 products
- **Beauty Consultant** 0
- Provider of real-time 0 customer service
- Friend 0



Character image of Xiaowanzi

- Xiaowanzi has similar characteristic with Perfect Diary's target consumers. 0
- This KOC character help the brand build closer relationship with consumers. 0
- Close relationship makes communication more effective and efficient. 0

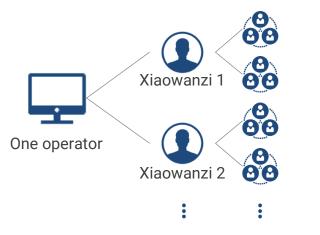




BUILDING PERSONAL CONNECTIONS WITH CONSUMERS

CREATING A PERSONAL ACCOUNT MATRIX TO PROVIDE CUSTOMIZED SERVICE

'Black technology' behind Perfect Diary's personal account matrix



- Leveraging group control technology, Perfect Diary created hundreds personal account with unified character image called "Xiaowanzi".
- Normally, each WeChat personal account can have no more than 3,000 contacts. So, Perfect Diary has already has millions of followers in its private traffic pool.

WeChat Moments of different accounts



Post frequency 2-4 posts per day

Main content

- Life sharing
- Products promotion
- Product related knowledge sharing
- Sharing high quality content on WeChat moments to stimulate shop desire.
- Providing different content to different consumer groups.



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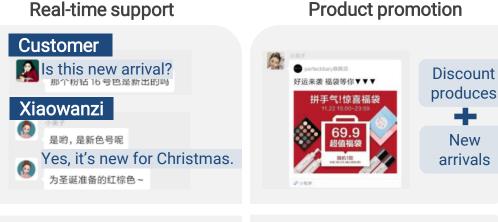


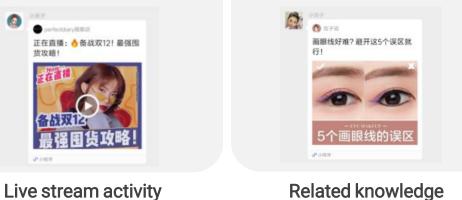
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EFFECTIVE COMMUNICATION TO INSPIRE RE-PURCHASE

ESTABLISHING A SERIES OF COMMUNITIES TO SELL AND COMMUNICATE DIRECTLY TO CONSUMERS

Communicate with consumers in WeChat group





Expansion of one WeChat group



- Perfect Diary has hundreds of private traffic groups, and each is managed by one personal account.
- The group expands fast and has promotion activities everyday.
- The manager Xiaowanzi acts as a reliable friend and provides exclusive service for all consumers in the group.

PERFECT DIARY 完美日记



PERFECT DIARY 完美日记

MAINTAINING RETENTION ON BRAND-OWNED SALES CHANNELS

DRIVING BRAND'S PRIVATE TRAFFIC TO ITS OWN STORES

Entry points to Perfect Diary's WeChat stores

	完美日记美妆实 一个让你想要想美的公		PERFECT DAMAGE	完美日记美妆社	100 C 10 C 10 C
-			-	位朋友关注	
Dnlir	ne store	e		关注公众号	
在线商城	或 护肤干货	化妆手记	= ▲ 美妆 教程	在线商城	= 免费抽 服影
	##★ ト年10:00	a	<	muguleaca Ta	α
		2-576 - 50256 A		完美日记宠粉明	关盟
NINVERT BANY	完美日记美妆TV 关注我们。一起安美!	/		小完子的宠粉大本营 宠粉的我们将会疯狂	
	22編冊報内容			34篇原创内容 9位	
进入	和 一 一 一 一 一 一 一 一 一 一 一 一 一 一 一 一 一 一 一	关注	进入	公众号 不	再关注
- 在线商	成 护肤干货	化妆手记	在线商城	()送新品	= 宠粉福利 •
2	10.10% (0.10.1	1120 1101		mmm hoose	
<		q	<		Q
PERFECT DIARY	PerfectDiary完美日		PERFECTIONS	完美日记颜究月 ev. 效抑小可爱加入	โหละเพราะเหลือ
	Ferrect Diary/完美日 际彩妆趋势及欧美时/			ey,xX地小可爱加入 十项全能变美宝典,\\	
	26頁原頭的頁 545	1期复关注	1	位朋友关注	

Perfect Diary has 6 public accounts and each of them are store entry points.



Providing entrance to Perfect diary's flagship store on WeChat.



Providing entrance to another WeChat store called "Abby's choice 完子心选", which might related to each personal account's KPI.

Perfect Diary's WeChat stores



Branch store on WeChat, which only sells products promoted by personal accounts.

dx@daxue

channel on WeChat.

providing all

products.



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FINDING NEW CONSUMERS OFFLINE

AND CONVERTING THEM TO ONLINE REGULAR ONLINE CONSUMERS BY INVITING THEM TO PRIVATE TRAFFIC POOLS.

Perfect diary's first offline store in Shanghai





Giving free gifts to motivate consumers to enter its new private traffic pool





Direct to new private traffic pool managed by a new KOC character "Xiaomeizi小美子"

- Perfect Diary has opened 30 offline stores in 2019, and is planning to have 600 stores in next 3 years. 0
- The brand hopes 65% customers in offline stores are new consumers, who haven't bought their products online. 0
- By establishing offline stores, the brand aims at improving shopping experience and create new private traffic pool. 0

Source: http://www.ebrun.com/20191014/354301.shtml; https://weibo.com/ttarticle/p/show?id=2309404454375778025703





美日记

山姆会员商店

CASE 3: SAM'S CLUB

RETAIN INDEPENDENCE THROUGH MEMBER-OWNED BUSINESS

Source: Zhang Chenzhuo, China Daily



www.daxueconsulting.com *Source: http://www.china*

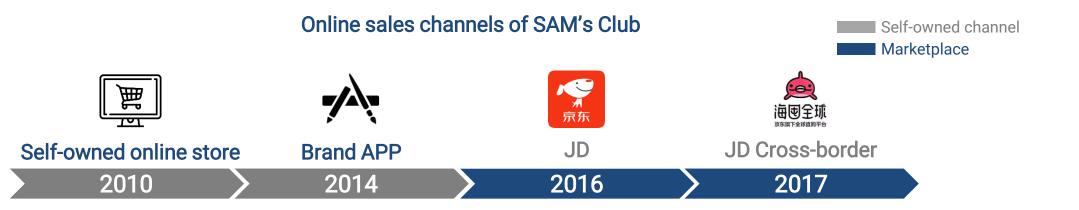
http://www.chinadaily.com.cn/a/201901/24/WS5c491649a3106c65c34e63a 9.html; https://36kr.com/p/5250546

SAM'S CLUB IN CHINA

STARTED BUSINESS IN CHINA INDEPENDENTLY AND COOPERATED WITH JD FOR FURTHER EXPANSION

- Sam's Club is a world leading membership store, which serves more than 2 million members in mainland China.
- It mainly focuses on deep developing regular buyers and improving membership renewal rate.

In 2018, Sam's Club achieved 8% same-store sales growth in China's market, with almost 80% membership renewal rate.





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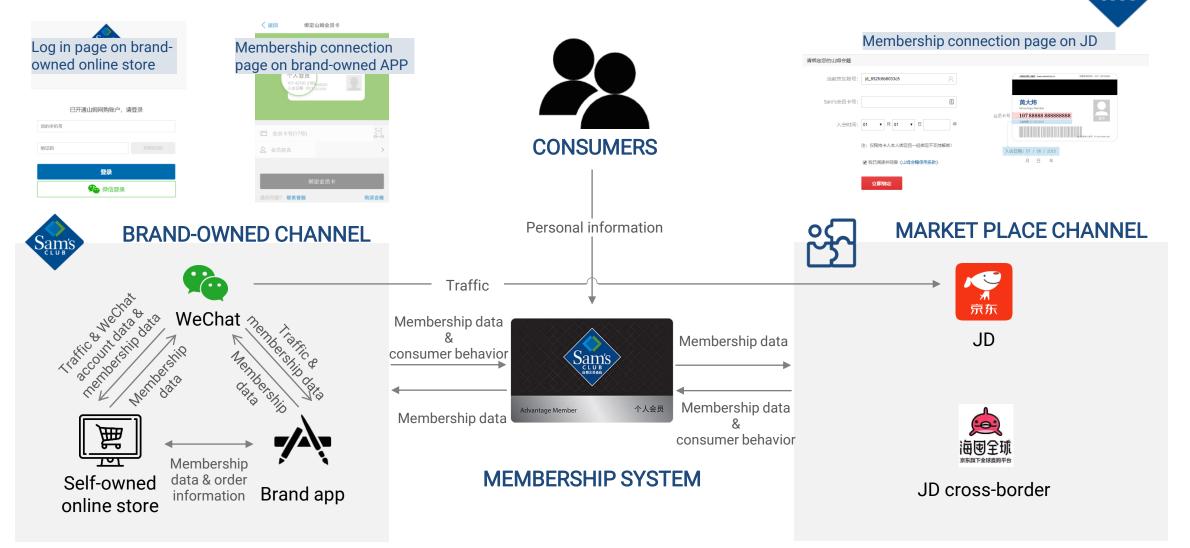


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MEMBERSHIP-CENTERED CRM ON DIGITAL CHANNELS

FULL CONTROL ON MEMBERSHIP DATA



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SELF-OWNED SHOPPING CHANNELS OF SAM'S CLUB

SAMSCLUB.CN AND APP: ONLY SERVE MEMBERS





	Ordinary	One-hour delivery	Global		
	delivery	service	purchase		
Warehouse	Sam's Club	Sam's Club offline	Bonded		
	offline store	store	warehouse		
Shipment time	1 day	1 hour	1-5 days		
Delivery area*			Specified area around offline stores		

* Specified delivery policy on samclub.cn



Payment method

Alipay, Bank Card, payment after delivery



Price One price for members



After-sales service Free returns & refunds within 7 days



Special service

Using the Bank of Communications card can get customers extra discount



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SAM'S CLUB FLAGSHIP STORE ON JD

MAINLY OPERATED BY JD WITH PURPOSE OF BUSINESS EXPANSION



Services provided by Sam's flagship stores on JD platform





		京东旗下全球直晚平台		
	JD self-operated store	Flagship store on JD Global		
Service provider	JD	Sam's Club		
Payment method	JD Pay, Bank Card	, WeChat Pay, Apple Pay, UnionPay		
After-sales service	DO NOT accept free returns & refunds within 7 days			
Shipment time	Within 1 day	Within 3-10 days		
Warehouse	JD's warehouse	Bounded warehouse		
Delivery area	Country-wide delivery available (excluding fresh food)			
Price	Member's price & ordinary price			
Membership	Integrate with Sam's own membership system, JD + Sam Club double membership			





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REALIZING HIGH CONSUMER STICKINESS ON BRAND'S OWN CHANNEL

SAM'S CLUB IS ABLE TO ENSURE PREMIUM SERVICE ON ITS OWN CHANNEL BY SERVING CONSUMERS DIRECTLY

- ✓ Only serves members.
- Only reaches consumers around Sam's offline stores.
- ✓ Provides higher quality after-sales service.
- One-hour delivery available.
- ✓ Delivers most products from Sam's offline store to consumers directly.

Reaches fewer consumers with high-quality service and products.







Leverages platforms to reach more consumers, but cannot control the quality of service and products.

- \checkmark Serves both members and non-members.
- ✓ Able to reach consumers all around the country.
- \checkmark Mainly operated by JD.
- ✓ Does not provide one-hour delivery service.
- ✓ JD keeps Sam's Club's products in its own warehouse, then delivers to buyers.







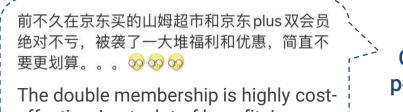
MEMBERSHIP COLLABORATION ATTRACTS MORE MEMBERS

SAM'S STRATEGY ON INCREASING BRAND LOYALTY ON MARKETPLACE

Benefits provided by double membership



- Doubled benefits help Sam's Club persuade more 0 consumers to become members.
- Sam's Club uses a collaboration strategy to convert 0 regular buyers on JD into brand's own asset.



effective. I got a lot of benefits!

Consumers' perception on Weibo

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ams

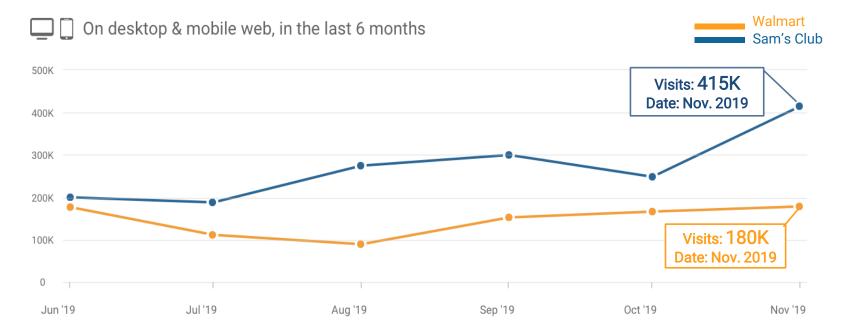
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INDEPENDENT SALES CHANNEL INCREASE BRAND VISIBILITY

SELLING ON OFFICIAL SITE MAKES MORE CONSUMERS HAVE OPPORTUNITY TO LEARN THE BRAND

Total Visits of Sam's Club official site in China



- Sam's Club's official website in China has online shopping while Walmart's site does not.
- By selling to consumers directly on the official site, Sam's Club's site attracts 2 times more traffic than Walmart's site.
- Sam's Club's membership system ensures its website stable traffic volume in a long term.



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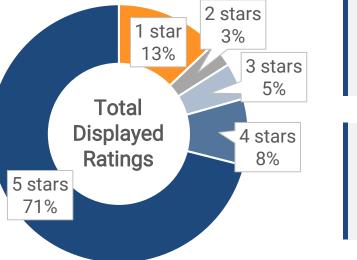
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SAM'S CLUB'S BRAND-OWNED CHANNEL HAS HIGH QUALITY SERVICES

ENSURING MEMBERS CAN GET PREMIUM SERVICE THROUGH BRAND.COM AND BRAND APP

Ratings of Sam's Club APP on APP Store

(Dec 12, 2019)



Consumers' perceptions of Sam's Club's brand APP on Weibo



buy fresh food on Sam's Club APP.

Sam's Club's flagship store on JD is mainly operated by JD, and has received more complaints about poor service.

. 历时半个小时不到,看来我可以实现彻底宅在家里不出门了,只要再花钱 买个代扔垃圾服务即可。

The delivery is fast. I made order on Sam's Club APP and it arrived within half an hour.

Most consumers are satisfied with the service and products provided by Sam's Club's brand APP.

Consumers' feedback of Sam's Club's flagship store on JD

★★★☆☆

这个吃起来还可以,就是有些发硬,总觉得没有实体店里面的好呢。

I think the products sold in Sam's Club's offline store has better quality than JD flagship store.

昨天下午4点多下的单,今天下午两点才收到。

I'm disappointed with the delivery, it's too slow.



SAM'S CLUB APP IS NOT ONLY A ONLINE SHOPPING CHANNEL

BESIDES SELLING TO MEMBERS, IT ALSO PROVIDES RICH CONTENT

"Discovery" page



There are regular recipe posts on Sam's Club brand APP.

Products promotion in post



Stimulating purchase desire and directing readers to shopping page.

\$ 00 极感》Member's Mark 红薯 1kg 软糯山芋引自日本鸣门金时红薯品种 收货后请拆掉包装,放置 在阴凉处存储 ¥18.9 降价通知 有货,18:20前下单,预计12月16日 重量:1.00kg 18:30-19:30 送达 配送 斜土路 了解配送地址 ◎ 不支持7天无理由退货

Shopping page

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Landing on shopping page to complete conversion.

- 1 +

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CREATING WECHAT-CENTERED DIGITAL MEMBERSHIP DATABASE

WECHAT IS THE ONLY CHANNEL FOR E-CARD MEMBERSHIP REGISTRATION

Structure of Sam's Club's WeChat ecosystem



Sam's Club's WeChat ecosystem aims at:

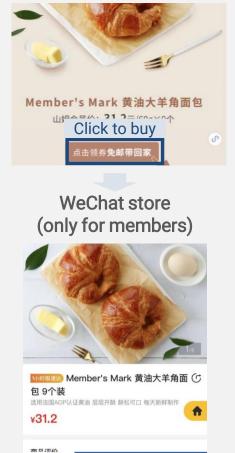
- ✓ Bringing traffic to other online shopping channels and boost sales.
- Providing convenient membership registration and activation process.
- Posting rich content to provide promotion information and create demand.

Official account homepage 山姆会员商店 作为美国沃尔玛旗下高端会员制商店,山、 姆会员商店正为遍布全球的5000万尊. Sam's 不再关注 membership ≡ 山姆会员 11.11狂欢 = 马上购物 Member's center PREMIU MEMBER 直然会员 欢迎光临山姆会员商店 球5000万会员的共同品质选择 3定会员卡/ Activate e-card Existing members can activate e-card.

• Non-members can register here.

Posts

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加入购物车

Å



CONSUMERS SEE SAM'S CLUB AS A WELL-REPUTED BRAND

POWERFUL BRAND IMAGE CAN PROMOTE THE BRAND ORGANICALLY

Ads on variety show



- Sam's Club gave space for a popular variety show.
- It presented Sam's Club's offline store in real scenario.

Public relation strategy on WeChat



- Sam's Club collaborated with influential local media on WeChat to reach their members in different cities.
- Sam's strategy worked quite well, with high view volume and engagement.

Consumers' perception on WeChat

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Excellent quality control makes Sam's Club stand out in bulk purchasing.

- Sam's Club has a good reputation by offering high-quality goods.
- Sam's Club is the top of mind when people mention bulk buying.
- Sam's Club has relatively less presence on media, it only runs promotion for new store arriving and sales promotion.
- Membership operating make Sam earns good reputation by offering high-quality goods.

CASE 4: BEAST 野兽派

THE NICHE FLOWER SHOP TRANSFORMED INTO A WELL-KNOWN PREMIUM BRAND WITHOUT ONLINE MARKETPLACES

Source: INS@thebeastshop_official

party and



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BEAST ^{野兽派}

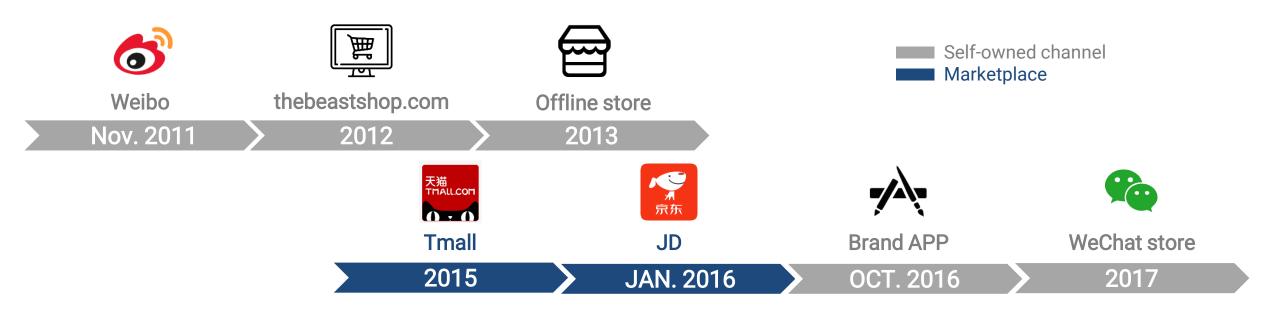
BEAST 野兽派

STARTED AS AN INDEPENDENT BRAND STEPPED INTO ONLINE MARKETPLACES LATER



- Beast is a homegrown brand in China, products include followers, clothes, cosmetics, and furniture.
- Though a young brand, Beast has explored an effective sales system in China.

Sales channels of Beast

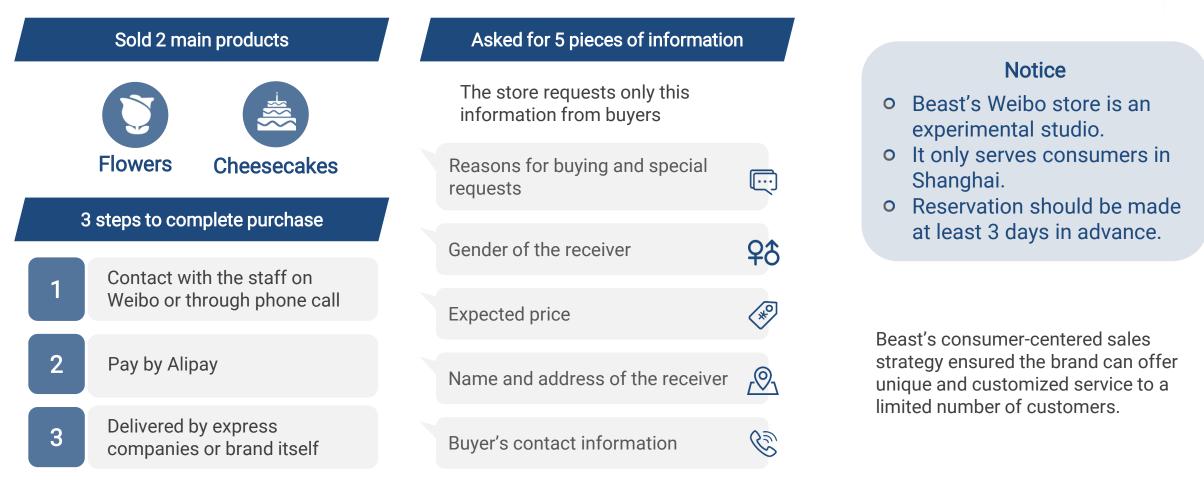




STARTING BUSINESS INDEPENDENTLY AS A NICHE BRAND

BEAST ESTABLISHED ITS E-FLOWER BUSINESS ON WEIBO AND CREATED AN EXCLUSIVE BRAND IMAGE.

How did Beast run its business on Weibo at the beginning





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BEAST

野兽派



112-5-8 14:13 来自 微博 weibo.com

EMOTION-DRIVEN BRANDING THROUGH WEIBO

GETTING CLOSER TO CONSUMERS BY SATISFYING THEIR EMOTIONAL NEEDS.

Screenshots of Beast's Weibo posts

野兽派花店 🗸 😐



数月前Y先生订花,希望表现莫奈的《睡莲》。当时托客服转告,没有适合花材无

2012-5-10 14:13 楽自 微輝 webb com
 多年前達《仲異夜之芬》,最好奇剧中的"托费之爱"紫色小花,它的计波离在近常 者服友,那从就会爱上屋来见到的第一件东西,这次重读,感慨的台词是The course of frue love never did run smooth真爱无归意,。,"仲異夜之梦"花盒中 有沼泽森林和武街山花,寻找真爱的限险旅港,勿忘怀佛山小天真、
 ① 化键 | Q 重量大器 | D 向左旗号 | C 向右旗号

2 885

E 226

n 37

The brand shares images of the flower bouquets they have designed along with the anonymous story of the buyer.

☆ 收蔵

Viewers comments under posts



Sharing buyers stories on Weibo

- Builds emotional connection with consumers
- Drives viewers to comment and interact
- Improves brand awareness and allows premium price

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BEAST ^{野兽派}



STRENGTHEN BRAND IMAGE THROUGH BRAND EXTENSION

BEAST INTRODUCED MORE FAST-MOVING CONSUMER GOODS TO MAKE THE BRAND MORE COMPETITIVE



Beast's products category nowadays

欢迎来到 THE BEAST 野兽派!登录/注册

			Ľ	DEAS		音派		Q Search		
what's new 新 <u>鲜上</u> 架		Furniture 家具	Décor & Tabletop 家饰餐厨	Beauty 美妆个护	Fragrance 香氛	Jewelry & Accessories 珠宝配饰	<u> </u>	Beast Town 跨境商品		

DFACT III 畄 浜

Flowers and series products



"Monet's Garden" series products





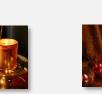
series

Beast introduces a series of products for their flower designs

Other Products



Household items

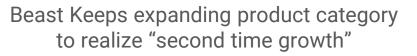


FMCGs



Jewelry

Gifts



 Beast's emotional connection with consumers makes their new products have high acceptance level in the market

O Grant

- Through product segments extension, Beast successfully transformed from a flower brand into a lifestyle brand
- Selling FMCGs helps Beast improve brand awareness and brand loyalty

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IMPROVING BRAND AWARENESS DURING TRANSFORMATION

LEVERAGING THE POWER OF IP, CO-BRANDING AND POPULAR CELEBRITIES.

Beast's recent co-branding cases

Beast's cooperation with celebrities



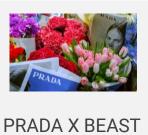
Le Petit Prince (movie) X BEAST



CIRE TRUDON (candle brand) X BEAST



TOM and JERRY *(cartoon)* X BEAST



- Beast frequently collaborates with famous IP and brands to create new product series
- The brand aims at improving brand awareness in its extension segments like FMCG through co-branding

Announcement post on Weibo

野兽派花店 ■ 19-9-19 From 微博 weibo.com Edited 这个秋天,野兽派迎来又一位代言人一质感演员@李现 ing,他的新角色是采撷花草灵魂的调香师。玫瑰还是柠 檬,浆果亦或鼠尾草,所谓闻香识人,你是哪一种?请戳 这里: ♂网页链接 天猫店: ♂网页链接 #李现野兽派代 言人# ◎李现超话





凸 92.2K

Related topic on Weibo



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BEAST ^{野兽派}

- Beast announced their cooperation with Li Xian (popular Chinese actor) in September 2019.
- The brand raised topics and did a series of posts on Weibo.
- The collaboration successfully improved brand awareness.



FURTHER IMPROVE BRAND IMAGE WITH OFFLINE STORES

CREATING AESTHETICALLY APPEALING STORES CLOSE TO CONSUMERS

Offline store - BEAST



Offline furniture store – Beast Home



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Offline mini store – Little B



- Beast's offline stores emphasize providing exclusive experiences
- Each offline store is well-designed and has a unique theme
- In addition to flowers, Beast introduced new branches to sell other products

Consumers' perception on Weibo

野兽派第三家线下店,柔美且平静,美好得不真实



Beast's offline store is so beautiful that looks like a dream. I feel comfortable there.

刚刚逛野兽派,久久不愿离开,就像小时候对 文化用品商店的迷恋一样,想睡觉都住在里

面。

I just visited Beast's offline store. It's so attractive that I don't want to leave.





BEAST ENTERED ONLINE MARKETPLACES TO BOOST SALES AFTER CREATING A POSITIVE BRAND IMAGE

Beast's flagship store on Tmall



DEAST	BEAST
илти v 215. ±лежя300ж30. тот	
1000/100 THE BEAST/15	THE BEAST/野兽派新款
¥215 1.3万人付款 💭	¥121.1万人付款 ↓
BEAST	ERST RITE 139 150 2000 20 101 2000 20 101 2000 20 101 2000 20 101
(6,300/#30)	王昱 - 王昱 THEBEAST/野善 (每300歳30)
¥99 6993人付款 🗔	¥139 6662人付款 🏌

Latest events in store

.Tmall supported the brand to further extend new product segments

Sales volume on Tmall (Jan 2019 – Dec 2019, million)



- After Beast entered Tmall in 2015, the sales of the brand had 0 seen more than ten times rise in three years.
- Beast's successful branding strategy entering Tmall created large 0 anticipation. The high volume in sales would have been impossible if Beast did not already have a strong brand name.

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BEAST 野兽派

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CASE 5: BOSIDENG 波司登

COMPLETE BRAND UPGRADE FOCUSED ON BRAND IMAGE

Source: Souhu



BOSIDENG

AS A LONG-STANDING LOCAL BRAND, IT REALIZED BRAND UPGRADE WITHOUT RELYING ON MARKETPLACE

畅销全球72国



- BOSIDENG is a Chinese brand founded in 1976 and is famous for high-quality down coats.
- BOSIDENG is now selling in 69 countries around the world, with more than 20 million consumers.



- The brand encountered severe crisis from 2012 to 2015, but did a complete brand upgrade and revitalization with an effective branding strategy.
- The brand had more than 4 times profit growth since the revitalization.







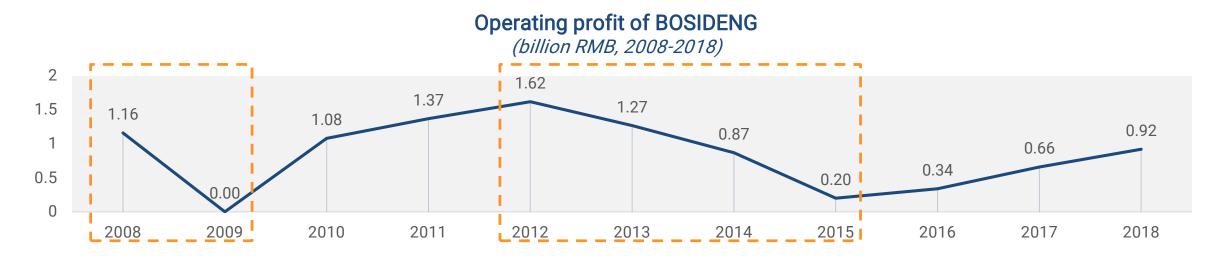


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95

BRAND IMAGE IS THE CORE FOR ACHIEVING GROWTH

INDEPENDENT BRANDING STRATEGY CAN SAVE A BRAND AND MAKE IT POWERFUL WHILE MARKETPLACE CANNOT



BOSIDENG crisis response

	2008-2009	2012-2015
Reason of decline	Global economic crisis	Influence from e-commerce, economic downturn, overstocked products, out of fashion
Response	Entered Tmall in 2008	Improve supply chain management, introduce multi- channel retailing strategy, complete brand upgrade, make diversify promotions
Result	A short-term profit increase	Successful brand revitalization
	Source: BOSIDENG annual report	

- The online marketplace had brought a short-term boost in profit but brought new challenges.
- By focusing on the brand development, the brand awareness of BOSIDENG reached 93% among consumers in 2018.

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https://baijiahao.baidu.com/s?id=1621611151103140106&wfr=spider&for=pc; https://mp.weixin.gg.com/s/Q0EYKP43nt_CSru9vv9LwA



畅销全球72国

SALES CHANNEL UPGRADE AND OPTIMIZATION

IMPROVING BRAND IMAGE TROUGH SALES CHANNEL UPGRADE

BOSIDENG's flagship store before upgrade



BOSIDENG's flagship store after upgrade





Vice president of BOSIDENG

Now we have better understanding on operating stores. Each store is an important port where brands can spread information, and it can greatly affect customers' perception of the brand.

BOSIDENG's efforts on sales channel upgrade



Optimize channel structure layout

- Upgraded its e-commerce portals, which now account for a fifth of revenue
- Enhanced cooperation with mainstream offline channels like shopping mall and central business street
- Launched pup-up stores as supplements to flagship stores



Upgrade terminal image

- Improved the design of every offline store
- Transformed the focus of offline store from selling products to providing a place for experiencing products.

Source: https://mp.weixin.qq.com/s/6NQ0EAc4ki1daHNYw0Et8A; https://mp.weixin.qq.com/s/Q0EYKP43nt_CSru9vv9LwA; https://www.straitstimes.com





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PRODUCT UPGRADE AND INNOVATION

IMPROVING THE DESIGN AND FUNCTION OF PRODUCTS

Upgrade product function



Extremely cold series

- Cooperated with international Research institution for R&D to create more functional products
- Improved material quality and production process



Upgrade product design



BOSIDENG X ATLEIN Antonin Tron the ex-designer of LV, Givenchy and other luxury brands

- Hired talented designers around the world to improve the quality of design, which was always a complaint of consumers
- Collaborated with well-known artists and international designers to develop new series

Source: https://mp.weixin.qq.com/s/Q0EYKP43nt_CSru9vv9LwA; http://www.bosideng.com; https://www.sohu.com/a/271932320_109170



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IMPROVING COMMUNICATION WITH CONSUMERS

INTEGRATING PROMOTION ON VARIOUS PLATFORMS INCREASES BRAND AWARENESS

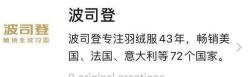


Cooperating with KOLs and advertising on Douyin



This short video was viewed almost 10 million times.





9 original creations 3 friends following



BOSIDENG's WeChat account matrix ranked first among all Chinese apparel brands.

Holding show at the New York Fashion Week



Live-stream of the show was watched by 1.2 million people. Related topics on Weibo reached 230 million views.

Making good use of KOL influence and fan economy



By having a new brand image, BOSIDENG aims at attracting young consumers again.

Source: https://mp.weixin.qq.com/s/pgxDa6SmimAqK8HHbYlbNw



BRAND INDEPENDENCE IS MEANINGFUL FOR ALL KINDS OF BUSINESS



- For luxury brands that care much more about high-quality and high-end brand image than sales volume, brand independence is particularly important.
- Brand independence can help brands avoid fake goods issue and guarantee good reputation.
- By running an independent business, brands can build its own marketing ecosystem to get traffic and boost sales.

- For mass brands that pay much attention on high sales number, it is also worthwhile to take brand independence into consideration in addition to the close collaboration with e-commerce platforms.
- Brand independence can help brands effectively convert public traffic into a brand's own asset, and gradually improve brand loyalty.
- For brands that care a lot about membership maintenance and highquality services, it is important to retain independence after entering marketplaces.
- Brand independence ensure brands have full control on membership data. Therefore, brands can further improve service quality by having better understanding on clients.

- Niche brands can become famous without entering the marketplace.
- As an independent niche brand, emotional marketing can help to get closer to consumers and increase brand value.
- Apart from collaboration with e-commerce platforms, brand extension can be another approach which can help brands increase sales as well as improve brand awareness.
- For brands that facing the need of brand upgrade, independent branding strategy can save a brand and make it powerful while marketplace cannot.

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 Although e-commerce can help to boost sales in short-term, the improvement on brand image is still the core for achieving growth.

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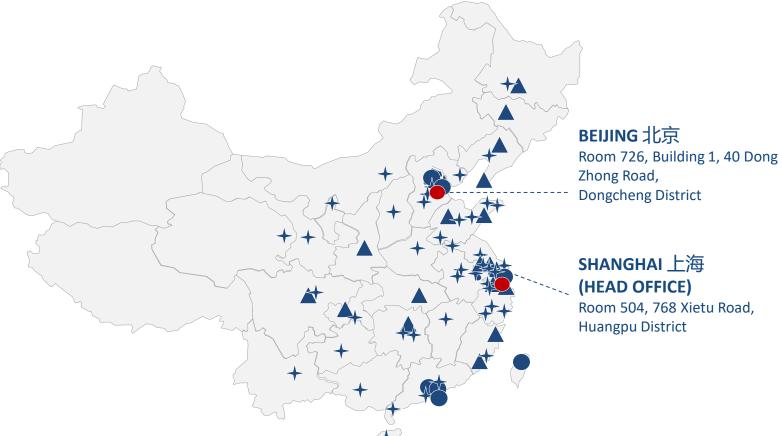
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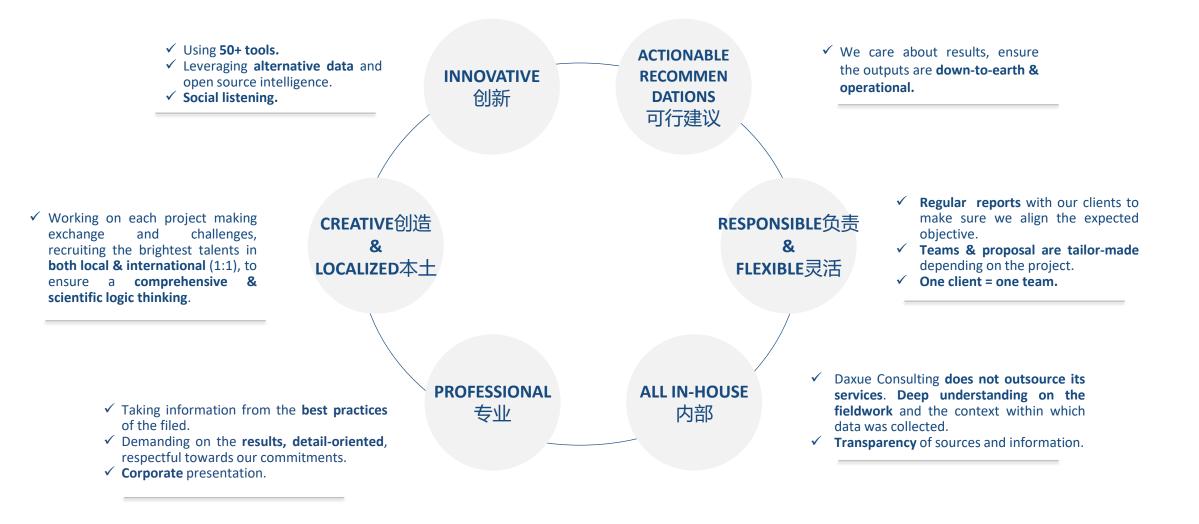
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