

Executive Summary

Lipaddict, a New York-based beauty brand, was seeking to enter China's market. Yet after eight months of selling their products in China, their sales were stalling, with several thousand units still sitting in a Chinese bonded warehouse. Unable to export their products back to New York, Lipaddict needed to find a new way to market and sell their products.

Enter Yumi: a platform that enables global brands to launch and market their WeChat stores in under 10 minutes. Yumi is able to drive sales through social E-commerce, as their users can like, pin, share, and ultimately earn commission by promoting products. After switching over to Yumi, Lipaddict was able to significantly increase its sales and social media following in China.

Challenge: How can Lipaddict develop an effective marketing strategy in China to salvage their products in Chinese warehouses?

Lipaddict entered China via a platform that provided warehouse storage and created a WeChat store. However, with this strategy, sales were slow, as their existing sales platform would not fulfill orders coming from outside channels, which limited their avenues of sales. After an 8-month partnership, Lipaddict had fewer than 200 sales through their WeChat store. Additionally, Lipaddict's WeChat store had very few followers – only 200-300 people.

Lipaddict realized that driving traffic to their WeChat store was nearly impossible, and to make matters worse, they had already moved thousands of units of products into bonded Chinese warehouses. If their products were not sold, they would either sit in the warehouses, or were destroyed. The company faced a tough dilemma in China, but they could not pack up and return to New York. They had two options: abandon the remaining products in the warehouses, or develop an effective marketing strategy for China.

Solution: A social E-commerce platform that can help brands market through Key Opinion Leaders (KOLs).

Yumi's lean approach is focused on helping brands get sales first before scaling up. The lean approach has helped many brands enter and grow in the Chinese market, as it allows them to fail cheaply and quickly iterate on their strategies. After setting up a WeChat store through Yumi, Lipaddict was connected with various social content partners that increase traffic through mini-programs. Yumi

assisted Lipaddict in running experimental activities, like seeding micro-influencers on Xiaohongshu and Weibo, popular Chinese social media platforms, to generate buzz around their product.

- Yumi was able to use its network of 5000 influencer shops to help promote products.
- Because mini-programs can be embedded into posts, Lipaddict was able to not only increase sales through their own official accounts, but also gained traffic through KOLs.
- Following their successful partnership, Lipaddict is now looking into buying WeChat ads in order to further increase their growth.

Result: 300% increase in sales, a 293% decrease in cost.

Through just a 3-month long partnership, Lipaddict was able to increase its sales, ensuring their products were not just collecting dust in a bonded Chinese warehouse. Rather than paying for their products to sit and age, LipAddict was able to actually market and sell. With the previous platform, Lipaddict had been paying \$25,000 per annum and a monthly retainer of \$8,000 in order to set up their WeChat shop and to use the warehouses. Lipaddict now only pays for Yumi's WeChat shop plan, less than \$1000 a year. Lipaddict also saw the following results:

- Sales increased by 300% overall.
 - Click-through rate in articles (clicking embedded products) increased by 100%.
 - Yumi's shop plan was only 7% of what LipAddict had paid for in the previous platform, leading to cost savings of 293%.
 - The Lipaddict follower count increased by 300% in two months.
 - Better merchant flow and a much simpler platform for both Lipaddict and the consumer.
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