



FREQUENTLY ASKED QUESTIONS

Royal Mail Tmall Store Automated Onboarding Process

Category	Question	Description
Joining the Royal Mail Tmall store	What is Avenue51?	Avenue51 is a company formed by a group of Anglo-Chinese eCommerce and logistics experts with the intention of opening the door to the Chinese eCommerce market for British brands in the most cost effective, efficient way possible. Our team includes people who've worked for Alibaba, and who have developed one of the UK's leading UK to China logistics propositions and we have marketing, customer service and web-development experts.
	What is Avenue51's relationship with Royal Mail?	Avenue51 is the Tmall Partner which Royal Mail chose, after a comprehensive selection process, to run its Tmall store. As such we are responsible for a large part of the implementation and development process for the Store and we work hand-in-hand with Royal Mail on the business development and management of the proposition.
	What is the actual size of the e-commerce market in China?	China presents a once in a generation opportunity for international retailers to grow their business. Chinese consumers are savvy online shoppers and while the market is relatively young, it remains the most exciting market opportunity in the World with the greatest growth potential for the foreseeable future. Today, only around half of Chinese consumers are online (compared to almost 90% in the US. China is also the World's largest e-commerce market (as of Q4 2014) with an anticipated market growth rate of 25 - 35% per annum. To give some idea of the market opportunity that China presents, the following compares two similar sales phenomena in the same timeframe: On Chinese Singles Day (11 Nov) in 2015 Chinese consumers' e-commerce spend equalled US\$14.3Bn. Two weeks later, The US' Black Friday sale (28 Nov)) saw American consumers' e-commerce spend equal US\$2.7Bn.
	Why should my brand become part of the Royal Mail Tmall store	The Royal Mail store is the quickest and most visible means of accessing the Chinese eCommerce market today: you have the opportunity to join a highly rated Tmall store, on a site (Tmall) which is visited by over 50% of China's eCommerce buyers, in the name of one of the World's most trusted brands, a brand which also has wide brand recognition within the Chinese markets due to being the dominant UK - China postal carrier.
	What is the process for joining the Royal Mail Tmall store?	In addition to this FAQ, you should download all the application documents which form the application, so you know what will be required before going through the automated application process.
	Could you assist us by providing some indication of monthly sales figures of 'comparable' brands?	We are not providing this service for online applications at the moment.
	Why do I have to store my products in your warehouse?	Tmall rewards brands and stores which ship products fast. We have the facility and resources to enable this to happen when the products are in our warehouse.
	Do you pay me for the products I am storing at your warehouse?	No, these are stored on a consignment basis. We will manage stock levels and reorder with you subject to demand.

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Technology	Product & Stock Information to the Store	How do I get my products listed onto the Royal Mail Tmall store	You will be required to complete an application to join the Royal Mail Tmall Store. Note as part of the application, you will need to show your UK trademarks, authorisation from the owner of the brand or that you are the brand owner, and some photographs/images of your products and brand logo.
			Once you have filled out an application, Avenue51 asks Tmall for approval to list your brand. This may be accepted or rejected in Tmall's discretion. Note Royal Mail may also reject your application, and in this circumstance your application fee will be refunded to you.
			Once your application is accepted, your products will be listed onto the Royal Mail Tmall store.
		How does the Royal Mail Tmall store know how much stock we have available?	We will store your initial 5 SKUs and manage stock levels for you in our warehouse. We will reorder with you subject to demand.
	Order information from the Store	How do we know what orders have been placed and when?	You will receive an email alerting you to each order. You will then go to the vendor portal at vendor.avenue51.com from where you can see full order details and also download the necessary shipping and export documents. With a full API integration it will go direct into your ordering system.
	Order Labels	How are the shipping labels provided?	All shipping labels will be provided through the vendor portal.
Can we download orders details as a CSV file?		All orders currently are downloaded as excel but you may convert to CSV or other file format as needed.	

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Financial	Fees	How much does it cost to be part of the Royal Mail Tmall store?	The setup fee outlined on the website http://www.avenue51.com/tmall allows you to put up to five (5) SKUs onto the store. There is an additional £250 for every 5 additional Skus.
		Why do I have to pay £100 per month as well?	There are numerous customer service costs involved in running a cross-border store into China including pre and post sales customer service (pre sales customer service is extremely common for Chinese ecommerce buyers) as well as returns management.
		What does the 35% commission cover?	It is not a commission, it is a Royal Mail Tmall Global store buy price of your product. This includes all shipping, duties, Royal Mail costs of funding the store setup, Tmall commissions Alipay commissions, Avenue51 costs (payments and settlements, store marketing, negotiations with Tmall, customer service, store design and refresh, leasing with UK merchants, providing order details and labels and all other operational elements of the store).
		I want to add an additional SKU to my listing, why do I have to pay and additional fee?	It will cost £250 for every 5 additional SKUs. We still need to do numerous additional task such as collect and edit images, translate descriptions, get stock levels and complete various other tasks. The fee charged is a nominal amount and competitively priced, to cover time.
		What happens if my UK Retail price changes?	If your UK Retail Price changes we need to update our backend to reflect new price . Changing this price is a manual process with multiple people involved. There is a £5 per SKU charge for this.
		Is the set up fee inclusive of VAT? At what point is this payable?	The set up fee is exclusive of VAT and is payable immediately. We will send an invoice as soon as your application is submitted. We will apply for brand approval on Tmall but we cannot start work on the application until the invoice has been paid.
	Pricing	Why do you need control over the price of my product on the Royal Mail Tmall store?	Pricing of a particular item on Tmall will vary between stores, and will vary at different times. Sometimes the store may also run special promotions, or be requested by Tmall to run a promotion, which is why we want to have the flexibility to bring the price right down when required in order to remain competitive - but this is always done in agreement with you.
		In other international marketplaces shipping is charged separately on top of the item price. Is this is case on the Royal Mail store?	No, within the Royal Mail Tmall store all prices seen by the consumer include shipping. This is in line with Tmall consumer expectations - shipping is expected to be included.
		What happens if my UK RRP prices change?	You are required to let Avenue51 know of any changes to your UK RRP prices.
	Payments	How is payment made by the consumer?	All Tmall payments are made using Alipay, Alibaba's online payment system. Avenue51 is one of the UK's few Alipay integrators.
		How do we receive our money?	Payment of income to you from Avenue51 for goods sold through the Royal Mail Tmall store is done solely by interbank transfer.
		Who will I send my invoice to?	You will send all invoices to Avenue51, The Ian Cowley Room, 66 Devonshire Road, Cambridge, CB21BL, Att: Lena Bates. We need monthly invoices rather than individual order invoices.

		How often do we receive our money?	You will receive money for any sales of your product within 45 days of us receiving payment (in cleared funds) from Alipay. This is explained in more detail in the agreement with Avenue51, which you can download at the start of the automated onboarding process, and which you confirm your agreement to at the end of that process.
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Financial	Exchange Rates	What about exchange rates, are all transactions in GBP?	All transactions conducted through Tmall are in Chinese Yuan Renminbi. Payments from the consumer are converted by Alipay and received into the Avenue51 AliPay account in GBP based on the prevailing exchange rate (in real time). You will receive money in GBP (pounds sterling) direct into your bank account.
	UK VAT	Are we liable for UK VAT?	Yes. We have been advised that all merchants are required to charge Avenue51 VAT for any products sold even though the goods pass directly from the retailer to the Chinese consumer. At no stage does Avenue51 hold title to the goods, nor does Royal Mail and nor does Tmall itself.
		Is VAT added to the invoice you send us for products sold?	We will send you a monthly settlement that excludes VAT, you will then issue us an invoice that would include your VAT rate (as some VAT rates vary between products).
		Who are we actually transacting with?	You will be transacting directly with Avenue51 which is a UK company (Co Number: 09250295). We are required to charge VAT for all services we provide (VAT Reg No: 203642249).
		Is Avenue51 able to provide Proof of Export for each order, either via the portal or emailed manually so that we can raise Ex-VAT invoices?	We provide a tracking number with every order. HMRC has in the past indicated to us that such a tracking number serves as proof of export, although we are not tax advisers and we suggest you confirm this directly with HMRC if it is of concern.
Product		We sell many product lines - can we offer them all?	We recommend retailers start their Tmall operation with 5 SKUs only in order to: test the market and see which categories generate demand; get up and running quickly; and to ensure your team is able to process and fulfil orders effectively, before expanding operations. Should you choose to do so, we will gladly help you set up, translate and market your full product range to the Chinese market - the fee for each additional 5 SKUs is £250.
		How do we choose the best products to sell to China?	If you are already selling any products in China, we recommend you pick your best selling SKUs. Otherwise we suggest you select your best selling SKU in each category, which will allow you to test demand for your products across each category.
		How often will we have to declare stock?	You are asked for a stock level during the initial application but also as requested in order to meet specific demand (singles day or other promotion).
		How easy is it to change our selection of products?	We cannot exchange SKUs on the store, because it is a manual process. However you can add SKUs to your initial 5 SKUs, which will be charged at an additional 5 SKUs for £250.
		I only want to have 1 SKU listed on Tmall to test the market, why do I have to pay the full setup fee?	To list 1 SKU we still need to apply for brand approval with Tmall, review your trademarks, agree on product and pricing, collect and edit image(s), translate descriptions, get stock levels and complete various other tasks.

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Marketing	What Marketing Support does Avenue51 offer	Avenue51 offers a comprehensive range of marketing solutions. Please enquire.
	How do Tmall Promotions work?	Tmall holds promotions (sales) throughout the year. Retailers can submit their product (via us) to participate in a promotion, and if selected by Tmall this will drive significant traffic to your products. During promotions there is an expectation that retailers will aggressively discount their products; and provide an agreed number of SKUs allocated and available for sales in the promotion. In the automated onboarding process you are asked what level of discount you would be prepared to offer during promotional periods. The greater this discount the more likely it is that Tmall will select your products for a promotion.
	What marketing support is included in the 35% fee?	None for your brand specifically, however the store overall received some marketing support Alibaba, Royal Mail and Avenue51. If you would like to discuss marketing support for your brand, please contact onboarding@avenue51.com .
	How do the 11/11, 12/12 and other big Chinese sales work?	See above.
	Why is my product not listed on the 11/11 promotional pre-sale page?	All products will need to apply by the end of August to be on the pre-sale page for the 11/11 promotion. If your product is not already on the site, this will not be possible. If it is on the site, we can apply for you but there is no guarantee that it will be approved. Tmall makes this decision.
	What else do I need to consider with respect to Marketing?	While we are happy to offer marketing services, some of our partners prefer to work with their own marketing and PR agencies to promote their brands in China. Avenue51 is happy to facilitate introductions for your company with the most appropriate local market resource - whether it's a single freelancer or a large established agency - in order to give you control over your messaging and its delivery in China.
	How much will I need to spend on Marketing support?	As with any market, you can spend a lot or a little. Avenue51 advocates a brand-specific approach to building your brand whether through key opinion leaders, affiliates or social media channels such as Weibo and Wechat which together reach a significant majority of the Chinese eCommerce consumers. While prices for marketing agency support in China are not as high as in the UK, it would be a mistake to assume that you can spend nothing and be successful: however that does not mean you need spend a lot. Whatever your budget Avenue51 will work with you to focus your expenditure on achieving results.
		How will I know when there is a new order placed on Tmall? We set up an email notification for you so you are alerted every time there is an order. You then simply need to log into your vendor portal to see the full details. From here you'll also be able to download the shipping and export documentation required to fulfil the order.

Orders	Orders	Out of Stock: is there any penalty in the event of a product going OOS?	No, there is no penalty fee but per the terms of the contract you must ship within 48 hours of the order being place. So we recommend you always have stock on hand or stock that you can get within 24 hours to meet the Tmall shipping requirements. If you are having a problem with stock on a particular item, we suggest you de-list it until your stock issues are resolved.
	Tracking	Is a tracking number provided in the vendor portal?	Yes there is a tracking number for each item in the portal.
	Turn around time	What is the expected turn around time with pick-n-pack?	48 hours as per your retailer contract.
	Alternative Systems	What if I want to use my existing order system instead of Avenue51s?	The SME package does not include API integration. Our IT team will need to evaluate before quoting but this is usually £5k plus. However, we have an excellent online system where you can retrieve order information, shipping information and customs forms.
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Shipping & Customs	Shipping	Are all items to be shipped via ParcelForce on a tracked service? What are the costs involved?	Yes, all retailers must use the ParcelForce tracked service the cost of which is included within the Avenue51 buy price of your products.
		Are the goods collected from our depot?	Yes, please indicate on the application where you would like your goods collected from.
		Is it possible to send items via other Royal Mail services such as airmail or must all items be sent tracked?	No, it is not possible to send items via other Royal Mail services. Royal Mail has ensured we have the most appropriate service to meet retailers' needs. Tmall rules also require a tracked service.
		We are integrated with ParcelForce in our eCommerce system. Can we use this or do all labels need to be printed from the Avenue51 system?	All labels have to be printed from the Avenue51 system. Each vendor will have a separate account relating to Tmall under the Royal Mail Tmall store account, which enables access to the special shipping rate we have negotiated and this must be used to allow effective tracking and management of the account.
		Will shipping fees be charged directly to us by ParcelForce or via Avenue51?	Shipping fees form part of the commission paid to Avenue51 and are not charged to the retailer separately.
		Is commission payable by consumers on the shipping?	Yes because the price to the consumer is an all inclusive price. Also, Royal Mail offers a discounted shipping rate against its usual rates and wishes to keep the rates confidential.
		Are there restrictions on what information I put into the packages I send?	Be aware that anything you put into your packages, ie. any other marketing material, must only direct the consumer to the Royal Mail Tmall store, rather than any other site. Otherwise both the store itself and your brand (which may be banned from Tmall) will be in serious trouble with Tmall. If a retailer does this, the contract provides that we can fine the retailer and remove the retailer from the store.
	Is there a limit on package size or weight?	ParcelForce cannot take parcels over 30kgs in weight. If a parcel is oversized and comes in at over 30kg volumetrically, then the customer will be surcharged £40. Shipping of oversize items remain within ParcelForce's discretion.	
	Customs Duty	What items typically get charged customs duties?	Goods imported into China are subject to customs duty at the discretion of China Customs and subject to Chinese law as would be the case for items imported into the UK from the US or between any two countries.
		Who is responsible for customs duties?	Under Tmall rules the store (in this case, the Royal Mail Tmall Global store) is responsible for paying all customs duties. To simplify store management, Avenue51 will responsible for paying all customs duties, and these will be factored into the final price listed on the Royal Mail Tmall store.
In practice, how often are duties levied? Could you confirm that they are passed on to the brand?		Customs duties are passed onto the brand. How often they are levied depends largely on the enthusiasm of customs officers, but it tends to be less, the smaller and lighter the package is. For smaller lighter products it can be as low as 10%, whereas for example for Brompton Bicycles it is around 40%.	
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Shipping & Customs	Customs Duty	Can we pass customs duties on to the customer?	No. Marketplaces like Tmall and JD make it a rule that Chinese consumers do not pay customs duties. If China Customs calls the consumer and asks for any customs duty to be paid, the consumer calls us, and we will pay the customs duty. We then apply these amounts to the retailer's account and deduct them from the payments that we make to the retailer for the products sold.
		Can you confirm the rates of duty charged by China Customs?	The rates for duty published by China Customs cannot easily be found in English and change frequently. The classification of the product is also at the discretion of Chinese customs. We can give you our best guess as to the rate likely to be levied should you be unable to identify this yourself.
Exchanges & Returns	Exchange Process	How does the product exchange process work?	It is treated as a new order. So the customer goes through the returns process as usual, and places a new order.
		Should I send a new product before the returned product has arrived back with Avenue51's team in China?	Yes. It will effectively be a new order.
	Returns Process	What is Avenue51's recommendation regarding returns?	Avenue51 recommends a policy of accepting all returns regardless of reason in order to maintain high initial product/brand rankings. Tmall is heavily skewed in the consumers' favour in the area of returns and disputes which can result in Tmall reducing the ranking of the store.
		What is the process for managing returns?	The consumer's issue will be defined via interaction with the customer service team or through customer feedback. The returns process will be activated once Avenue51 has physically received the returned product, and we will manually issue a refund through Avenue51's Alipay account to the customer - which will then be charged to the retailer.
		How long do buyers have before the returns process no longer applies?	Tmall buyers have seven days from receipt of the product to request a return. This deadline is well understood by Tmall buyers and this timeframe must be adhered to in the returns management process.
	Charges for returns	What are the charges we bear for returned items?	Currently we (Avenue51) pay the postage to ship product from the consumer back to our warehouse in China - we pass this charge to the retailer - normally £5. The Retailer then pays to ship products back to the UK once there is enough volume (unless for any reason it wants products shipped back individually, though be aware that this is much more expensive).
		Product Returns: are these generally accepted also for opened products? Could you give some indication of percentage of product returns? I have heard 25% quoted for China.	We will accept a return for an opened product but we require they send it back, so we can see they haven't just taken all the product out (ie. fraud prevention). How often returns happen depends on the category and the individual product. For ingestibles the rate is extremely low, less than 3%, for cosmetics it can be 2 – 10% and for clothing it can be as high as 40%.
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Exchanges & Returns	Returned Items	What happens to returned products?	Avenue51 will hold returned items until a sufficient volume is reached making it economically viable to return to the retailer. If the retailer wishes to resell undamaged returned products this will be determined on a case-by-case basis as the type of product will dictate the success of this approach - and there can also be restrictions under Chinese law. The Retailer may also prefer to destroy returned product. Avenue51 has the facilities to perform this function as required.
Customer Service		Product Training: what training do you offer your CS Team to try to minimise product returns?	This is brand dependent. We welcome brands to come to our office to teach our account managers who then forward this knowledge to our Customer Service team. Alternatively, we encourage them to send through web-based information and instructions to our UK team (who are bi-lingual) who then trains our China team (native Chinese speakers only) on the brand. We find this approach works well.
Miscellaneous		What are the animal testing requirements in China and what is the legal status of products which are classed as a personal import shipped from the UK to the end-user?	Because the law on Animal Testing of products in China is in the process of ongoing review and development, it is not clear. It is also liable to change at some later stage. Please ask for further information if you feel this issue relates to your product.
		Why do some goods, such as those made from leather, for example attract a higher rate of Customs Duty?	China Customs levies duties it sees fit at its discretion. Individual customs officers also have the authority to determine into which category any product may fall. So an item which could be in two or more categories eg. Apparel and also leather and also a luxury item, may be determined to be a leather product or even a luxury product and be subject to a higher tax level.
		What is the legal status of food supplements in China?	China Customs reviews products on a case-by-case basis. They do prohibit certain restricted chemicals. However, cross-border shipments certification is not normally required - the primary concern is just the substances used.