

Study on Cooperation Models in the Chinese Market

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In the Chinese market, brands can choose from various cooperation models to enter the market and achieve growth. After 18 years of deep engagement with the Chinese market, we have summarized the following cooperation models:

1. Community Distribution Model

Description: Brands collaborate with private community leaders to directly sell products within the community. The community leader acts as a "brand agent," responsible for sales and customer service. Members purchase products through the leader's recommendations or interactions.

Advantages:

Low cost: Brands do not need to spend heavily on advertising and can achieve sales directly through community operations.

High trust: Community members trust the leader's recommendations, resulting in good conversion and repurchase rates.

Precise marketing: Brands can target products more accurately based on the characteristics of different communities, improving sales.

Disadvantages:

Difficult channel control (e.g., price chaos/gray market), inconsistent service quality, reliance on top leaders, data barriers.

Keywords: Channel loss of control, leader dependency.

2. Co-Branding Model

Description: Brands collaborate with well-known local social platforms, KOLs,

or influencers to launch customized or limited-edition products, promoting them together to attract the target consumer base.

Advantages:

Brand exposure: Leverage local influencers to quickly boost brand visibility.

Market recognition: Co-branding with local brands or KOLs increases consumer trust and acceptance.

Differentiation: Unique co-branded products meet the demand for new and innovative products in China.

Disadvantages:

High collaboration costs, reputational risk, brand dilution, short-term impact.

Keywords: High cost, reputation risk, short-term results.

3. Experiential Marketing and Trial Promotion

Description: Brands offer free samples or trial-sized products through online platforms, social media, KOLs, etc., to encourage experiential consumption and gather feedback.

Advantages:

Quick feedback: Collect real consumer feedback quickly, helping to optimize the product.

Increased customer stickiness: Consumers are more likely to convert after trying products with discounts or free trials.

Word-of-mouth: Satisfied users share their experiences, helping the brand spread quickly on social platforms.

Disadvantages:

Low conversion rates, high proportion of ineffective users, negative word-of-mouth can spread quickly, unclear ROI.

Keywords: Low conversion, negative feedback.

4. Online and Offline Joint Promotion Model

Description: Brands cooperate with offline retailers (supermarkets, specialty stores, gyms) to run online and offline joint promotions. For example, offline stores offer coupons or gifts, which consumers can redeem online through QR codes or links.

Advantages:

Multi-channel exposure: Brand visibility increases across both online and offline channels.

Comprehensive consumer engagement: Offline activities attract traffic, while online activities enhance brand visibility.

Enhanced consumer experience: Consumers can enjoy offline trials and purchase online, increasing interaction.

Disadvantages:

Complex coordination, overlapping costs, disconnected data, inconsistent experiences.

Keywords: Coordination challenges, data fragmentation.

5. Cross-Border E-Commerce Platform Joint Promotion

Description: Brands collaborate with cross-border e-commerce platforms (e.g., Tmall Global, JD Worldwide, Pinduoduo) to quickly access the market through the platform's traffic and market recognition.

Advantages:

Platform support: Brands benefit from large platforms' traffic and resources to boost exposure and sales.

Platform tools: Platforms provide advertising tools, consumer data, and event support, improving marketing efficiency.

Direct consumer access: Brands can directly reach target consumers, simplifying market entry.

Disadvantages:

High platform dependence, fierce competition, compliance risks, weak brand autonomy.

Keywords: Platform dependence, compliance risks.

6. Social E-Commerce Model (Group Buying, Flash Sales)

Description: Brands leverage consumer social networks to drive product sales through group buying, flash sales, and other social e-commerce methods, using private communities for exclusive offers.

Advantages:

Rapid user aggregation: Group buying and flash sales create a sense of urgency, increasing purchases.

Higher conversion rates: Social e-commerce leverages group dynamics for increased purchases.

Social sharing: Users share links within social networks, creating a viral effect.

Disadvantages:

Profit margin compression, low user stickiness, brand image downgrade, high operational pressure.

Keywords: Low profit, poor retention.

7. Customized Product Model

Description: Brands create customized versions of their products specifically for the Chinese market, tailored to local consumer preferences.

Advantages:

Better market adaptation: Customization increases market acceptance by aligning with local culture and consumer habits.

Competitive differentiation: Customized products give brands a competitive edge in the market.

Brand value enhancement: Customized products strengthen brand perception of local expertise and relevance.

Disadvantages:

High R&D/production costs, long lead times, large inventory risks, complex supply chain.

Keywords: High costs, inventory risks.

8. Small-Batch Trial Orders + Cloud Traceability Live Streaming

Description: A low-risk, fast-market testing model, where brands enter the market with small batches, collect consumer feedback, and adjust strategies, while using live streaming and cloud traceability to showcase product quality and sourcing.

Advantages:

Risk reduction: Small batches reduce inventory pressure and allow for low-cost market testing.

Fast feedback: Quick insights into market demand, helping brands adjust strategies rapidly.

Trust enhancement: Cloud traceability increases consumer trust by showcasing product transparency.

Efficient conversion: Live streaming and traceability enhance conversion rates.

Disadvantages:

High operational entry barriers for live streaming, high traceability costs, small batch supply chain premiums.

Keywords: Operational barriers, technical costs.

9. Membership System & Long-Term Cooperation

Description: Brands offer membership programs to attract long-term users, who benefit from exclusive discounts, rewards, and early access to products.

Advantages:

Increased customer loyalty: Membership programs foster brand loyalty and encourage repeat purchases.

Personalized marketing: Brands can leverage purchase data for more targeted promotions.

High repurchase rate: Members are more likely to engage in long-term purchasing.

Disadvantages:

High customer acquisition costs, complex operations, dependency on member benefits, high proportion of inactive members.

Keywords: High acquisition costs, benefits dependency.

10. Data-Driven Precision Marketing

Description: Brands use data analytics to collect consumer purchase data, social behavior, and preferences, enabling precise targeting and personalized marketing strategies using big data and AI.

Advantages:

Precise targeting: Data helps identify potential customers and minimize resource wastage.

Personalized recommendations: Consumers receive customized product suggestions based on behavior data.

Efficient operations: Data-backed decisions improve marketing outcomes and ROI.

Disadvantages:

Compliance risks, high data acquisition costs, high technical barriers, potential for biased decisions.

Keywords: Compliance risks, technical barriers.

Conclusion

These cooperation models provide brands with various flexible paths to enter the Chinese market. Each model has its own advantages and disadvantages. Brands can choose the most suitable cooperation model based on their market positioning, product characteristics, and resource availability to quickly enter the market, reduce risks, and secure stable market share.



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