

China eCommerce Overview

eCommerce is rapidly increasing in China and accounts for around 15.9% of all retail sales in 2015. This is estimated to grow to 19.6% in 2016. There are over 688 million internet users in China, of whom 53% are online shoppers, which is more than the combined population of the United States, Russia, and Brazil! Additionally, China has over 1.28 billion mobile phone users which is the preferred method of online shopping.

eCommerce sales in China totaled \$672.01 billion in 2015, up 42.1% from \$449.01 billion in 2014, according to the Chinese government's National Bureau of Statistics (CNBS).

By 2019, it is estimated that one out of every three of China's retail dollars will be spent online, the highest percentage in the world. The estimate for the U.S. is one out of ten.

WHO IS SHOPPING ONLINE IN CHINA?

- 71% of the shoppers from Urban area
- 82.3% of the shoppers between age 25-45
- 55% shoppers are female

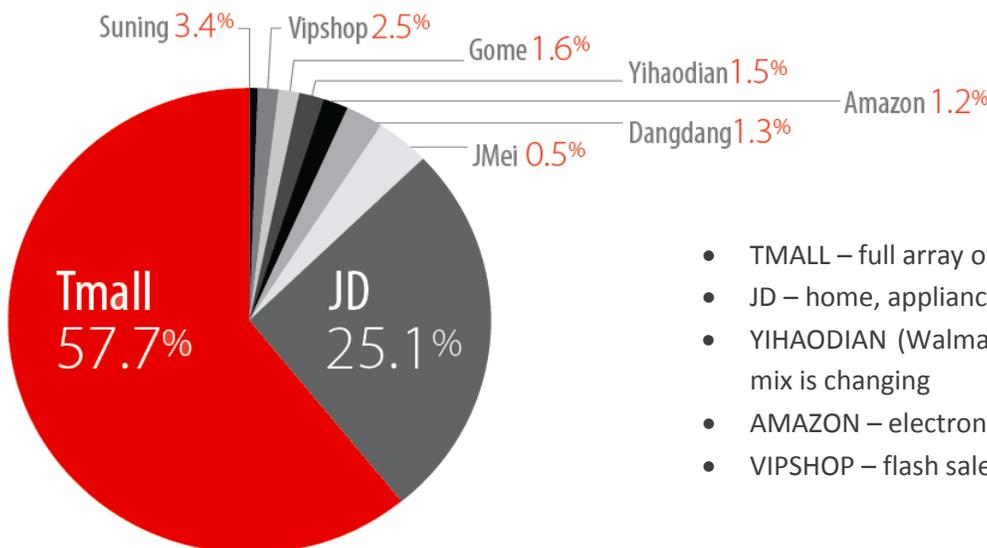
WHAT DO CHINESE CONSUMERS SHOP FOR ONLINE IN CHINA?

- Apparel
- Food
- Skin care and Beauty
- Mom and Baby care

WHY DO CHINESE CONSUMERS SHOP ONLINE IN CHINA?

- Anytime Shopping 28%
- Low Price 25%
- Convenience 18%
- Easy to compare product prices 7%
- More choices 4%

WHERE DO CHINESE CONSUMERS SHOP ONLINE IN CHINA?



Source: China Briefing, China Investment Roadmap: the e-Commerce Industry 2016

- TMALL – full array of product categories
- JD – home, appliances, and consumer electronics
- YIHAODIAN (Walmart) – food and beverage but product mix is changing
- AMAZON – electronics, apparel, accessories
- VIPSHOP – flash sales

Cross Border eCommerce

Cross border eCommerce is when consumers buy online from vendors in other countries. Cross border made up 17.3% of all import/export trade in China in the first half of 2015. Products are purchased through international market platforms and social media platforms (Tmall global, JD Worldwide, Amazon, Wechat). Popular products to purchase through cross border include: beauty products, baby care, and food.