

E-COMMERCE IN CHINA

FACTS



\$630 BILLION OF SALES IN 2015



13.5%
OF ALL RETAIL
SPENDING

CHINA



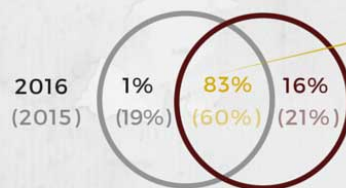
U.S.

80%
BIGGER
THAN U.S.



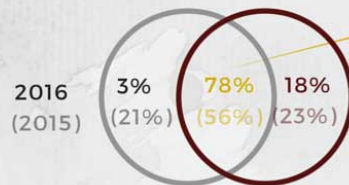
DEVICE ADOPTION AMONG DIGITAL CONSUMERS

PC PC & MOBILE MOBILE



• SOCIAL

83% OF PEOPLE USE BOTH PC AND MOBILE FOR SOCIAL INTERACTIONS



• ONLINE SHOPPING

78% OF PEOPLE USE BOTH PC AND MOBILE FOR SHOPPING



PRODUCTS' PERFORMANCE

TWO WELL-ESTABLISHED ONLINE CATEGORIES:

CONSUMER ELECTRICITY

SMALL APPLIANCES

AROUND 30% OF TOTAL RETAIL SALES



E-COMMERCE IN CHINA

TRENDS



- **TREND 1: LOW-TIER CITY SPEND MORE THAN HIGH-TIER CITY**

■ TIER 1 & 2 ■ TIER 3 & 4

ONLINE SHOPPER
BASE

183 m / 275 m

ONLINE SHOPPER
GROWTH

43% / 61%

E-COMMERCE
PENETRATION

89% / 62%

SHARE OF
NATIONAL GMV*

49.9% / 50.1%

GMV*: Growth Merchandise Value

- **TREND 2: PURCHASES INITIATED FROM WECHAT DOUBLED IN A YEAR, SOCIAL MEDIA HAS BECOME A POWERFUL CHANNEL**



WECHAT USERS WHO HAVE SHOPPED FROM WECHAT

(2015) 15%

(2016) 31% (X2)



TOP CATEGORIES: AMONG WECHAT SHOPPERS

APPAREL (60%) & PERSONAL CARE (41%)

- **TREND 3: CONSUMERS ARE INCREASINGLY BUYING GOODS FROM FOREIGN VENDORS VIA CROSS-BORDER PLATFORM**

ONLINE SHOPPERS WHO BUY
FROM FOREIGN VENDORS



→ 24%, TIER 1
→ 23%, TIER 2
→ 19%, TIER 3 &
NATIONAL AVERAGE
→ 16%, TIER 4

HEALTHCARE
PRODUCTS



APPAREL



LUXURY

O2O SERVICES IN CHINA

FACTS & TRENDS



TRAVEL



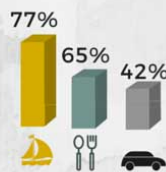
DINING



MOBILITY

- **FACTS: DESPITE CREATING HIGH EXPECTATIONS FOR DISCOUNTS, O2O SERVICES STRONGLY STIMULATE TOTAL SPENDING**

% OF CONSUMERS WHO EXPECT O2O SERVICES TO COST LESS THAN OFFLINE-ONLY SERVICES



% OF CUSTOMERS CLAIMING THAT TOTAL SPENDING INCREASED WHEN O2O SERVICES WERE USED

- **TREND 1: CHINESE ARE EMBRACING O2O TRAVEL SERVICES**

CONSUMERS USING O2O TRAVEL AGENCY



AROUND 60% O2O TRAVEL USERS ARE WILLING TO PAY A PREMIUM FOR VAS* LIKE TICKETS GUARANTEES

* VAS: VALUE-ADDED SERVICES

- **TREND 2: O2O SERVICES ARE GROWING RAPIDLY THANKS TO PRICE STIMULATION, BUT CONSUMERS' EXPECTATIONS FOR QUALITY & EXPERIENCE ARE RISING**

TIER 1 & 2 TIER 3 & 4

USING O2O DINING SERVICES

67% / 33%

WILLING TO PAY A PREMIUM FOR VAS*

36% / 39%

WHY USING O2O ?



* VAS: VALUE-ADDED SERVICES

- **TREND 3: AS PEOPLE USE O2O MOBILITY SERVICES LIKE UBER & DIDI MORE, THEY DRIVE LESS**

AVERAGE NUMBER OF DAYS PER WEEK CAR OWNERS DRIVE

BEFORE: 4.04 **-19%** AFTER: 3.26

SOURCE: MCKINSEY ICONSUMER CHINA 2016 SURVEY, INFOGRAPHICS BY WALKTHECHAT.COM