11 eCommerce Facts

**ECOMMERCE MARKET VALUE AND GROWTH**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (USD $ billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2.3</td>
</tr>
<tr>
<td>2015</td>
<td>2.9</td>
</tr>
<tr>
<td>2016</td>
<td>3.6</td>
</tr>
</tbody>
</table>

**Increased Spending Among Chinese Consumers**

- Increased spending on products such as personal care, lifestyle, healthcare, electronics and baby luxury brands.
- China’s eCommerce market is expected to top USD $1 trillion by 2019.

**THE INCREASINGLY AFFLUENT CONSUMER**

- China’s middle class will grow from 200 million to 800 million people over the next 20 years, with the average annual income projected to increase 20% to USD $9,936 from 2013 to 2018, one of the highest growth rates globally.
- Increased spending on products such as personal care, lifestyle, healthcare, electronics and baby luxury brands.

**ECOMMERCE SECTOR**

- China is home to 649 million active internet users who spend an average of 3 hours online consumption.
- The spreading of government-subsidized internet access in China is expected to increase penetration to 52.1%.
- China is the world’s largest internet population.

**POPULAR PRODUCT CATEGORIES**

- Top categories included books, electronics, fashion and apparel, and home furniture.

**ECOMMERCE DEVELOPMENT**

- Since the end of 2012, seven cities were designated pilot zones for cross-border eCommerce: Shanghai, Zhengzhou, Ningbo, Hangzhou, Chongqing, Guangzhou, and Shenzhen; bonded warehouses were also established as a fundamental part of its implementation. The Chongqing–Guangzhou–Shenzhen-Hong Kong Petrol Pipeline Initiative is expected to ease some of the logistics and transportation constraints.

**ECOMMERCE INDEX (A.T. Kearney)**

- China's eCommerce cross-border sector, particularly for international goods, alongside growing opportunities in cross-border eCommerce.
- Top markets for inbound goods are as follows:
  - Top 10 (2014):
    - UK
    - US
    - Germany
    - France
    - Japan
    - Italy
    - Spain
    - Canada
    - Australia
    - South Korea
  - Top 11 (2015):
    - USA
    - Germany
    - France
    - Japan
    - Italy
    - Spain
    - Canada
    - Australia
    - South Korea
    - Korea (Republic)
    - China

**KOREA’S E-COMMERCE SI TES**

- Top sites for inbound goods include,
  - Tiseok (TinySeok) (cigarettes)
  - Hamee (gadgets)
  - Naver (healthcare)
  - Dongwon (non-food)

**Key Players in Third-Party Payments (2014)**

- ChinaPay
- Alipay
- WeChat Pay
- Yee Wallet
- 99Bill
- Lipin

**ECOMMERCE IN CHINA: 11 ECOMMERCE FACTS**

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- Key players in third-party payments are ChinaPay, Alipay, WeChat Pay, Yee Wallet, 99Bill, Lipin.

**ECOMMERCE RETAIL SALES PROJECTION (AS OF 2014)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (USD $ billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>13.7</td>
</tr>
<tr>
<td>2016</td>
<td>16.1</td>
</tr>
<tr>
<td>2017</td>
<td>18.6</td>
</tr>
</tbody>
</table>

**Convenience of Online Consumers (2015)**

- Key players in third-party payments are ChinaPay, Alipay, WeChat Pay, Yee Wallet, 99Bill, Lipin.
- ChinaPay is the most popular third-party payment service in China.

**POTENTIAL**

- A HIGHLY SOCIAL NATION
  - With 38% of the population using social media, mobile is a key enabler of social media usage.
  - In 2014, 70% of online shoppers reported to have purchased from a foreign site.

**PRODUCT AUTHENTICITY**

- Product authenticity is a concern among Chinese online shoppers, who demand value-added services besides competitive pricing.

**DELIVERED PRODUCT IS DIFFERENT**

- Concerns of Chinese online consumers include product authenticity and reliability of product sizing.

**SITE RELIABILITY**

- Site reliability is an important factor for Chinese online shoppers, with 95% of respondents indicating that they have purchased online before.

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