The Size
China eCommerce Market

In 2017, the Chinese e-commerce market was over $1T USD, with strong demand and spending power for overseas premium products.

China is \( \frac{1}{2} \) of the world’s e-commerce economy.

*Data source: KFD, iResearch*
Ecosystem
What Happens Inside
In China, eCommerce Platforms Dominate

**B2C—All Categories**
- Tmall sells almost everything, especially clothing
- JD is well-known for electronic appliances
- Suning and Gome are well-known for electronics and home appliances
- Amazon and Dangdang are well-known for books
- Vip is focusing on discounted cosmetics
- YHD is well-known for consumer goods (food)

**C2C—All Categories**
- Taobao is the absolute leader

**Vertical Platforms**
- **Fashion**
  - Jumei.com
  - ShangPin.com
- **Mom & Baby**
  - Miaomiao.com
  - Redbaby.com
- **Cross-border**
  - Vip.com
  - Yiguo.com
- **Fresh**
  - Benlai.com
  - Tubatu.com
- **Decoration**
  - Youzhu.com

Data sources: iResearch, KFD Analysis
Tmall and JD Account for 81.3% of B2C the eCommerce Market


- Tmall: 56.6%
- JD: 24.7%
- Suning: 4.3%
- VIP: 3.5%
- Gome: 1.2%
- YHD: 1.1%
- Amazon: 0.8%
- Dangdang: 0.7%
- Jumei: 0.5%
- Others: 6.6%

# of Monthly Active Users (APPS)
In million, 2017.4

- Tmall: 300.23* / 34.15
- JD: 74.12
- Suning: 14.72
- VIP: 39.98
- Gome: 1.15
- YHD: 2.94
- Amazon: 2.80
- Dangdang: 5.63
- Jumei: 5.93
- Others: 823.06

Note: 300.23 is Taobao’s data and Taobao app has access to Tmall; Data sources: iResearch, Analysys, KFD Analysis.
Mobile Trends
How Do They Use Their Phones?
Up to 76% of Sales Happen on Mobile

The majority of sales take place on mobile devices, regardless of category.
WEITAO - Taobao has a Twitter functionality embedded into the mobile app itself. It helps consumers remember what they liked and lets sellers actively engage with consumers.

ASK EVERYONE – Ordinary shoppers can communicate with each other on every product page. It lets them get objective reviews and live Q&A on products. This often becomes a channel for shoppers to make sarcastic jokes about products or sellers.
Entertain Me
How Much Fun Do You Make It?
Half of annual sales through big events and product launches +50% of traffic and transactions come through channels other than search engine results

November Sales Revenue as Share of Total Revenue
81%

Xiaomi
Tmall Stores’ Sales Revenue

Flagship’s Mobile Phone Sales

2,590,744,488 RMB
43%

3,440,830,926 RMB
57%
People Watch Live Streams By KOLs and Brands

Taobao offers plenty of live stream channels not only for shopping but also for casual entertainment.
Shopping As Theater

You have to make it interesting to attract buyers into your store. These succeed in getting more traffic than their competitors.

30-day Volume: 26,834
Average Volume of other First Page listings: 9,846

2.7X average volume

30-day Volume: 32,513
Average Volume of other First Page listings: 11,562

2.8X average volume
Consumers Are Overly Skeptical
Top Question To Our CS Department: “IS IT REAL?”
Chinese Consumers Are Spoiled Rotten

Price Cutting

Event Dependent

Low Sales At MSRP

Sales

Price Cutting

Event Dependent

Low Sales At MSRP

Sales

Price
Prime Location

Òòu Fu Kuài

豆 腐 块

The First 2-4 Product Listings Reserved For TMall Stores

Searched Keyword: "Beats"
2015.10.09
Winner Takes All

Chinese Consumers know what they want. The hero products dominate all the sales of a store.
Where Does Success Begin in China
Go-to-Market Approach

**Prepare**
- Market Analysis
- Brand Analysis
- Competitor Analysis
- Go to Market Strategy
  - Tmall
  - JD
  - WeChat
  - Daigou
  - Others..
- Platform Selection/Approval
- RFP Process
- Brand Planning

**Launch**
- Marketing
- Site Setup
- Merchandising
- Logistics Setup
- ERP Integration
- Testing
- Customer Support
- Logistics Management
- Returns

**Optimize**
- Daily Operations
- SEO/SEM
- A/B Testing
- Media Optimization
- Merchandising Optimization

**Awareness**

**eCommerce Operations**

Channel 2

Channel 3
You

Competitor

Understand **HOW MUCH traffic** you **COULD BE GETTING**.
Brazil Search Traffic

Search index on 巴西(Brazil) is 800-1,500. Who has Pine Nuts?

<table>
<thead>
<tr>
<th>Relative Keyword</th>
<th>Relative Keyword(English)</th>
<th>Search Index</th>
<th>Search Index Proportion</th>
<th>Click Ratio</th>
<th>Number of online Products</th>
<th>Click Index</th>
<th>Payment Conversion Rate</th>
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</thead>
<tbody>
<tr>
<td>巴西松子</td>
<td>Basil pine nuts</td>
<td>50,949</td>
<td>25.73%</td>
<td>143.58%</td>
<td>2,344</td>
<td>42,250</td>
<td>14.79%</td>
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</table>

<table>
<thead>
<tr>
<th>Range</th>
<th>Image</th>
<th>Product Name (English)</th>
<th>Product Name (Chinese)</th>
<th>Product Name (Japanese)</th>
<th>Product Price (RMB)</th>
<th>Transaction Volume (Units)</th>
<th>Sales (RMB)</th>
<th>Lifetime Transaction Volume (Units)</th>
<th>Seller</th>
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</thead>
<tbody>
<tr>
<td>2</td>
<td>【陆哥】17年新货巴西松子500g手剥松子坚果特产零食批发包邮</td>
<td>Lu brother 17 years of new goods Brazil pine nuts 500g hand peeling nut nuts specialty snacks wholesale Free shipping</td>
<td>¥138</td>
<td>7,092</td>
<td>978,696</td>
<td>628,609</td>
<td>盛隆食品专营店</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>天天特价2017新货进口坚果炒货零食干果特产手剥巴西松子原味500g</td>
<td>Day special 2017 new goods imported nuts roasted snacks dried fruit specialty products hand stripping paclitaxel flavor 500g</td>
<td>¥99</td>
<td>7,303</td>
<td>721,536</td>
<td>7,710</td>
<td>野果宝宝</td>
<td></td>
<td></td>
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<tr>
<td>6</td>
<td>【神品】17年新籽原味手剥松子500g手剥坚果零食巴西松子包邮</td>
<td>[God] 17 years of new seeds original hand-made pine nuts 500g dried nuts nuts snacks Brazil pine nuts Free shipping</td>
<td>¥146</td>
<td>3,811</td>
<td>555,644</td>
<td>199,965</td>
<td>神品旗舰店</td>
<td></td>
<td></td>
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</tbody>
</table>

476k BRL
Understand Who Your Customers Are
Your Customers

Understand WHO from WHERE bought HOW MUCH.
Benchmark
Against Your Competitors
Your Position

Understand **HOW MUCH** they **SOLD** vs. you.

<table>
<thead>
<tr>
<th>序号</th>
<th>品牌</th>
<th>成交量 (Units)</th>
<th>销售额 (RMB)</th>
<th>销售额 (USD)</th>
<th>高级宝贝数</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Competitor 1</td>
<td>604,706</td>
<td>¥20,488,467</td>
<td>$3,152,072</td>
<td>2,232</td>
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<tr>
<td>2</td>
<td>Competitor 2</td>
<td>477,833</td>
<td>¥36,281,432</td>
<td>$5,581,759</td>
<td>2,071</td>
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<tr>
<td>3</td>
<td>Competitor 3</td>
<td>418,773</td>
<td>¥33,137,594</td>
<td>$5,098,091</td>
<td>803</td>
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<tr>
<td>4</td>
<td>Competitor 4</td>
<td>403,754</td>
<td>¥41,249,893</td>
<td>$6,346,137</td>
<td>86</td>
</tr>
<tr>
<td>5</td>
<td>Competitor 5</td>
<td>396,916</td>
<td>¥18,100,942</td>
<td>$2,784,760</td>
<td>118</td>
</tr>
<tr>
<td>6</td>
<td>YOUR BRAND</td>
<td>383,846</td>
<td>¥16,294,243</td>
<td>$2,506,807</td>
<td>3,777</td>
</tr>
<tr>
<td>7</td>
<td>Competitor 6</td>
<td>346,472</td>
<td>¥37,418,600</td>
<td>$5,756,708</td>
<td>183</td>
</tr>
<tr>
<td>8</td>
<td>Competitor 7</td>
<td>332,522</td>
<td>¥27,309,630</td>
<td>$4,201,482</td>
<td>1,959</td>
</tr>
</tbody>
</table>
Analyze Everything About the Products
Product Positioning

Detailed competitive PRODUCT ANALYSIS.

- Pricing
- Unit Volumes
- Data Trends
- Price Distributions
- Conversion Ratios
- Product Details
- Counterfeit Detection
- Distribution Channels
- And more
A SUCCESSFUL China eCommerce ENTRY STRATEGY is based on PRECISE DATA.
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