

Study

eCommerce in China today

Growth | Potential | Challenge

March 2011

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Key Messages

- eCommerce is already a permanent part of online behavior. 34% (142 million) of the Chinese online users make purchases on the Internet.
- The majority of online users and online shoppers come from young and well-educated target groups with purchasing power, thus making them advertising relevant and susceptible to eCommerce measures.
- Most online payment expenses are made for shopping. But Chinese online buyers trust and use third-party payment systems, so co-operation agreements with local banks and an open attitude towards methods of payment typical for the Chinese market are necessary.
- One study conducted by aquarius, however, found that today the top 100 manufacturers of consumer goods (in the Amazon product categories) are giving away a large part of their online potential.
- Only 21% of companies actively use search engine marketing with Baidu with generic search terms (such as laptop or coffee maker).
- Only 4% of brands analysed show up on the first page of the natural search hits from Baidu.
- Although 93% of companies sell products in eShops such as Taobao, only 21% of the manufacturers are linked to these sales partners.
- As a result, neither the potential for generating the coverage for the company's own website nor the potential for forwarding this traffic in a manner that promotes sales is used.
- In order to make use of the potential in eCommerce in a way that yields profits, selecting the right online sales model and understanding the specific requirements of the individual models is of key importance.
- In particular, the decision for a dedicated eShop entails an entire series of sales tasks for the manufacturers, for whom retail business is relatively new.
- aquarius has identified 15 success factors in the typical purchasing cycle which are crucial for the success of online sales.