

Doing Business With China

Helen Sawczak

National CEO, Australia China Business Council

STOKING THE DRAGON
UNLOCKING CHINA'S
NEW GENERATION OF
DIGITAL CONSUMERS
2ND EDITION



- China has as many digital natives as the US has total internet users.
- 467 million Chinese people shopped online in 2016, almost 70 per cent on a mobile phone.
- Three quarters were aged 10 to 39.
- China currently has around 731 million internet users in total, and more than 120,000 new users join *every day*.
- China processes 11 times more mobile payments than the US.
- China now has 42% of global e-commerce (a decade ago this was 1%).
- Home to 1/3 of the world's unicorns.

FUNCTION	CHINA	WESTERN COUNTRIES
Search Engine	Baidu, Sogou, So.com (360), Shenma	Google, Bing
Instant Message	WeChat	WhatsApp
Social Media	WeChat, Weibo, QZone	Facebook, Twitter, Snapchat, Instagram
Video	Youku, IQIYI	Youtube
eCommerce	Tmall, JD, Taobao	Amazon, eBay
Online Payment	Alipay, WeChat payment (Tenpay)	PayPal
Online Travel	Ctrip, Qunar	Priceline, Booking.com, Expedia
Online Restaurant Review/Booking/Coupon	Dianping, Meituan, Nuomi	Yelp, Zomato, Google map

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- Top 3 uses of the internet in China: Instant Messaging, news, search engines.
- Only 1/3 use email.
- Flexible hours, quick response times.
- Chinese consumers shop around: 10 to 12 visits to online and offline touch points before buying an expensive product.
- The most brand conscious consumers in the world.
- A heavy emphasis on word of mouth: recommendations from family and friends are the most important factor.

Investing in the relationship



- 73% of urban Chinese consumers participate in sport and buy sporting goods. The US is 70%.
- China's five year plan for sport aims to double the value of the sector to \$460 billion by 2020—1% of GDP.



Investing in the relationship



'We have to learn a bit of nuance in how we deal with Asia in the next few decades ... the temperature in our relationship (with China) urgently needs to be lowered.'

The Hon. Andrew Robb AO

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