



E-commerce in China

Trends & Opportunities for Western Companies

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MYCHINAWEB
INCREASE YOUR ONLINE VISIBILITY IN CHINA

Introduction

Bart Horsten

- China Entrepreneur and Consultant since 1998, focusing on assisting Western SMEs in doing business in China
- Managing Director of **HORSTEN International**
- Shareholder and Board member of several China/Hong Kong ventures
- Founding Partner of **MyChinaWeb**, the 1st China online marketing agency in Belgium



- Established in 1996 by Joos Horsten (former VP International Janssen Pharma - part of Johnson & Johnson - and 'founding father' of the successful Xian-Janssen Joint Venture, the 1st pharma JV in China in the '80s)
- Headquartered in Oud-Turnhout (Antwerp), Belgium
- Offices in Hong Kong, Shanghai and Xi'an
- Consulting, trading and investments
- 100% focus on China



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STRATEGIC ADVICE



MARKET RESEARCH



COMPANY INCORPORATION



FEASIBILITY STUDIES



AUDITS AND QUALITY CONTROLS



SOURCING AND SUPPLY CHAIN
MANAGEMENT



M&A



PARTNER SELECTION



PROJECT MANAGEMENT



BUSINESS DEVELOPMENT



ONLINE MARKETING



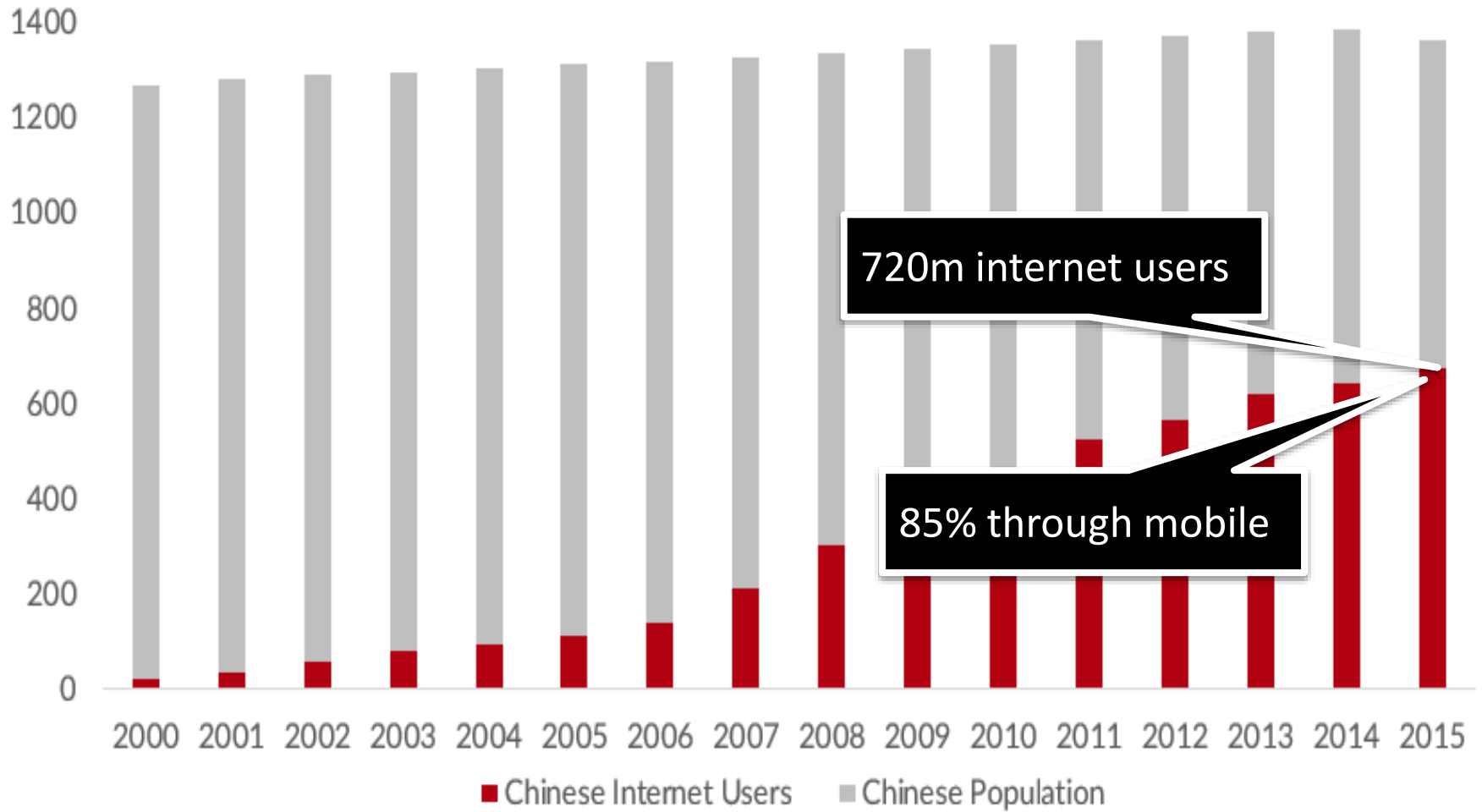
REGULATORY AFFAIRS

MYCHINAWEB

INCREASE YOUR ONLINE VISIBILITY IN CHINA

CLICK PLAY

China Population / Internet Users in millions



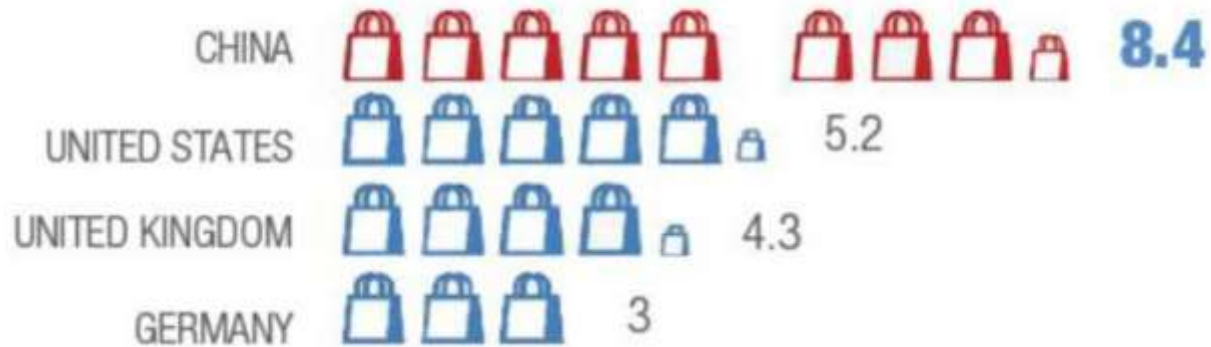
China: the Dreamplace for E-commerce!

- China's GDP growth is declining, but online shopping continues to boom
- Chinese consumers are eager to buy foreign products
- Chinese people are very open to new technologies and experiences
- The “overlap” between the population on social media and brand consumers is much bigger than in the west
- Chinese people are massive creators of content, while most western people are passive spectators



Shopping Frequency

AVERAGE NUMBER OF MONTHLY PURCHASES PER ONLINE SHOPPER



The 'BAT'tle between the 3 major players



Tencent 腾讯

Alibaba Platforms



=> International B2B



=> C2C (small businesses)



=> Domestic B2C (China => China)



=> International B2C (China => World)



=> International B2C (World => China)

Chinese E-commerce Platforms



- China-registered companies
- Cash security deposit
- Annual subscription fee
- Commission on each transaction
- Work with designated logistic partners
- Invest in marketing

Cross Border E-commerce

- In 10 pilot cities and some free trade zones and additional qualified cities
- Reasons: to protect consumer interests, strengthen monitoring of product safety, safeguard national tax receipts
- No China-registered company needed
- All purchases under RMB2000 can enjoy free import
- Annual individual limit RMB20.000 cumulatively
- VAT and sales tax will apply to only 70% of the total price

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京东全球购
JD Worldwide



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M-Commerce



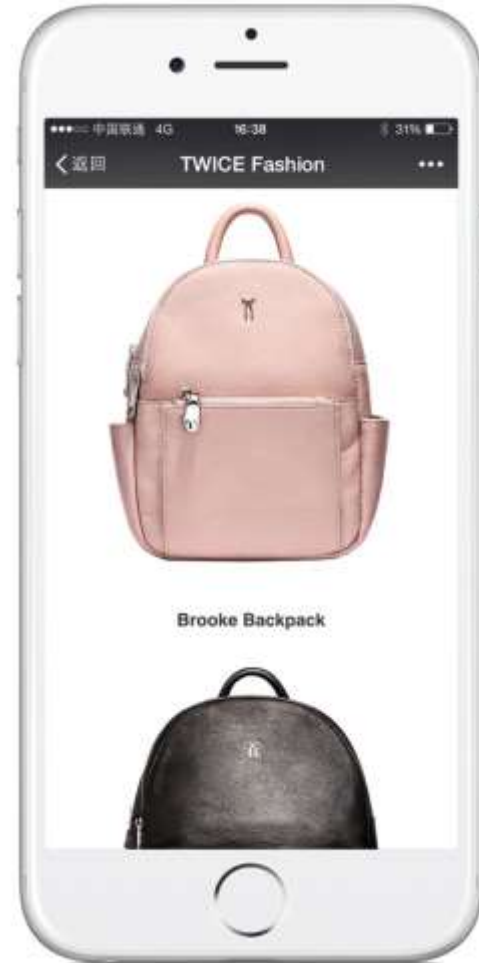
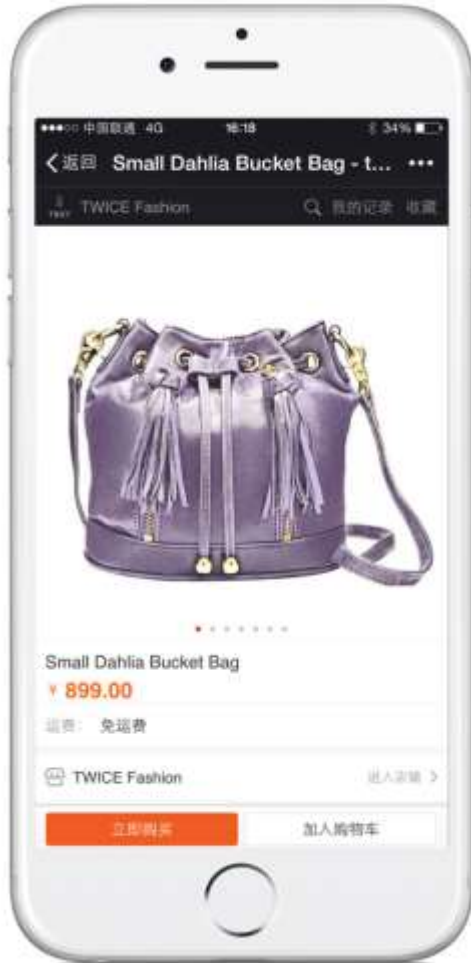
Reasons M-Commerce Growth

- Penetration of smartphones in the countryside (where few stores are located and few people own PCs) and lower income groups.
- Increase in 3G/4G coverage (40% of mobile users) & increase in WIFI hotspots.
- Cheaper smartphone brands
- New means of mobile payment
- O2O Tools





WeChat shops



Purchases initiated from Wechat doubled in a year



Strategy for China



Have one!



Strategy for China



Localization!

Strategy for China



Commitment!



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Thank you!

