1 Internet usage has increased dramatically among the Chinese population

China currently has more than 800 million internet users, and nearly 30 million surfed the web for the first time in 2018.[3] China surpassed 100 million internet users in 2005,[4] and today there are more internet users in China than the combined populations of the United States, Indonesia and Brazil, three of the world's most populous countries.

2 China's internet users are big fans of online shopping

As of June 2018, more than 70% of China's internet users had made an online purchase.[6] Last year during China's biggest e-commerce event, the Alibaba Singles Day shopping festival in 2017, sales exceeded US$25 billion over a 24-hour period, setting a new record.[7] By way of comparison, total online sales in the United States over Thanksgiving, Black Friday and Cyber Monday in 2017 amounted to US$14.5 billion.[8]

Five Reasons

Why China is Dominating E-commerce

China accounted for less than 1% of the global e-commerce market a decade ago; today, it is the world's largest e-commerce market, increasing its global market share to more than 40%.[1] In fact, China's dominance in e-commerce and m-commerce is so pronounced that the country now handles more transactions per year than France, Germany, Japan, the United Kingdom and the United States combined.[2] Chinese users are also pioneering industry developments, driving innovation and coming up with the latest technologies. So how did China become an e-commerce powerhouse so quickly?

3 A vast logistics ecosystem supports the growth of China's e-commerce market

Chinese e-commerce giants Alibaba and JD.com have found success in part by developing highly efficient systems and networks to deal with the delivery of orders. Alibaba manages a cross-country network of delivery firms that can process up to 30 million items per day through Cainiao.[9] Looking for same-day delivery in China? JD.com's 211 program aims to provide same-day delivery for orders received before 11am, and next-day delivery for orders received before 11pm. China's e-commerce industry has fuelled the rise of several domestic delivery firms including SF Express, which is now looking to build an international presence.

4 Mobile penetration is broad and deep, with an unprecedented rise in mobile payments

In China, 788 million users go online using their mobile phones.[10] This represents a staggering 98% of the country's total internet users, more than twice the population of the United States. Of these individuals, 72% use mobile payment methods,[11] up from just 25% in 2013.[12] In 2017, 90% of the nearly 1.5 billion Alibaba Singles Day transactions were completed on mobile devices.[13]

5 A lack of retail infra-structure in lower-tier cities drives Chinese consumers online

The Chinese middle class has grown rapidly in recent years, with the figure currently at 400 million or about a third of China's total population.[14] Yet for those who live in lower-tier cities, retail infrastructure such as stores, warehouses and roads, is not as well developed as in first-tier cities. With limited options, consumers in lower-tier cities go online for more variety and options than they could ever have on their doorstep.

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