Doing Business With China

Helen Sawczak
National CEO, Australia China Business Council
• 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.
<table>
<thead>
<tr>
<th>FUNCTION</th>
<th>CHINA</th>
<th>WESTERN COUNTRIES</th>
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<tbody>
<tr>
<td>Search Engine</td>
<td>Baidu, Sogou, So.com (360), Shenma</td>
<td>Google, Bing</td>
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<tr>
<td>Instant Message</td>
<td>WeChat</td>
<td>WhatsApp</td>
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<td>Social Media</td>
<td>WeChat, Weibo, QZone</td>
<td>Facebook, Twitter, Snapchat, Instagram</td>
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<td>Video</td>
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<tr>
<td>eCommerce</td>
<td>Tmall, JD, Taobao</td>
<td>Amazon, eBay</td>
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<td>Online Payment</td>
<td>Alipay, WeChat payment (Tenpay)</td>
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<td>Online Travel</td>
<td>Ctrip, Qunar</td>
<td>Priceline, Booking.com, Expedia</td>
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<tr>
<td>Online Restaurant Review/Booking/Coupon</td>
<td>Dianping, Meituan, Nuomi</td>
<td>Yelp, Zomato, Google map</td>
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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.
'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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