

# CHINESE MARKETPLACES YOU SHOULD KNOW ABOUT

China is hugely geared towards e-commerce – incredibly, one in every two e-commerce transactions carried out worldwide take place in China.<sup>1</sup> And the Chinese love shopping on marketplaces, with 90% of online purchases made this way.

So, if you're looking to expand abroad, Chinese marketplaces offer great potential – and many of these platforms are keen to help international sellers get established in the country. Here's a lowdown on some Chinese marketplaces to consider- all supported by ChannelAdvisor.

## 1. TMALL GLOBAL

Taobao spin-off Tmall is owned by Alibaba, a group which has a massive 80% + stake in the Chinese online market - Tmall accounting for 53% of online retail here in Q1 2017.<sup>2</sup> Tmall provides the West with easy access to China's growing consumer base. Operating in 63 countries the platform now plays host to over 14,500 International brands including some of the world's biggest, such as Disney and Burberry.



### CATEGORIES

Cosmetic and personal care and mother and baby make up nearly half of all sales, while health supplements, home décor, food and beverage, clothes and shoes, plus luxury imported branded items – the Chinese particularly love to buy authentic Western brands.

### THINGS TO CONSIDER

- You don't need a corporate entity inside mainland China to set up shop
- To open a Tmall store you'll need a good credit score – and your business must be 2+ years old
- You must list in Mandarin Chinese (Tmall can connect you to a reputable translation service provider)
- Sellers can take advantage of Tmall's warehousing and storage services
- Tmall uses Taobao's infrastructure and payment system, Alipay – a system Chinese people know and trust. That means Chinese buyers don't need to speak English or have a credit card with access to foreign currency to buy international goods
- Sellers can access daily reports and analytics
- You must commence delivery of items within 72 hours of orders being placed
- Costs: One-time security deposit: \$25,000, Annual Fees: \$5000-\$10,000, Commission fee: between 2-5%, Alipay service fee: 1%

## 2. AZOYA

Owned by leading Chinese mail-order giant Belluna, Azoya is a full-service e-commerce solutions provider. Established in 2013, Azoya had 1.4 million shoppers in 2016 – and forecasts to have 5.8 million users in 2017.<sup>3</sup>



<sup>1</sup> <https://www.forbes.com/sites/wadeshepard/2017/03/14/as-amazon-floods-with-chinese-sellers-western-brands-move-into-chinas-booming-e-commerce-market/#29b72e757cdf>

<sup>2</sup> <https://www.chinainternetwatch.com/201798/online-retail-q1-2017/>

<sup>3</sup> <http://www.azoyagroup.com/blog/view/belluna-starts-cross-border-e-commerce-to-china-via-standalone-chinese-website/>

The platform endeavours to help overseas retailers break into China's e-commerce market, and currently features retailers from over 11 countries including brands such as La Redoute and Feelunique. Azoya offers a full-service package for international merchants, in a bid to make expanding into China cost-effective and risk free.

## CATEGORIES

Lists 3500 plus items including baby products, health supplements and cosmetics. Foreign high-quality products that are not previously available before are also in demand.

## CONSIDERATIONS

- International sellers can take advantage of Azoya's warehousing and logistics, branding and marketing, customer service and payments.
- The platform provides advice and digital marketing support, to help ensure success of overseas sellers
- Buyers can use Alipay and WeChat Pay
- Supported in these ChannelAdvisor posting locales: Australia, France, Germany, Japan, NZ, South Korea, Switzerland, UK, USA

## 3. AMAZON CHINA

While still sitting firmly in the shadow of Alibaba, reportedly taking just one percent of the (albeit huge) Chinese market, Amazon appears to be making some inroads. After recently launching Amazon Prime in China, Amazon China's sales grew 300% on Prime Day this year, beating last year's Black Friday sales.<sup>4</sup>



## CATEGORIES

Best sellers include health & beauty, toys, baby, sports, wine, cosmetics, while the Kindle Paperwhite e-book reader became Amazon China's bestselling electronic device.

## CONSIDERATIONS

- You can take advantage of Amazon logistics to help you fulfil items as well as receive customer service.

## 4. ALIEXPRESS

Another Alibaba Group holding, AliExpress is a consumer-to-consumer, business to consumer and business-to-business marketplace. Currently the platform only invites companies operating in mainland China to sell on there – however they are currently considering extending their supplier service to international sellers – so it's a case of 'watch this space'.



We hope this has given you a clearer view of Chinese marketplaces with the potential to boost your sales in this vastly growing region. For more information about how ChannelAdvisor can support your integration email us at [ausales@channeladvisor.com](mailto:ausales@channeladvisor.com) or call us on 1300 887 239.

<sup>4</sup> <https://www.chinainternetwatch.com/21850/amazon-prime-members-day/>