

Online to Offline Retailing - China - July 2016

Report Price: £2463.80 | \$3990.00 | €3129.79

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“The online retail market is slowing, becoming more competitive and has to become more integrated with offline retailing. Retailing has to include a combination of both, requiring redefining what the role of physical stores should be and using more mobile technology.”

– Matthew Crabbe – Director of Research, Asia Pacific

This report looks at the following areas:

- Is 'peak internet' around the corner?
- It's all just retail!
- Tailoring the shopping journey to individual tastes

Online-to-offline (O2O) retailing (also known as Internet+, or omni-channel retailing) can be defined most simply as the integration of online retailing to traditional bricks-and-mortar retailing.

However, it covers a wide range of commercial and consumer activities, and aims to focus those online and offline activities into coordinated strategies as an integrated, multi-channel business plan designed to utilise online assets to re-establish in-store value, with a view to increasing overall retail revenue (both online and offline). This multi-channel approach is more two-way, from online-to-offline, and from offline-to-online.

It can also be seen as a business strategy that simply draws potential customers from online channels into physical stores, by identifying customers in the online space, via email, social media, online gaming, online retail channels and internet advertising, using a variety of marketing tools (both online and offline) to guide customers from those online spaces into the physical retail spaces. This approach is more one-way, from online-to-offline only.

BUY THIS
REPORT NOW

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Online to Offline Retailing - China - July 2016

Report Price: £2463.80 | \$3990.00 | €3129.79

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

- What you need to know
- What is covered in this Report

Executive Summary

- The market
 - Online retail still growing fast, but slowing
 - Figure 1: China – Total online retail market value, 2011-21
 - Companies and brands
 - Figure 2: China – Leading online B2C retail portals' share of market value, 2014/15
- The consumer
 - Mobile persists, shops resist
 - Figure 3: Consumer purchasing of products by type of online or offline channel, April 2016
 - Shoppers still like shops
 - Figure 4: Consumer motives for shopping either online or offline, April 2016
 - Seeing is believing?
 - Figure 5: Consumer influences for shopping either online or offline, April 2016
 - Consistency of performance, quality of experience
 - Figure 6: Key motivators for consumers to shop either online or offline, April 2016
 - Online still holds practical advantage
 - Figure 7: Key motivators for consumers to shop either online or offline, April 2016
 - Ratings, reviews and recommendations
 - Figure 8: Key motivators for consumers to shop either online or offline, April 2016
 - The core consumer groups
 - Figure 9: Key consumer groups according to attitudes towards shopping online and in-store, April 2016
- What we think

Issues and Insights

- Is 'peak internet' around the corner?
 - The facts
 - The implications
- It's all just retail!
 - The facts
 - The implications
- Tailoring the shopping journey to individual tastes
 - The facts
 - The implications

The Market – What You Need to Know

BUY THIS
REPORT NOW

VISIT: store.mintel.com
 CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
 APAC +61 (0) 2 8284 8100 |
 EMAIL: reports@mintel.com

Online to Offline Retailing - China - July 2016

Report Price: £2463.80 | \$3990.00 | €3129.79

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Online growth still fast, but slowing rapidly also
 Grocery retail the 'next big thing'
 Moving to mobile and reaching rural
 The push for price parity

Market Size and Forecast

Online retail still growing fast, but slowing
 Figure 10: China – Total online retail market value, 2011-21
 Forecast methodology

Market Segmentation

The rise of B2C retail
 Figure 11: China – e-commerce total value, by B2C/C2C split, 2011-15
 Bigger than the US market
 Figure 12: China/US – Total online retail compared, 2011-15
 Figure 13: China/US – Total online retail compared to total retail, 2011-15
 What consumers are buying online
 Figure 14: China – Online retail sales by broad product category, 2011-15

Market Drivers

More than half the population
 Figure 15: China – Penetration of internet and online shopping use, 2010-15
 The shift to mobile shopping
 Figure 16: China – mobile online users & revenues within total online retail, 2011-15
 The opening of rural China
 Figure 17: Percentage of rural households by net household income level and percentage change, 2005-12
 Figure 18: Average rural & urban per capita disposable household income, 2010-14
 Figure 19: China – Rural/urban internet user population, proportion, growth and penetration rate, 2010/15

Regulatory and Legislative Changes

Government continues to support O2O development
 Changes in taxing overseas online shopping
 Price parity in online shopping

Companies and Brands – What You Need to Know

Market leaders increase their share
 More retailers focus on O2O integration

Market Share

The market leaders further flex their muscle
 Figure 20: China – Leading online B2C retail portals' share of market value, 2014/15
 Figure 21: China – Top-4 online B2C retail portals' share of market value, 2014/15

Alibaba moves more to mobile

BUY THIS
 REPORT NOW

VISIT: store.mintel.com
 CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
 APAC +61 (0) 2 8284 8100 |
 EMAIL: reports@mintel.com

Online to Offline Retailing - China - July 2016

Report Price: £2463.80 | \$3990.00 | €3129.79

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 22: Alibaba China commerce retail GMV total and mobile, Q1-4, 2015

Figure 23: Alibaba China commercial retail division major operational metrics, March 31, 2015-March 31, 2016

JD.com

Figure 24: JD.com key financial data, 2012-15

Suning

Figure 25: Suning key financial data, 2012-15

VIPShop revenue grows 65%

Figure 26: VIPShop Holdings key financial data, 2012-15

Competitive Strategies

- The national flag as retail banner
- Anchoring national online to local, physical stores
- Alibaba buys into Suning stores
- Walmart buys into Yihaodian webspace
- New Look China's rapid roll-out pays off
- Ikea self-assembles its omni-channel plans

The Consumer – What You Need to Know

- Mobile persists, shops resist
- Shoppers still like shops
- Seeing is believing?
- Consistency of performance, quality of experience
- Online still holds practical advantage
- Ratings, reviews and recommendations
- The core consumer groups

Products Bought

Mobile persists, shops resist

Figure 27: Consumer purchasing of products by type of online or offline channel, April 2016

Are we reaching 'peak online shopping'?

Figure 28: CHINA – Online retail sales by broad product category, 2011-15

Figure 29: Consumers' online and offline shopping incidence in the last 6 months, April 2016

Better engage the 40s

Figure 30: Consumers' online and offline shopping incidence in the last 6 months, by age group, April 2016

Targeting the harder-to-reach shoppers

Figure 31: Consumer purchasing of products by type of online or offline channel, by key consumer groups, April 2016

Targeting the young shoppers

Figure 32: Consumer purchasing of products by type of online or offline channel, by gender and age group, April 2016

Targeting the lower income shoppers

Figure 33: Consumer purchasing of products by type of online or offline channel, by monthly personal income group, April 2016

Shopping Motives

BUY THIS
REPORT NOW

VISIT: store.mintel.com
 CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
 APAC +61 (0) 2 8284 8100 |
 EMAIL: reports@mintel.com

Online to Offline Retailing - China - July 2016

Report Price: £2463.80 | \$3990.00 | €3129.79

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Shoppers still like shops

Figure 34: Consumer motives for shopping either online or offline, April 2016

Older men trust stores, young men trust online

Figure 35: Male consumer motives for shopping either online or offline, by age group, April 2016

The omni-channel approach as a tailored service

Figure 36: Female consumer motives for shopping either online or offline, by age group, April 2016

Lower income shoppers not persuaded either way

Figure 37: Consumer motives for shopping either online or offline, by personal monthly income group, April 2016

Key Shopping Influences

Seeing is believing?

Figure 38: Consumer influences for shopping either online or offline, April 2016

Youngsters online, oldsters offline

Figure 39: Consumer influences for shopping either online or offline, by gender and age group, April 2016

Shopping influences versus retailer performance

Figure 40: Consumer influences for shopping either online or offline, by aspects online retailers perform better than physical stores (A), April 2016

Figure 41: Consumer influences for shopping either online or offline, by aspects that online retailers perform better in than physical stores (B), April 2016

The Consumer – Key Shopping Motivators

Consistency of performance, quality of experience

Figure 42: Key motivators for consumers to shop either online or offline, April 2016

Consumer motivation versus retailer perceptions

Figure 43: Key motivators for consumers to shop either online or offline, by consumer perceptions of shopping online or in-store (A), April 2016

Figure 44: Key motivators for consumers to shop either online or offline, by consumer perceptions of shopping online or in-store (B), April 2016

The Consumer – Channel Perceptions

Online still holds practical advantage

Figure 45: Key motivators for consumers to shop either online or offline, April 2016

Older men prefer shopping online

Figure 46: Key motivators for male consumers to shop either online or offline, by age group, April 2016

Women's shopping habits shift with age

Figure 47: Key motivators for female consumers to shop either online or offline, by age group, April 2016

Channel perceptions versus consumer attitudes

Figure 48: Key motivators for consumers to shop either online or offline, by consumer attitudes towards shopping online and in-store (A), April 2016

Figure 49: Key motivators for consumers to shop either online or offline, by consumer attitudes towards shopping online and in-store (B), April 2016

The Consumer – Consumer Attitudes

Ratings, reviews and recommendations

Figure 50: Key motivators for consumers to shop either online or offline, April 2016

Figure 51: Consumer attitudes to online/offline shopping, April 2015

Give men an incentive to go shopping

Figure 52: Key motivators for male consumers to shop either online or offline, by gender and age group, April 2016

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Online to Offline Retailing - China - July 2016

Report Price: £2463.80 | \$3990.00 | €3129.79

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Emphasise social shopping to women

Figure 53: Key motivators for female consumers to shop either online or offline, by gender and age group, April 2016

The Consumer – Key Consumer Groups

The core consumer groups

Figure 54: Key consumer groups according to attitudes towards shopping online and in-store, April 2016

Shopping haters

Who they are

What they like

How to market to them

Word-of-mouth (WOM)-shoppers

Who they are

What they like

How to market to them

O2O shoppers

Who they are

What they like

How to market to them

Reticent shoppers

Who they are

What they like

How to market to them

Figure 55: Key consumer groups according to attitudes towards shopping online and in-store, by demographics, April 2016

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

Appendix – Market Size and Forecast

Total market size and forecast

Figure 56: China – Value sales of Online to Offline Retailing by segment, 2011-21

Forecast methodology

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com