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STATEMENT OF CROSS-BORDER PURCHASING BEHAVIOR RESEARCH

Statement

1. All data in this white paper is sourced. The data is valid only under the research objectives and scope of Chinese Consumer Cross-border Purchasing behavior.
2. This white paper captures only a part of the research data and opinions for the presentation. To get further detailed data and content, please contact Westwin.
3. "PURCHASING" in this report includes three types of behavior: “CROSS-BORDER PURCHASE” refers to purchases taking place within China’s border through cross-border purchasing channels and methods; “OUTBOUND PURCHASE” refers to purchases outside China’s border done by consumers coming from China; “OVERSEAS PURCHASE” refers to purchases taking place outside China’s border done by Chinese overseas residents.
The project samples consist of Chinese consumers currently residing in the following countries: China, Australia, Canada, Singapore, United Kingdom, United States

**Definition of CROSS-BORDER PURCHASING**

CROSS-BORDER PURCHASING refers to the consumers of one country purchasing goods from other countries via online or offline channels.

**Research Methodology**

**Online Questionnaire Survey**
- Valid sample: 630
- Sample coverage: China/Canada/Singapore/Australia/United States/United Kingdom

**In-depth Interview**
- Valid samples: 19
- Sample coverage:
  - 6 Chinese Cross-Border e-commerce purchasers
  - 6 Chinese outbound tourists
  - 5 Chinese overseas residents
  - 2 Cross-Border e-commerce experts (director level or above, both from China’s top 3 cross-border e-commerce platforms)

*Note: This study does not include overseas residents from countries and regions other than China.*

(Note: Countries listed here with no particular order, all maps and national flags are only indicative of the survey area, without any added value judgment.)
ANALYTICAL MODEL AND RESEARCH FRAMEWORK

Traditional PKIUL purchasing Experience Model

Linear Sequence Procedure from Perception to Loyalty

- Perception
- Knowledge
- Interest
- Usage
- Loyalty

New PKIUL purchasing Experience Model

Flat purchasing Procedures

- Perception
- Knowledge
- Interest
- Usage
- Loyalty

Nielsen Observation & Discoveries

- Information Access

Any link can facilitate usage

Research Framework

Cross-Border Purchasing Behavior

- Information Channel
- Device of Access
- Influence Factors

Purchase

- Product Category
- Purchasing Channel
- Method of Payment

Identify the information channel factors that could be leveraged.

Understand purchasing behavior and identify the popular categories.
CONTENTS

- Overall Status and Trends of Cross-border Purchasing Behavior in China
- Chinese Cross-border Purchasing Behavior Analysis
  - Cross-border E-commerce Purchasing
  - Outbound Tourist Overseas Purchasing
  - Overseas Residents Purchasing
- Comparison of Cross-border Purchasing in China
THE CROSS-BORDER CONSUMERS CAN BE DIVIDED INTO THREE GROUPS

I. Cross-Border E-Commerce
   Cross-border e-commerce consumers

II. Outbound Tourism
    Outbound tourists

III. Overseas Residence
     Overseas residents

Purchasing

Cross-border Consumer Behavior

Information Access
THE CHINESE CROSS-BORDER PURCHASING MARKET IS LARGE-SCALE WITH PROMISING FUTURE GROWTH POTENTIAL

**China’s cross-border purchasing market is large-scale**

- The scale of cross-border imports was **1.5 trillion RMB** in 2017.
- In 2017, the number of cross-border tourists in China has reached **130 million**. Compared with the same period of the previous year, it increased by **7.0%**. The total spending of outbound tourism has reached **115.29 billion US dollars**.
- In 2017, Chinese overseas residents (including overseas students, workers etc.) spent about **84.25 billion US dollars**.

**China’s market has great potential**

- Consumers with cross-border e-commerce purchasing experience account for the following percentage of the total e-commerce consumers base: **34%** In 2016, **67%** In 2017.
- Estimated outbound tourism spending will reach **12.25 billion US dollars** in 2018, with an increase of **4.30%** compared to 2017.
- Estimated spending of overseas residents will reach **88.56 billion US dollars** in 2018, with an increase of **5.12%** compared to 2017.

*Source: The data on this page comes from the “Nielsen 2018 China Consumer Cross-border Purchasing behavior Research Project - In-depth Interview”*
CONTENTS

Overall Status and Trends of Cross-border Purchasing Behavior in China

Chinese Cross-border Purchasing Behavior Analysis

Cross-border E-commerce Purchasing

Outbound Tourist Overseas Purchasing

Overseas Residents Purchasing

Comparison of Cross-border Purchasing in China
DEVELOPMENT: CHINA'S CROSS-BORDER (IMPORT) E-COMMERCE SECTOR IS IN THE MATURE AND SATURATED PHASE

Transaction Size (RMB)

1.8 trillion (estimated)

Slow Growth
"Cross-border e-commerce platforms such as G.Taobao.com, Ymatou, Mia.com, and Red have gradually developed, although the growth rate of the specific market is still limited due to several policy restrictions."
—Expert B, above director level, from China's top 3 cross-border e-commerce platforms

Accelerating
"The growth rate of cross-border e-commerce is mainly related to policies. Cross-border markets have appeared since 2010 but in small sizes, and have developed rapidly after new policies released in 2016. During that time the sales revenues of various platforms have increased by more than five times."
—Expert A, above director level, from China's top 3 cross-border e-commerce platforms

Continue to grow but slow down
"The estimated import expenditure in 2019 is about 2.2 trillion RMB, due to the changing overall status of cross-border e-commerce, the growth rate will slow down. However, the vertical e-commerce platforms in recently emerging businesses such as fresh food and mother & infant products will continue to develop."
—Expert A, above director level, from China's top 3 cross-border e-commerce platforms

Source: The data on this page comes from the "Nielsen 2018 China Consumer Cross-border Purchasing behavior Research Project - In-depth Interview"
CROSS-BORDER E-COMMERCE PURCHASING OVERVIEW

Average Experience in Cross-border E-commerce Purchasing

Cross-border E-commerce Purchasing Experience

<table>
<thead>
<tr>
<th>Experience</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-5 years</td>
<td>77%</td>
<td>65%</td>
</tr>
<tr>
<td>5-8 years</td>
<td>19%</td>
<td>32%</td>
</tr>
<tr>
<td>8+ years</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Mostly within 2-5 years experience. Significantly more female consumers with over 5 years+ experience.

Average Purchasing Frequency Over the Past 12 Months

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 times</td>
<td>23%</td>
<td>29%</td>
</tr>
</tbody>
</table>

More female high-frequency purchaser than male.

% of High-frequency Purchasers (>20 times/Year)

<table>
<thead>
<tr>
<th>Experience</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>With children</td>
<td>31%</td>
<td>31%</td>
</tr>
<tr>
<td>Without children</td>
<td>17%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Purchasing frequency of consumers with children is 82% higher than those with no children.

Average Spending In Cross-border E-commerce Purchasing Over the Past 12 Months in RMB

Average Spending in RMB

<table>
<thead>
<tr>
<th>Gender</th>
<th>With children</th>
<th>Without children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>¥12,257</td>
<td>¥9,774</td>
</tr>
<tr>
<td>Female</td>
<td>¥13,689</td>
<td>¥14,464</td>
</tr>
</tbody>
</table>

Female consumers spend more than male.

Average spending by consumers with children is 48% higher than those with no children.

Base: Cross-border e-commerce consumers N=94
Cross-border e-commerce consumers male=47, female=47
Cross-border e-commerce consumers who have children = 65, no children = 29
Q25: Cross-border e-commerce purchasing experience, Q24 Cross-border e-commerce purchasing frequency in the past 12 months, Q26 cross-border e-commerce purchasing amount in the past 12 months
CONSUMER CHARACTERS

1. 26% of the cross-border consumers are high frequency purchaser
   - Average frequency of cross-border purchasing is 15 times during the past 12 months, more than one purchase per month.
   - 26% are high-frequency purchasers, i.e. those who have completed more than 20 purchases through cross-border purchasing in the past 12 months.

2. Cross-border e-commerce consumers have higher purchasing power than average
   - 53% spent more than 10,000 RMB and 15% spent more than 20,000 RMB on cross-border e-commerce in last 12 months.
   - The average annual expenditure on cross-border e-commerce is 13,000 RMB, more than the average annual expenditure on overall online purchasing (12,000 RMB).

3. Female consumers and consumers with children are the main contributors to cross-border e-commerce
   - Female consumers and consumers with children show higher purchasing frequency and annually spend more in total than others.

Source: *Source Research, 2017 China's E-commerce purchasing Guide Report*
CHARACTERISTICS OF COSMETICS AND APPAREL & FOOTWEAR CONSUMERS

**NO.1 Cosmetics**

<table>
<thead>
<tr>
<th>Behavior:</th>
<th>More females than males, whilst the latter also show a high demand.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>77%</td>
</tr>
<tr>
<td>Female</td>
<td>90%</td>
</tr>
</tbody>
</table>

**Category Purchasing:**

- Color Cosmetics: 88%
- Facial Care: 77%
- Hair Care: 58%

**NO.2 Apparel & Footwear**

<table>
<thead>
<tr>
<th>Behavior:</th>
<th>25-34 year olds purchase more apparel and footwear.</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>76%</td>
</tr>
<tr>
<td>25-34</td>
<td>90%</td>
</tr>
<tr>
<td>35-44</td>
<td>77%</td>
</tr>
</tbody>
</table>

**Category Purchasing:**

- Apparel: 87%
- Footwear: 68%
- Accessories: 58%

Note: the ranking on this page are sorted according to the categories that consumers have purchased in the past 12 months.

Base: Cross-border e-commerce consumer N=94

Q38: The cross-border E-Commerce consumers by sub-categories of cosmetics, Q36 cross-border E-Commerce consumers by sub-categories of apparel and footwear, Q37 cross-border E-Commerce consumers by sub-categories of electronic products, Q40 cross-border E-Commerce consumers by sub-categories of food breakdown
CHARACTERISTICS OF ELECTRONIC PRODUCT AND FOOD CONSUMERS

**NO. 3**
Electronic Products

<table>
<thead>
<tr>
<th>Category</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Behavior:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>More males than female, and the former is the main force for electronic product purchasing.</td>
<td>87%</td>
<td>59%</td>
</tr>
</tbody>
</table>

**Category Purchasing:**
- Household Appliance: 74%
- Headphone: 70%
- Camera: 63%

**NO. 4**
Food

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Snacks*</th>
<th>Candies and Chocolates</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>69%</td>
<td>57%</td>
</tr>
<tr>
<td>25-34</td>
<td>63%</td>
<td>57%</td>
</tr>
<tr>
<td>35-44</td>
<td>59%</td>
<td></td>
</tr>
</tbody>
</table>

**Behavior:**
- 18-24 year olds purchase more food, the rates of the three groups converge.

**Category Purchasing:**
- Beverage: 71%
- Snacks*: 65%

Note: the ranking on this page are sorted according to the categories that consumers have purchased in the past 12 months.
Base: Cross-border e-commerce consumers N=94
Q36: The cross-border E-Commerce consumers by sub-categories of apparel and footwear, Q37 cross-border E-Commerce consumers by sub-categories of electronic products, Q40 cross-border E-Commerce consumers by sub-categories of food breakdown
* Snacks including nuts, puffed food, biscuits, not including chocolates and candies, below the same.
TOP CROSS-BORDER E-COMMERCE PURCHASING PLATFORMS

<table>
<thead>
<tr>
<th>Cross-border e-commerce platforms</th>
<th>Tmall Global</th>
<th>JD Worldwide</th>
<th>Amazon</th>
<th>Kaola</th>
<th>Suning</th>
<th>vip.com</th>
<th>Red</th>
<th>Jumei Youpin</th>
<th>YMatou</th>
</tr>
</thead>
</table>

**Consumer usage:**

<table>
<thead>
<tr>
<th>Tier</th>
<th>The First Tier (selected &gt; 80%)</th>
<th>The Second Tier (selected &gt; 50%)</th>
<th>The Third Tier (Others)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>90%</td>
<td>65%</td>
<td>46%</td>
</tr>
<tr>
<td></td>
<td>90%</td>
<td>61%</td>
<td>39%</td>
</tr>
<tr>
<td></td>
<td>80%</td>
<td>61%</td>
<td></td>
</tr>
</tbody>
</table>

**Key Criteria of choosing E-commerce platform**

- Authenticity with guaranteed quality: 69%
- Well-known and trustworthy platforms: 66%
- More categories and bigger selection: 58%
- Convenient payment methods: 54%

Base: Cross-border e-commerce consumers N=94
### Platform Choices by Product Categories

<table>
<thead>
<tr>
<th></th>
<th>Tmall Global</th>
<th>vip.com</th>
<th>Kaola</th>
<th>JD Worldwide</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cosmetics</strong></td>
<td>53%</td>
<td>39%</td>
<td>38%</td>
<td>38%</td>
</tr>
<tr>
<td><strong>Apparel &amp; Footwear</strong></td>
<td>63%</td>
<td>47%</td>
<td>41%</td>
<td>32%</td>
</tr>
<tr>
<td><strong>Electronic Products</strong></td>
<td>70%</td>
<td>54%</td>
<td>46%</td>
<td>35%</td>
</tr>
<tr>
<td><strong>Food</strong></td>
<td>73%</td>
<td>62%</td>
<td>32%</td>
<td>32%</td>
</tr>
</tbody>
</table>

**Tmall Global** is the most preferable cross-border e-commerce platform among all.

**Tmall Global** is the first choice for cosmetics, apparel & footwear, and food purchase.

**JD Worldwide** is popular for electronic product purchase.

Despite overall lower usage than the 1st tier players, **vip.com** ranks higher in cosmetics purchase.

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*Base: Cross-border e-commerce consumers N=94
Q33: Websites selected by cross-border consumer population to purchase cosmetics, clothing & footwear, electronic products, and food*
PURCHASING CATEGORIES AND PLATFORMS

1. Cosmetics, apparel & footwear, and electronic products account for the most cross-border e-commerce purchases; food purchase sees a growth potential
   - Among all categories purchased through cross-border platforms, cosmetics (84%), apparel & footwear (82%) and electronic products (74%) account for the most.
   - Consumers of all ages are purchasing food, indicating a growth potential for the category.

2. Quality assurance is the most important factor for consumers to choose a cross-border e-commerce platform
   - Tmall Global, JD Worldwide, and Amazon are more favorable than other e-commerce platforms.
   - Product authenticity and quality guarantee (69%) is the most important factor in choosing a platform.

3. Males have shown growing potential to purchase cosmetics
   - 77% male cross-border consumers would buy cosmetics, leads to a big market for this category.
   - Cosmetics purchases are spread out among different platforms, each platform has its opportunities.
ALIPAY IS THE MAJOR PAYMENT METHOD, SPEED AND CONVENIENCE ARE THE MAIN CONSIDERED FACTORS

- **Alipay**: 91% (Alipay is the most popular payment method for cross-border e-commerce consumption, with a wide range of applications.)
- **Bank Cards**: 68% (Including Visa credit cards, Master credit cards, Union Pay cards, etc.)
- **WeChat Pay**: 64%
PAYMENT METHODS

1. **Alipay is the key payment method for cross-border e-commerce purchasing**
   In recent years, Alipay has become the most frequently used payment method for cross-border e-commerce purchasing in China. Nielsen's research found that Alipay creates added-values such as price deductions and coupons in the payment process to improve consumers’ willingness and enhance their payment frequency on the platform.

2. **Convenience and safety are most important in choosing the payment methods**
   When purchasing through cross-border e-commerce platform, consumers tend to choose a method that can make payments quick, easy and safe. Alipay, WeChat Pay and other mobile payment methods are widely used in cross-border e-commerce.
E-COMMERCE WEBSITES AND SOCIAL MEDIA ARE THE MOST IMPORTANT CHANNELS FOR RECEIVING ADVERTISEMENT

Top Channels Where Cross-border E-commerce Consumers Receiving Advertisement

<table>
<thead>
<tr>
<th>Channel</th>
<th>Uptake</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-commerce Website/APP</td>
<td>71%</td>
</tr>
<tr>
<td>WeChat</td>
<td>66%</td>
</tr>
<tr>
<td>Weibo</td>
<td>60%</td>
</tr>
<tr>
<td>Portal/News Website/APP</td>
<td>56%</td>
</tr>
<tr>
<td>Media Advertisement</td>
<td>53%</td>
</tr>
<tr>
<td>Video (Short Video) Website</td>
<td>51%</td>
</tr>
<tr>
<td>Friends and Relatives</td>
<td>46%</td>
</tr>
</tbody>
</table>

Cross-border e-commerce consumers mainly receive advertisements through e-commerce websites/APPs.

WeChat and Weibo as Chinese social media platforms are two of the main channels for cross-border e-commerce consumers to receive advertisements.

More WeChat users are middle-aged in comparison. As for advertisement reaction, 72% of the consumers between 35-44 years of age show higher engagement than consumers between 18-24 years of age, which is at 59%.

Weibo audiences tend to be younger. 74% of young consumers between 18-24 years of age and 75% of the consumers between 25-34 years of age receive product advertisements via Weibo, which is significantly higher than the 35% of the middle-aged consumers between 35-44 years of age.

Base: Cross-border e-commerce consumers N=94
Q44: Channels for Cross-border e-commerce consumers to receive advertisement
CHINESE E-COMMERCE PLATFORMS AND SEARCH ENGINES ARE IMPORTANT CHANNELS FOR CONSUMERS TO SEARCH FOR INFORMATION

Channels where cross-border e-commerce consumers searching information

<table>
<thead>
<tr>
<th>Channel</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chinese e-commerce platform</td>
<td>70%</td>
</tr>
<tr>
<td>Chinese search engine</td>
<td>59%</td>
</tr>
<tr>
<td>KOL</td>
<td>52%</td>
</tr>
<tr>
<td>Foreign e-commerce platform</td>
<td>47%</td>
</tr>
<tr>
<td>Weibo</td>
<td>44%</td>
</tr>
<tr>
<td>WeChat</td>
<td>38%</td>
</tr>
<tr>
<td>Foreign search engine</td>
<td>28%</td>
</tr>
</tbody>
</table>

Chinese e-commerce platforms and search engines are the main channels for consumers to search information:

71% of males obtain product information through Chinese search engines, which is significantly higher than the 48% of females.

67% of the respondents between 25-34 years of age and between 35-44 years of age obtain product information through Chinese search engines, which is significantly higher than the percentage of the younger consumers (41%).

With the diversification of e-commerce purchasing, social media platforms for example Weibo and WeChat play a more important role as information channels:

67% of the consumers between 18-24 years of age and 52% of the consumers between 25-34 years of age obtain product information via Weibo, which is significantly higher than 17% of the consumers between 35-44 years of age.

More than 40% of the consumers between 25-34 years of age use WeChat in searching for product/brand information, which is higher than the rate of consumers between 35-44 years of age at 33%.
SMARTPHONES ARE THE MOST COMMONLY USED BROWSING DEVICES

**Devices Used For Information Browsing**

- **Smartphone**: 89%
- **Laptop/Desktop Computer**: 83%
- **Tablet**: 38%

Consumers between 18-24 years of age rely on mobile devices to a higher degree and use smartphones to view information at a high rate of 92%.

Male consumers use laptops/desktops more (97%) than females (70%).

*Base: Cross-border e-commerce consumers N=94
Q43: Terminals/devices for cross-border e-commerce consumers to obtain information*
Chinese e-commerce platforms have integrated functions of "advertisement contact, information searching, purchasing" as a whole. Chinese cross-border e-commerce platforms act also as a form of traffic entrance, and thus consumers can be contacted by advertisement, and completed information searches and purchases within those websites; while overseas cross-border e-commerce platforms represented by Amazon rely on external traffic to a higher degree.

Chinese social media is an important information dissemination channel for cross-border purchasing in China. Chinese social media such as WeChat and Weibo, plays an important role in information dissemination on cross-border e-commerce products. More than 60% of consumers will react to product advertisements on WeChat and Weibo and nearly 40% of consumers will search for product information on the two platforms. The audiences age on Weibo, mainly between 18-24 years of age, is relatively younger than the audience age on WeChat, mainly between 25-34 years of age.
CONSUMERS ARE MOST INFLUENCED BY OPINION LEADERS

Opinion Leaders* 67%

Product Discount 65%

E-commerce Platform Recommendation 58%

Advertisement/Creative Event 38%

Brand Story/Culture 25%

Brand Spokesperson 23%

TV Show Sponsorship 14%

75% of the consumers between 25-34 years of age tend to be influenced by KOLs, the rate is significantly higher than 54% of the consumers between 18-24 years of age.

47% of postgraduates are easily affected by advertisements/creative events, and the percentage is significantly higher than the 20% of undergraduates.

31% of the young consumers between 18-24 years of age are easily influenced by the brand stories/culture.

Base: Cross-border e-commerce consumer population N=94
Q35: Factors that attract shopping
* Opinion leaders can be friends, relatives, colleagues, KOLs (Key Opinion Leaders), internet celebrities, etc.
PURCHASE INFLUENCING FACTORS

1. Opinion leaders have strong influence and impact

Opinion leaders such as famous bloggers on social media are important sources of information. They can influence the consumer behavior of most people. With their credibility and influence, Opinion leaders can easily and quickly call upon their followers, friends and relatives to respond.

2. Individuals with a high educational background and young consumers pay more attention to the culture and creativity of certain products

Postgraduates are more likely to be influenced by advertisements and event creativity than undergraduates, preferring new and distinctive forms of advertisement activities that extend as a manifestation of their taste and identity; the consumers between 18-24 years of age and the consumers between 25-34 years of age are more likely to be influenced by brand stories and culture to make purchasing choices.
SUMMARY OF CROSS-BORDER E-COMMERCE PURCHASING BEHAVIORS

Cross-border E-commerce Purchasing Behavior
Consumers have an average experience of **4.5 years** for online cross-border purchasing, making **15 purchases** over 12 months, with an annual expenditure of **13,000 RMB**.

Female and consumers with children demonstrate a higher frequency of purchasing and spend larger amounts of money on cross-border online purchase.

**What To Buy**

Cosmetics, apparel & footwear, electronic products and food are the most purchased categories on cross-border e-commerce platforms.

**Where To Buy**

Tmall Global, JD Worldwide, and Amazon are the most popular online platforms for consumers.

Vip.com shows an outstanding performance in the category of cosmetics.

**How To Pay**

Alipay is the preferred payment method for cross-border e-commerce consumers, speed and convenience are the key decision factors in payment methods.

Media Exposure In Cross-border E-commerce

The cross-border e-commerce consumers mainly receive advertisements (product/brand) information through Chinese e-commerce channels and Chinese social media platforms (e.g. WeChat and Weibo).

Consumers choose Chinese e-commerce platforms most often when searching for product/brand information. In addition, the impact of Chinese search engines and opinion leaders is also large in terms of information channels.

**Device For Consumer Information Access**

Smartphone is the most commonly used browsing device for cross-border e-commerce consumers.

Males particularly prefer to use a laptop or desktop computer to search for product and brand information.

**Promotional Information**

Purchasing choices by cross-border e-commerce consumers are most affected by Opinion leaders.

Source: data on this page is from the Nielsen 2018 China Cross-Border purchasing Research Project - Quantitative Questionnaire
THREE KEY TRENDS IN OUTBOUND TOURISM: GROWING DEMAND, STRONG CONSUMPTION POWER, SELF-GUIDED

China currently presents a growing trend of outbound tourism

The number of outbound tourists from China has grown rapidly each year, reaching 130 million in 2017.

The outbound tourism market has a large potential for purchasing

In 2017, China's outbound purchasing was 115.29 billion US dollars, ranking first in the world, at an increase of 5% from 2016.

More consumers choose (semi-)self-guided tours to lead journeys

The percentage of (semi-)self-guided tours is already over 85%, which means that a large number of tourists make their own travel plans.
OUTBOUND TOURIST PURCHASING OVERVIEW

Countries Visited By Outbound Tourists

- **Japan**: 67%
- **Korea**: 62%
- **United States**: 53%
- **Australia**: 51%
- **United Kingdom**: 47%
- **Singapore**: 37%
- **Canada**: 30%

When choosing a destination country for outbound tourism, the most frequently selected countries are Japan, South Korea, and the United States.

Average Frequency Of Cross-border Tourism In The Past 12 Months

- **Female**: 15%
- **Male**: 3%

Females have higher rates of high-frequency outbound tourism than males.

Characteristics of high frequency (5 times and above) outbound tourists

- **18-24**: 2%
- **25-34**: 9%
- **35-44**: 16%

The percentage of high-frequency tourists (5 times and above) among 35-44 year-olds is much higher than that of other age groups.

Average Expenditure Of Outbound Tourism In The Past 12 Months

- **18-24**: ¥13527.40
- **25-34**: ¥19187.98
- **35-44**: ¥20788.85

Average expenditure in RMB

- **With Children**: ¥19811.37
- **Without Children**: ¥13505.31

Consumers between 25-34 and 35-44 years of age spend more than other groups.

Consumers with children spend more money per year than other groups.

Base: Outbound tourists N=101
Outbound tourist consumers Male=34, Female=67
outbound tourism consumer groups Young people = 36, middle-aged youth = 33, middle-aged people = 32
outbound tourism consumers have children = 70, no children = 31
Q27: Number of outbound tourism, Q28: Shopping amount per outbound tourism, Q48: Which countries have been visited
COSMETICS, APPAREL & FOOTWEAR, FOOD AND ELECTRONIC PRODUCTS ARE THE MAIN CATEGORIES OF OUTBOUND TOURIST PURCHASING

Outbound Tourist Purchasing Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cosmetics</td>
<td>77%</td>
</tr>
<tr>
<td>Apparel &amp; Footwear</td>
<td>65%</td>
</tr>
<tr>
<td>Food</td>
<td>61%</td>
</tr>
<tr>
<td>Electronic Products</td>
<td>60%</td>
</tr>
<tr>
<td>Pharmaceutical Products/Health Products</td>
<td>41%</td>
</tr>
<tr>
<td>Household Products</td>
<td>34%</td>
</tr>
</tbody>
</table>

Base: outbound tourists N=101
Q56: purchasing categories of outbound tourists
CHARACTERISTICS OF COSMETICS AND APPAREL & FOOTWEAR CONSUMERS

NO.1
Cosmetics

18-24 72%
25-34 70%
35-44 89%

Behavior:
35-44 year olds purchase more & have a stronger desire for skincare.

Category Purchasing:
Facial Care 86%
Color Cosmetics 78%
Hair Care 55%

NO.2
Apparel & Footwear

18-24 76%
25-34 90%
35-44 77%

Behavior:
25-34 year olds purchase more apparel & footwear.

Category Purchasing:
Apparel 84%
Footwear 69%
Handbag 58%

Note: the ranking on this page are sorted according to the categories that consumers have purchased in the past 12 months.
Base: Cross-border e-commerce consumers N=94
Q38: Cross-border e-commerce consumers group by cosmetics sub-categories, Q36 Cross-border e-commerce consumers by sub-categories of apparel & footwear, Q37 Cross-border e-commerce consumers by sub-categories of electronic products, Q40 cross-border e-commerce consumers by food breakdown
CHARACTERISTICS OF FOOD AND ELECTRONIC PRODUCT CONSUMERS

**Category Purchasing: NO.3 Food**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Purchasing Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>63%</td>
</tr>
<tr>
<td>25-34</td>
<td>59%</td>
</tr>
<tr>
<td>35-44</td>
<td>60%</td>
</tr>
</tbody>
</table>

**Behavior:** All ages purchase food without a significant difference.

**Category Purchasing: No.4 Electronic Products**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Purchasing Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>69%</td>
</tr>
<tr>
<td>25-34</td>
<td>63%</td>
</tr>
<tr>
<td>35-44</td>
<td>59%</td>
</tr>
</tbody>
</table>

**Behavior:** 18-24 year olds purchase more electronic products, other age groups share similar purchasing rates.

**Note:**
- The ranking on this page are sorted according to the categories that consumers have purchased in the past 12 months.
- Base: Cross-border e-commerce consumers N=94
- Q36: Cross-border e-commerce consumer groups by cosmetics sub-categories
- Q37 cross-border e-commerce consumers by sub-categories of apparel & footwear
- Q38 cross-border e-commerce consumers by sub-categories of electronic products
- Q39 cross-border e-commerce consumers by sub-categories of food breakdown (snacks including nuts, puffed foods, crackers, etc. not including candies and chocolates, the same above and below)
### The Four Major Purchasing Categories by Country

<table>
<thead>
<tr>
<th>NO. 1 Cosmetics</th>
<th>NO. 2 Apparel &amp; Footwear</th>
<th>NO. 3 Food</th>
<th>NO. 4 Electronic Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States 58%</td>
<td>United States 55%</td>
<td>United States 61%</td>
<td>United States 78%</td>
</tr>
<tr>
<td>United Kingdom 51%</td>
<td>United Kingdom 43%</td>
<td>Australia 40%</td>
<td>United Kingdom 26%</td>
</tr>
<tr>
<td>Australia 28%</td>
<td>Australia 32%</td>
<td>Canada 37%</td>
<td>Canada 19%</td>
</tr>
</tbody>
</table>

The United States is a popular country for outbound tourism. The United States is the preferred country for outbound tourists to consume cosmetics, apparel & footwear, food, and electronic products; followed by the United Kingdom and Australia.

Base: Outbound tourists N=101
Q57: Countries that are preferred for purchasing (a category)
1. **Self-guided/semi-self-guided tourism has become a new trend**

   The percentage of semi-self-guided & self-guided cross-border tourism has reached 85%, which also means that self-guided tourism leads to stronger and more independent consumer choices.

2. **Cosmetics are popular for outbound tourist purchasing**

   Among the six major consumer categories covered in this survey, tourists prefer to purchase cosmetics overseas; among them, the consumers between 35-44 years of age are particularly willing to purchase cosmetics.
BANK CARDS HAVE BECOME THE MAIN PAYMENT METHOD, SPEED AND CONVENIENCE ARE THE MAIN CONSIDERED FACTORS

**Debit cards/credit cards** have become the preferred payment method for cross-border tourist payments.

Due to a limitation of application scenarios, Alipay is not used as often as bank cards during cross-border tourism; in spite of this, Alipay is still one of the main payment methods for outbound tourists.

59% of male outbound tourists choose to use **WeChat Pay**, which is higher than the share of 33% of female tourists.

---

**Key Considerations of Payment Methods**

- **Convenience And Speed**: 78%
- **Safety**: 66%
- **Discounts/Coupons**: 35%
- **Best Exchange Rate**: 33%
- **Availability**: 26%

---

**Base**: Cross-Border Tourists N=101

Q67: Overseas purchasing Payment Methods of Outbound Tourists, Q68 Reasons of Choosing Payment Methods by Outbound Tourists
Chinese mobile payment methods connect both “payment tool” and “media provider” functions, creating strong convenience for outbound tourists.

With the increase in the number of outbound tourists from China, domestic mobile payment methods have begun to emerge overseas. Alipay, for example, currently covers 200 countries in the world*. It works overseas with the same convenience as it does domestically, which is received well by consumers. In this survey, 69% of consumers like to choose Alipay when purchasing overseas. In addition, as a comprehensive platform, Alipay’s local recommendation feature has evolved beyond the role of a simple payment tool and become a comprehensive travel assistant to further attract consumers.

Source: *Provided by Alipay
91% of outbound tourists between 25-34 years of age choose to arrange their travel through Ctrip, which is more than the share of 71% of the consumers between 35-44 years old.

84% of consumers with children partaking in outbound tourism choose Ctrip to book airlines and hotels, which is significantly higher than those without children.
CHINESE E-COMMERCE PLATFORMS AND SEARCH ENGINES REMAIN THE MAIN SOURCES OF INFORMATION

### Information Channels For Outbound Tourism

<table>
<thead>
<tr>
<th>Channel</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chinese e-commerce platform</td>
<td>66%</td>
</tr>
<tr>
<td>Chinese search engine</td>
<td>60%</td>
</tr>
<tr>
<td>KOL</td>
<td>49%</td>
</tr>
<tr>
<td>WeChat</td>
<td>48%</td>
</tr>
<tr>
<td>Foreign e-commerce platform</td>
<td>46%</td>
</tr>
<tr>
<td>Weibo</td>
<td>45%</td>
</tr>
<tr>
<td>Foreign search engine</td>
<td>28%</td>
</tr>
</tbody>
</table>

The consumers between 35-44 years of age tend to obtain information through Chinese e-commerce platforms and search engines.

73% of consumers between 35-44 years of age choose to obtain product information through Chinese search engines/KOLs, which is higher than the rate of the young consumers at 48%.

Social media represented by WeChat & Weibo has built influence, especially among the young consumers between 18-24 years of age.

More than 50% of 18-24 year olds choose to check cross-border product information via Weibo (52%) and WeChat (50%).

Base: Outbound Tourists N=101
Q65 Information Channels of Outbound Tourists
Outbound Tourism

INFORMATION ACCESS

1. 'Ctrip' is the primary choice for travel planning among outbound tourists

Outbound tourists from China are highly reliant on the use of "Ctrip", which is much more dominant than other platforms. When booking an outbound tour, 79% of people will choose to use Ctrip.

2. Chinese social media (e.g. WeChat and Weibo) is one of the key channels for information access by outbound tourists

Overall, social media, for example Weibo and WeChat, has become a means to search for product/brand information overseas at a scale of over 40% for outbound tourists; more than 50% of the consumers between 18-24 years of age obtain product/brand information overseas from Weibo and WeChat, showing that social media is a key channel for information access for younger consumers.
The percentage of males using a laptop/desktop computer to browse information is 91%, far exceeding the female usage rate of 64%.

Females use tablets at the rate of 62%, which is far higher than the rate of males at 35%.

The consumers between 18-24 years of age account for the highest percentage of mobile use, reaching 87%.
OPINION LEADER IS THE MAIN DRIVER FOR PURCHASING

Opinion Leaders 61%

Product discount 54%

Brand stories/culture 42%

Advertisement/Creative Event 41%

Tour Guide / Guided Tour 30%

Brand spokesperson 24%

Program Sponsorship 17%

78% of the high-income consumers (with a monthly income exceeding 30,000 RMB) is influenced by opinion leaders.

Consumers aged between 25-34 and 35-44 are responsive to product discounts at rates of 68% and 60% respectively.

Students (57%) & first-tier city consumers (47%) are significantly more affected by brand story/culture.

The attractiveness of creative advertisement is much higher for students (86%) than other groups.

Base: outbound tourists N=101
Q64: Factors to attract overseas purchasing
BROWSING DEVICES AND PURCHASING INFLUENCES

1. **Mobile phones are the main devices for outbound tourists to browse advertisement information**
   
   With the popularity of smartphones and the trend for smartphone large screens, the key information browsing channel of consumers has gradually shifted from PCs to smartphones. 86% of outbound tourists use smartphones to search for information, while only 35% of tourists use laptops and desktops.

2. **Different groups have significant differences in the driving forces behind their purchasing during outbound tourism**
   
   **The high-income consumers**: ‘Opinion leaders’ has a significant impact on outbound tourism & purchasing for the high-income respondents.
   
   **The consumers between 25-34 years of age**: ‘product discounts’ serve as a positive driving force for the respondents aged between 25-34.
   
   **Students**: ‘brand stories and culture’ as well as ‘advertisements and creative events’ drive purchasing levels for students.
### Purchase behavior during outbound tourism

**Overview Of Outbound Tourism & purchasing**

- Self-guided/semi-self-guided tourism has become a new trend. Cross-border travelers demonstrate a high level of purchasing capacity.

**What To Buy**

- Cosmetics, apparel & footwear, food, electronic products are the most purchased categories during outbound tourism.

**Where To Buy**

- When purchasing cosmetics, apparel & footwear, food, electronic products and pharmaceutical products/health care products, the United States is the most selected destination by consumers.

**How To Pay**

- Traditional bank card or credit card payment is still the main payment method for consumers when travelling and shopping abroad, but the Chinese mobile payment app, Alipay, has gone abroad and has been widely used in outbound tourist purchasing.

### Media exposure during outbound tourism

**Media For Consumer Information Access**

- Among outbound tourist purchasing, 'Ctrip' is the primary choice of travel scheduling by the majority of consumers, indicating good advertisement value. The social media platforms represented by WeChat and Weibo have begun to take shape as information channels for young consumers.

**Devices For Consumer Information Access**

- Smartphones are the main devices for outbound tourists to browse advertisement information. Males particularly prefer to use laptop/desktop computers to search for product/brand information.

**Opinion leaders** has a large scale impact on shaping purchase decisions of outbound tourists. Students tend to be easily influenced by 'brand stories/culture' as well as 'advertisements/creative events'.

**Promotion Information**

Source: The data on this page is from the Nielsen 2018 China Cross-border purchasing Research Project - Quantitative Questionnaire.
CONTENTS

- Overall Status and Trends of Cross-border Purchasing Behavior in China
- Chinese Cross-border Purchasing Behavior Analysis
  - Cross-border E-commerce Purchasing
  - Outbound Tourist Overseas Purchasing
  - Overseas Residents Purchasing
- Comparison of Cross-border Purchasing in China
ONLINE PURCHASES ARE FOCUSED ON APPAREL & FOOTWEAR AND ELECTRONIC PRODUCTS, WITH OFFLINE PURCHASES LARGELY CENTERED ON FOOD

**Online shopping purchase category**

- Apparel & Footwear: 61%
- Electronic Products: 59%
- Household products: 48%
- Cosmetics: 44%
- Food: 42%
- Pharmaceutical Products/Health Products: 34%

**Offline shopping purchase category**

- Food: 74%
- Apparel & Footwear: 73%
- Household products: 68%
- Electronic products: 62%
- Pharmaceutical Products/Health Products: 58%
- Cosmetic: 51%

Base: Overseas residents N=450
Q71: Offline purchase category
Q83: Online purchase category
AMAZON AND OTHER INTERNATIONAL E-COMMERCE PLATFORMS ARE THE MOST COMMONLY USED ONLINE SHOPPING CHANNELS

<table>
<thead>
<tr>
<th>United States</th>
<th>Australia</th>
<th>Canada</th>
<th>United Kingdom</th>
<th>Singapore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amazon</td>
<td>eBay</td>
<td>Amazon</td>
<td>Amazon</td>
<td>Qoo10</td>
</tr>
<tr>
<td>78%</td>
<td>73%</td>
<td>78%</td>
<td>65%</td>
<td>80%</td>
</tr>
<tr>
<td>Wal-Mart</td>
<td>Cloes</td>
<td>Wal-Mart</td>
<td>eBay</td>
<td>Lazada</td>
</tr>
<tr>
<td>65%</td>
<td>60%</td>
<td>64%</td>
<td>52%</td>
<td>73%</td>
</tr>
<tr>
<td>Target</td>
<td>Woolworth</td>
<td>BestBuy</td>
<td>Tesco</td>
<td>Carousell</td>
</tr>
<tr>
<td>53%</td>
<td>60%</td>
<td>49%</td>
<td>50%</td>
<td>68%</td>
</tr>
</tbody>
</table>

Base: Overseas residents N=450
Q78-Q82: E-commerce Platform for U.S./Australia/Canada/UK/Singapore
BANK CARDS ARE THE MAIN PAYMENT METHOD, WITH CONVENIENCE AS THE KEY CONSIDERATION FOR THEIR CHOICE

69% of overseas residents or 70% of immigrants are more dependent on the use of bank cards and PayPal, exceeding the percentages of overseas students and staff.

Key Considerations Of Payment Methods

- Convenience and Speed: 69%
- Safety: 48%
- Discounts/Coupons: 31%
- Best Exchange Rate: 22%
- Availability: 21%

Base: Overseas residents N=450
Q94: Residents’ payment method
Q95: Reasons for choosing a payment method
OVERSEAS SOCIAL MEDIA IS THE MAIN MEDIUM FOR PRODUCT ADVERTISEMENT TOWARDS CHINESE OVERSEAS RESIDENTS

Advertisement Contact Channels for Overseas Residents

- Overseas social media: 44%
- KOLs: 39%
- Media advertisements: 32%
- WeChat: 30%
- Video (Short Video) Website/App: 28%
- Portal/News Website/App: 27%
- Ecommerce Website/App: 26%
- Weibo: 22%

Overseas social media is the main ad channel.

Although living abroad, overseas residents will still contact Chinese social media to obtain product advertisement information. Among them, WeChat has an important position.

The proportion of overseas students and long-term residents/immigrants receiving advertisement information on WeChat is significantly higher than the average level of the consumers, reaching 39% and 35% respectively.

*Note: the trend is in line with Nielsen's findings that social media platforms are among the most important media sources worldwide.
LOCAL CHANNELS ARE THE PRIMARY SEARCH CHANNELS FOR CHINESE OVERSEAS RESIDENTS

When searching for product information, local channels are more convenient, so most overseas residents choose to search for information on local search engines, social media, and e-commerce platforms.

A significant number of overseas residents use Chinese social media, search engines and e-commerce platforms to access information.

Information Searching Channels for Overseas Residents

<table>
<thead>
<tr>
<th>Channel</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas search engine</td>
<td>56%</td>
</tr>
<tr>
<td>Overseas social media</td>
<td>48%</td>
</tr>
<tr>
<td>Overseas e-commerce platform</td>
<td>33%</td>
</tr>
<tr>
<td>Wechat</td>
<td>25%</td>
</tr>
<tr>
<td>Chinese search engine</td>
<td>25%</td>
</tr>
<tr>
<td>Chinese e-commerce platform</td>
<td>22%</td>
</tr>
<tr>
<td>Weibo</td>
<td>15%</td>
</tr>
</tbody>
</table>

Base: Overseas residents N=450
Q91: Understanding the channel
PCs ARE THE MOST COMMONLY USED BROWSING DEVICES FOR OVERSEAS RESIDENTS

Devices Used For Information Browsing

- Laptop/Desktop Computer: 70%
- Smartphone: 67%
- Tablet: 38%

Overseas residents over 5 years and immigrant consumers prefer to use PCs (up to 81%), this situation is significantly different from China’s cross-border purchasing consumers and outbound tourists.

The overseas working consumers (64%) and overseas students (66%) are more dependent on smartphones, thus making their user habits similar to those in China.

Base: Overseas residents N=450
Q92 Overseas Residents Terminal/Equipment To Browse Information
Chinese overseas residents have clear and different purchasing preferences in online and offline product categories, and different online platforms show a relatively high ratio of consumer concentration

- Chinese overseas residents mainly purchase apparel & footwear and electronic products; For food, offline purchases are preferred.
- The leading online platforms are Amazon, eBay and other large international e-commerce platforms.

Chinese social media is still an important advertisement channel among Chinese overseas residents

- In order to keep in touch with friends and relatives and to synchronize information in China, overseas residents still maintain the habit of browsing Chinese social media platforms and search engines.
- Chinese internet platforms still have influence on Chinese overseas residents. In the case of WeChat, 30% of overseas residents still receive advertisement information through the platform, with this ratio growing up to 40% among the population who have lived overseas for only 1-5 years.
OVERSEAS RESIDENTS ARE MOST LIKELY TO BE INFLUENCED BY PRODUCT DISCOUNTS

Product discount 61%

Opinion Leaders 42%

Brand Story/Culture 40%

Advertisement/Creative Event 30%

Brand Spokesperson 21%

TV Show Sponsorship 18%

68% of the unmarried population is attracted by product discounts, significantly more than the population with a different marital status.

Males, at 45%, prefer brand stories and culture in their purchase decisions, compared to females at 34%.

Postgraduates (35%) and PhDs (35%) are significantly more attracted by advertisement/creative events than other consumers.

Base: Overseas residents N=450
Q90: Factors attracting purchasing in home country
SUMMARY OF OVERSEAS RESIDENTS’ PURCHASING BEHAVIORS

Purchasing behaviors of overseas residents

What to buy
Overseas residents prefer to do more offline shopping on products related to daily supplies. Food is the largest category of those. In terms of online shopping, apparel & footwear, electronic products, and household products are the most popular categories for overseas residents.

Where to buy
Amazon, eBay, and Wal-Mart are widely selected shopping platforms for overseas residents.

How to pay
Bank cards and PayPal are the most commonly used payment methods for overseas residents. Convenience and Speed are the main reasons for them to choose a specific payment method.

Information Access

Media exposure of overseas residents

Overseas social media is the most important channel for overseas residents to be contacted by advertisement. In terms of active searches, overseas search engines/social media/e-commerce platforms are still dominant, and WeChat has performed well for a Chinese media platform.

Devices for consuming information
Laptop/desktop computers are the main devices for overseas residents to browse product information, followed by smartphones.

Promotion information
Product discount are the strongest factor to attract overseas residents to purchase, followed by Opinion leaders.

Source: The data on this page is from the Nielsen 2018 China Cross-border purchasing Research Project - Quantitative Questionnaire.
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CROSS-BORDER E-COMMERCE CONSUMERS & OUTBOUND TOURISTS HAVE SIMILAR PURCHASING PREFERENCES

<table>
<thead>
<tr>
<th>TOP4 Purchase Categories</th>
<th>Cross-border E-commerce</th>
<th>Outbound Tourism</th>
<th>Overseas Residence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cosmetics</td>
<td>84%</td>
<td>77%</td>
<td>Apparel &amp; Footwear</td>
</tr>
<tr>
<td>Apparel &amp; Footwear</td>
<td>82%</td>
<td>65%</td>
<td>Electronic Products</td>
</tr>
<tr>
<td>Electronic Products</td>
<td>73%</td>
<td>Food</td>
<td>Food</td>
</tr>
<tr>
<td>Food</td>
<td>63%</td>
<td>Electronic Products</td>
<td>60%</td>
</tr>
</tbody>
</table>
ALIPAY PLAYS AN IMPORTANT ROLE IN PAYMENT METHODS AMONG CROSS-BORDER E-COMMERCE/TOURISM CONSUMERS

Key Payment Methods (Selection ratio >=50%)

<table>
<thead>
<tr>
<th>Method</th>
<th>Cross-border E-commerce</th>
<th>Outbound Tourism</th>
<th>Overseas Residence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alipay</td>
<td>91%</td>
<td>77%</td>
<td>64%</td>
</tr>
<tr>
<td>Bank Card</td>
<td>68%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alipay</td>
<td>69%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PayPal</td>
<td>61%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>27%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WeChat Payment</td>
<td>64%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The study found that the channels to obtain information are consistent for both cross-border e-commerce consumers and outbound tourists; channels for overseas residents are slightly different.
SMARTPHONES ARE THE MAIN DEVICE CATEGORY FOR BROWSING PRODUCT INFORMATION FOR CROSS-BORDER E-COMMERCE/TOURISM CONSUMERS

<table>
<thead>
<tr>
<th>Device Category</th>
<th>Cross-border E-commerce</th>
<th>Outbound Tourism</th>
<th>Overseas Residence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartphone</td>
<td>89%</td>
<td>86%</td>
<td>Smartphone</td>
</tr>
<tr>
<td>Laptop/Desktop Computers</td>
<td>83%</td>
<td>78%</td>
<td>Laptop/Desktop Computers</td>
</tr>
<tr>
<td>Tablet</td>
<td>38%</td>
<td>35%</td>
<td>Tablet</td>
</tr>
</tbody>
</table>

Main payment method (Select ratio >=50%)

<table>
<thead>
<tr>
<th>Device Category</th>
<th>Cross-border E-commerce</th>
<th>Outbound Tourism</th>
<th>Overseas Residence</th>
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<tbody>
<tr>
<td>Smartphone</td>
<td>89%</td>
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<tr>
<td>Laptop/Desktop Computers</td>
<td>83%</td>
<td>78%</td>
<td>Laptop/Desktop Computers</td>
</tr>
<tr>
<td>Tablet</td>
<td>38%</td>
<td>35%</td>
<td>Tablet</td>
</tr>
</tbody>
</table>

Laptop/ Desktop Computers     70%
Smartphone                    67%
Tablet                        38%
OPINION LEADERS & DISCOUNTS ARE MOST APPEALING FACTORS TO CONSUMERS

**Cross-border E-commerce Consumers Behavior**
- Opinion leaders: 67%
- Product Discount: 65%
- E-commerce Platform Recommendation: 58%
- Advertisement/Creative Event: 38%
- Brand Story/Culture: 25%

**Outbound Tourists Behavior**
- Opinion leaders: 61%
- Product Discount: 54%
- Brand Story/Culture: 42%
- Advertisement/Creative Event: 41%
- Tour Guide/Group Tour: 30%

**Overseas Residents Behavior**
- Product Discount: 61%
- Opinion leaders: 42%
- Brand Story/Culture: 40%
- Advertisement/Creative Event: 30%
- Brand Spokesperson: 21%

**Common Characters:**
"Opinion leaders" & "product discount" are the most attractive driving factors.

**Unique Characters:**
"Brand story/culture" is particularly attractive for cross-border tourists and overseas residents.
SUMMARY OF PURCHASING BEHAVIORS

**Purchase**

**Purchasing behavior**

- **What To Buy**
  - **Cosmetics, apparel & footwear and electronic products** are the main purchasing categories of cross-border e-commerce and cross-border tourism.
  - Overseas residents consume more to meet the *needs of daily life*, the main purchase categories are **food, apparel & footwear, and household products**.

- **How To Pay**
  - **Alipay** plays an important role of payment among cross-border e-commerce/tourism consumers; the media value of Alipay deserves attention.

**Information Access**

**Media Exposure**

- **Chinese e-commerce platforms** are the primary sources of product information for cross-border e-commerce consumers and outbound tourists, followed by **Chinese search engines and Opinion leaders**.
  - The main information channel of overseas residents is still **overseas media**.

- **Smartphones** are the main devices for cross-border e-commerce consumers/outbound tourists to browse product information.
  - Among overseas residents, **laptop/desktop computers** share the highest percentage of browsing contacts.

- **Opinion leaders and product discount rates** are more attractive to outbound tourists and overseas residents in making their purchase decisions.

Source: The data on this page is from the Nielsen 2018 China Cross-border purchasing Research Project - Quantitative Questionnaire.
Summary

1. An increasing number of consumers are spreading their purchasing power globally. Special attention ought to be paid to female consumers and consumers with children, who are two main purchasing forces behind cross-border e-commerce and outbound tourism.

2. Product categories are constantly being enriched for Chinese cross-border consumers. Traditional categories such as cosmetics, apparel & footwear are the main categories of cross-border purchasing. Food, as a emerging category, contains great business opportunities.

3. Chinese cross-border consumers utilize various digital means to facilitate cross-border purchasing. Younger consumers have already shown significant involvement on Chinese social media platforms (WeChat and Weibo, etc.) and their marketing value for advertisement is outstanding.
Thank You!