

# Expanding your business to China?



## Market context

China is the world's second largest and fastest growing economy, with an estimated 242 million online shoppers<sup>1</sup> spending more than

# US\$190 Billion<sup>2</sup>

So it's no wonder more and more Australian businesses are looking to expand into this market.

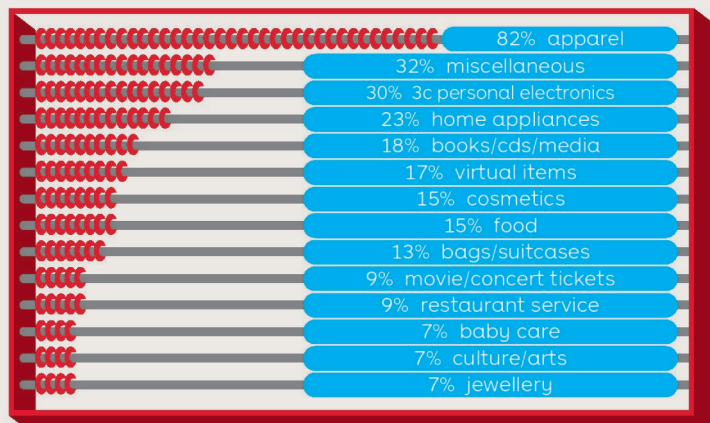
## The importance of eCommerce in China

More Chinese consumers are shopping online than ever before. So much so, it's believed that by 2020 sales could reach \$650 billion<sup>2</sup>.

## The Chinese consumer

With the largest population in the world, consumers in China range from rural farmers to urban billionaires<sup>3</sup>. Most Chinese consumers are highly sensitive to price and are inclined to purchase less expensive products<sup>3</sup>. However, with social status such an important part of Chinese society, some buyers will pay a premium for items that will be seen by others, such as clothes, mobile phones or cars<sup>3</sup>.

## What are they buying?



### China's online shopping market<sup>5</sup>:

7% aged over 40

24% aged 31-40

4% aged under 18

65% aged 18-30

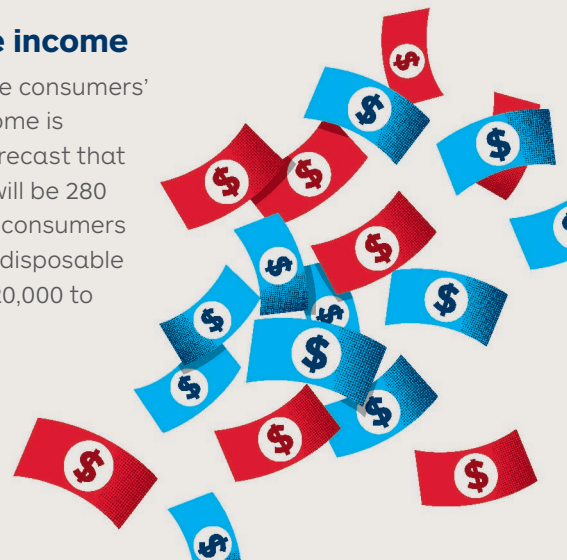


## Did you know?

On Singles Day (11 November) China's online retailers slash their prices by up to 70%. On Tmall and Taobao alone (two of China's well-known e-commerce websites), Chinese consumers filled their carts with billions of dollars worth of goods in 24 hours.

## Disposable income

Affluent Chinese consumers' disposable income is growing. It is forecast that by 2020 there will be 280 million affluent consumers in China with a disposable income of US\$20,000 to US\$1 million<sup>4</sup>.



1. Statistical Report on Internet Development in China, CINNIC, January 2013. 2. China's e-tail revolution: Online shopping as a catalyst for growth, McKinsey & Company, March 2013. 3. How to sell to China, China Payment Services, 2014, [www.chinapaymentservices.com/doing-business-in-china/selling-in-china](http://www.chinapaymentservices.com/doing-business-in-china/selling-in-china). 4. National Bureau of Statistics of China, 2012, [www.stats.gov.cn/english](http://www.stats.gov.cn/english). 5. Online Shopping in China: IBISWorld Industry Report, June 2013.

## Marketing in China

Western brands are generally perceived in China as higher quality and safer, with more 'cool-factor'. The World Luxury Association found 86% of Chinese consumers refuse to buy luxury goods labelled "Made in China". When marketing Australian products and brands to the Chinese market, it is therefore important to communicate "Australian owned" or "Australian made" in your marketing materials<sup>6</sup>.



### Did you know?

The Chinese government is looking at updating its fertility policy, with two or more children being allowed for each Chinese family in the future<sup>7</sup>.

### Did you know?

The Australian Government provides Export Market Development Grants to qualifying exporters in order to offset costs incurred in exporting. Details of these grants can be found on the Austrade website.



## Customs, duty and taxes to be aware of

It's always best to check what you can send and how you can send it, before you send it. For more information, visit:

[auspost.com.au/parcels-mail/dangerous-and-prohibited-items.html](https://auspost.com.au/parcels-mail/dangerous-and-prohibited-items.html)

For more specific information, visit the General Administration of Customs of the People's Republic of China at:

[www.english.customs.gov.cn](http://www.english.customs.gov.cn)

# Get started



## How we can help get you there

Through the combined services of Australia Post and StarTrack, we can offer you a range of products and services to help you reach your customers in China. Whether you require urgent or standard delivery, supply-chain solutions, sea or air freight, we can tailor a solution for you. For more information, contact your Account Manager or visit [auspost.com.au/international-business](https://auspost.com.au/international-business)

## Before you begin

### 1. Do your research

Research your target market and consider the unique selling points of your product or service.

### 2. Develop your strategy

Consider recent market trends and your long and short-term strategies.

### 3. Confirm your logistics

Contact Australia Post to see how we can help streamline your logistics and help you reach your customers in China.

