

CBNData | 天猫国际
第一财经商业数据中心

2017 Tmall Global Annual Consumers Report

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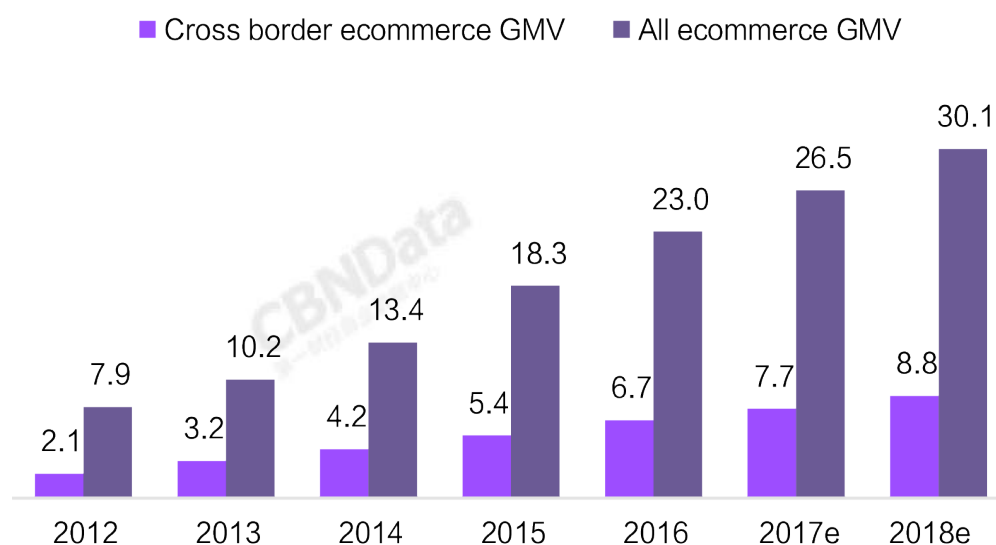
PART01

Imported goods market

Cross border e-commerce continues to increase, with approximation of 620.26 billion in GMV in 2019

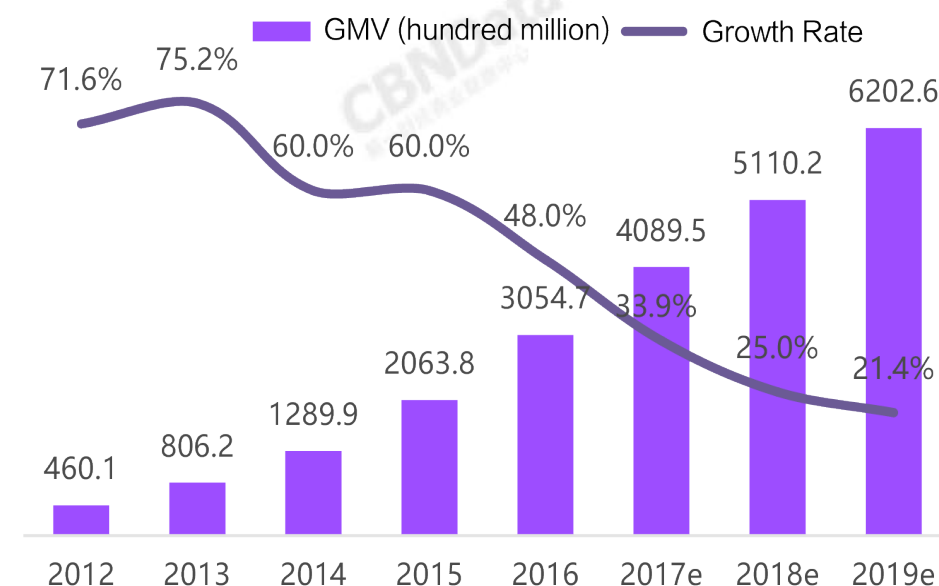
- Cross border e-commerce is continuously developing in China, with approximation of 7.7 trillion RMB in GMV in 2017.
- Cross border e-commerce growth has slowed, with its growth rate remaining at more than 20%, with an approximation of 620.26 billion in GMV in 2019.

2012–2018 Cross border ecommerce GMV compared to all ecommerce GMV in China(in trillions)



Data source: Hua Yuan 《2017China cross border whitepaper》
Note: 2017–2018 is CBNData's prediction

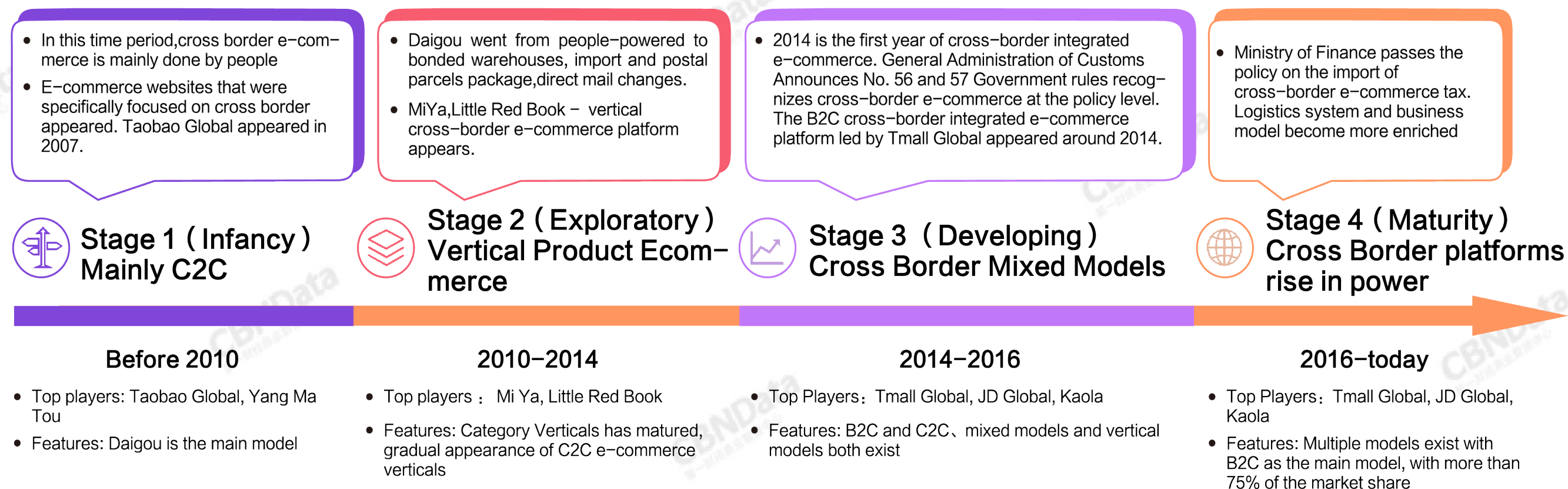
2012–2019 Cross border ecommerce GMV in China



Data source: Yi Guan 《Cross border Ecommerce 2016 and 2017》

China's cross-border imported retail e-commerce companies have entered the maturation period after an exploratory phase, with multiple models coexisting

- China's cross-border imported e-commerce has gradually entered into a mature period of B2C cross-border integrated e-commerce. The main e-commerce platform is a mixed model.

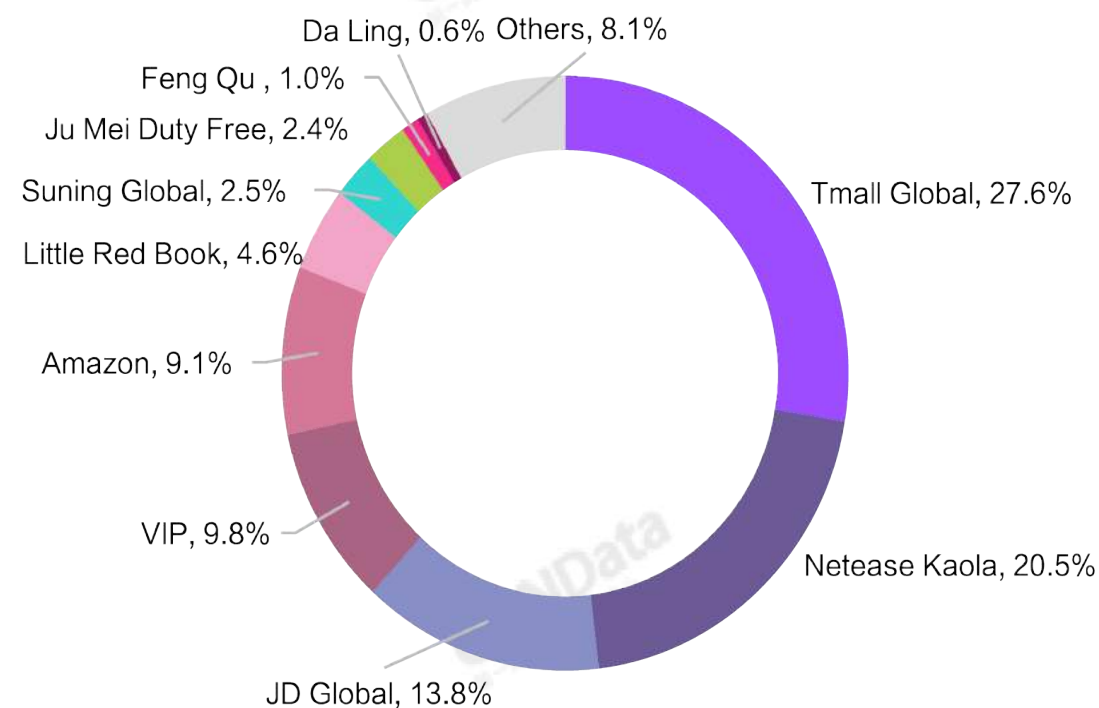


Data Source: According to public resources

Tmall Global leads the market share in the cross border ecommerce market

- With 27.6% of the market share, Tmall Global leads the cross border ecommerce market. Netease Kaola and JD is second and third respectively. These three players cover more than 60% of the cross border ecommerce market.

2017 Q4 cross border ecommerce market (B2C) competitive landscape



Data Source: Yi Guan Analysis

2017 highlights from large scale sales events

- 2017 Double Eleven orders accounted for 70% of the national number of orders of cross border goods, leading the cross border market.

2017 Double Eleven, 56 countries participated in this large scale sales event



Sold 2 Aston Martin boats valued at 17 million RMB



Lafite sold 20,000 bottles of wine in 30 minutes 220,000 bottles in the full day, which is the equivalent amount of a winery's two year production output



Sketchers sold 20,000 pairs which is the equivalent of last year's full year's amount; 14 limited edition shoes that were more than 10,000 RMB were sold, the same value as a Mini Cooper



43% of customers bought global brands
Global brands have increased 51%



Australian retailer Chemist Warehouse **broke 100 million in GVM in 7 hours**, using two thirds the amount of time to reach the same record last year



Macy's participated in a New Retail display in Beijing where consumers can experience New York's Fifth Avenue via AR



Costco opened two stores, one on Tmall Global and one on Tmall Classic, enabling more brands to be bought on Tmall

Data Source: Ali Research ; order data is according to local customs organization

Tmall Global expands, covering more countries and product types



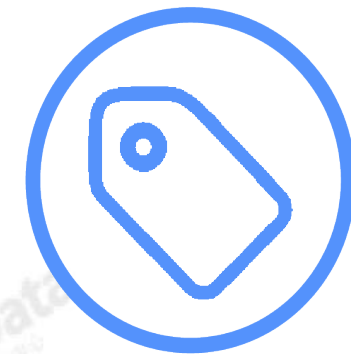
Number of
countries covered

68



Types of Products
covered

3700⁺



Brands

16400⁺

Data Source: AliResearch
Data Time Period: 2017

PART02

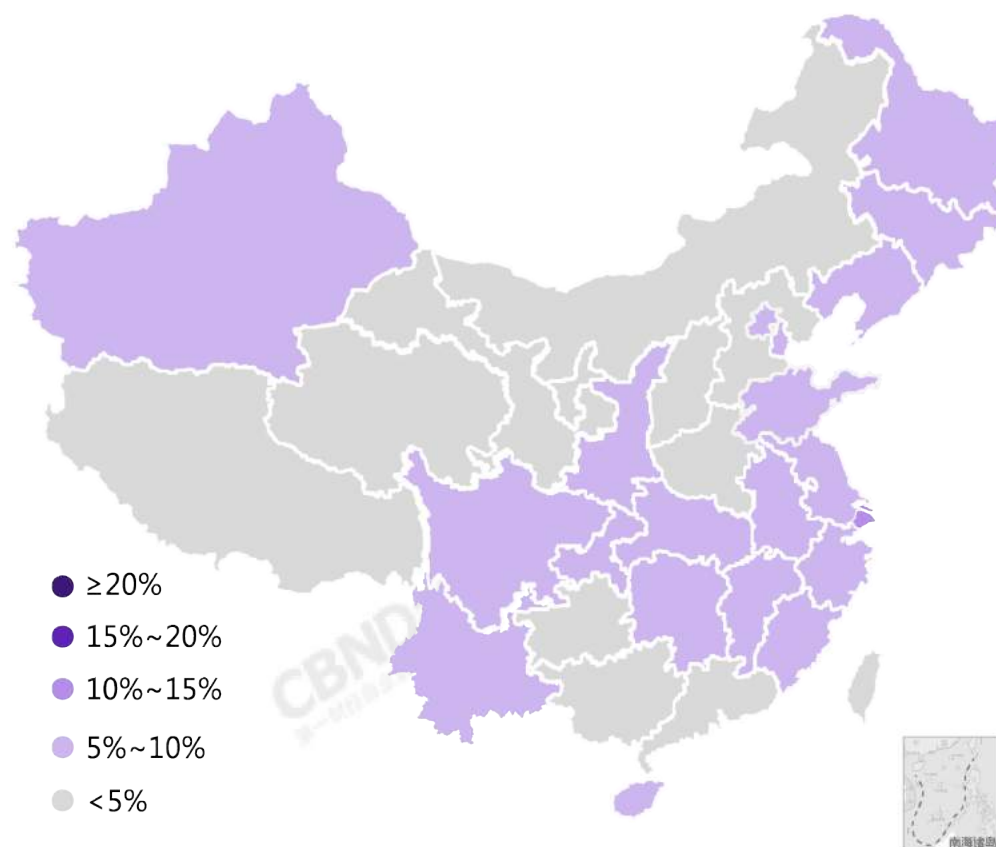
Consumers for imported goods trends

PART02

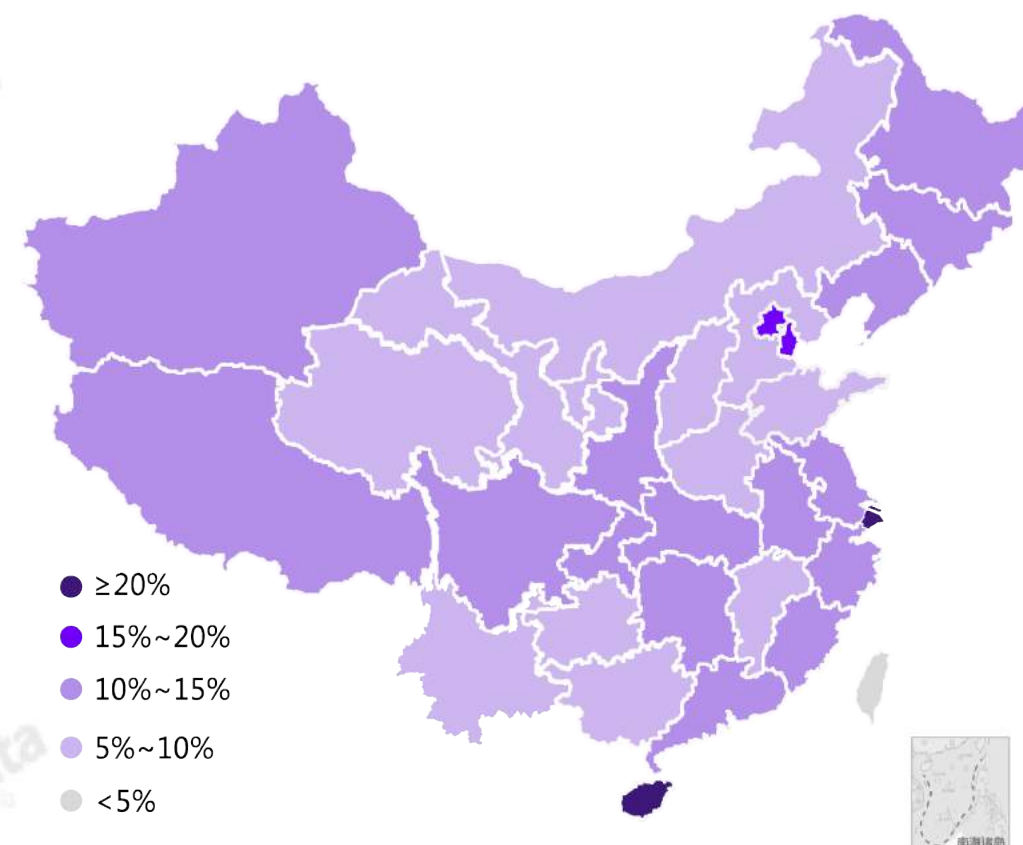
Trend 1: the consumption of imported products is becoming more frequent

From 2015 to 2017, all products have seen an increase in the number of people who buy imported products

2015 Tmall Global penetration rate



2017 Tmall Global penetration rate

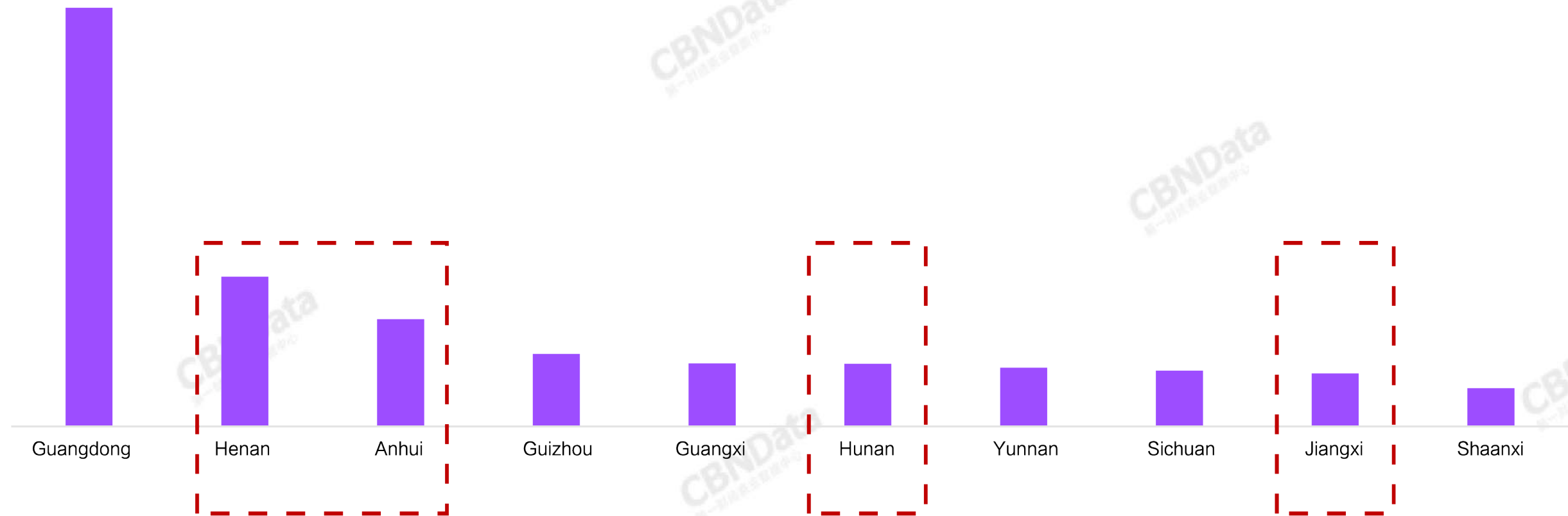


Data source: Ali Data
Explanation: penetration rate = Tmall Global customers / Alibaba customers

Significant growth in certain provinces in the middle provinces of China

- 2015 to 2017, top 10 provinces of Tmall Global consumers.

2015 to 2017, growth rate of top 10 provinces of Tmall Global consumers



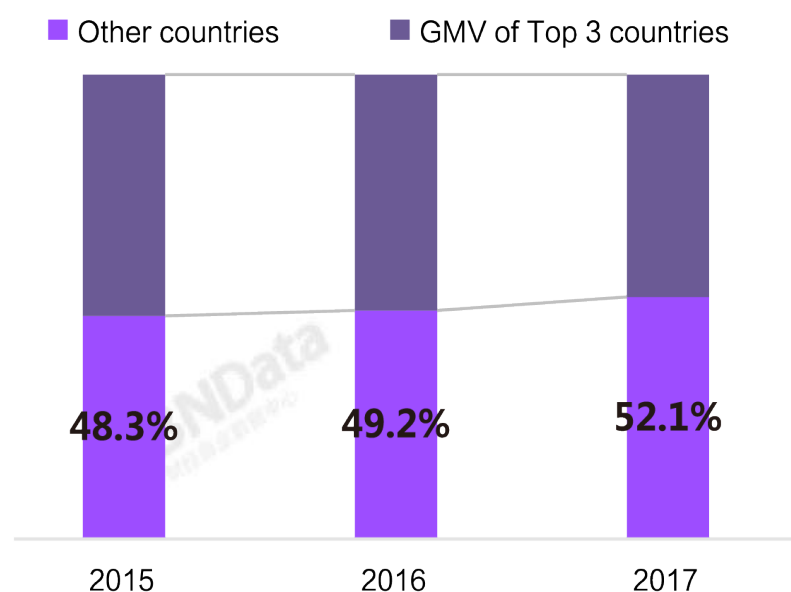
Data source: Ali data

Data explanation: : growth rate = 2017 number of customers compared to number of customers in 2015

Consumers have a wider choice in the countries their imported goods come from

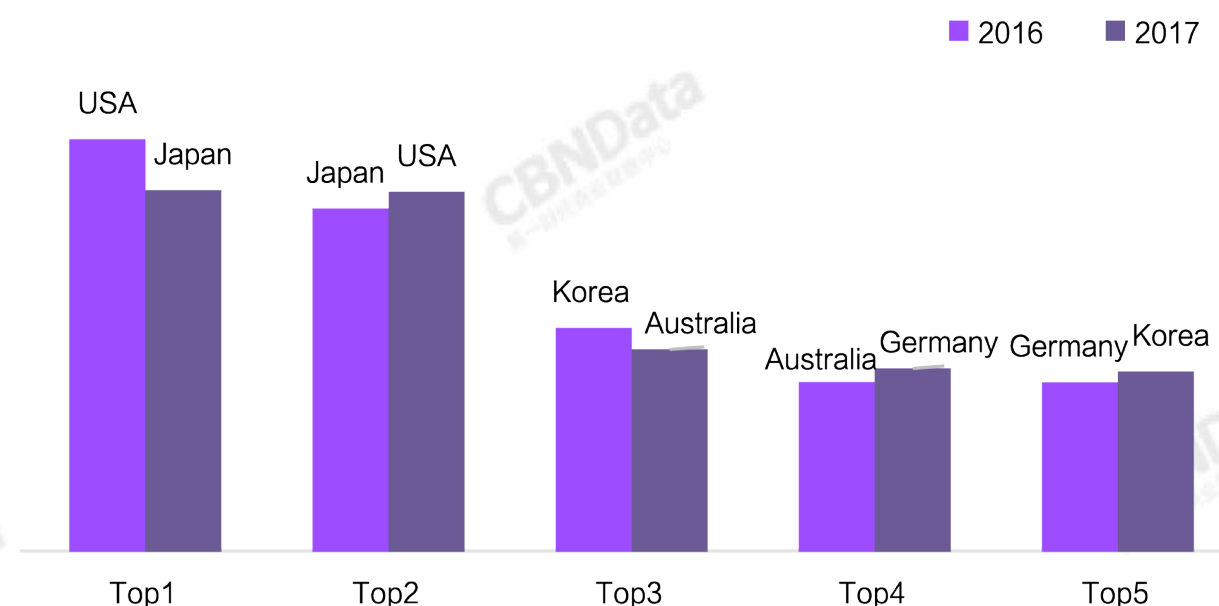
- In 2017 the countries that are not from the top 3 countries have GMVs greater than 50%.
- In 2017, the top five countries for Tmall Global consumers are Japan, America, Australia, Germany and Korea.

2015–2017 GMV comparison of goods bought from countries that are not in the Top 3



Data Source: Ali Research

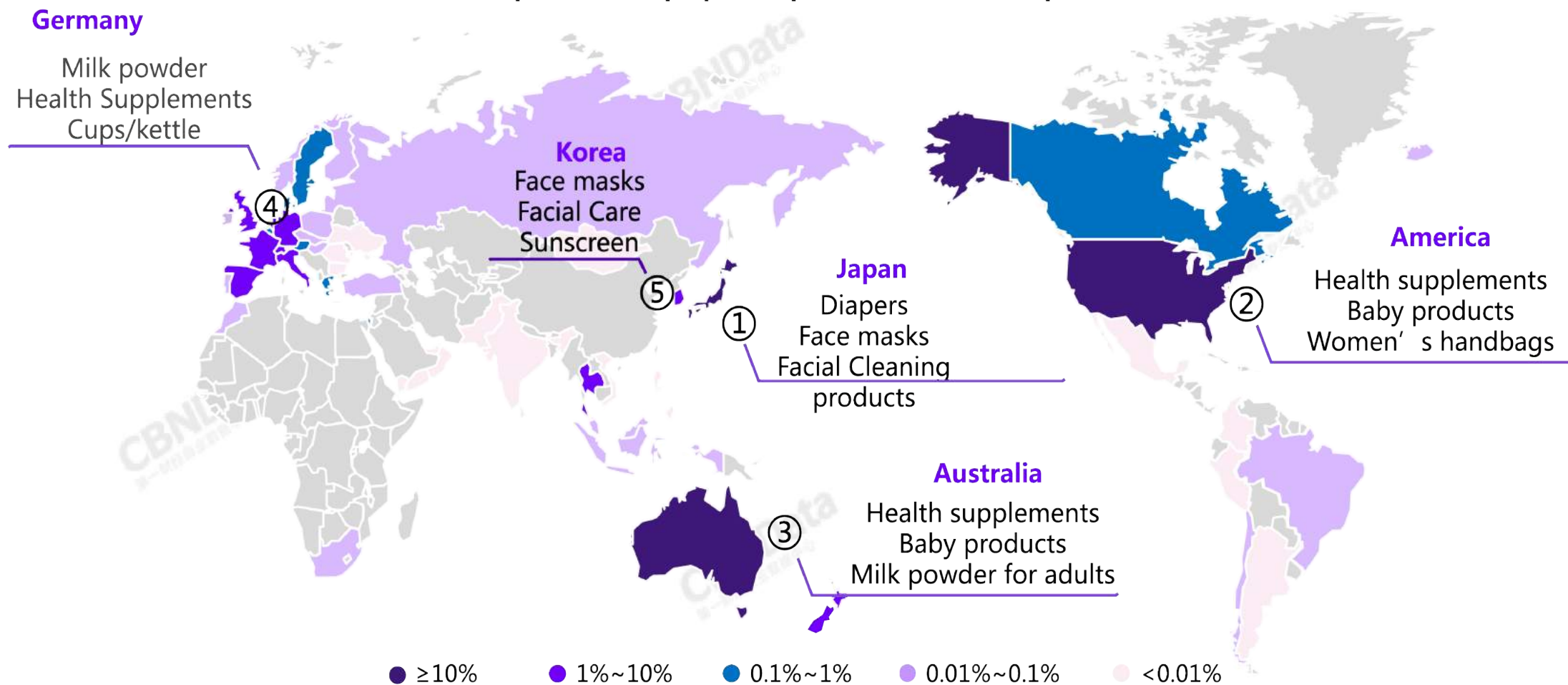
2016 vs. 2017 Top countries for Consumers



Data Source: Ali Research

Consumers like to buy food, health supplements and mom and baby products from America, Australia and Germany and prefer to buy beauty products from Japan and Korea

2017 Map of most popular products from top countries



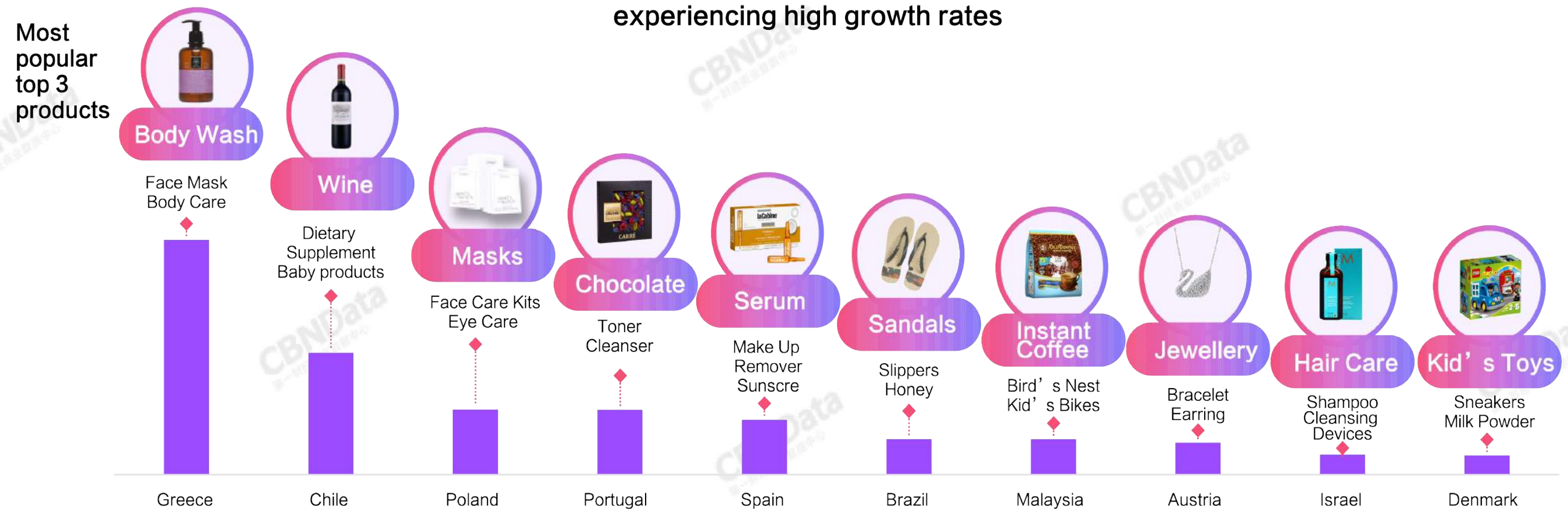
Data Source: Ali Research

Explanation: Product GMV is written in descending order, with countries with large GMV's represented. Countries with smaller GMV's are not shown

Imported goods from smaller countries are increasing

- Other than Japan, America, Australia, and other countries that are popular amongst consumers, Greece, Chile and Poland are experiencing increasing popularity.

2017 Tmall Global TOP10 smaller countries that are experiencing high growth rates



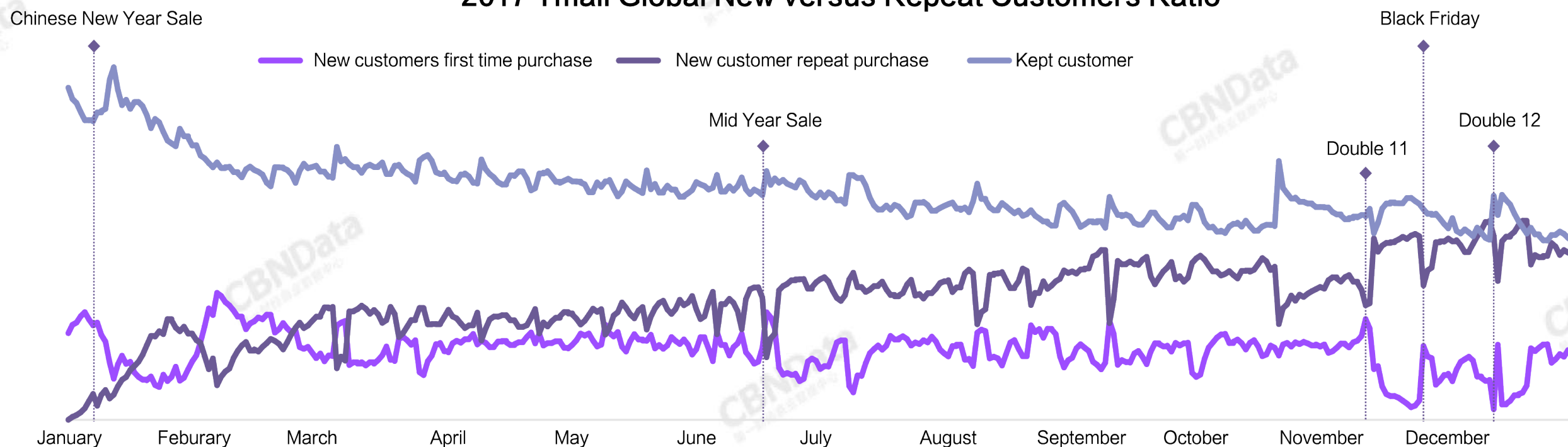
Data Source: Ali Research

Data explanation: Country selected by revenue $\geq 0.02\%$, growth = FY2017 / FY2016 - 1

Consumers no longer need big sales events to buy imported goods

- Repurchase rate is high, as the platform becomes stickier for consumers.
- New customers tend to use big sales events as their first time to purchase. Starting in March, the number of new customers start to rise. Starting in December, the number of new customers start to equate to the number of re purchase customers.

2017 Tmall Global New versus Repeat Customers Ratio

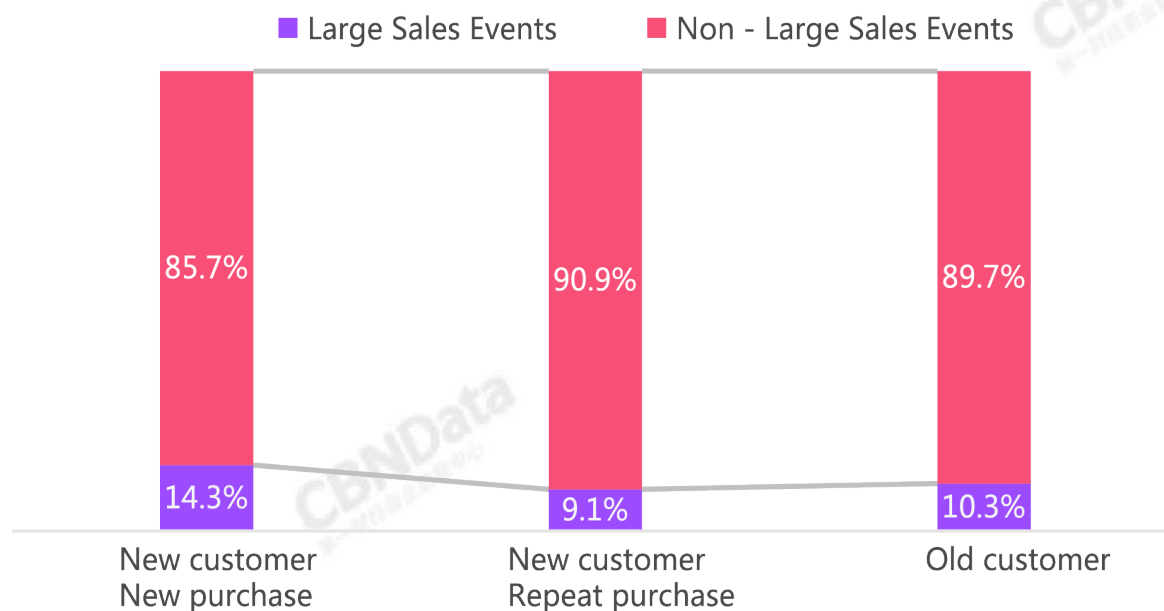


Data source: Ali Research

Explanation: New customers are those who never shopped on the platform in 2017; kept customers are those who have bought previously on the platform before 2017

Repeat customers are increasing, people who have shopped more than five times are close to 17%

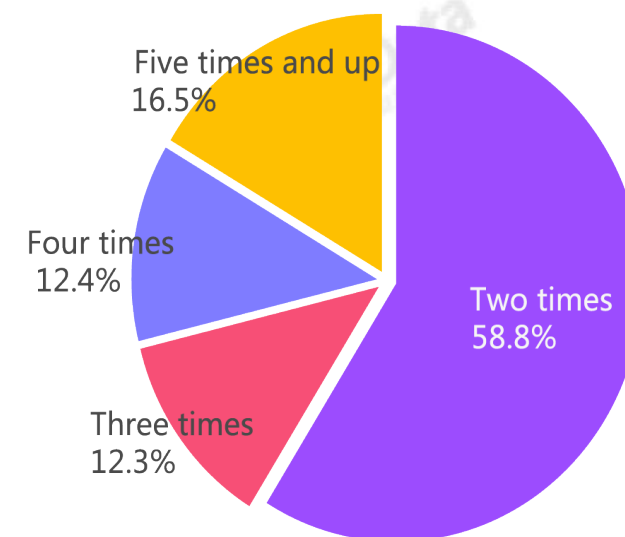
- In 2017 during large sales events, new customer numbers are higher than repeat customers.
- Tmall Global repeat customers are increasing; with more than 40% of customers who have bought more than three times; those who have bought more than five times are 17%.



Data Source: Ali Research

Data explanation: Large sales events include Double 11, Black Friday.
New customers: customers who have not bought on TMG in 2017;
Old customers are those who have bought on TMG

2017 distribution of number of times a repeat customer shopped



Data Source: Ali Research

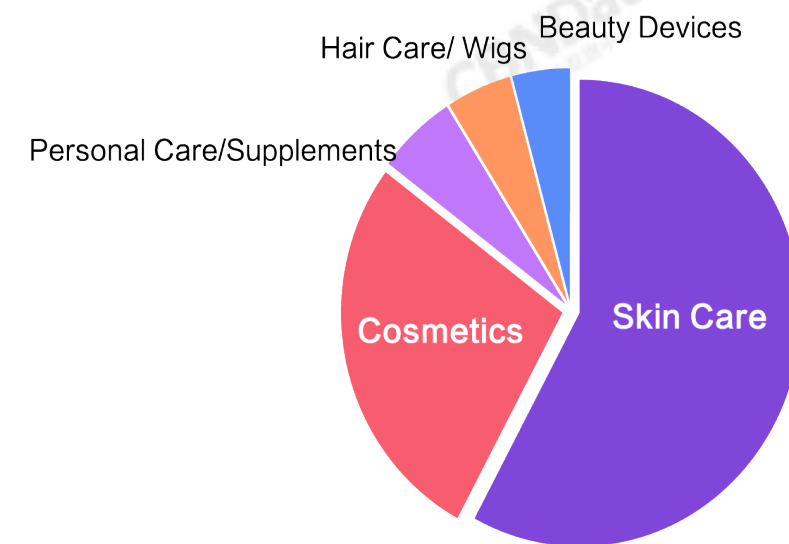
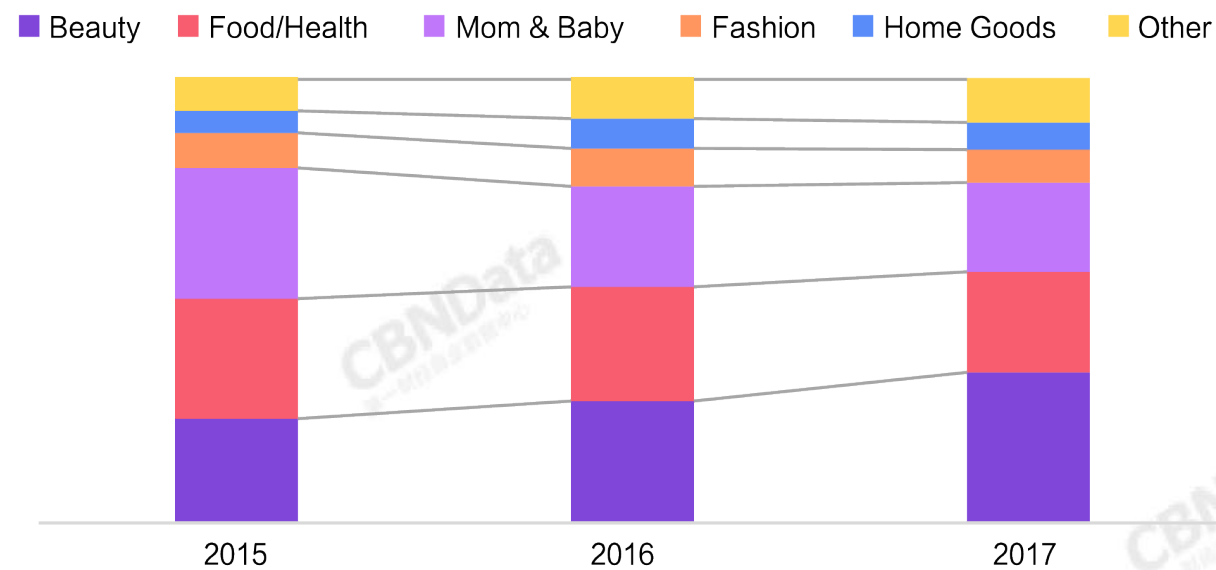
PART02

Trend 2: consumers want a variety of products that fulfill precise needs

Beauty products grow in popularity, with sales volumes covering one third of Tmall Global's total GMV

- Beauty products grow in popularity, with sales volumes covering one third of Tmall Global's total GMV. Home goods GMV ratio also increases.
- The top selling product types within the Beauty category are skin care and cosmetics

2015–2017 Tmall Global GMV ratio for different product categories

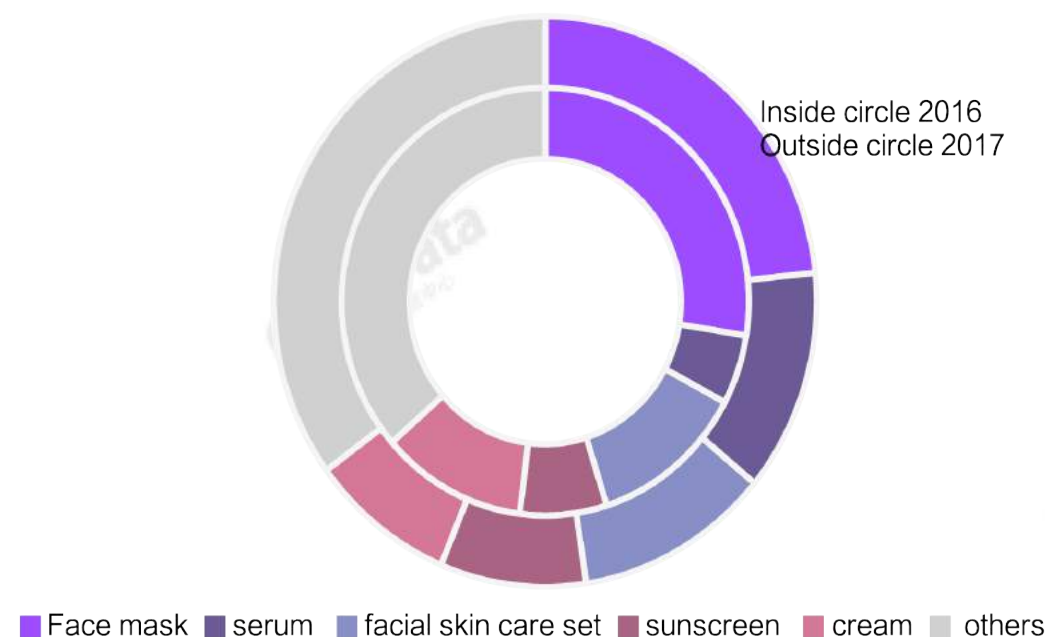


Data Source: AliResearch
Data Breakdown: Post 95: Year born 1995–1999, Post 90: Year born 1990–1994
Post 80: Year born 1980–1989, Post 70: Year born 1970–1979

2017 was the year of ampoules, pushing online serum sales

- Beauty and skin care products make up the top 5 products, more than 65%; in two years, serum sales have seen an increase in sales.
- In 2017, Spain pushed the sale of serums, brands like Lancome are now pushing Ampoules as well; in two years sales have increased 27 times.

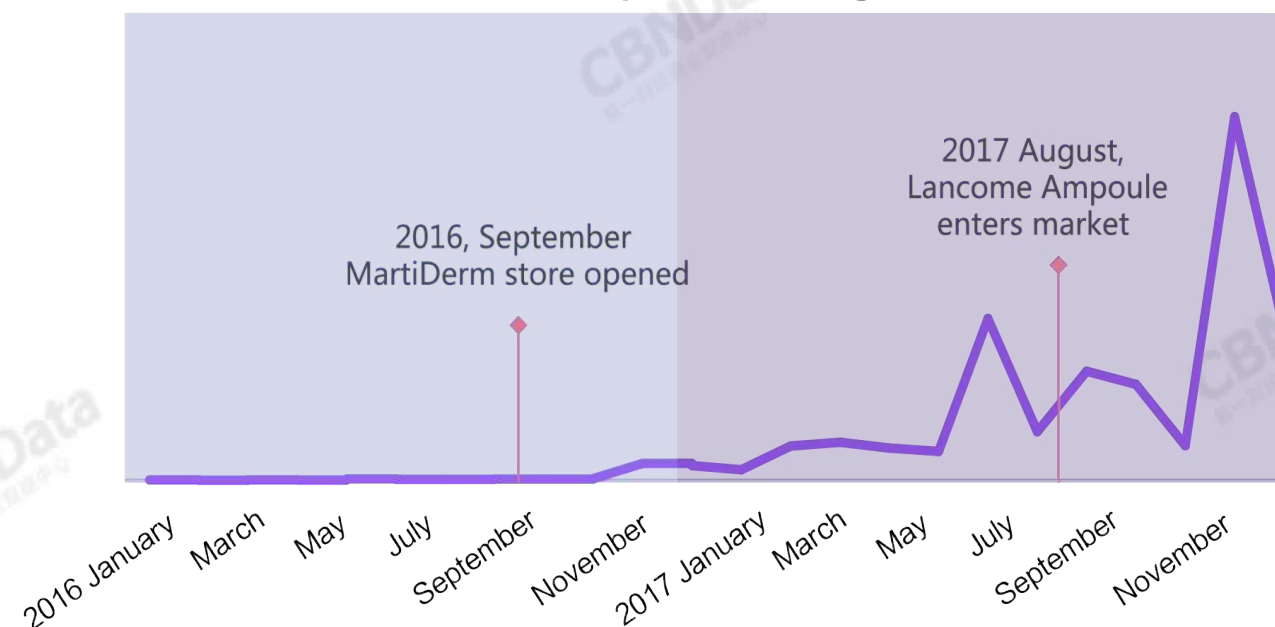
2016–2017 Tmall Global beauty top 5 products based on GMV



Data Source: Ali Research

2016–2017 Ampoule GMV

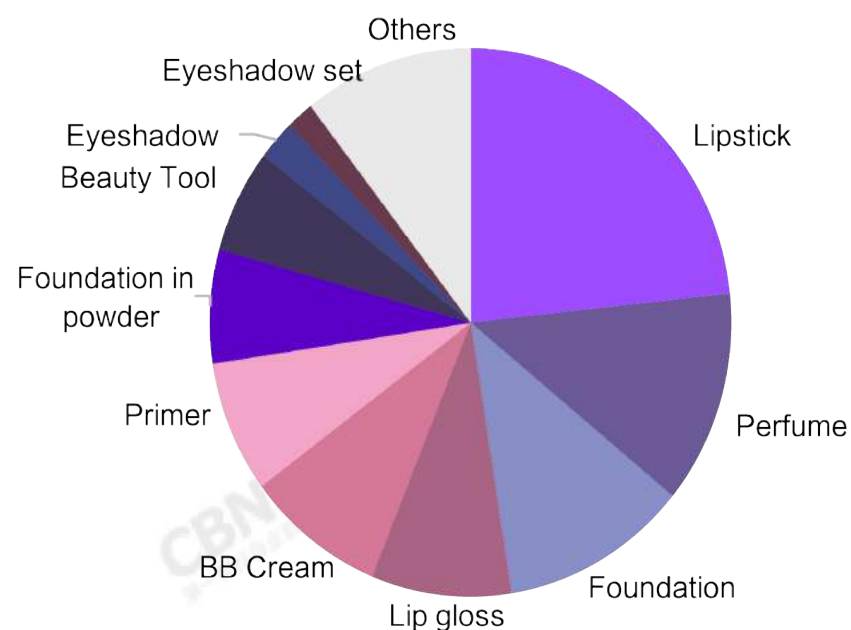
2016–2017 Ampoules GMV grows 27 times



Data Source: Ali Research

Lipstick, perfume, foundation are top products in cosmetics, seeing incredible growth in the past two years

2017 Tmall Global Top 10 Cosmetics GVM spread



Data Source: Ali Research

2016–2017 Tmall Global Top 5 Products



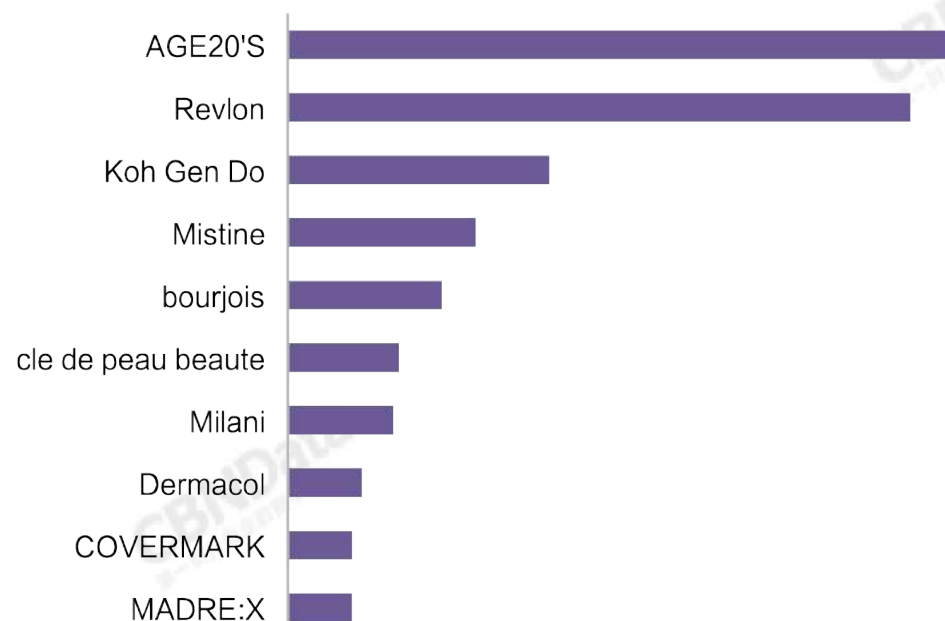
Data Source: Ali Research

Data Explanation: Hot products increase in popularity = 2017 Sales compared to 2016 sales

Foundation functions are now more specific

- Consumers want their foundation to include serums. The most popular brand in 2016–2017 is AGE20'S that has a serum foundation.

2016–2017 Tmall Global top 10 brands for foundation



Data Source: Ali Research

Data Explanation: Hot products increase in popularity = 2017 Sales compared to 2016 sales

Serum foundation

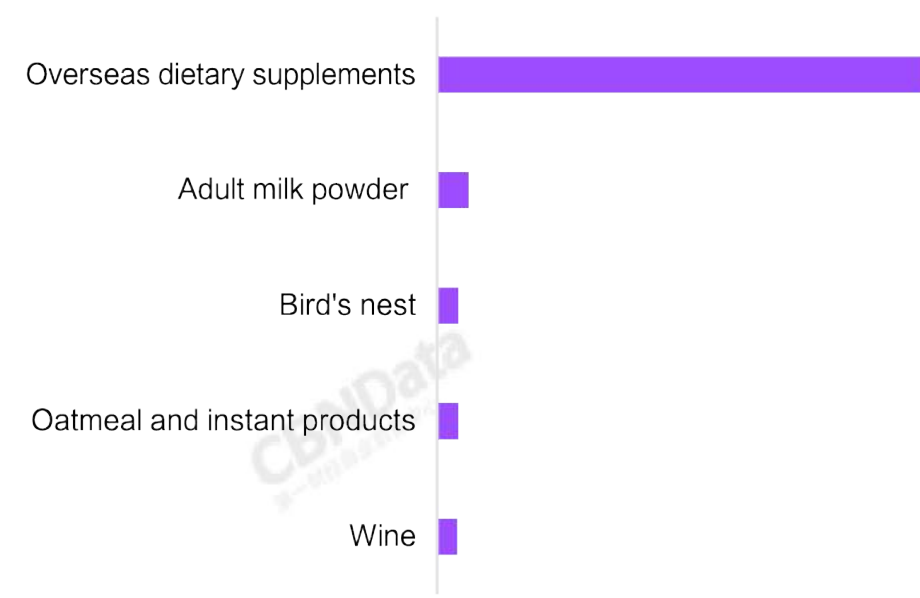
Innovative serum technology



Korea's beloved brand called AGE20 'S produces a foundation that is infused with serum that the combined functions of skin care and cosmetics in one product has won the hearts of many consumers.

≡ Tmall Global has onboarded many brands in the medicine and health category to fulfill the needs of a healthy lifestyle. In the past two years, edible health supplements have seen a rise in popularity

2016–2017 Tmall Global food/health supplements top 5 product types



Data source: Ali Research
Explanation: Rise in popularity = 2017 product GMV / 2016 product GMV

2017, Tmall Global has onboarded many brands in the medicine and health category



Promote joint health
Move Free



Cenovis



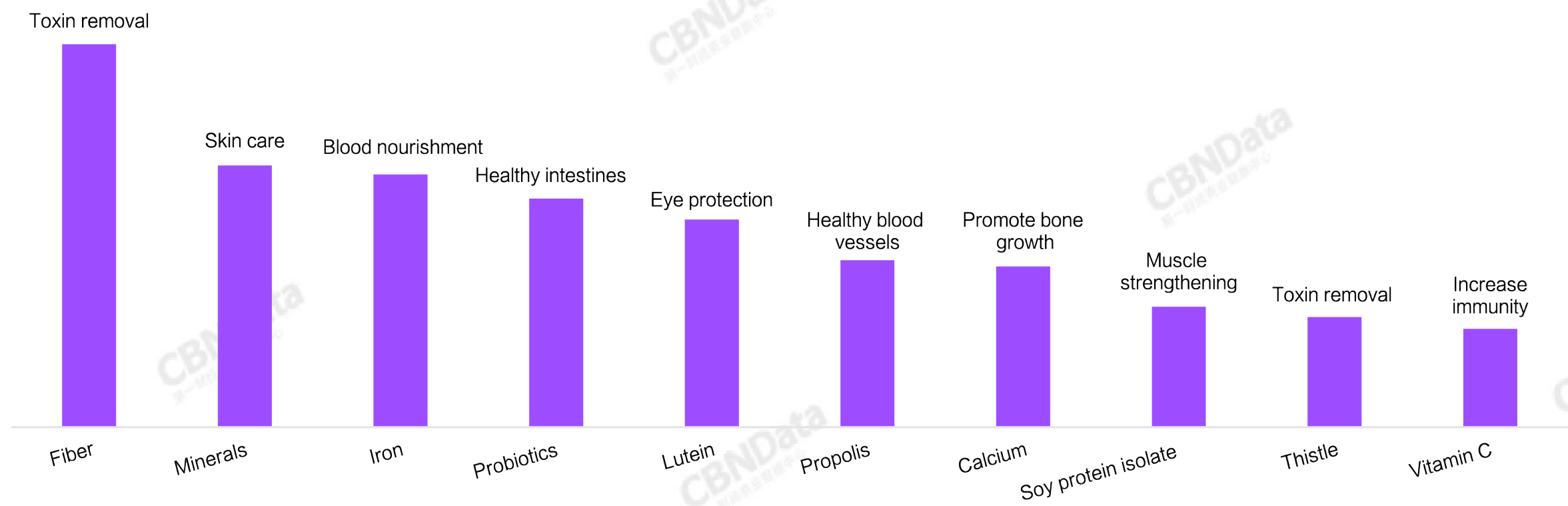
Japanese brand POLA



Twin Lotus instant
Bird's Nest

Consumers want health supplement products to answers to multi-use dietary supplement, removal of toxins, eye protection, muscle strengthening, increase immune system

2016–2017 Tmall Global overseas dietary supplement Top 10 Products

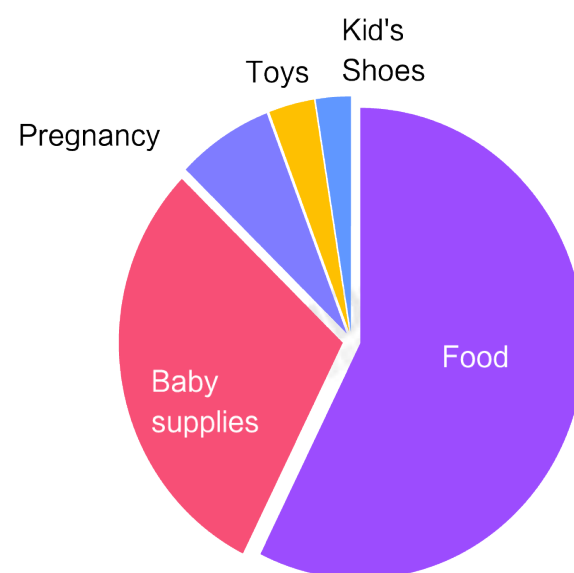


Data source: Ali Research
Explanation: Rise in popularity = 2017 product GMV / 2016 product GMV;
Top 10 products that fulfill needs of consumers

In the imported baby products category, parents are buying products to fulfill precise needs

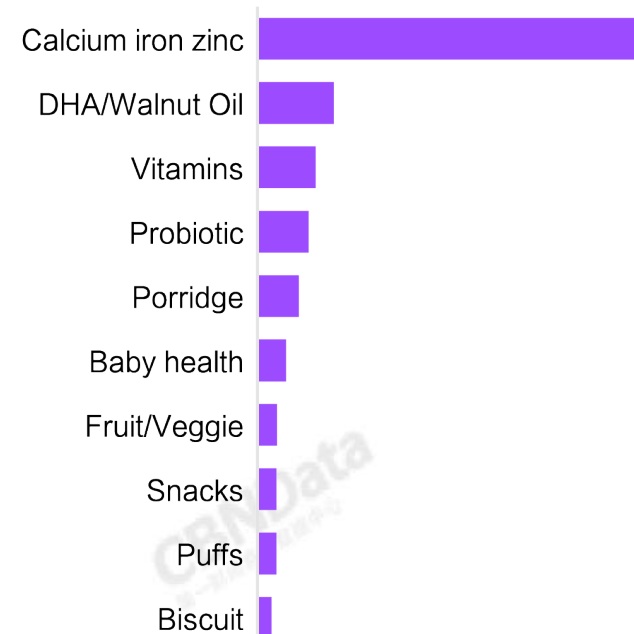
- Milk powder and diapers have always been popular items for parents, but in recent years, due to the improvements of lifestyle, products such as calcium, iron, zinc, DHA、probiotics, bath and body, thermometer, car seats are becoming more popular.

2017 Mom and baby products GMV spread



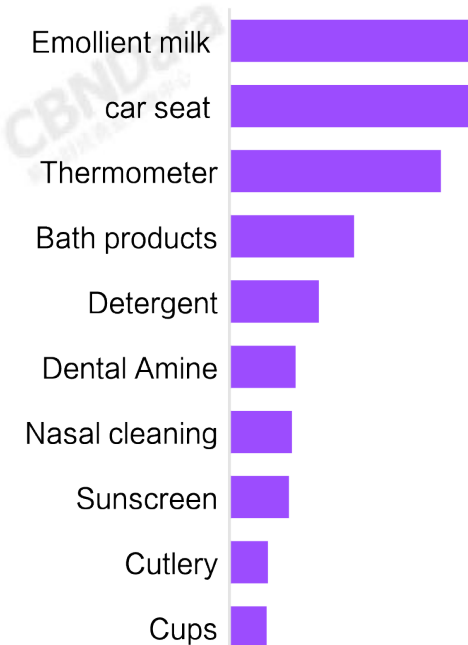
Data Source: AliResearch

2017 Top10 products within the baby food category



Data Source: AliResearch

2017 Top10 products within the baby supplies category

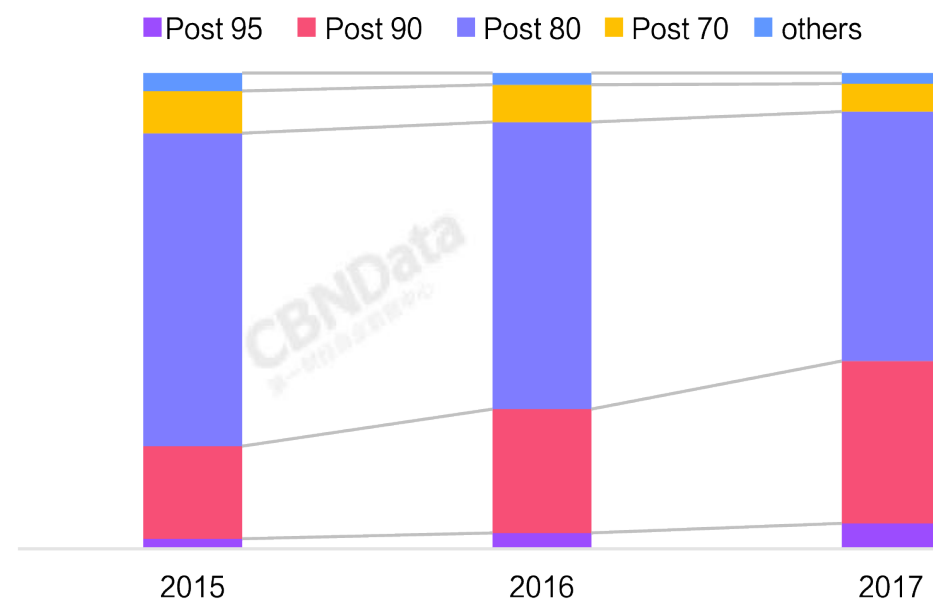


Data Explanation: Hot products increase in popularity = 2017 Sales compared to 2016 sales

Post 90s generation leaning towards purchasing beauty care products for pregnant women

- Products for pregnant women have Post 80's generation as the lead consumer group, but the Post 90s generation is on the rise and will become the future larger spending power.
- Both consumer groups are pursuing more than just supplements while pregnant. The 90s group is buying more beauty care products for pregnant women.

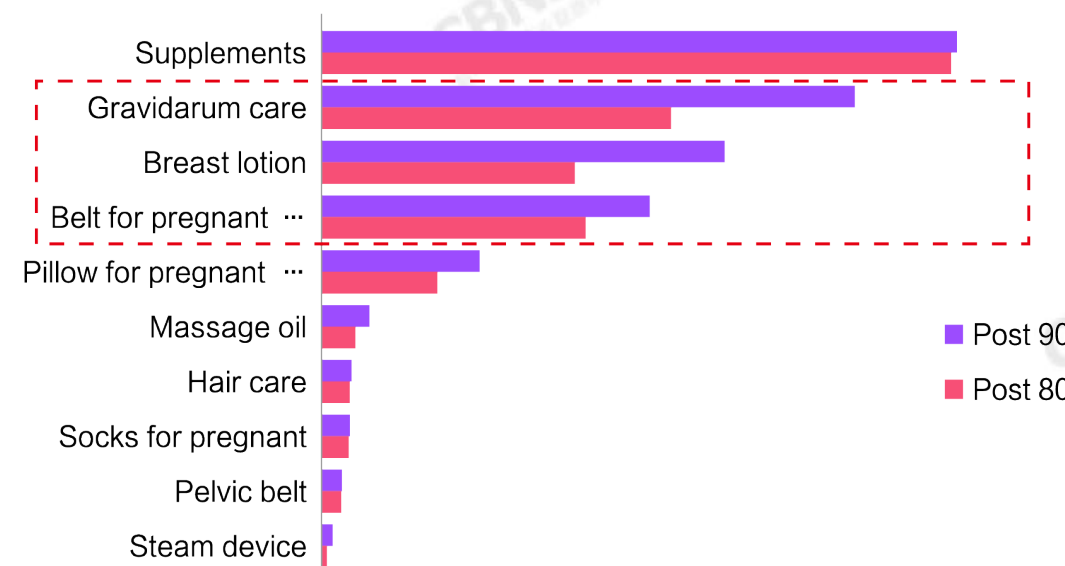
2015–2017 Distribution of generation spread for products related to pregnant women



Data Source: AliResearch

Data explanation: Post 95 1995–1999; Post 90 1990–1994; Post 80 1980–1989; Post 70 1970–1979

2017 Hottest products for pregnant women for post 80s and post 90s



Data Source: AliResearch

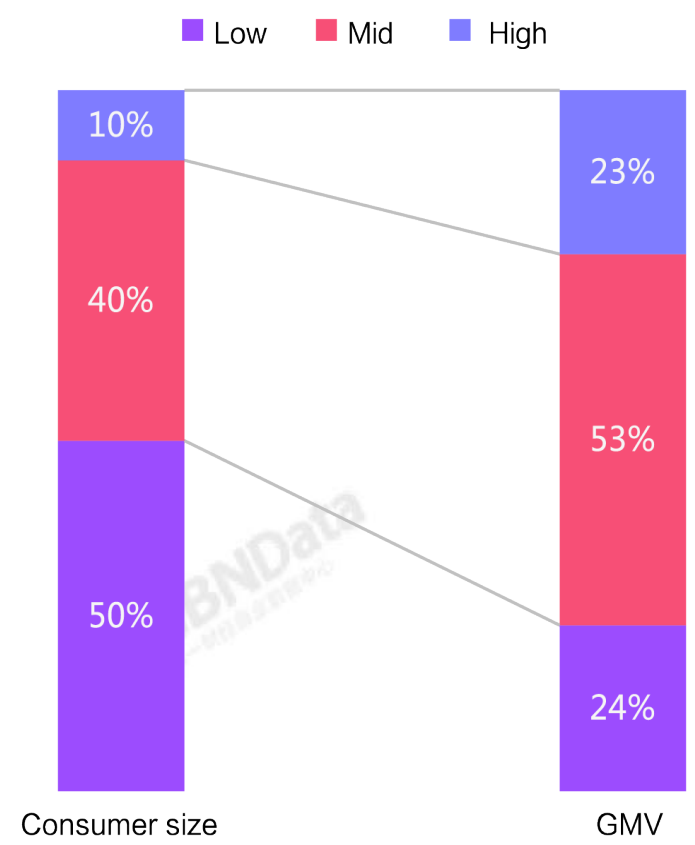
Data Explanation: Hot products increase in popularity = 2017 Sales compared to 2016 sales Post 90 1990–1994; Post 80 1980–1989

PART02

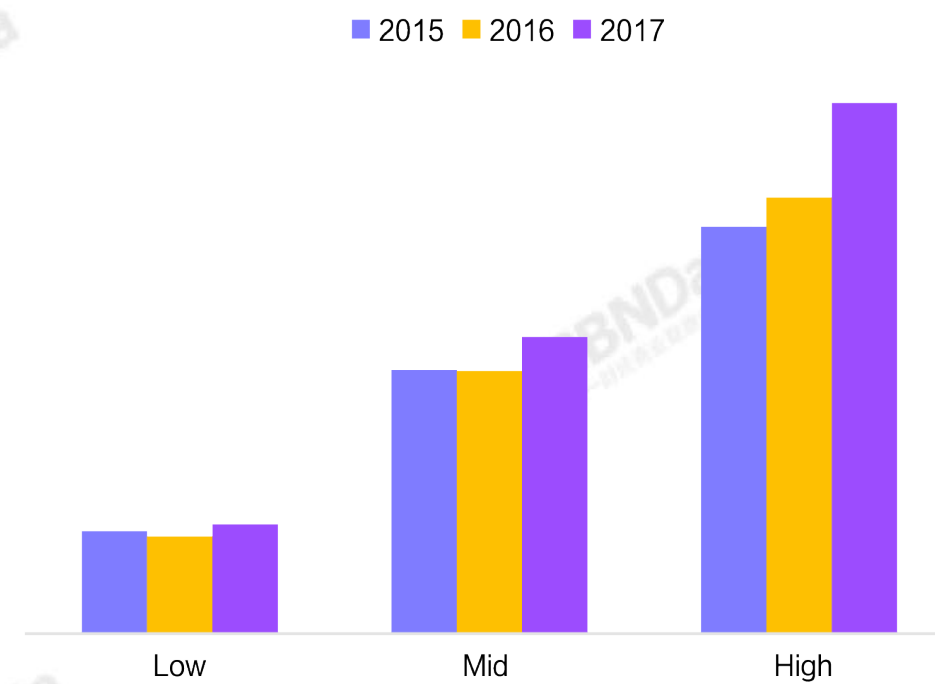
Trend 3: high quality products encourage the consumption of imported goods

Tmall Global mid, high level consumers contribute to 76% of the GMV with the basket size increasing in the past two years

2017 Spread of low, mid to high level consumers



2015–2017 Comparative basket size of low, mid and high level consumers



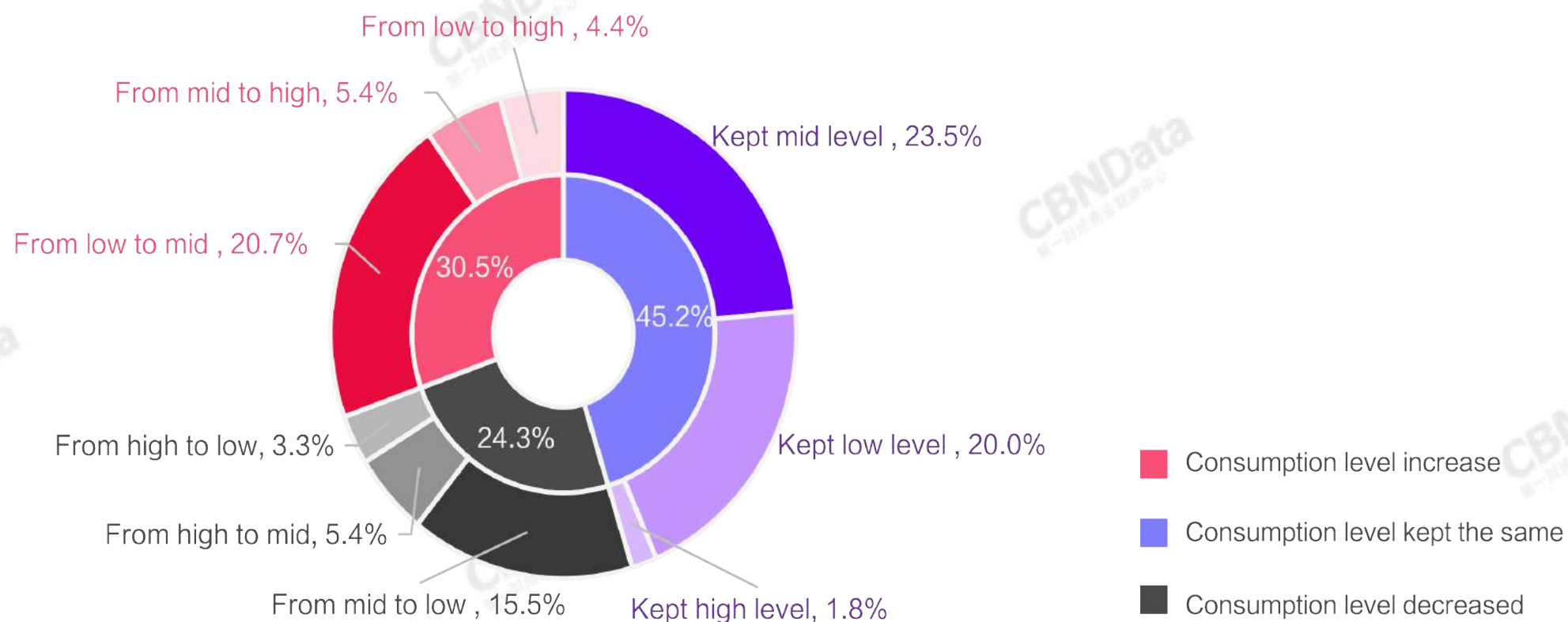
Data Source: Ali Research

Data source: Ali Research
Data explanation: the divide is determined by the per transaction amount of the user. Low, mid, high = 1: 3: 5

From 2015 to 2017, more than 30% of consumers experienced an upgrade in consumption

- More than 30% of consumers experienced an upgrade in consumption, 21% of consumers upgraded from low level to mid level, 10% of consumers upgraded from mid level to high level.

2015–2017 Change in upgrade of consumption



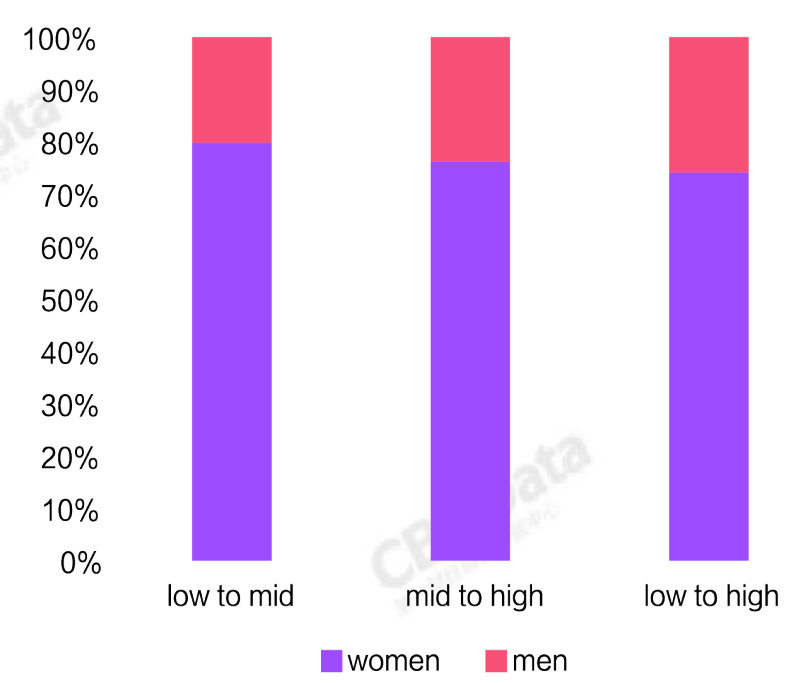
Data source: Ali Research

Data explanation: the divide is determined by the per transaction amount of the user. Low, mid, high = 1: 3: 5

Tier 2 Post 90s and 95s consumers upgraded

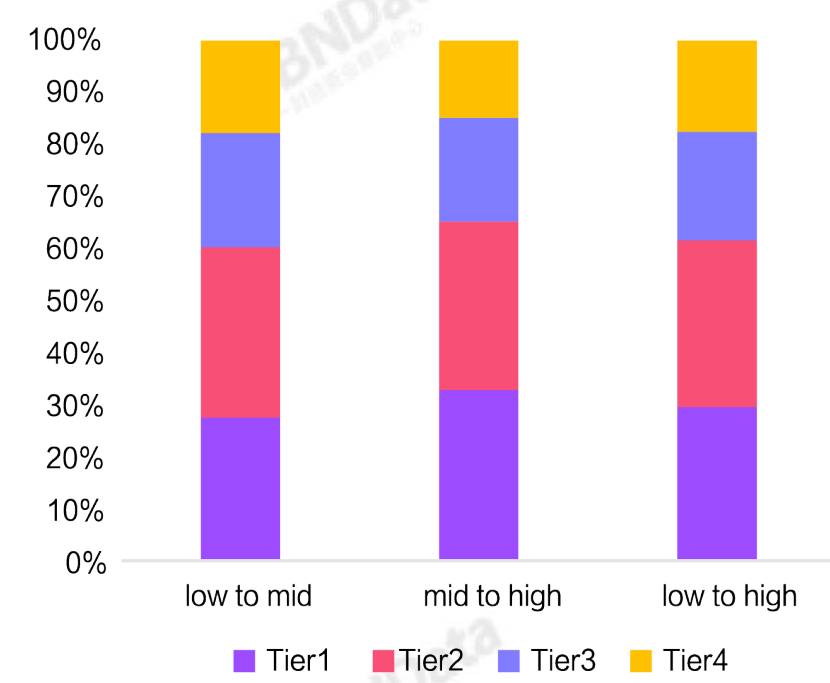
- Women represent more than 70% of consumers; Post 90s and Post 95s represent more than 50%; Tier 1 and 2 cities represent more than 60% .

2017 Gender distribution



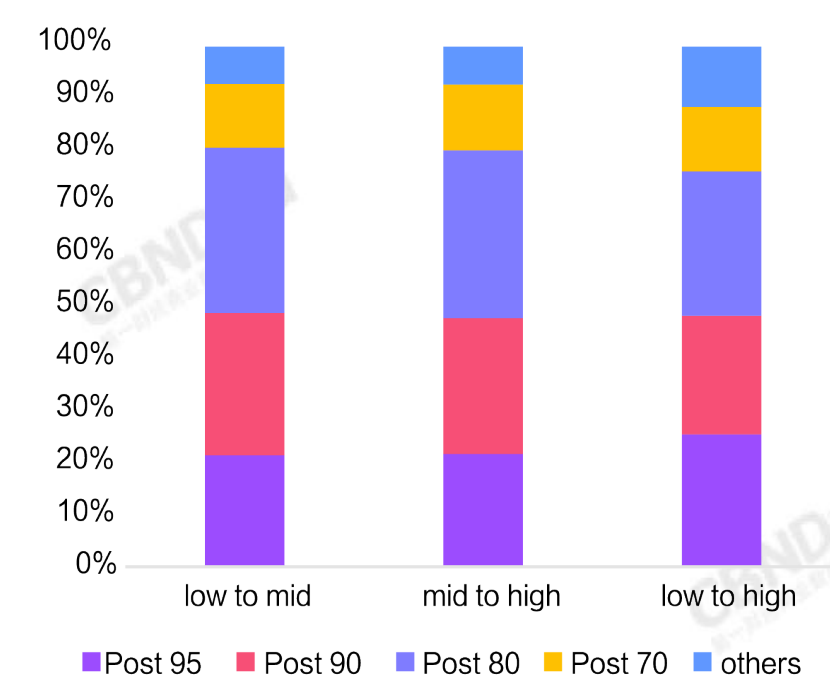
Data Source: AliResearch

2017 Consumer spread in Different Tier cities



Data Source: AliResearch

2017 Consumer groups based on generation

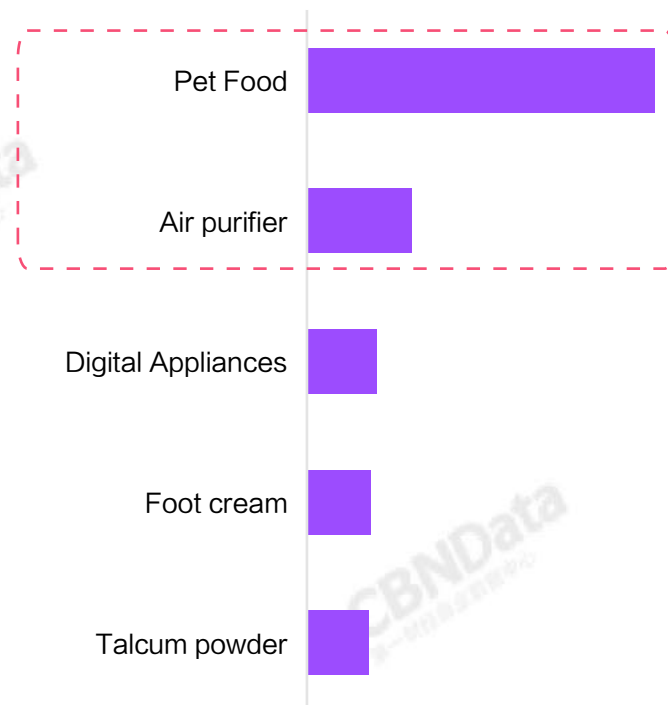


Data Source: AliResearch
Data explanation: Post 95 1995–1999; Post 90 1990–1994; Post 80 1980–1989; Post 70 1970–1979

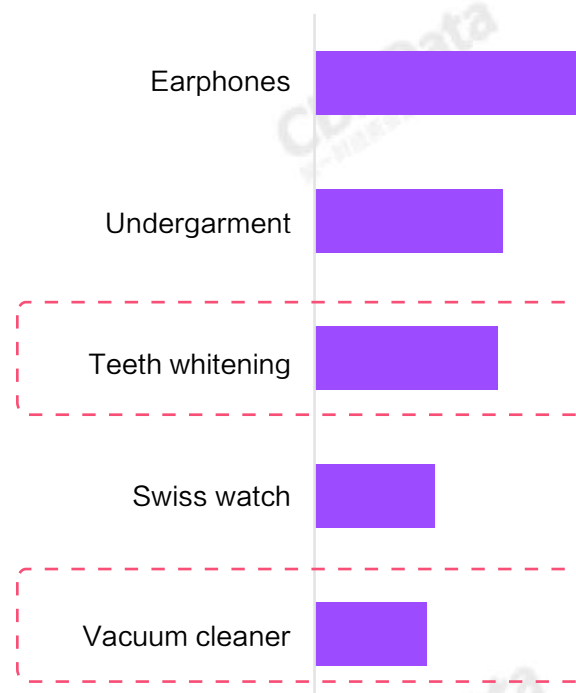


Post 90s generation leads the way in purchasing products that represent an upgrade in lifestyle

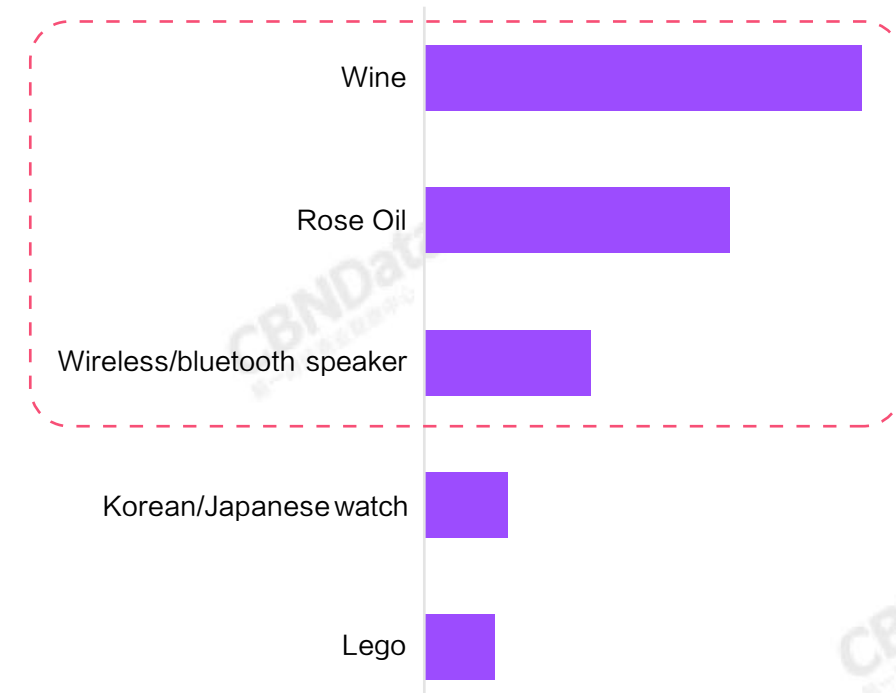
2015–2017 Products bought by Post 90s women in Tier 1 and Tier 2 cities from low to mid level tier of consumption



2015–2017 Products bought by Post 90s women in Tier 1 and Tier 2 cities from low to high level tier of consumption



2015–2017 Products bought by Post 90s women in Tier 1 and Tier 2 cities from mid to high level tier of consumption

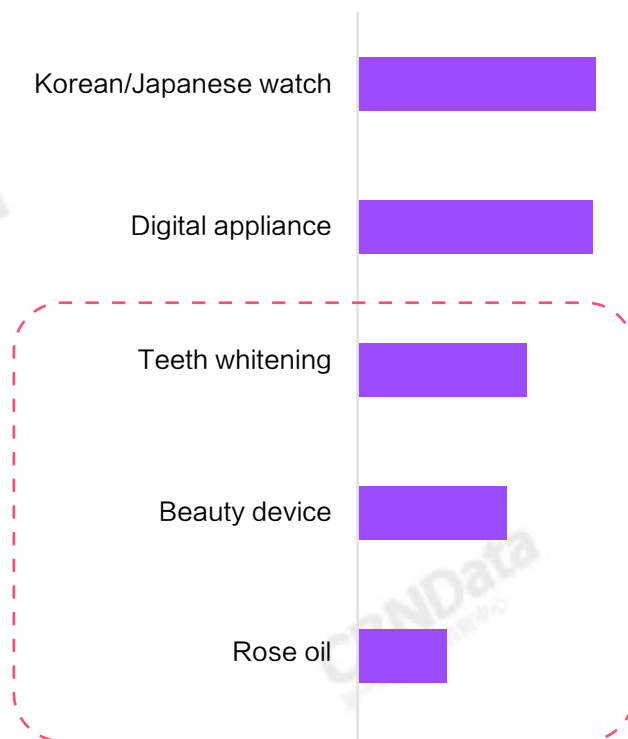


Data Source: AliResearch
Data Explanation: Hot products increase in popularity = 2017 Sales compared to 2015 sales

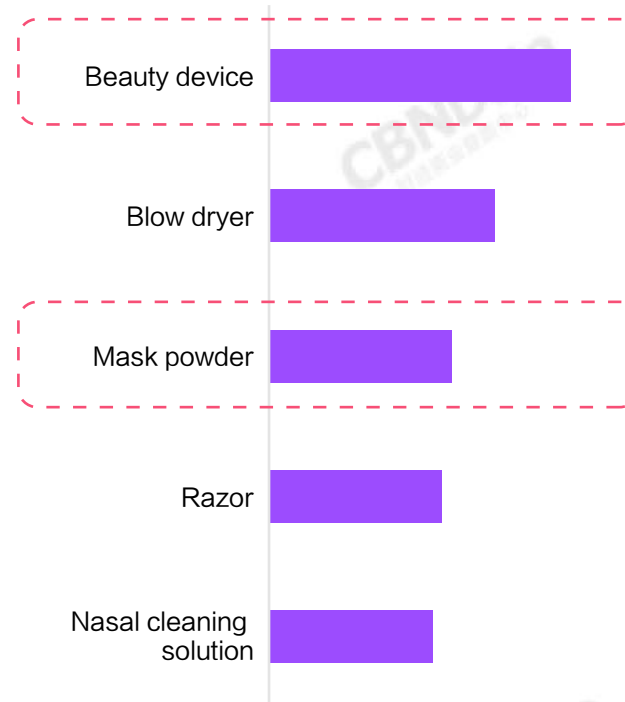


Post 95s generation leads the way in purchasing products that focuses on the self

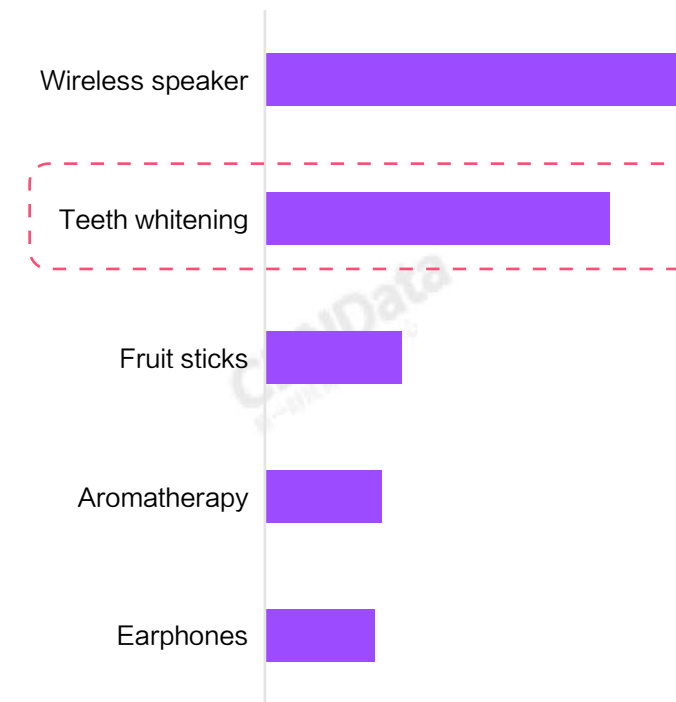
2015–2017 Products bought by Post 95s women in Tier 1 and Tier 2 cities from low to mid level tier of consumption



2015–2017 Products bought by Post 95s women in Tier 1 and Tier 2 cities from low to high level tier of consumption



2015–2017 Products bought by Post 95s women in Tier 1 and Tier 2 cities from mid to high level tier of consumption



Data Source: AliResearch
Data Explanation: Hot products increase in popularity = 2017 Sales compared to 2015 sales

PART02

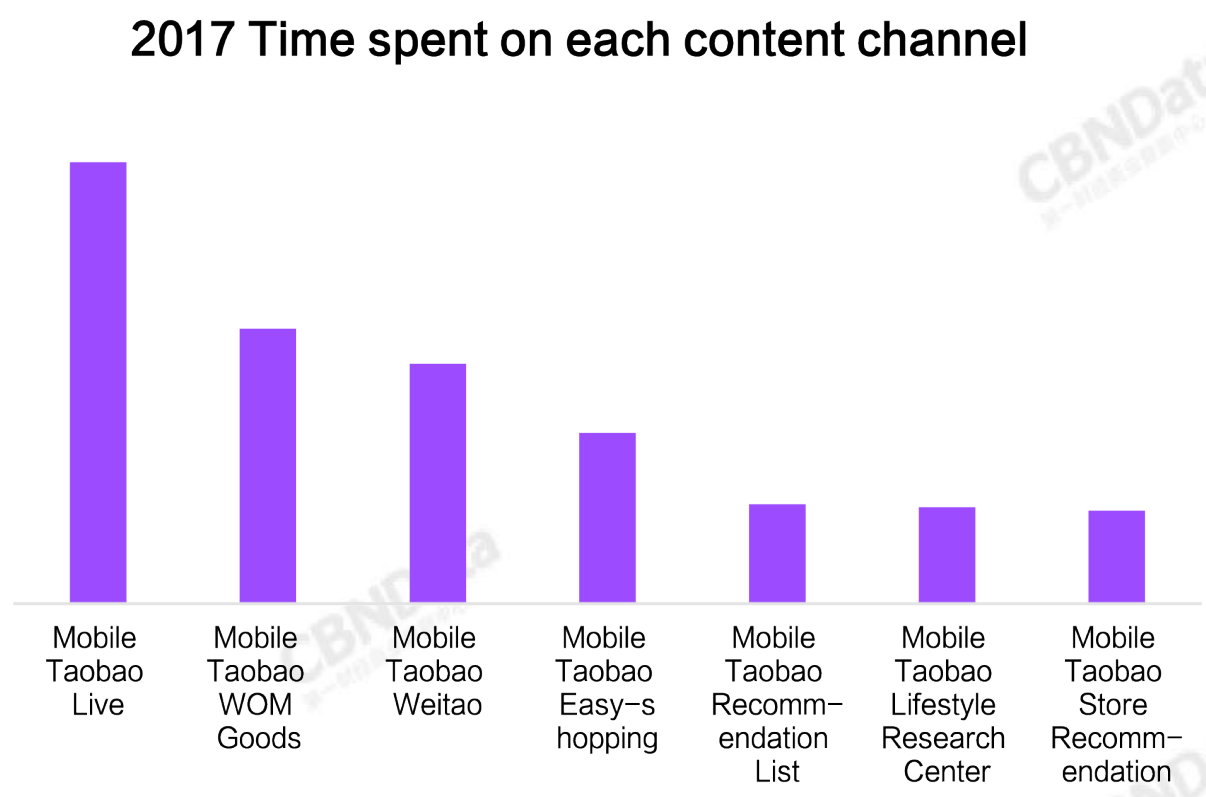
Trend 4: Interaction with content is a vital part of consumers for imported goods

≡ The emotional exchange that happens with the consumer is a vital piece of the platform; the forms of content on the platform are plentiful

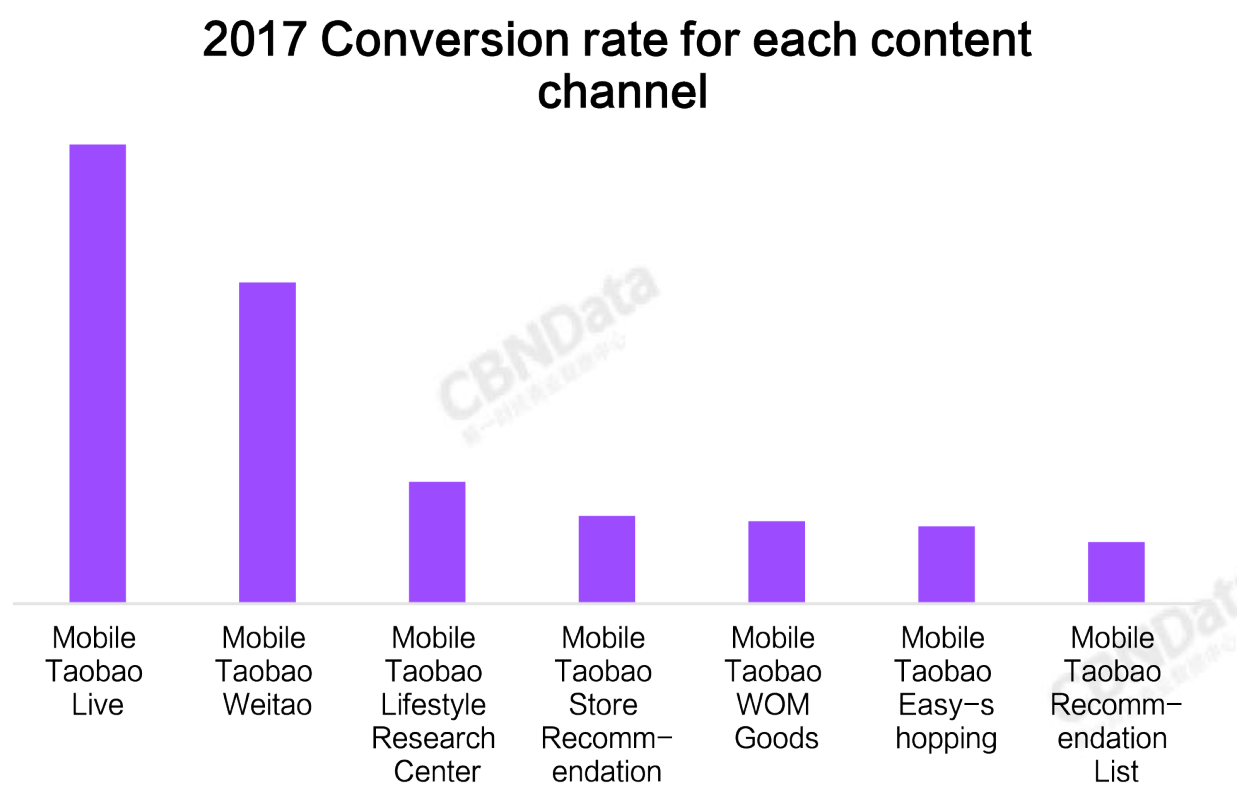


Content significantly increases the rate of purchase

- Livestream is a familiar channel and raises conversion rates; the amount of time spent looking at a particular product also is more than twice the amount of “Recommended goods” and Taobao Weitao



Data Source: AliResearch
 Data explanation: 201701–201712 chosen data on wireless ;
 Viewership =Page View /Unique View



Data Source: AliResearch
 Data Explanation: 201701–201712 chosen data on wireless ;
 Conversion =people who bought unique view/Unique View

PART02

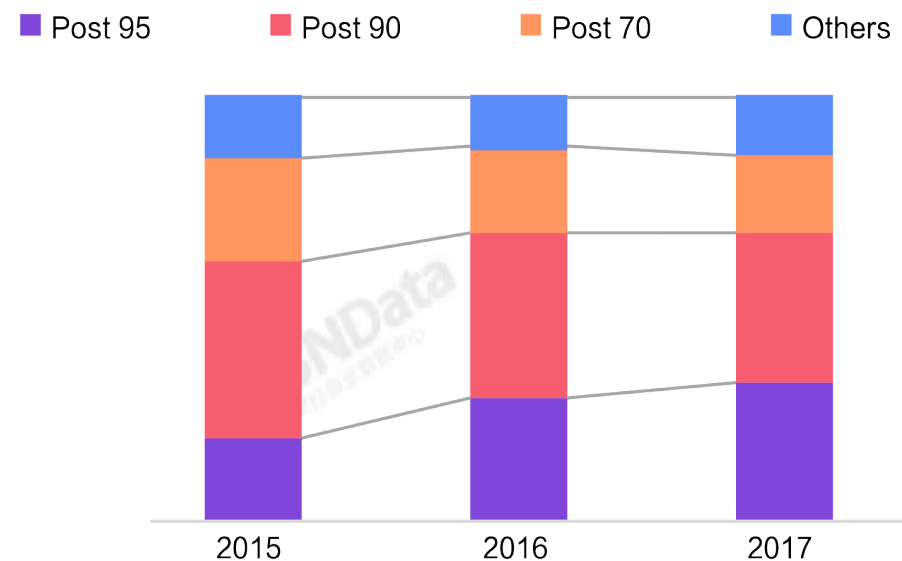
Consumer profile

Post 90' s and Post 95' s as
the main consumer profiles

Tmall Global post-90s gradually grow as the main force, post-95s also begin to emerge

- Tmall Global post 90s and post 95s consumer spending has increased year by year, while post 90s gradually grew into the main consumer group
- In 2017, these two groups accounted for nearly 50% of the total population and their amount of consumption accounted for nearly 40% of the total GMV

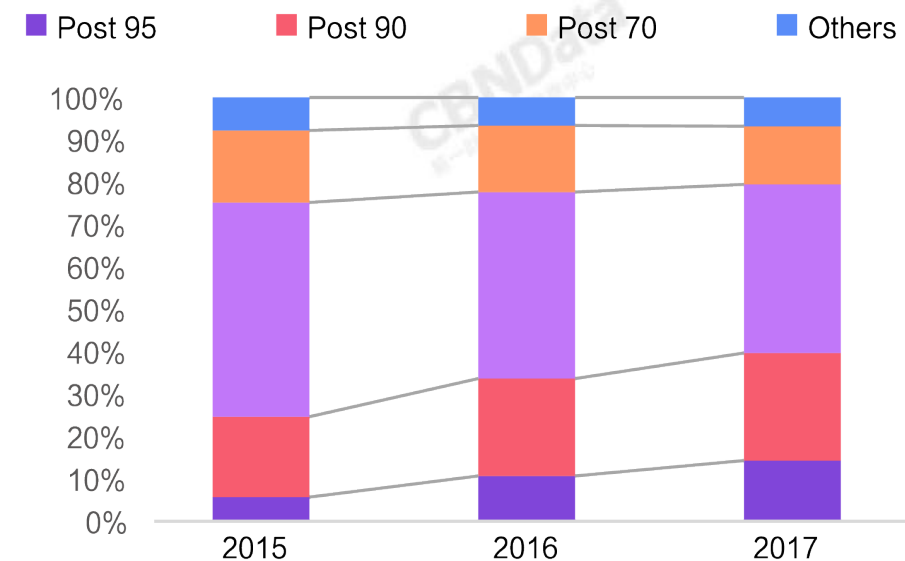
2014–2017 Consumer Group Size Ratio



Data Source: AliResearch

Data Breakdown: Post 95: Year born 1995–1999, Post 90: Year born 1990–1994
Post 80: Year born 1980–1989, Post 70: Year born 1970–1979

2014–2017 GMV Spending Ratio



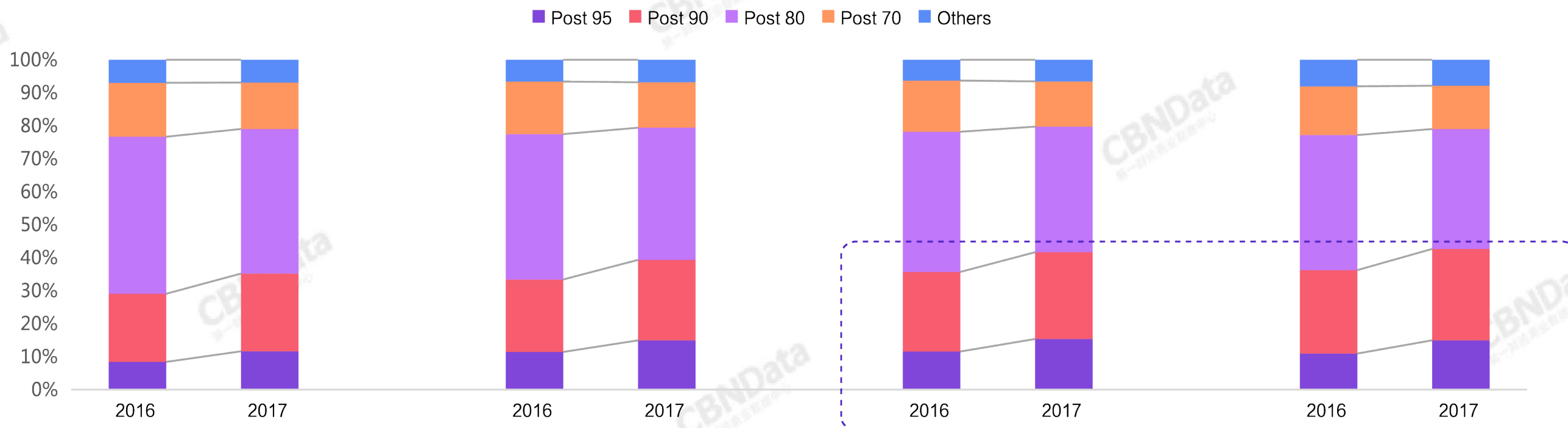
Data Source: AliResearch

Data Breakdown: Post 95: Year born 1995–1999, Post 90: Year born 1990–1994
Post 80: Year born 1980–1989, Post 70: Year born 1970–1979

Consumption from townships rise higher compared to Tier 1 and Tier 2 cities

- In all tier cities, Post 90s and Post 95s group have grown in proportion, but relative to tier-1 and tier-2 cities, the post-90s and post-95s consumption in tier-3 cities and below account for a larger growth

2016–2017 Consumption according to City Tier Level

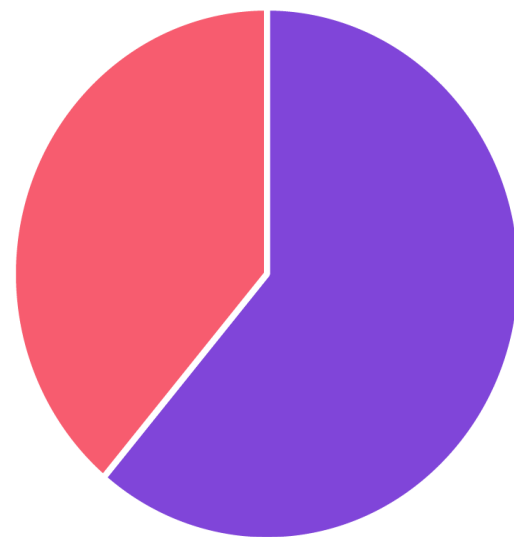


Data Source: AliResearch
 Data Breakdown: Post 95: Year born 1995–1999, Post 90: Year born 1990–1994
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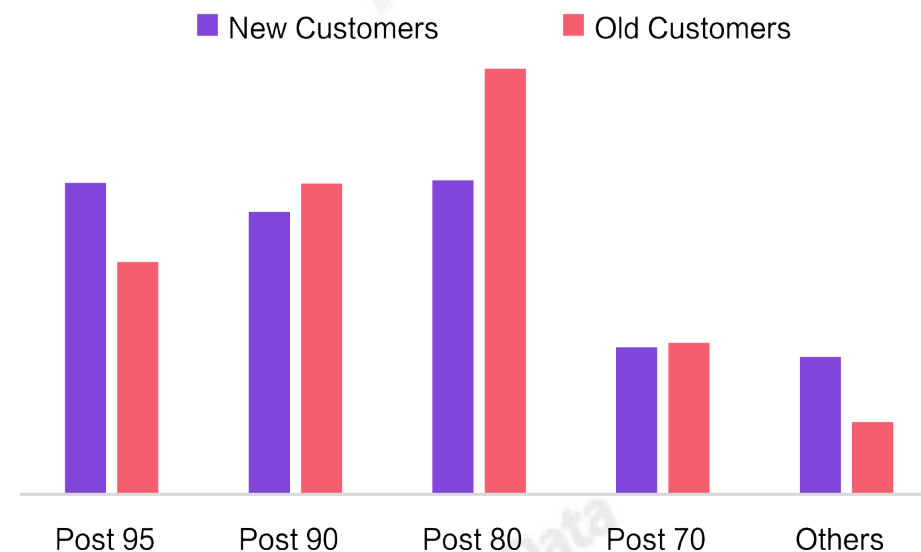
40% of Tmall Global Consumers are new customers of which post 90s and post 95s more than 50%

- New customers who are Post 90s and post 95s are respectively 40% and 60% of the GMV spending, which has surpassed 80s and 70s. This has added a younger customer profile to the entire platform

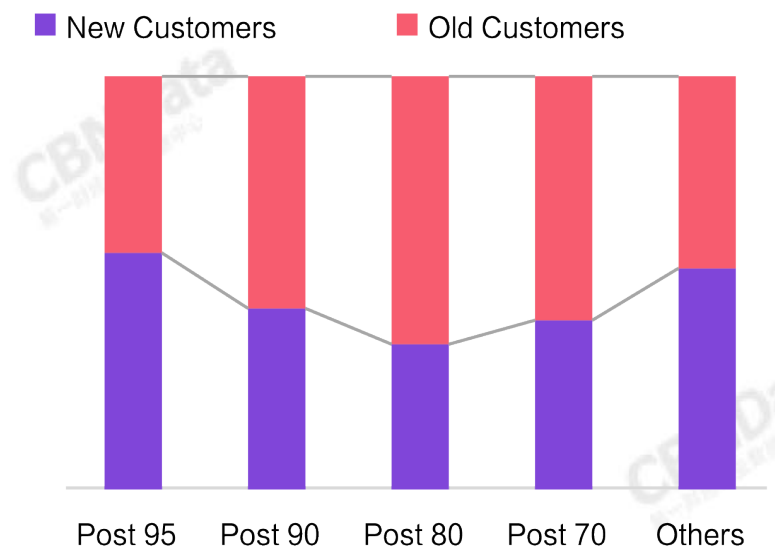
■ New Customers ■ Old Customers



2017 New Customers versus Old Customers – generation spread



2017 New Customers versus Old Customers – generation spread comparative ratio



Data Explained: new customers are counted as ones who didn't buy from the platform before 2017, Old Customers are counted as ones who bought from the platform in 2017

Post 90s and 95s show three major attributes: love trying new things, buy affordable luxury and counters pre-mature aging



Post 90s and 95s like to try new things such as buying products from new countries, testing new products, market leader and hot products



Following the rise of average incomes, Post 90s and 95s begin to buy things that celebrities wear and use, including luxury beauty and skin care items.



Post 90s and 95s like to prevent pre-mature aging. Stress from work and life cause them to purchase products like preventing hair loss and focus on health.

≡ Love trying new things: Post 90s and 95s like to try new things such as buying products from new countries, testing new products, market leader and hot products



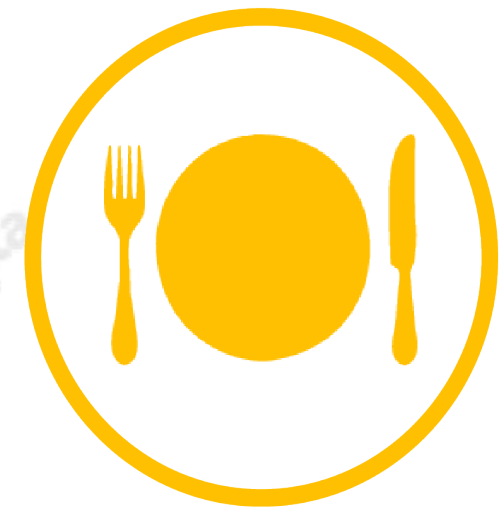
Goods from smaller countries



New products in beauty



Trendy products



Hot food items

Post 90s and 95s become the main consumer groups for smaller countries

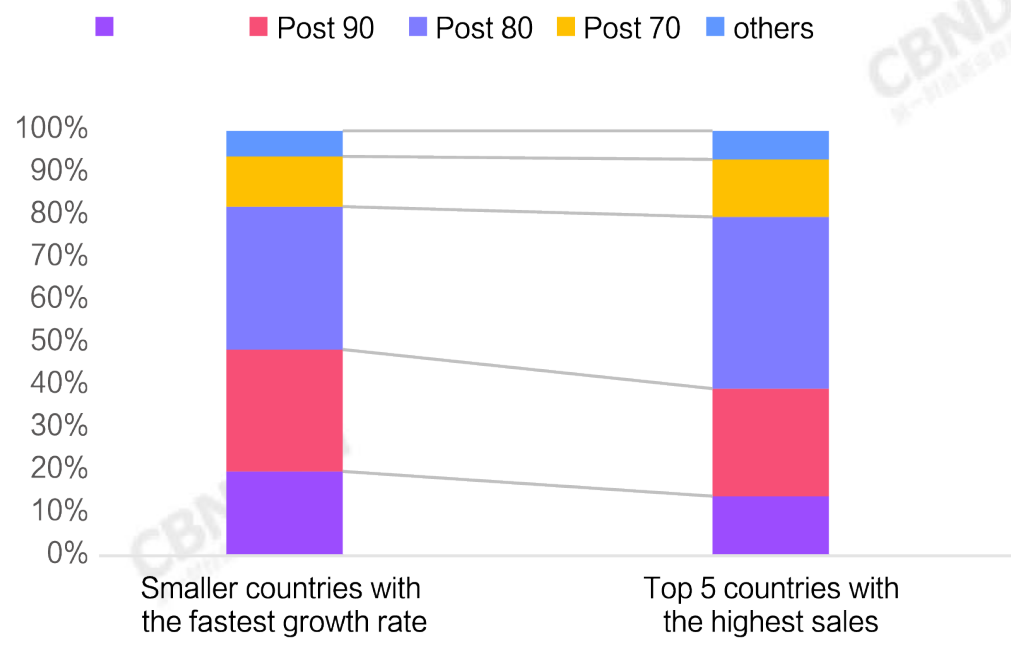
- Post 90s and 95s become the main consumer groups for the top 10 smaller countries

Trying new things

Affordable luxury

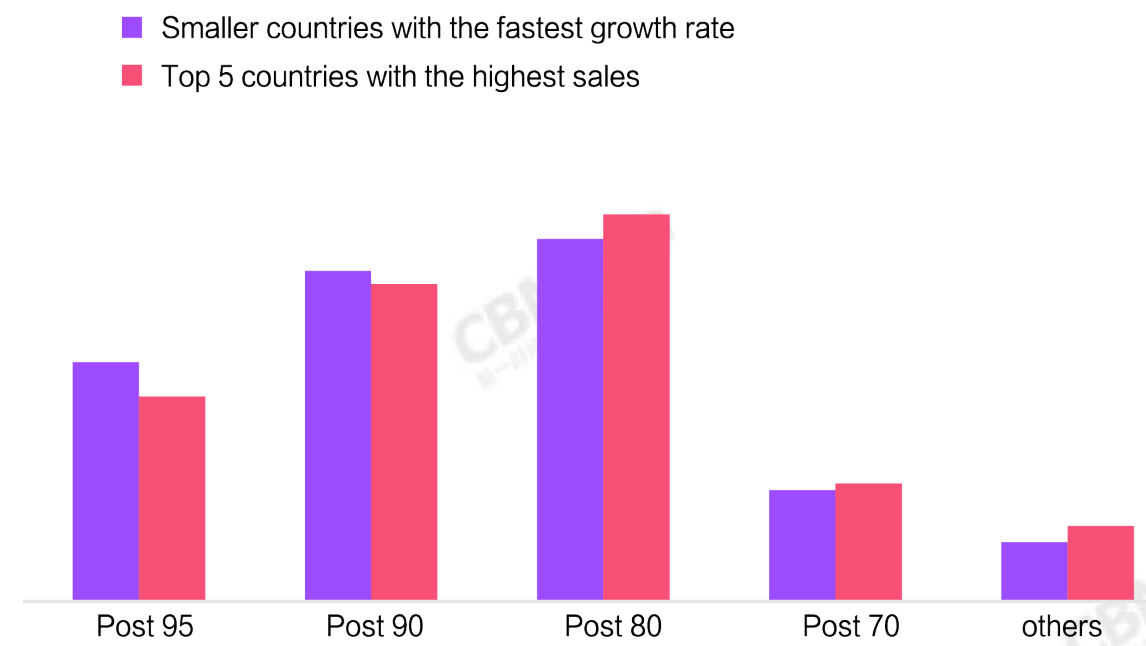
Pre Mature Aging

2017 Generation Spread of consumers of smaller countries versus larger countries



Data Source: AliResearch
Explanation: Smaller countries are Greece, Chile, Poland, Portugal, Spain, Brazil, Austria, Israel Denmark

2017 Country type versus generation spread



Data Source: AliResearch
Pulling index: 2017 Incremental Consumption Value of Certain Generation
Certain Origin of Product/2017 Incremental Sales Value of Certain Origin

Spanish medicinal beauty successfully enters the Chinese market, with Post 90s more than 40% of customers and Post 95s consumption increasing

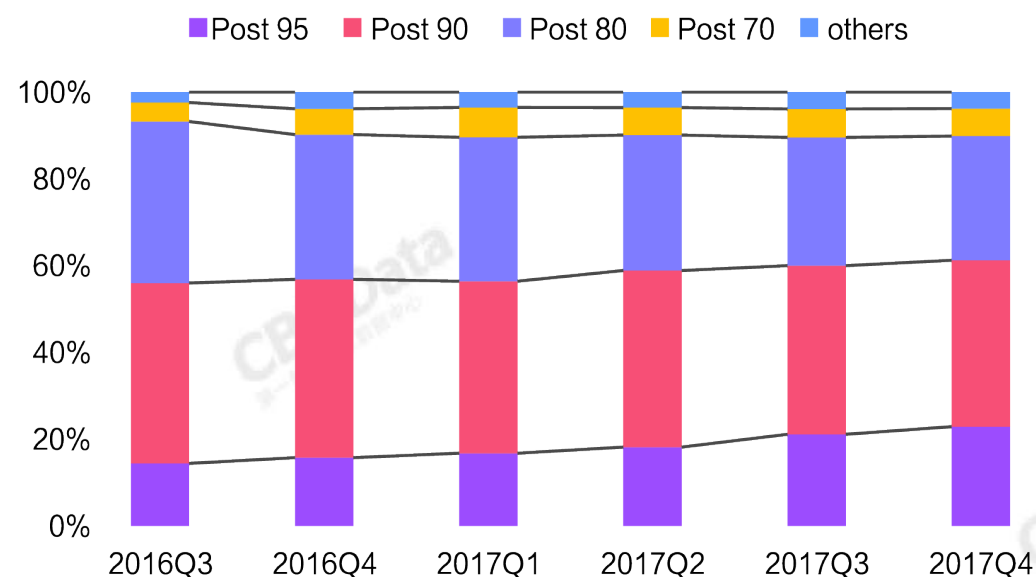
Trying new things

Affordable luxury

Pre Mature Aging

- MartiDERM is the black horse of 2017 after the store opening of 10 months, has become a member of the 100 Million Club. Repeat purchases of MartiDERM's store is at 22%, twice the amount of the average store in the beauty category.
- Post 90s represent more than 40% of customers, overtaking Post 80's as the main consumption force. Post 95s increasing as well as a consumer group.

2016Q3–2017Q4 MartiDERM generation spread of consumer groups



Data Source: AliResearch

Data explanation: Post 95 1995–1999; Post 90 1990–1994; Post 80 1980–1989; Post 70 1970–1979

In Spain ,
Every **2.88 seconds, one MartiDERM ampoule is sold**

Chinese online sales records increasingly break new records, in 2017 after Double 11, every **3.02 seconds one MartiDERM ampoule is sold**

As the number one Spanish Ampoule brand, MartiDERM joins Double 11 for the first time in 2017

 After **11hours**  **4.6 million ampoules were sold**

Data Source: AliResearch

Trendy brands of bags, shoes and clothing have Post 90s and 95s as main fans

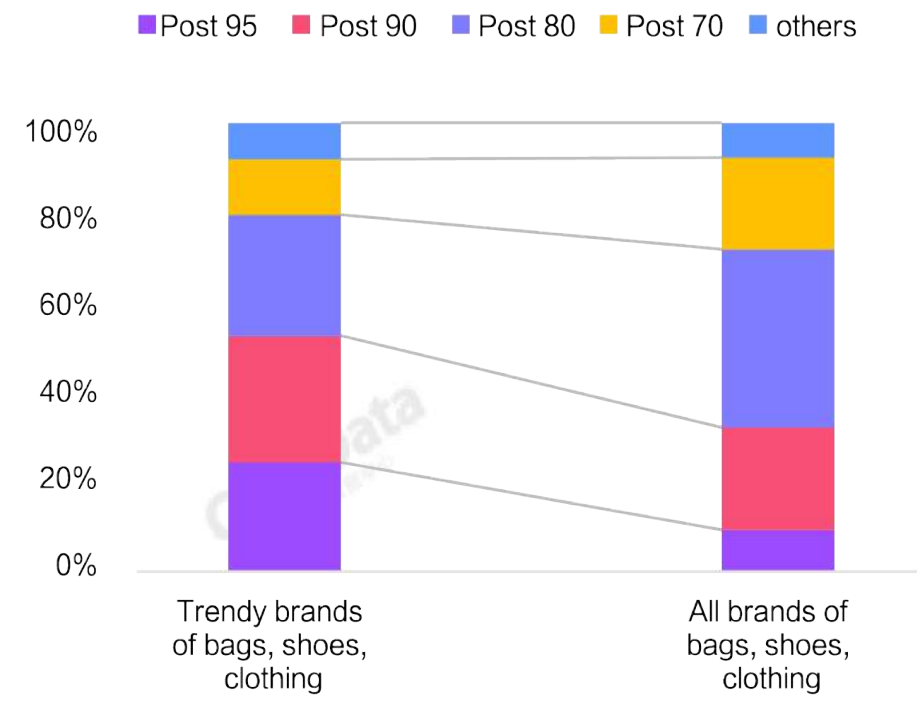
- Trendy brands of bags, shoes and clothing have Post 90s and 95s as main fans, covering more than 50% of brands that belong in the trendy brands category .

Trying new things

Affordable luxury

Pre Mature Aging

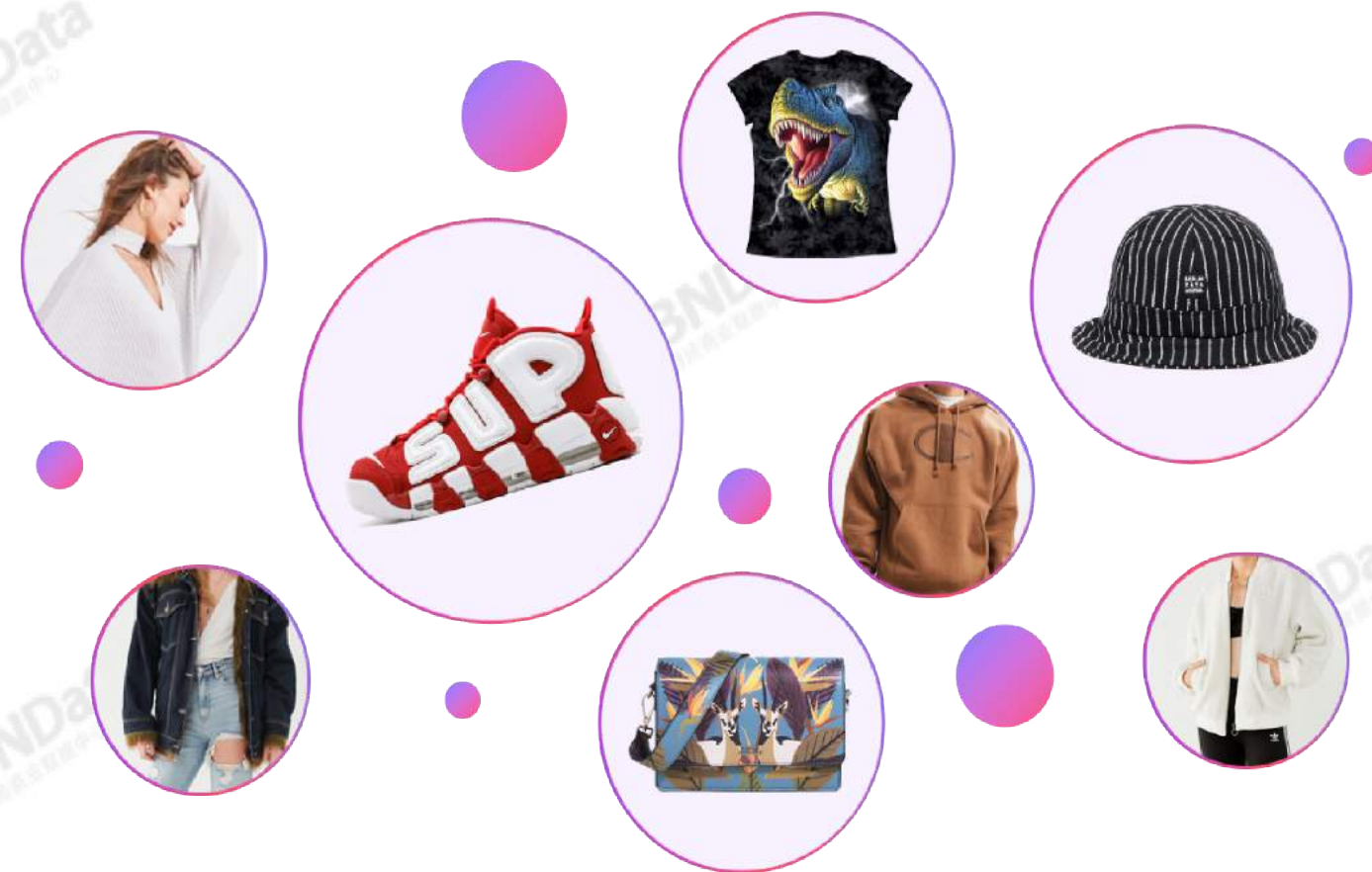
2017 Distribution spread of different generations in the category of Bags, Shoes and Clothing



Data Source: AliResearch

Data explanation: Post 95 1995–1999; Post 90 1990–1994;
Post 80 1980–1989; Post 70 1970–1979

Brands chosen from 2017 seven trendy brands and 11 trendy brands that are experiencing high growth rates



Popular food items attracts Post 90s and 95s as main fans require

- Compared to other ages, Post 90s and 95s are more attracted to popular food brands. With the Korean Spicy Chicken Noodles as a popular item, 2017 invites huge sales of the item to younger generations with more than 60% of the consumers as Post 90s and Post 95s.

Trying new things

Affordable luxury

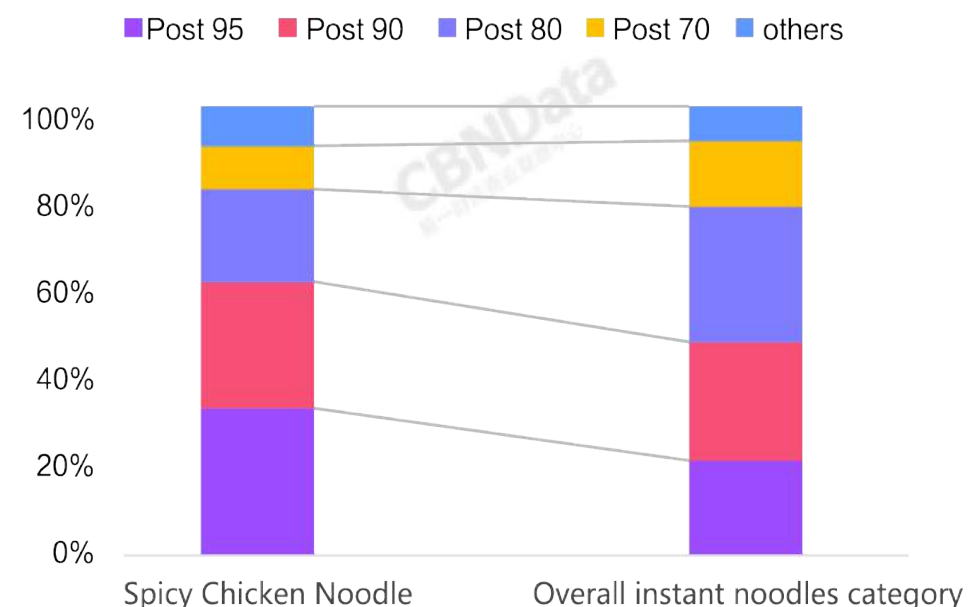
Pre Mature Aging

2016–2017 Sales of Tmall Global Korean Spicy Chicken Noodles

Early in 2014, Korean Spicy Chicken Noodles appeared on , an Asian variety show 《Day Day Up》 its popularity exploded and led the increase in sales of the item online.



2017 Generation Spread of the purchasers of Korean Spicy Chicken Noodles



Data Source: AliResearch

Data explanation: Post 95 1995–1999; Post 90 1990–1994; Post 80 1980–1989; Post 70 1970–1979

Affordable luxury due to the increase in salary of Post 90s and 95s

Contributing factor: Salary increase

Post 90s begin to hold higher positions at work

Post 95s start entering the workforce and begin to earn a salary



Reason 1 Fan loyalty

These two consumer groups are increasingly purchasing the things that are worn by their celebrities



Reason 2 Love for beauty

The purchase of luxury beauty items started to increase with a huge increase on expensive brands



Reason 3 Personal Care

Luxury personal care items have started to attract the attention of consumers from Post 90s and Post 95s

Trying new things

Affordable luxury

Pre Mature Aging

Post 90s and 95s favor lesser known luxury brands and brands that are used by their favorite celebrities

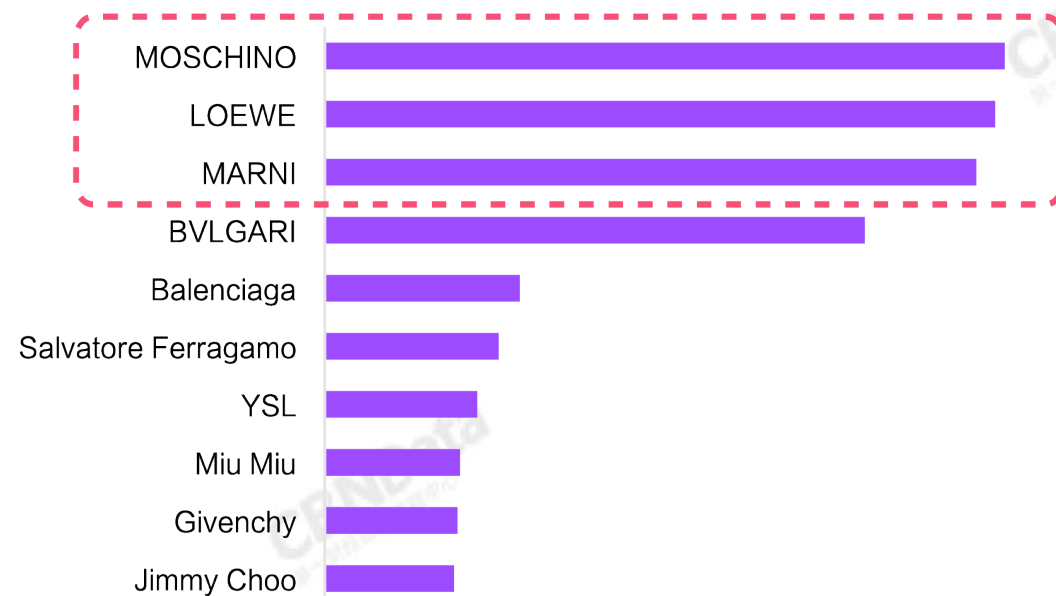
- After the showing of a hit Chinese drama 《My Past Life》 Post 90s and 95s have begun to increase the purchase of the YSL handbag seen in the show.

Trying new things

Affordable luxury

Pre Mature Aging

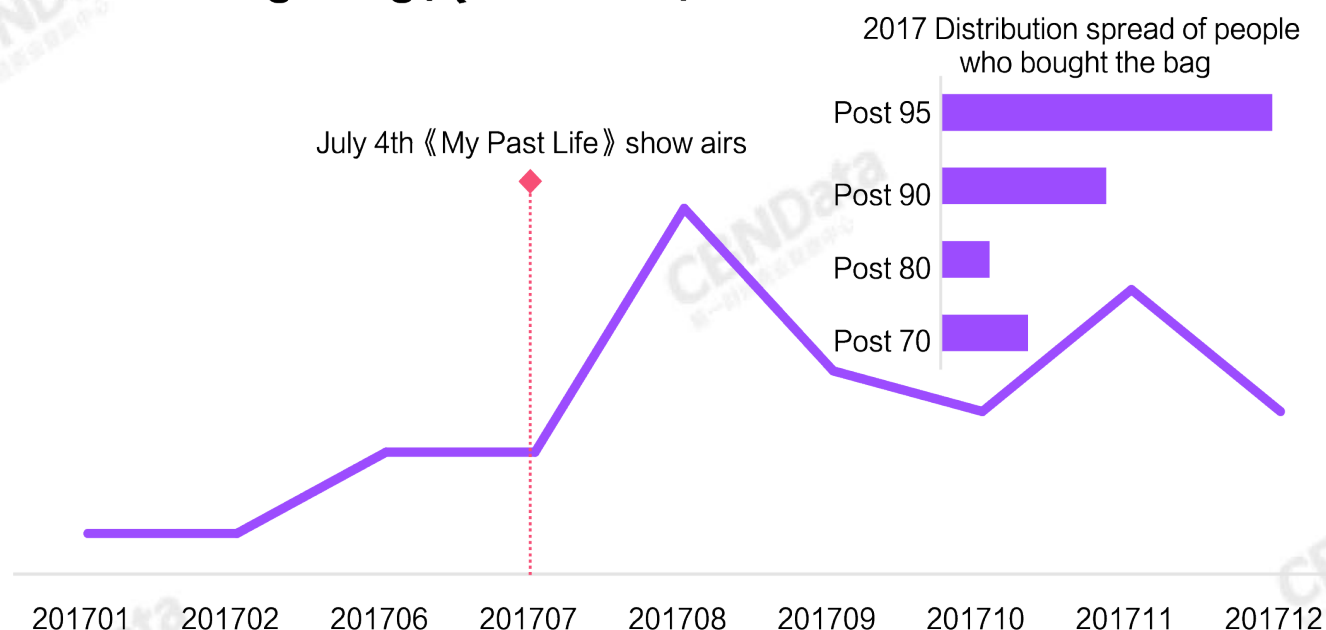
2017 Top10 bag brands consumed by Post 90s and 95s



Data Source: AliResearch

Growth rate=2017 category sales/2016 category sales

2017 The sale of the YSL bag after actress Jing Tang(Quan Yuan) carries it in the show

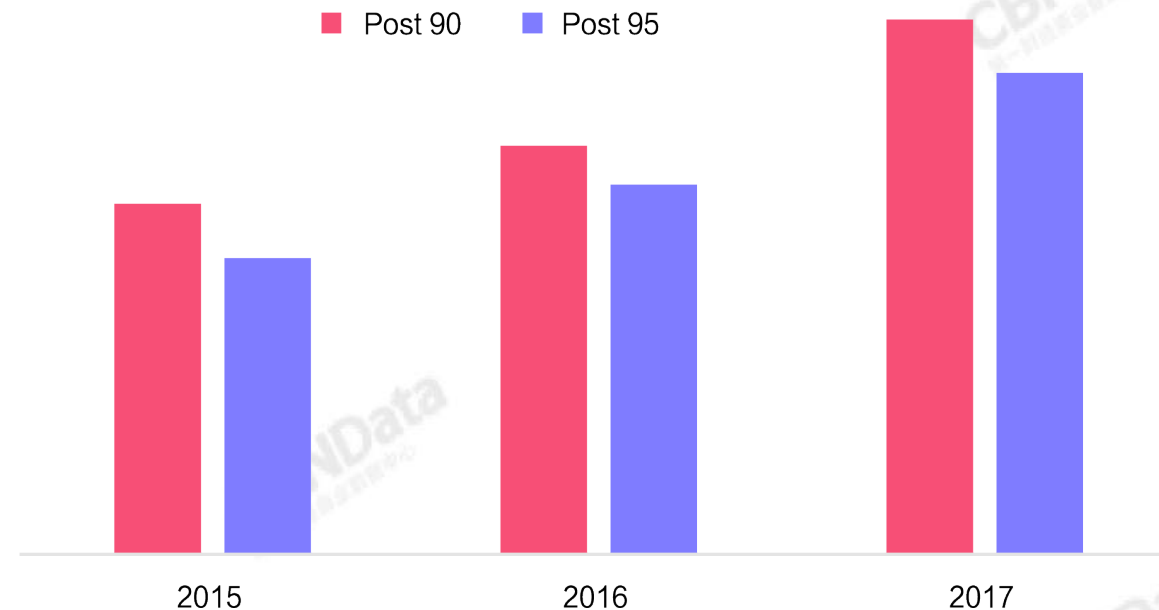


Data Source: AliResearch

Data explanation: Right side columns is the distribution spread of generations who favored the bag of Quan Yuan in 2017

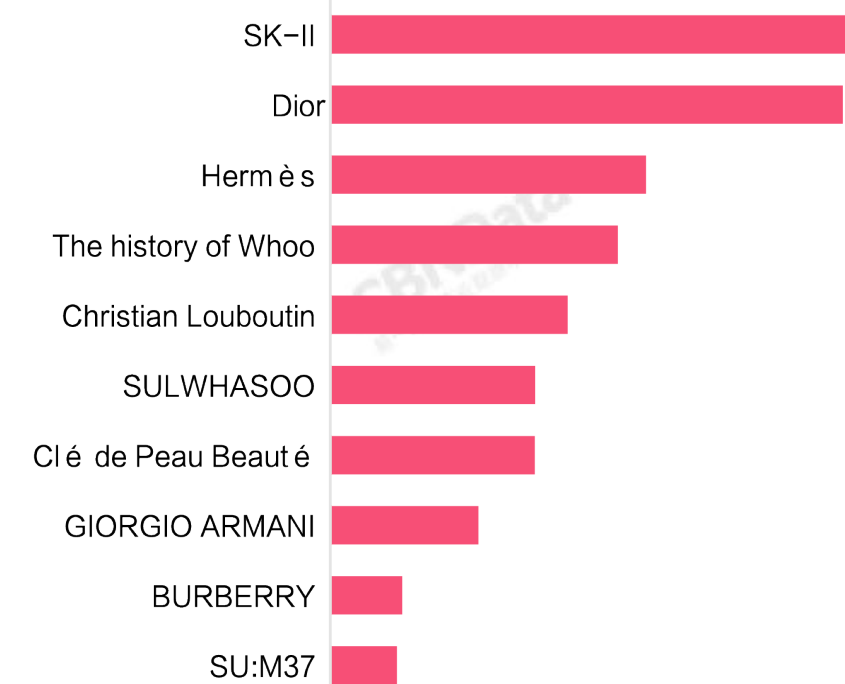
The purchase of luxury beauty items started to increase with a huge increase on expensive brands

2015–2017 Per customer transaction amount of Post 90s and 95s when consuming beauty products



Data Source: AliResearch

2017 Brand sales by Post 90s and 95s consumers



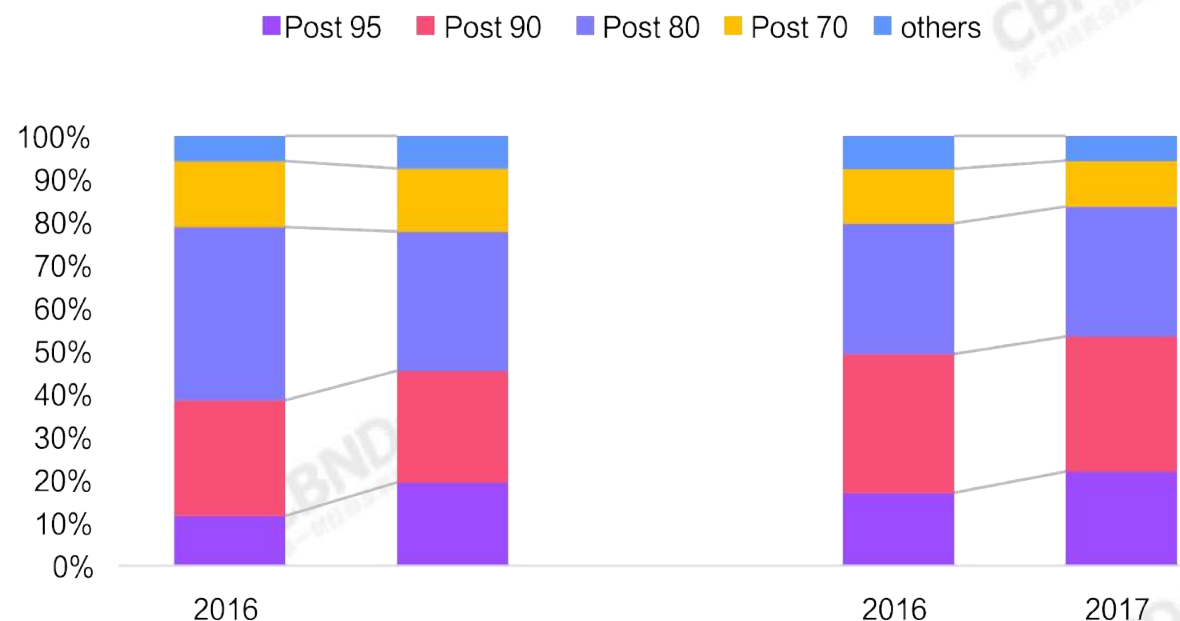
Data Source: AliResearch

Growth rate=2017 category sales/2016 category sales

The Hermes of toothpaste “Marvis” and luxury brand of toothpaste “Regenerate”

- Luxury personal care products have also entered the eyes of the Post 90s and 95s consumer groups, contributing to more than 50% of Marvis’ annual sales.

2016–2017 Luxury toothpaste GMV distributed according to generation division



Data Source: AliResearch

Data explanation: Post 95 1995–1999; Post 90 1990–1994;
Post 80 1980–1989; Post 70 1970–1979



Personal Care Products

During Double 11, Marvis sold quantity **35,000** and entered the shopping basket **50,000** times

Luxury toothpaste—Regenerate
Toothpaste at Double 11 price of 88 RMB finished sales within 30 minutes

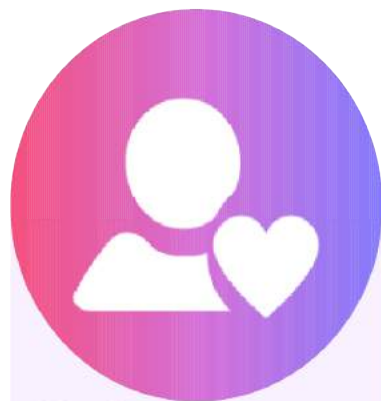
Data Source: AliResearch

Post 90s and 95s like to prevent pre-mature aging. Stress from work and life cause them to purchase products like preventing hair loss and focus on health

Trying new things

Affordable luxury

Pre Mature Aging



Under the stress of work and life, Post 90s and 95s are working to prevent pre-mature aging



Beauty Devices

Post 90s and 95s are investing in beauty devices that makes the face decrease in size and tightens skin

Hair loss prevention shampoo is a new favorite



Health Supplements

Health supplements are a new favorite amongst these two groups

An attention to health is on the rise, which caused the sales of thermos to rise

PART04

Conclusion



Conclusion

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Tmall Global
天猫国际

Post 90s and 95's
new upgrade in
lifestyle

Consumer Profile



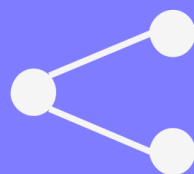
Consumption trends



Buying imported
products becomes
more frequent as the
platform becomes
stickier

Content that is
interactive is helpful
for imported goods

Interactive Content



Product Type



Imported products fulfill
more precise needs as
quality improves
lifestyle



Appendix: New Trending Brands

Trending brands

Parfois, The Mountain, byther, UNDEFEATED, ZANIMAL, ATONG, ETNIES, GEDEBE, boyy, Urban outfitters, huf, Stussy, SUPREME, OPENING CEREMONY, PRO CLUB, Dickies, Chiara Ferragni, POP BAG

The background features a vibrant, abstract design with diagonal stripes in shades of purple, blue, and pink. Overlaid on these stripes are several semi-transparent, rounded rectangular shapes in matching colors. The text 'CBNData' is repeated multiple times in a light, sans-serif font, following the diagonal orientation of the stripes.

CBNData

第一财经商业数据中心

Full Insights into Big Data