

DIGITAL OVERVIEW OF CHINA

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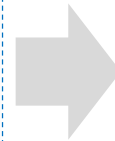
A BOOMING AND PROMISING MARKET WITH EVER-INCREASING ONLINE SHOPPERS VIA M-COMMERCE

2019 H1
1.40 Billion
Population



2019 H1 vs. 2018 H2
+0.4% of Urban users
+1.6% of penetration rate

854 Million
Internet Users



2019 H1
847 Million
Mobile Terminal



61%

60%

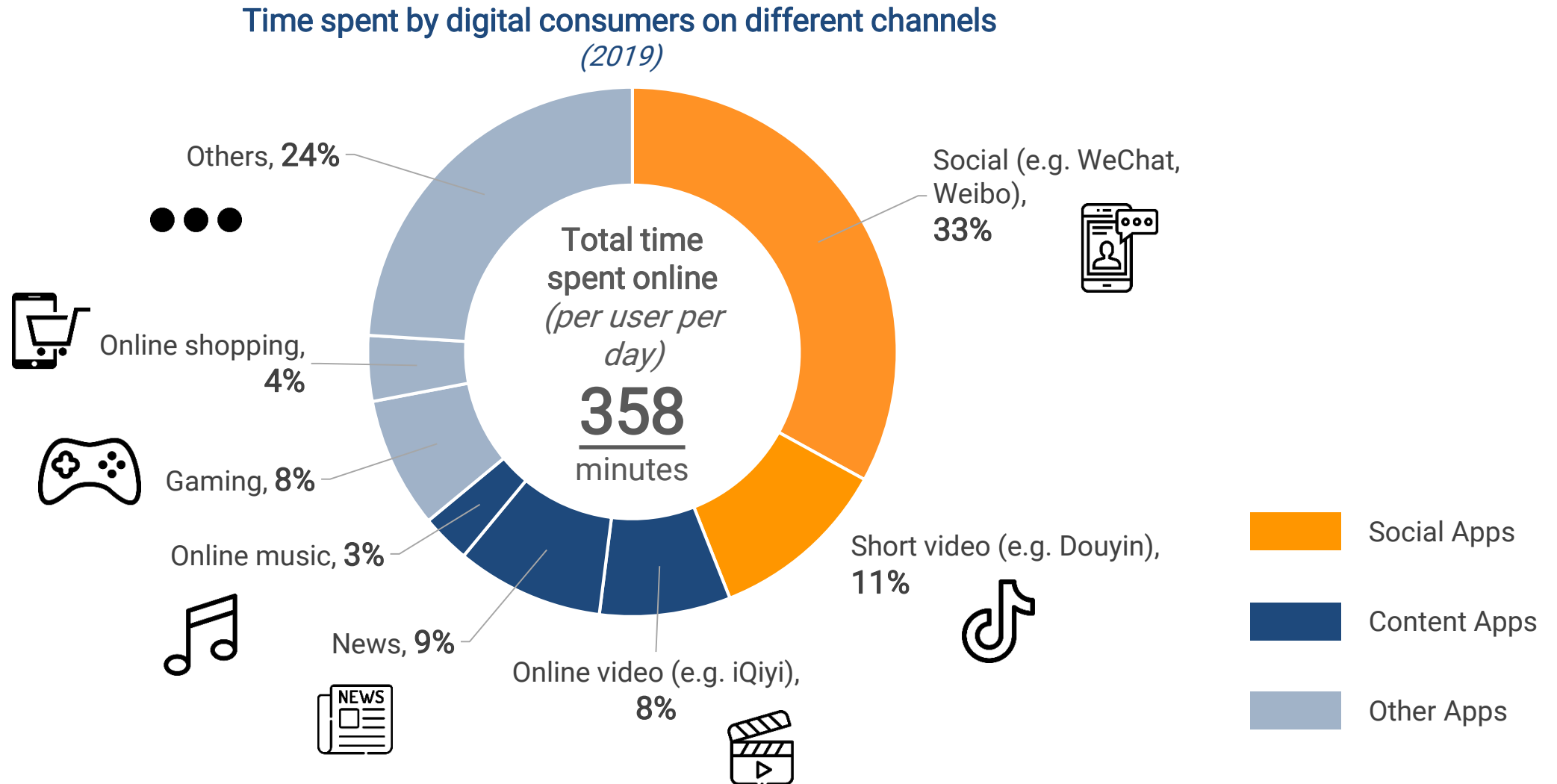
VS. Population

99%

VS. Internet Users

DIGITAL CONSUMERS' ONLINE BEHAVIOR IN CHINA

CHINESE DIGITAL CONSUMERS SPEND THE MOST TIME ON SOCIAL APPLICATIONS



Source: McKinsey, China digital consumer trends in 2019

TOP CHANNELS FOR REACHING THE TARGET AUDIENCE

MOBILE USERS SPEND ON AVG. 4.2 HOURS A DAY ON APPS, 55% OF THIS TIME IS ON SOCIAL MEDIA

Top Platforms ★ ★ In million

SOCIAL MEDIA



1083 M

MAU 2018



446 M

MAU 2018

E-COMMERCE



600 M

MAU 2018



74 M

MAU 2018



30 M

MAU 2018

Others In million

VIDEO TYPE



503 M

MAU 2018



493 M

MAU 2018



231 M

MAU 2018



20.2 M

MAU 2018



500 M

MAU 2019



70 M

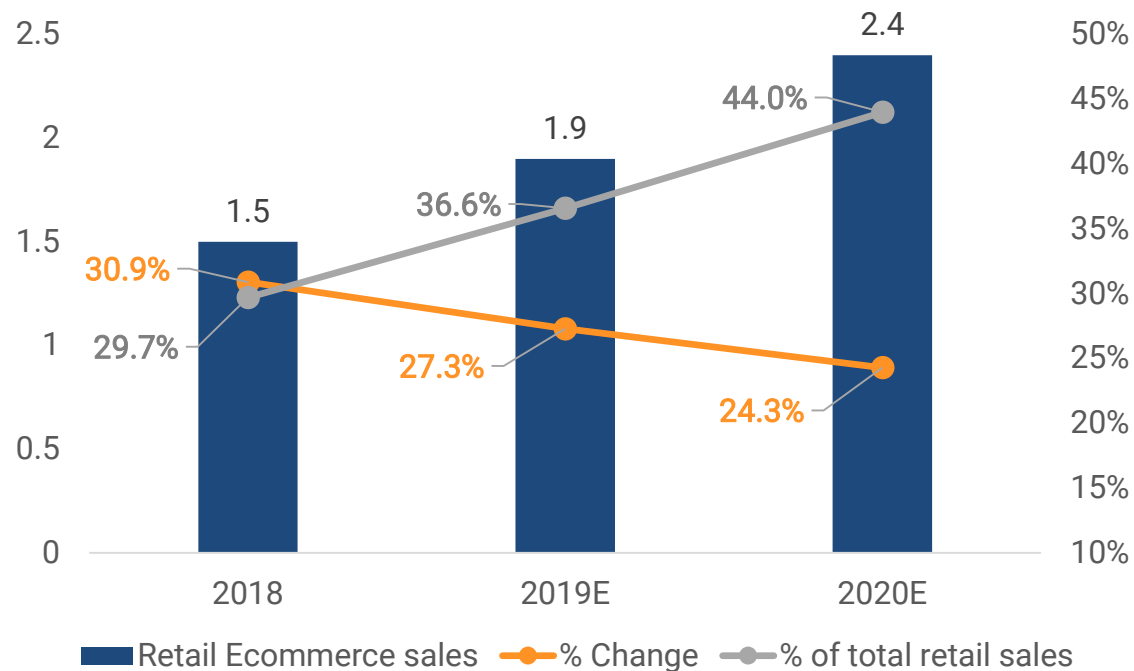
MAU 2018

MAU - Monthly Active Users

E-COMMERCE ACTIVITIES IN CHINA

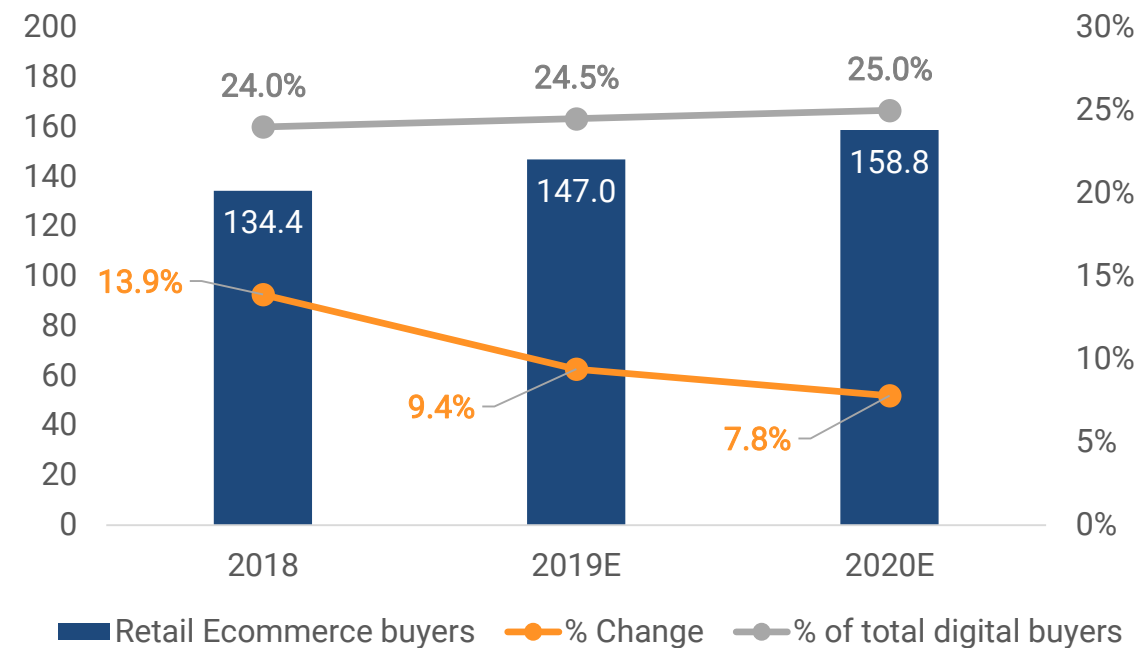
CHINA'S RETAIL ECOMMERCE WILL GROW FASTER THAN TOTAL RETAIL, AND A QUARTER OF DIGITAL BUYERS WILL PURCHASE FROM FOREIGN COUNTRIES

Retail Ecommerce sales in China
(trillion USD, 2018-2020E)



Note: Includes products of services ordered using the internet via any device; excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling etc; excludes Hong Kong

Cross-border retail Ecommerce buyers in China
(million, 2018-2020E)



Note: Ages 14+; internet users who have made at least one purchase from a foreign country via any digital channel during the calendar year, including desktop/laptop, mobile and tablet purchases; includes goods bought via Daigou; excludes B2B; excludes Hong Kong

CHINESE E-COMMERCE PLATFORMS ARE CROWDED & COMPETITIVE

Brands statistics on Tmall



Total number of brands
on Tmall

~200,000 brands
Oct, 2019



Number of brands in
Tmall's luxury pavilion

~50 brands
Mar, 2018



Number of international
brands on Tmall Global

~22,000 brands
Oct, 2019

RAPID RISE OF SOCIAL ECOMMERCE IN CHINA

BY WORD-OF-MOUTH MARKETING, SOCIAL E-COMMERCE ACQUIRES AND RETAINS CONSUMERS WITH HIGH EFFICIENCY.



In contrast to traditional e-commerce, the essence of social ecommerce is to leverage the role of individuals in the sales process.

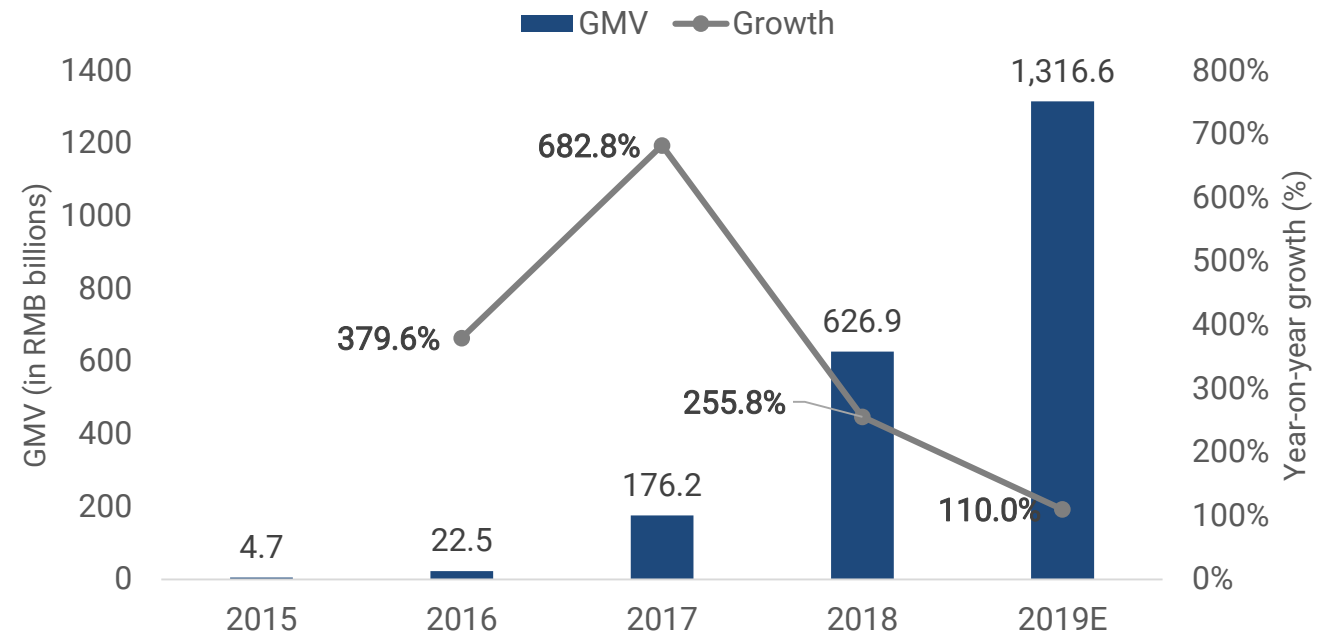
Purchase conversion rate comparison

Social
ecommerce
6%-10%

Traditional
ecommerce
0.37%

Regarding individual trust as intermediary, social ecommerce has better adapted to the challenges faced by traditional ecommerce channels.

Gross merchandise volume of social ecommerce in China (in RMB billions, 2015-2019E)



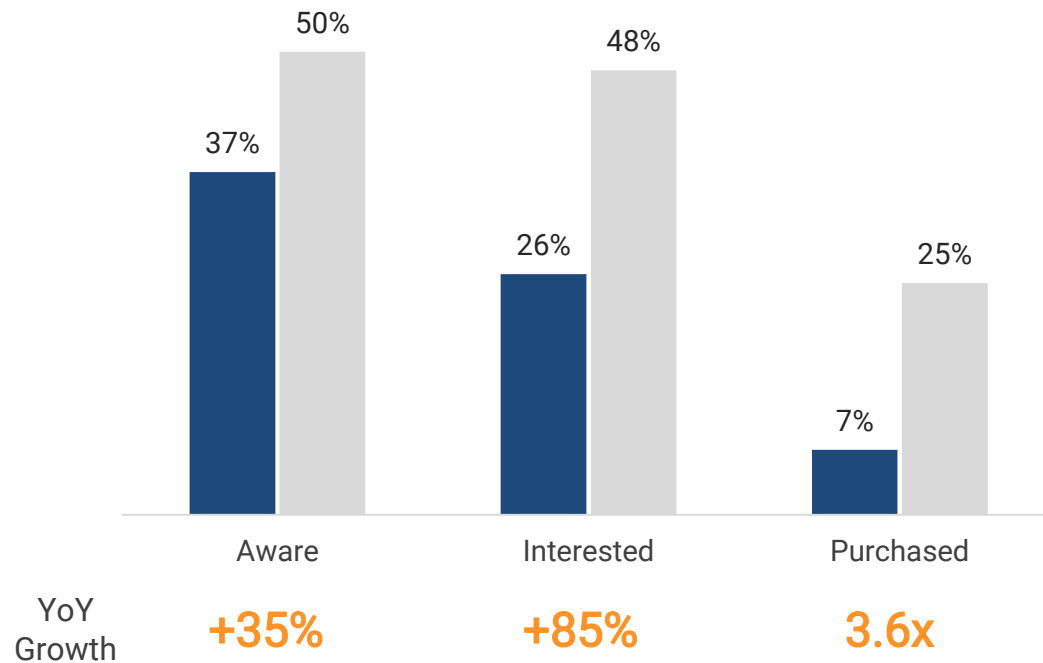
- GMV transacted on Tmall in fiscal year 2018 was increased 36% compared to fiscal year 2017, which is much lower than the number on social ecommerce.
- The sales revenue from social ecommerce platforms will account for 20% of the country's online retail market this year.

CONSIDERABLE INFLUENCE OF SOCIAL MEDIA AND CONTENT

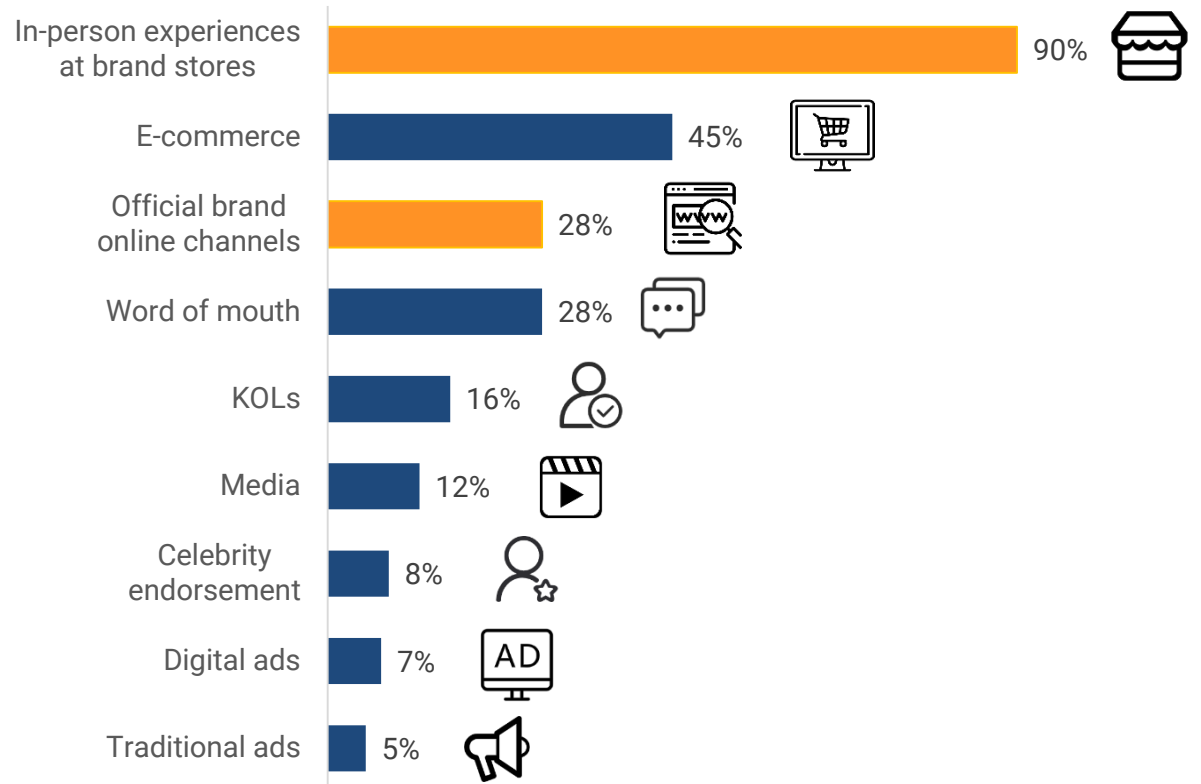
BRAND STORES OR CHANNELS ARE THE MOST IMPORTANT INFORMATION SOURCE FOR CHINESE CONSUMERS

Influence of social media and content on the consumer journey (2017-2019)

■ 2017 ■ 2019



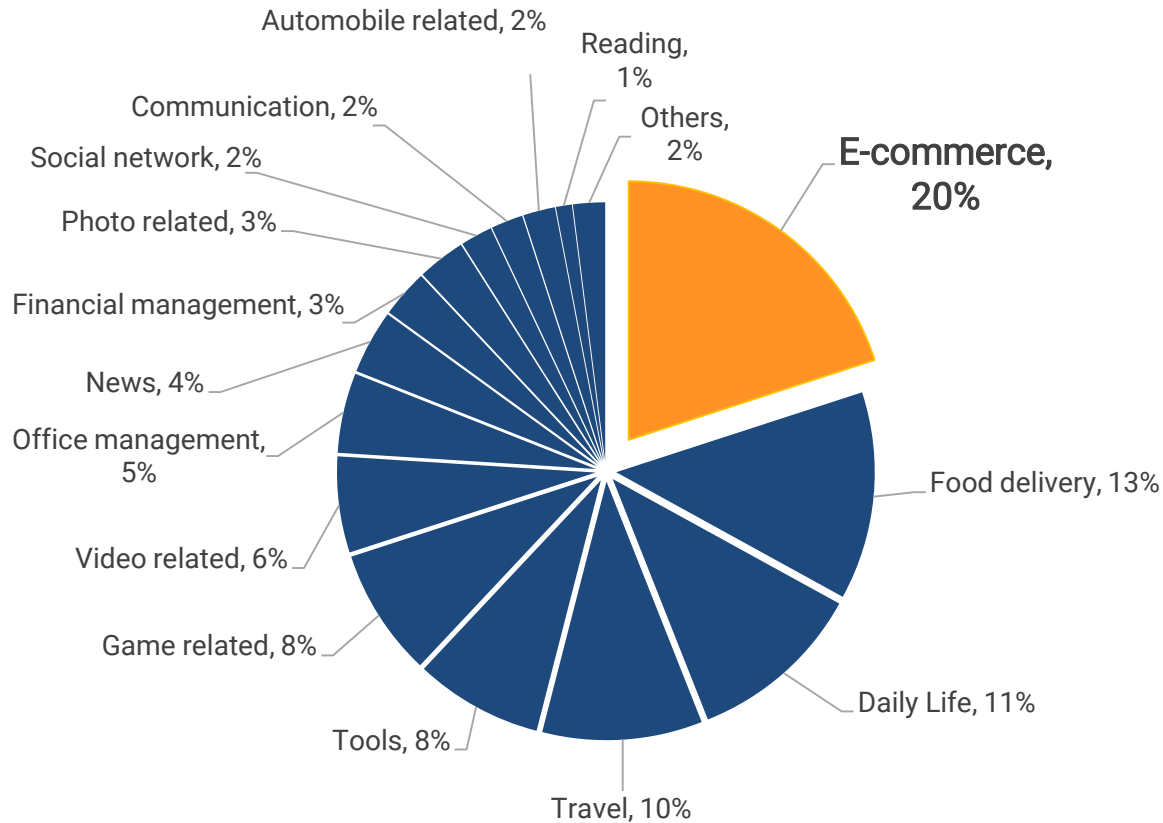
The sources of information that most influence purchase (top 3 mentions)



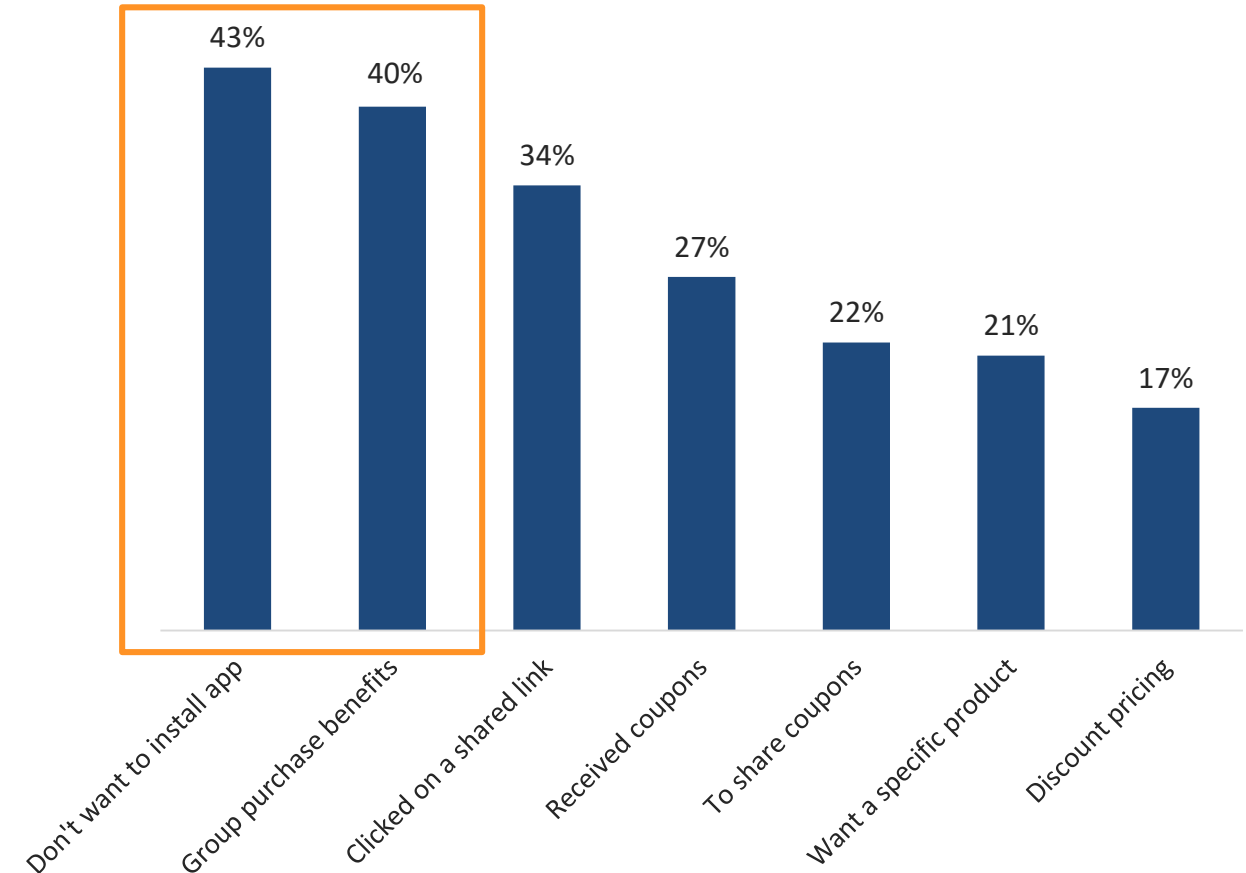
SHOPPING ON WECHAT IS INCREASINGLY POPULAR IN CHINA

CONVENIENCE AND EXTRA BENEFITS DRIVE CHINESE CONSUMERS TO ECOMMERCE MINI-PROGRAMS

Top types of active mini-programs
(no. of mini-program, April – June, 2019)



Reasons for shopping on WeChat mini-programs
(Top 3 mentions)



WECHAT BRAND ZONE HELPS BUILD A CENTRALIZED BRAND IMAGE

ANOTHER PORT OF ENTRY TO CONNECT DIRECTLY WITH AUDIENCE ON WECHAT

- In 2018, WeChat launched a new feature known as “Brand Zone”.
- The “Brand Zone” is a specific section that shows up on the top in the search result page when users search a brand name on WeChat.
- Brands can display brand information, official accounts, sales channels, and other customized content in one centralized section.
- Therefore, brands can reach consumers directly through WeChat’s search engine.

Brands that use “Brand Zone”



Luckin's “Brand Zone” in WeChat



Search “Luckin Coffee” on WeChat

Brand Intro

Public account

Mini-program

Related service

OUR CHINA NETWORK AT YOUR SERVICE

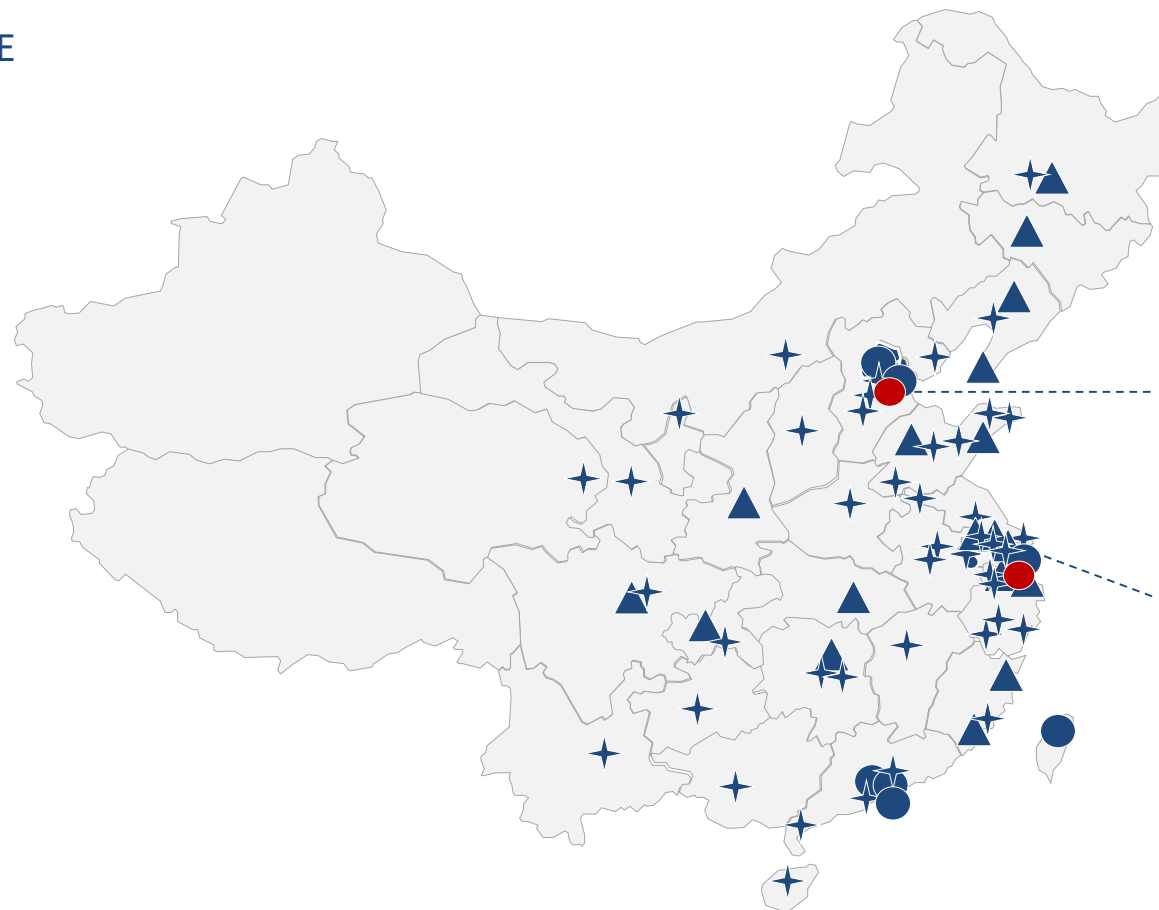
NATIONAL COVERAGE OF LOCAL EXPERTISE

OFFICES & RESEARCH TEAM

● Offices

OPERATION & COVERAGE

- Covered Tier-1 cities
- ▲ Covered Tier-2 cities
- ✦ Covered Tier-3 (and below) cities



BEIJING 北京

Room 726, Building 1, 40 Dong Zhong Road,
Dongcheng District

SHANGHAI 上海 (HEAD OFFICE)

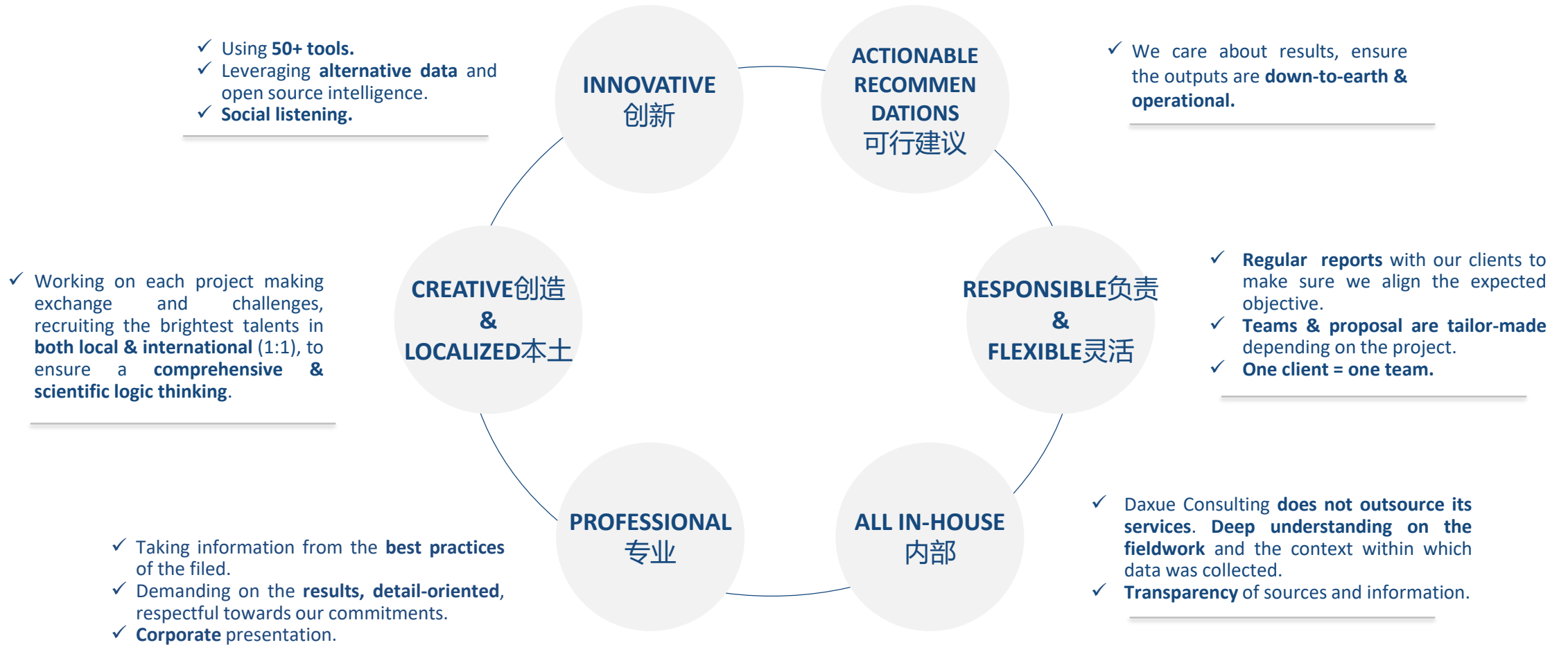
Room 504, 768 Xietu Road,
Huangpu District

COMPANY EXPANSION



VALUES, PRINCIPLES, AND VISION OF DAXUE CONSULTING

6 KEY VALUES EMPHASIZED THROUGHOUT ALL PROJECTS



OUR SERVICES

EXPERIENCED IN ANSWERING TO A WIDE VARIETY OF STRATEGIC BUSINESS QUESTIONS



350+ CLIENTS FOR THE PAST 7 YEARS

EXAMPLES OF REFERENCES – OVER 30% CLIENTS FROM THE B2B INDUSTRY



AN EXPERIENCED ORGANIZATION WITH THE CHINESE MARKET

REGULARLY FEATURED AND QUOTED IN PUBLICATIONS ALL OVER THE WORLD

Daxue's latest quotes in recent publications

The New York Times

TECHINASIA

france
bleu



LE TEMPS

SBS NEWS

ASIA WEEKLY

CHANNEL NEWSASIA

FT FINANCIAL
TIMES

英文中国新闻
The China Post

REUTERS

GLOBAL
TIMES

SBS NEWS

the guardian

y net
news.com

Le Monde

THE WALL STREET JOURNAL

LesEchos.fr

THOUGHTFUL
CHINA

CHINA
ECONOMIC REVIEW

SWI

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TechNode

CONDÉ NAST

TECHINASIA

FRENCHWEB.FR
Le magazine de l'innovation

LE FIGARO

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THE WALL STREET JOURNAL

ESSEC
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The New York Times

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ISRAEL HAYOM
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BOF
The Business of Finance

Los Angeles Times

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EL PAÍS

