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China set for boom in mobile e-commerce sales

Retail transactions over mobile devices expected to surpass US\$505 billion in the country in 2016

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Mobile e-commerce sales will account for more than half of online retail shopping in China by next year, according to the latest data.

New York-based research firm eMarketer predicted mobile e-commerce sales would make up 10.9 per cent of all retail sales in the country next year and 55.5 per cent of online retail shopping as the sector grew 51.42 per cent to a record US\$505.74 billion from an estimated US\$333.99 billion this year.

That milestone would further widen the gap between China and the United States in terms of total retail transactions over smartphones, media tablets and other mobile devices.

Mobile e-commerce sales in the US are forecast to advance 28.41 per cent to US\$96.22 billion from an estimated US\$74.93 billion this year, while those transactions will only account for 1.9 per cent of total retail sales in the world's largest economy.

Monica Peart, a forecasting analyst at eMarketer, said in a report that those figures indicated China's retail market was more digital, and specifically more mobile, than that in the US.

"An overwhelming majority of China's internet users are regularly accessing the internet via mobile phones in 2015, 87.4 per cent versus that of US internet users at 74.6 per cent," Peart said.

"The sheer number of mobile internet users pushes retail e-commerce activities towards mobile devices in a way that is not yet seen in the US, where desktop computers still factor quite prominently for shopping activities."

The government-backed China Internet Network Information Centre reported last month that the number of users who accessed the internet through mobile devices reached 594 million in June, up from 557 million in December, while the number of internet users increased from 649 million to 668 million.

New York-listed Alibaba Group Holding, the world's largest e-commerce service provider, currently serves as the unofficial barometer for analysts to determine how much retail shopping over mobile devices is growing in China.



Alicia Yap, the head of China internet research at Barclays, said in a report that Alibaba's mobile gross merchandise volume in its financial first quarter to June was projected to jump 121 per cent from a year ago to 363 billion yuan (HK\$452.5 billion). That would account for 53 per cent of the company's forecast gross merchandise volume in China during the period.

In online retailing, gross merchandise volume represents the total transaction value for goods sold through a particular e-commerce marketplace over a certain period of time.



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