

# Courting Cross-Border Buyers in China

Partnering with domestic marketplaces was once a must, but is that still the case?

## ARTICLE |

**Krista Garcia**

**C**hina is one of the most coveted markets for foreign retailers, primarily due to the sheer volume of digital buyers coupled with their desire for overseas goods. eMarketer estimates that there will be 126.7 million cross-border buyers in China in 2018, accounting for 24.0% of all digital buyers. The audience continues to increase, with 8.0% growth expected next year.

Cracking Chinese ecommerce is easier said than done, though. Alibaba and JD.com dominate domestically, and US retailers like [The Home Depot](#) and [Best Buy](#) didn't find success abroad. Even [Walmart](#) couldn't get traction with its online marketplace, Yihaodian, and ended up partnering with JD.com to sell goods through that site.

In an annual survey of retail professionals worldwide by [Payvision](#), the continued dominance of online marketplaces was the leading "game-changer" cited for cross-border ecommerce (23%). Selling through Chinese marketplaces, which has been seen as a less risky point of entry, can come with high costs and low margins.

According to a 2018 survey by [Frost & Sullivan](#) and [Azoya Consulting](#), a solutions provider facilitating ecommerce in China, more retailers are starting to build standalone sites themselves. Marketplaces had the

lowest level of satisfaction among global retailers in the survey: Some 21% were satisfied with them, vs. 37% with using a global ecommerce vendor and 31% with standalone online stores.

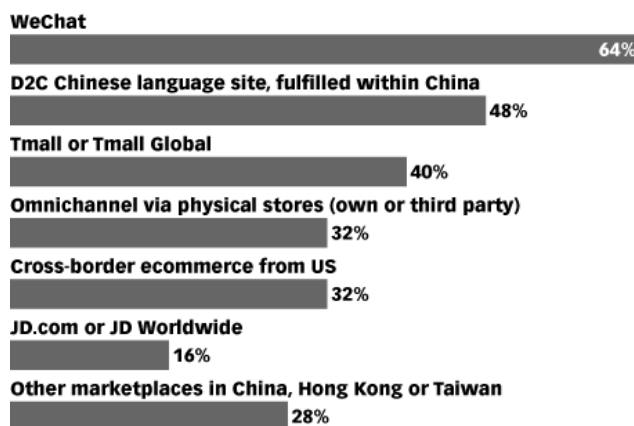
Perhaps not surprisingly, messaging and communication is a significant challenge for foreign retailers looking to develop their presence in China. Asked what areas they were focusing on improving, the single most cited response was "development of content," such as blogs and WeChat posts. WeChat, an all-in-one messenger, social media and mobile payment app, doesn't have an exact Western equivalent.

In a September 2017 survey of US brands and retailers by the [Global E-Commerce Leaders Forum \(GELF\)](#), WeChat was the top ecommerce initiative respondents planned to launch in the next two years (64%), more so than a direct-to-consumer site in Chinese with orders fulfilled in China (48%), or selling through Tmall (40%).

---

**Ecommerce Initiatives that US Brands/Retailers Plan to Launch or Relaunch in China, Sep 2017**

*% of respondents*



*Note: in the next 2 years*

*Source: Global Ecommerce Leaders Forum (GELF), "Catching the China Ecommerce Wave: A Global Ecommerce Leaders Forum Study," Nov 14, 2017*

233725

[www.eMarketer.com](http://www.eMarketer.com)

Last year [WeChat introduced Mini Programs](#), which are very small branded apps that are being used by retailers and key opinion leaders (KOLs), aka influencers, to facilitate restaurant delivery, movie ticket

booking or selling goods. Coach, KFC and Tesla were some of the international early adopters.