

In China, Social Commerce Makes Up 11.6% of Retail Ecommerce Sales

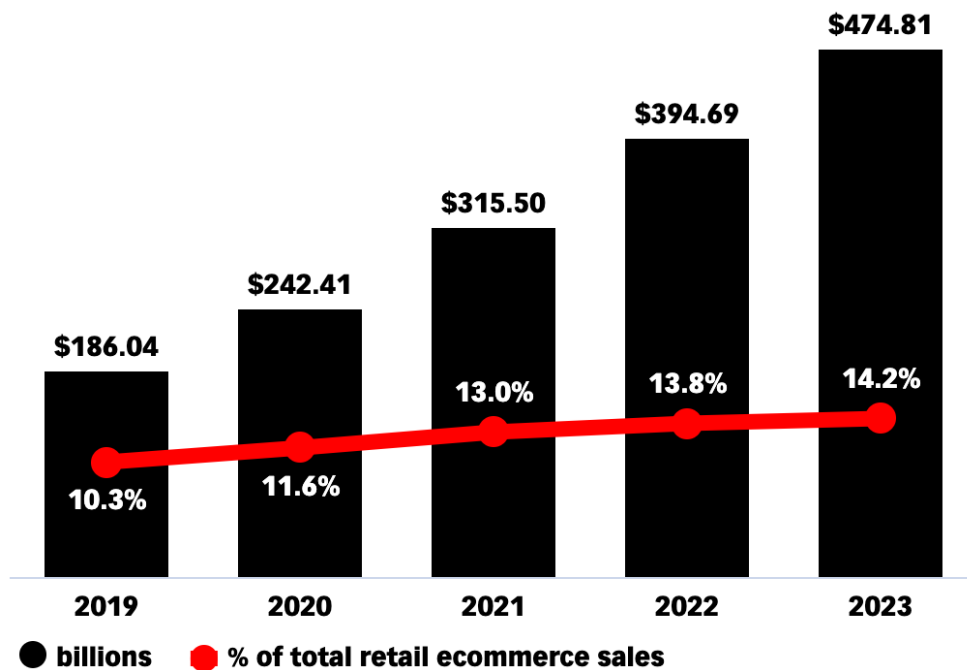
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Retail social commerce sales in China will grow to \$242.41 billion (RMB1.675 trillion) this year, accounting for 11.6% of total retail ecommerce sales in the country, according to our latest estimates.

Retail Social Commerce Sales

China, 2019-2023



Source: eMarketer, May 2020

www.eMarketer.com

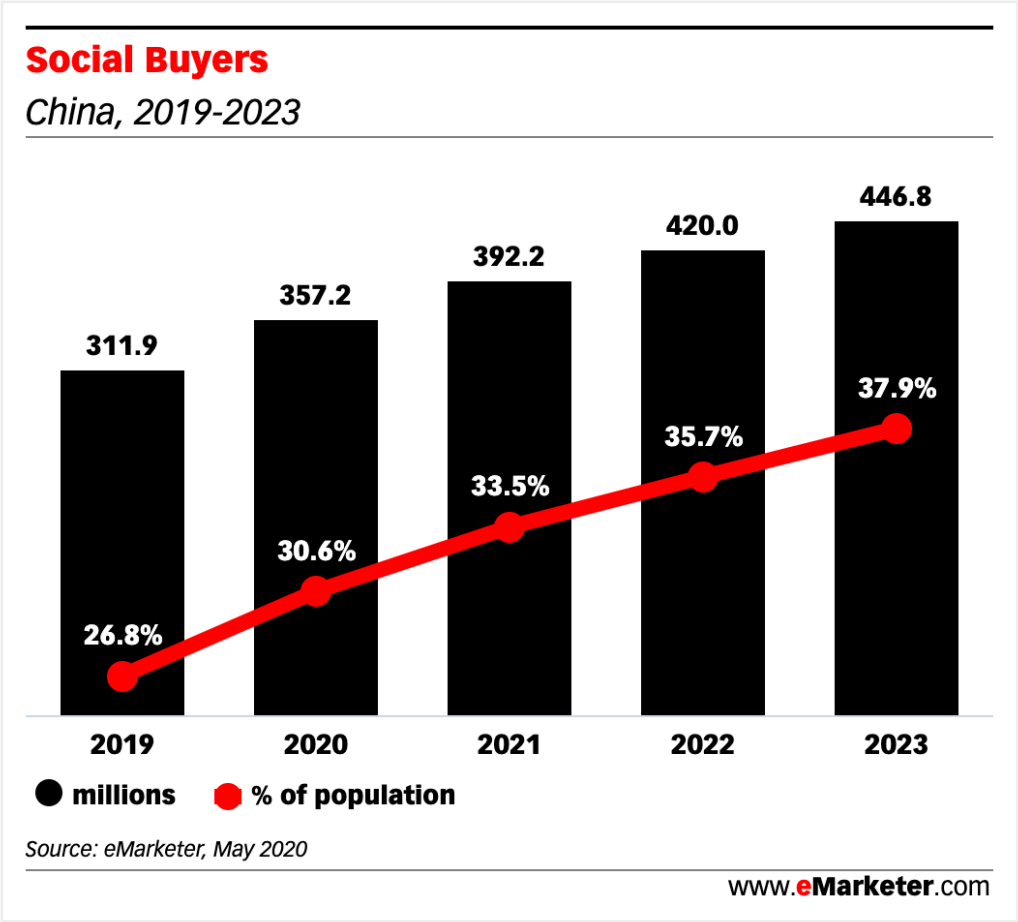
We expect retail social commerce sales will continue to rise over our forecast period, nearly doubling to \$474.81 billion (RMB3.280 trillion) by 2023.

Social commerce has been far more prominent in China than in the US. To put that into perspective, social commerce sales in China totaled \$186.04 billion (RMB1.285 trillion) in 2019—nearly 10 times the number of sales in the US, which reached \$19.42 billion last year.

Investment in the social commerce space by Tencent’s WeChat—particularly with the 2017 launch of its lite apps called Mini Programs—has certainly helped garner trust and bolster usage among the general public. To date, many major online retailers and brands in China have created Mini Programs to sell their products directly within the WeChat platform. In its annual report, Tencent said that the total transaction value generated by its Mini Programs in 2019 was more than \$115 billion (RMB800 billion).

“COVID-19 has negatively impacted all economic activity in China, including social commerce, which is why growth in 2020 is half of what it was in 2019,” said Nazmul Islam, eMarketer junior forecasting analyst at Insider Intelligence. “But even during quarantines, people were still taking advantage of Mini Programs to buy things like groceries. The pandemic will be a bump in the road, but social commerce will continue to adapt and grow in China.”

We expect the number of social buyers in the country to increase as well. This year, there will be 357.2 million social buyers in China, making up 30.6% of the population. By the end of the forecasting period, the number of social buyers will grow to 446.8 million.



A majority of social buyers in China are shopping via their mobile devices. And many digital storefronts start off on mobile layouts—

whereas in the US, the inverse is true. Online retailers often focus on developing a site first and then transition to mobile.

“China's population has the highest share of social buyers globally,” Islam said. “Many of the country's most popular ecommerce platforms are heavily integrated with the most popular social networks, boasting innovative services like Mini Programs and live streaming commerce. These and other services frequently offer the best deals on products, and they make social buying extremely engaging and convenient.”