

Online Consumer Pulse

Alibaba and Chinese e-commerce are coming to the US

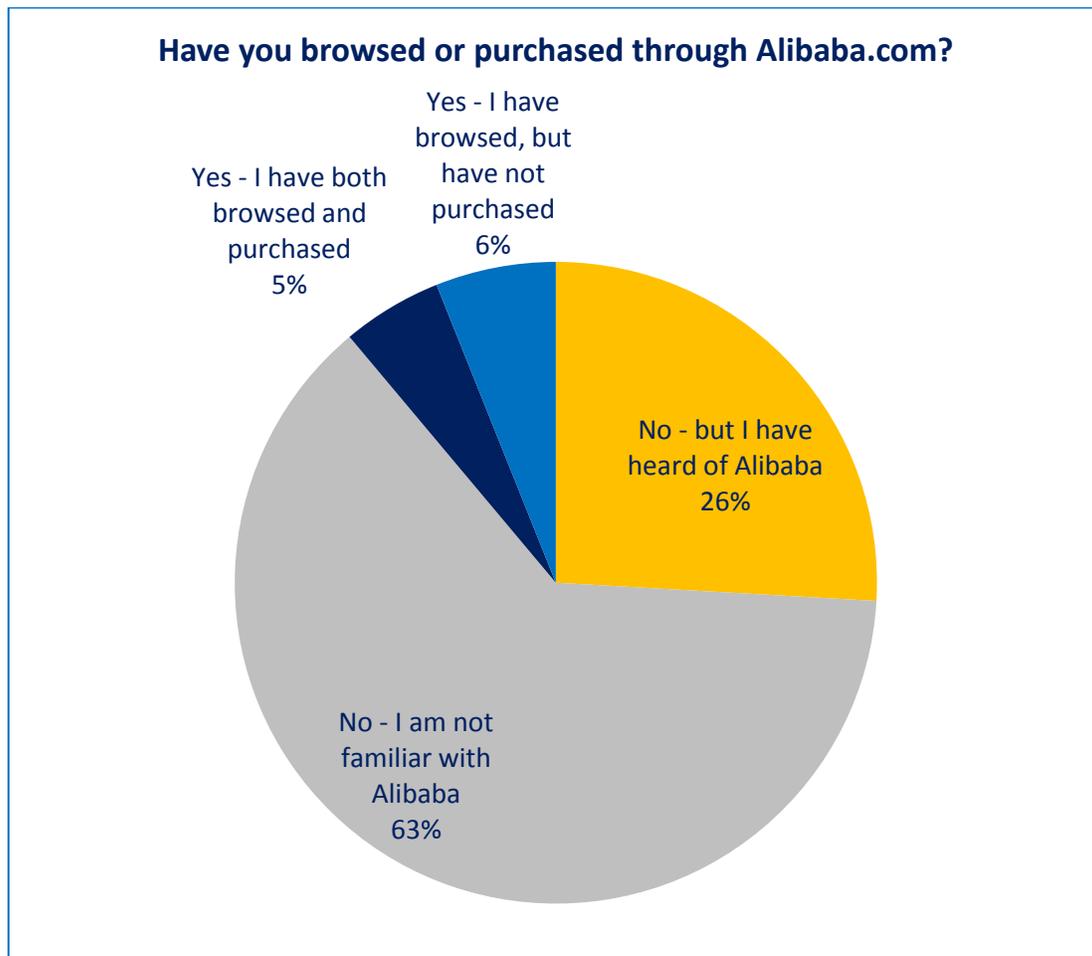
By Hayley Silver, Vice President Bizrate Insights

A division of Connexity, Inc.

All of us in the e-commerce space – retailers, vendors, or investors – have heard of Alibaba. While we have closely watched its IPO and speculated about its path in the US – what about online shoppers? Bizrate Insights sought out the awareness and perspective of online buyers and got back a few surprises.

A Lack of Brand Familiarity and Trial is Troublesome

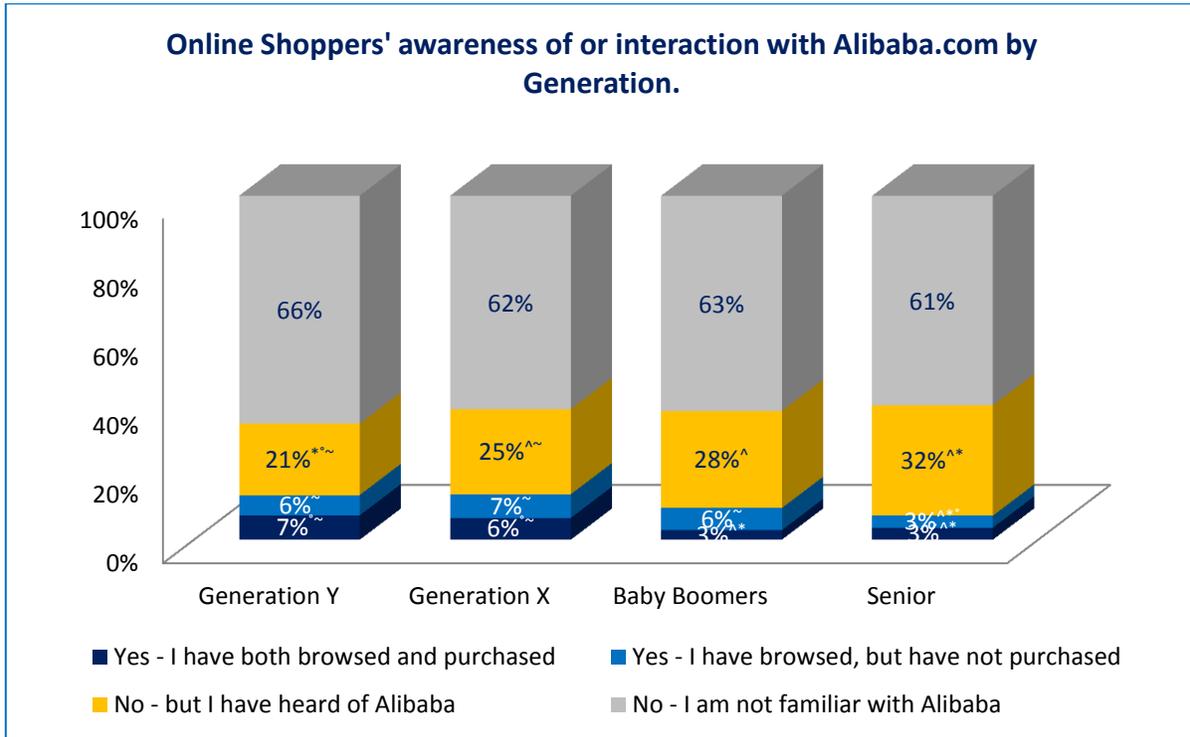
63% of online buyers, skewing toward younger generations and women (who traditionally are the decision makers behind the lion's share of retail), are *not* familiar with the Alibaba brand or website. 37% of US online buyers have heard of Alibaba, with 30% of this group (11% overall) reporting that they have browsed or purchased from Alibaba.com already.



Question: Have you browsed or purchased through Alibaba.com?

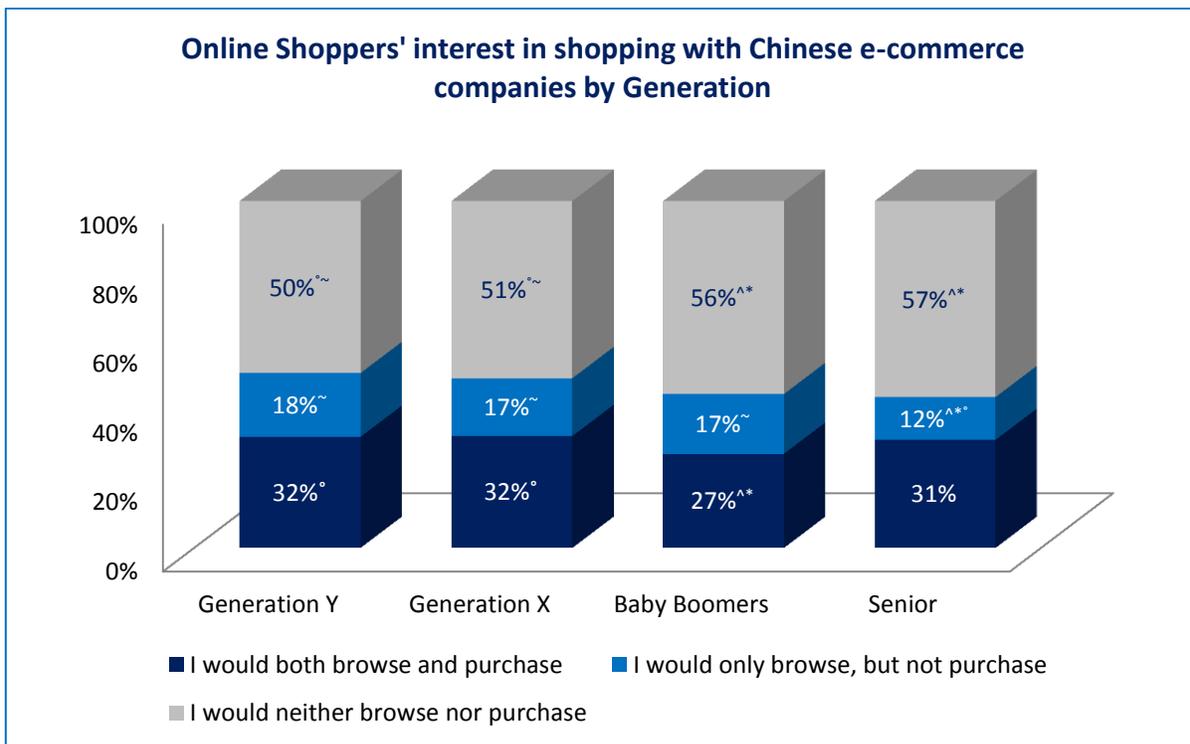
A Youthful Outlook

Younger generations, with growing incomes and purchasing power, are not only more likely to have already interacted with Alibaba.com, but also report greater interest in shopping with Chinese e-commerce companies in general.



Question: Have you browsed or purchased through Alibaba.com? Crossed with Age. n=3,419

Significant at 95% confidence level to: ^Generation Y, *Generation X, °Baby Boomers, -Seniors



Question: Would you browse and purchase from a Chinese e-commerce company? Crossed with Age. n=3,317

Significant at 95% confidence level to: ^Generation Y, *Generation X, °Baby Boomers, -Seniors

Hurdles to Surmount

Most online buyers, whether more or less comfortable with Alibaba and Chinese e-commerce companies in general, have some similar concerns. The long delivery windows are frustrating, they prefer to “buy American” whenever possible, and there is still distrust (over the security of consumer payment and personally identifiable information, returns, and product quality).

“I understand they are the largest e-commerce company in China, much larger than Amazon in the US. They want to enter the US market. Due to size and purchasing capabilities they will be a real threat. However, I do expect a lot of bumps in the road so I would not purchase from them during the first few months of operation in the US. I would prefer to do business with US based companies.”

“I need more assurances that my on-line ordering would be secure and protected from any fraud or lack of liability on the senders part.”

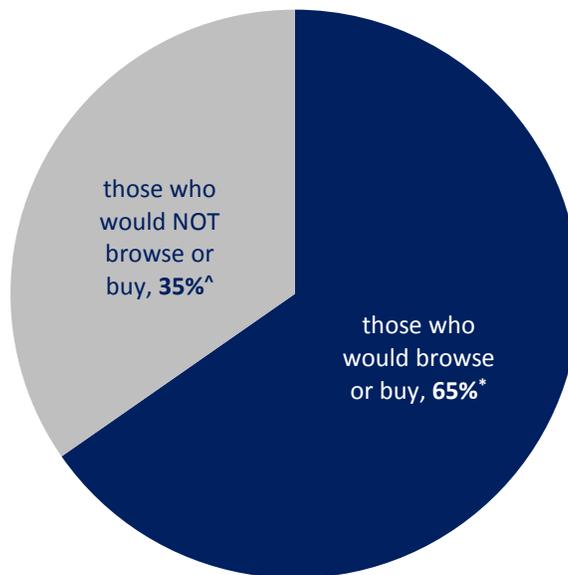
“A little concerned with obvious counterfeits.”

“The shipping is also WAY too slow.”

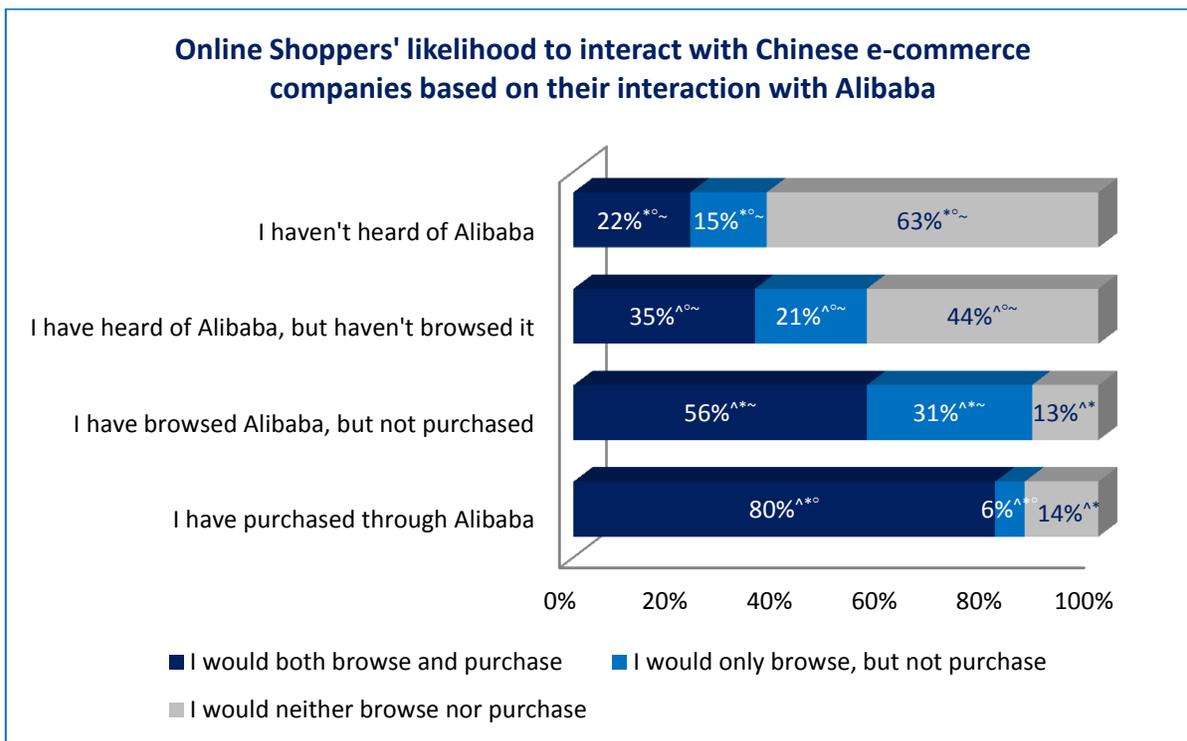
Broader Implications for Chinese E-Commerce

Further, we note that comfort with interacting with any Chinese e-commerce company follows a similar pattern to current US online buyer interaction with Alibaba; overall, 65% of those who are familiar with Alibaba are likely to interact with (browse or purchase) a Chinese e-commerce company in general. But this grows significantly to 80% for those who have browsed or purchased from Alibaba already, indicating that a successful trial of Alibaba is an important factor for other Chinese e-commerce websites at this time.

Online Shoppers' intent to browse and buy from Chinese e-commerce companies based on their familiarity with Alibaba



Question: Would you browse and purchase from a Chinese e-commerce company? Crossed with Question: Have you browsed or purchased through Alibaba.com? n=3,425
Significant at 95% confidence level to: ^would browse or buy, *would not browse or buy



Question: Would you browse and purchase from a Chinese e-commerce company? Crossed with Question: Have you browsed or purchased through Alibaba.com? n=3,425. Significant at 95% confidence level to: ^Haven't heard of, *Have heard of not browsed, Have browsed not purchased, ~Have purchased

About the Study

The Bizrate Insights Alibaba Study #1 was conducted via the Bizrate Insights survey platform and offered to online buyers immediately after purchasing from the Bizrate Insights Network of over 5,000 e-commerce retailers in the US and Canada. Data from the Alibaba Study #1 was collected from 3,548 online buyers from October 10-13, 2014.

For over 16 years, Bizrate Insights has helped retailers listen to their customers in a way that is fast and measurable, resulting in insights, action, conversation, and customer loyalty. The Bizrate Insights customer feedback and ratings platform allows retailers to collect seller ratings directly from verified customers.

Standard ratings are published across the leading comparison shopping site, [Bizrate.com](http://bizrate.com), and syndicated across the web's largest search engines to help drive conversion and traffic. Collecting over 26 million surveys annually, Bizrate Insights is one of the largest sources of consumer-generated review content in the world, delivering actionable insights and valuable shopper data to key decision makers in e-commerce. Bizrate Insights is used by over 40% of Internet Retailer Top 500 retailers, as well as thousands of smaller boutiques.

Visit <http://connexity.com/bizrate-insights/> to learn more about our FREE and paid buyer and site abandonment survey and reporting products.

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