

## **2012 Caixin Summit: China and the World**

### **Thursday, 16 November, 20:00 - 21:45 -- The E-Commerce Industry**

When it comes to e-commerce, the best time for a critical review might be now. Who will hold the reins in the reshuffle? What are the key considerations for achieving sustainable profitability? How can a more benign competitive environment be ensured between e-commerce companies and between offline and online retail systems? Where is the space for innovation in e-commerce? In the deep freeze of China concept stocks, on what can e-commerce rely for new financing?

#### **Key Points**

- 2012 and 2013 is a turning point for e-commerce as growth will not be as high as in the past. There will be a consolidation of the industry
- E-commerce companies have to increase the size of clients, increase their core competitiveness and their innovative capability
- Companies with cash will succeed
- The e-commerce industry is maturing and is integrated in traditional businesses

After a period of high growth rates, the industry of e-commerce is facing a slowdown. This year and the next represents a turning point for e-commerce. To survive, strategic decisions by the companies are required. They need to increase the size of clients, their core competitiveness and their innovative capability. For example they have to develop their own distribution chain, to make sure that products reach consumers safely and timely.

Currently Chinese e-commerce companies fall into three categories: large online retailers, such as 360buy and Suning, companies that feature open platforms and high transaction volumes, such as Alibaba, and B2C businesses with better brand awareness, such as Vancl. The trend is that the first two categories are now building their brands. But people need patience to cultivate brand awareness.

The most important issue for e-commerce-companies is maintaining growth and access to capital. The most promising opportunity is the wider use of mobile Internet.

**CHEN Nian**, Founder, Chairman and CEO, VANCL (Beijing) Technology Co., Ltd.

**SUN Weimin**, Vice Chairman, Suning Appliance; Deputy Chairman, China Chain Store & Franchise

Association

**LAN Ye**, CMO, 360buy Group

**Edward LONG**, Co-founder, dianping.com

**Hans TUNG**, Managing Partner, Qiming Venture Partners

**BAO Fan**, Founder and CEO, China Renaissance

Moderated by

**Wang Xiaobing**, Associate Managing Editor, Century Weekly, Editorial Board  
Member, Caixin Media

#### *Disclosures*

*This summary was prepared by Sabine Gusbeth and Wei Jialin. The views expressed are those of certain participants in the discussion and do not necessarily reflect the views of all participants or of the Caixin Summit.*