



JD.COM

China's E-commerce Dynamics

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The China Opportunity



E-commerce expected to account for 18% of
China's ~\$5 trillion retail market in 2018

It represents 47% of global digital retail sales

More than 750 million Chinese users online



China eGrocery market could be 6x UK or 10x USA by 2020

World top e-Grocery markets - IDG



	Online grocery (US\$bn)			Grocery penetration (%)		Grocery market (US\$ bn)		
	2015	2020	5Y Cagr (%)	2015	2020	2015	20F	5Y Cagr (%)
China	41	178	34	3.7	11.9	1,119	1,491	5.9
UK	15	28	13	4.8	8.0	310	352	2.6
Japan	12	22	13	2.6	4.5	457	485	1.2
US	7	18	21	0.6	1.4	1,078	1,305	3.9
France	9	16	12	3.2	5.2	282	310	1.9
S Korea	7	13	13	6.8	10.2	104	128	4.3
Germany	3	6	15	1.2	2.1	255	281	2.0
Australia	2	5	20	2.3	4.1	87	122	7.0

Who JD.com Is



Largest retailer in China, online or offline



Third largest internet company in the world by revenue



Listed on NASDAQ in 2014 with the ticker "JD"



Strategic partnerships with Tencent and Wal-Mart



Renowned for our zero-fakes policy and amazingly fast delivery

Who JD.com Is

*Focus on
Authenticity of
Products, **Fulfillment**
and **Delivery**, and
Customer
Experience*

- Only e-commerce company with self-operated nationwide logistics network, down to the last-mile
- Largest e-commerce logistics infrastructure in China covering over 99% of the country's population
- Can deliver over 92% of orders same-day or next-day
- Higher penetration among affluent urban residents, and higher average basket size than the overall industry

JD Fresh

- JD's cold chain logistics network encompasses 11 fresh and frozen food warehouses in China and can deliver fresh and frozen products in 300 cities
- Building China's largest frozen and chilled e-commerce warehousing and delivery system



March 14, 2017
New Zealand Kiwis
160 tons



July 7, 2017
US Cherries
185 tons



July 14, 2017
Canadian Lobsters
140K

JD Supermarket

- JD Supermarket is China's top supermarket online or offline
- Top online seller of milk, coffee, male skincare, baijiu & wide range of products
- Largest online or offline retailer for P&G, Nestle, Friso, Wyeth, Huggies and more



52%

ONLINE MARKET SHARE FOR
THE CHINESE LIQUOR BAIJIU



119%

INCREASE IN WOMEN SHOPPERS
OVER LAST TWELVE MONTHS



58%

ONLINE MARKET SHARE
FOR INFANT MILK POWDER



50%

ONLINE MARKET SHARE
FOR DIAPERS

7FRESH



- Top-notch offline food shopping experience
- Direct sourcing from the origin. Fresh fish and seafood can be caught from the seas of Japan and delivered to the dinner table in just 24 hours
- Features a restaurant area for food to be cooked on-site by professional chefs
- Advanced technology elements deliver a uniquely personal and educational hands-on shopping experience: 'magic mirrors', smart shopping carts, self-checkout, etc.



JD.com, leader in dairy products

53% Regular milk

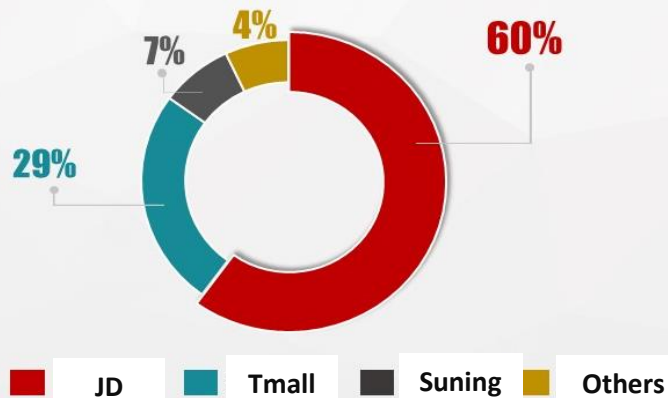
Online market share the 1st T of 2018

85 million liters of milk

Sold on Singles days' promotion

60% Infant milk powder

Online Market Share the 1st T of 2018



11.11
光棍节

Case study - JD.com and Oldenburger



Before



Oldenburger owned its own warehouse, transferring products to JD for distribution to consumers

30%

of Oldenburger orders could not be fulfilled due to problems of inventory shortage or excess (demand difficult to forecast from afar)

200M

RMB of lost sales during the Spring Festival holiday season in 2014 alone

After



Using JD's smart supply chain systems for demand planning and warehouse management, the companies built a collaborative warehouse in:

98%

Of Fulfillment rate achieved

99%

Of orders delivered Same or Next day in JD's anniversary (6.18 promotion)

Using Blockchain for reliable traceability of dairy products



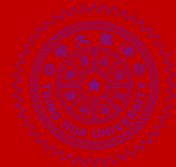
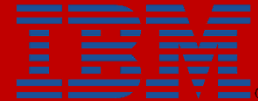
- Non respect of standards, disruptive supply practices and faulty control systems plagued many industries in China just a few years ago. Therefore, nation-wide **scandals** erupted, and Chinese consumers became highly **concerned**.
- JD's innovations on the ethics and the organization of logistics has rationalized the process and implemented an **efficient control chain**. Now it is enabling the consumers to easily access all the relevant information on product quality and traceability.

Where
were the
ingredients
sourced?

Were they
properly, and
ethically,
produced and
transported?

Is it safe for
me to
consume this
product?

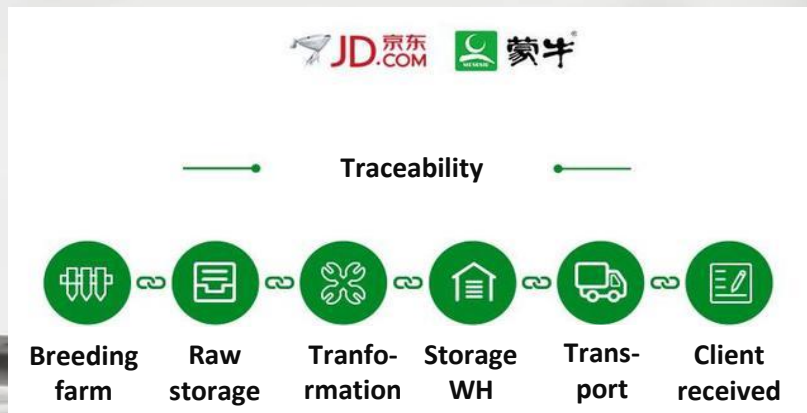
Walmart 



December 2017, Walmart, JD.com, IBM, and Tsinghua University National Engineering Laboratory for E-Commerce Technologies build a Blockchain **Food Safety Alliance** to enhance food **tracking, traceability** and **safety** in China, and to achieve greater **transparency** across the food supply chain.

Now blockchain technology is used to trace the origin of infant milk powder products

Brand Partners



For **Mengniu**, JD implemented a blockchain system with a QR code on each product, enabling the consumer to trace the whole production and logistic cycle



THANK YOU



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