

2014 China Maternal & Baby Industry E-commerce Report (Brief Edition)

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1

Overview of Maternal & Baby Industry

2

Profile of Maternal & Baby Product Online Shoppers

3

Online Behavior of Maternal & Baby Product Online Shoppers

4

Online Sales of Typical Maternal & Baby Products

5

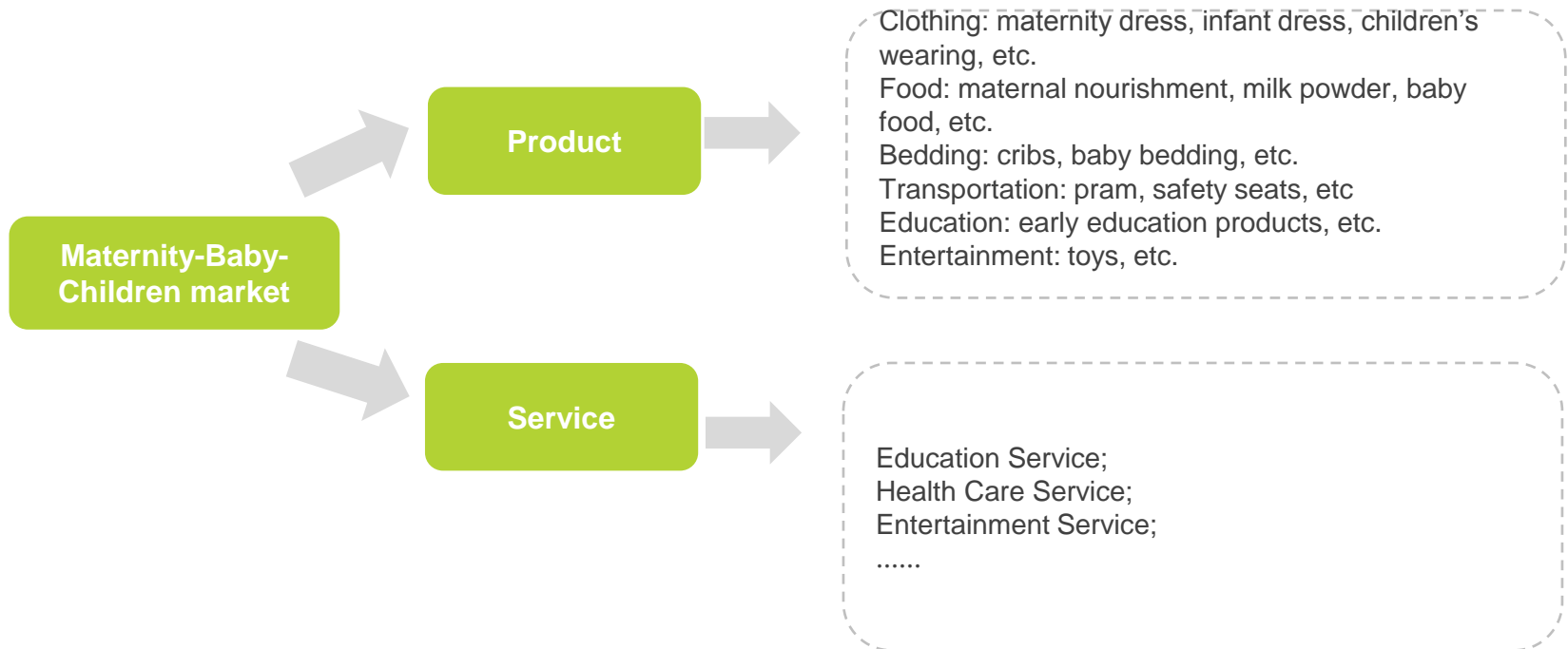
Typical Maternal & Baby Websites

Maternity-Baby-Children Market

Products and Services for Pregnant Women, Baby and Children

Maternity-baby-children market serves babies and children between 0 and 12 years old and covers all products and services needed by parents in the process of pregnancy, childbirth and child education, among which the food, clothes, toys and daily necessities of baby and children as well as pregnant woman thing are the main part.

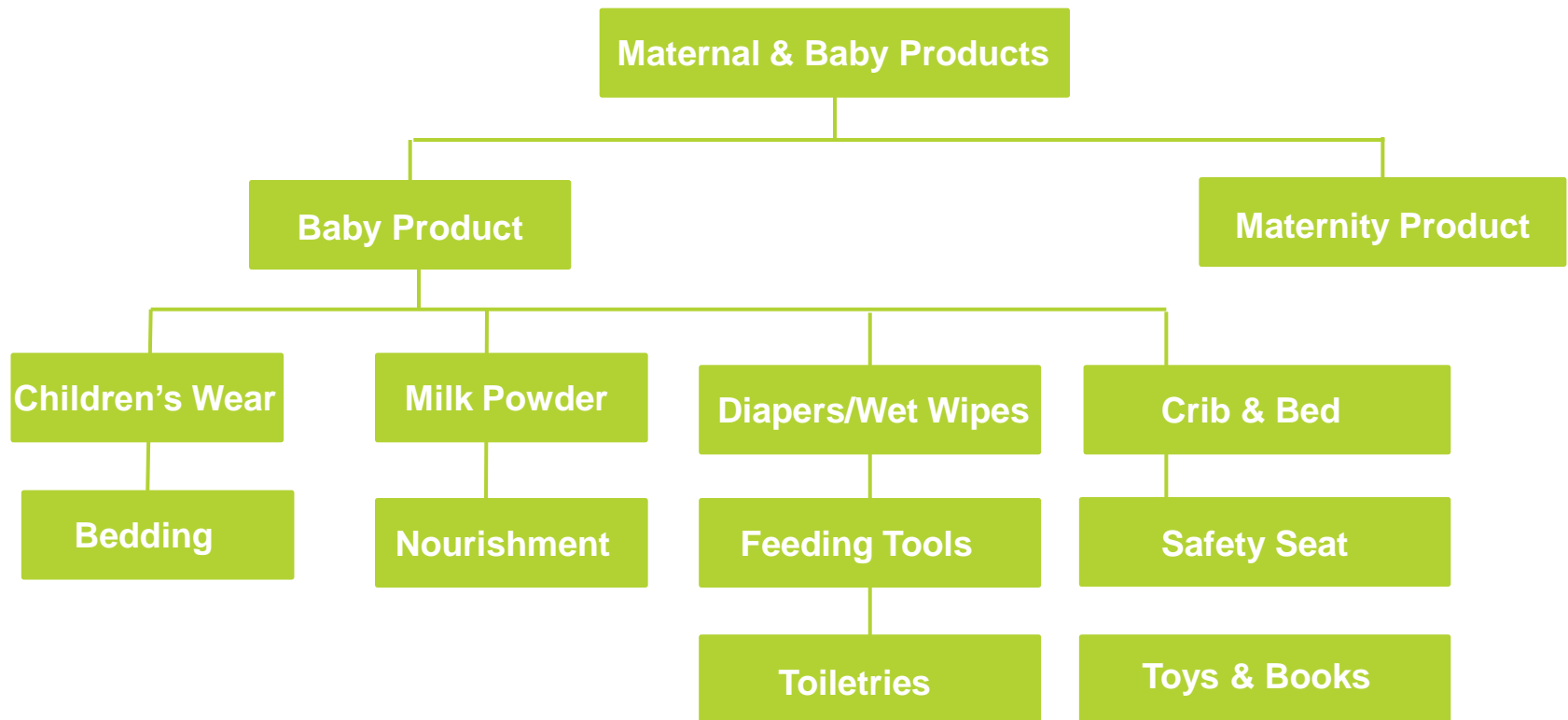
According to the definition given by CRCCI, maternity-baby-children market involves eleven industries, including manufacturing, retailing, health care and education, etc., as well as more than fifty sub-industries. It consists of products and services. Products are those needed by pregnant women and children between 0 and 12 years old in the aspects of food, clothing, transportation, education, entertainment, and so on, while services involve education, health care, entertainment and the like.



Products in China Maternal & Baby Industry

Definition & Products

Maternal & baby industry deals in goods needed by pregnant women, baby and children in the aspects of food, clothing, transportation, and so on. The industry mentioned here refers to the goods needed by mothers, baby and children, involving eleven categories, namely maternity products, milk powder, nourishment & supplementary food, diapers & wet wipes, feeding tools, toiletries, crib & bed, safety seat, toys & books, children's wear and bedding.



Note: The maternal & baby industry here only involves physical products, excluding services such as education, photography, etc.

Online Channels & Offline Channels

Retail channels of maternal & baby industry refer to the channels employed by brand owners/manufacturers in the industry to reach consumers. After years of development, there have been a variety of online and offline channels.

Offline channels have developed for a long time, and there are mainly four types: (1) specialty stores represented by Kidswant and Leyou; (2) maternal & baby product counters in supermarkets, department stores and pharmacies; (3) own channels built by brand owners such as Boshiwa and Goodbaby; (4) convenient stores and stores owned by individuals which deals in maternal & baby products.

In spite of development of short period of time, online channels are also fairly diversified and include: (1) maternal & baby channels of comprehensive e-commerce websites, such as tmall.com, jd.com, yhd.com, dangdang.com, suning.com, and so on; (2) vertical e-commerce websites, such as beibei.com, miyabaobei.com, muyingzhijia.com, ve.cn, etc.; (3) shopping guide or e-commerce sector of vertical maternal & baby communities/websites, such as babytree.com, mama.cn and ci123.com; (4) tool apps, such as Lmbang; (5) e-commerce platforms built by brand owners and retailers, including official websites and the flagships or specialty stores on platforms like Tmall.

In early stage, some maternal & baby stores, such as Redboy and Aiyingbao, adopted direct sale with catalogues. However, with the diversification of offline channels and rapid development of online channels, such pattern has gradually turned from a sales model into a marketing model.

Offline Channel

- Specialty stores represented by Kidswant and Leyou;
- Maternal & baby product counters in supermarkets, department stores and pharmacies
- Own channels built by brand owners such as Boshiwa and Goodbaby;
- Convenient stores and stores owned by individuals;
- Direct sale with catalogues.

Online Channel

- Maternal & baby channels of comprehensive e-commerce websites;
- Vertical e-commerce websites;
- E-commerce sector of vertical maternal & baby communities/websites,
- Tool apps
- E-commerce platforms built by brand owners and retailers.

Types of China Online Maternal & Baby Platforms

Media, Community & Life Services + E-commerce + Independent Apps

Maternal & baby e-commerce is classified into a vertical sector, as it targets mothers. Maternal & baby online platforms offer consulting service, parenting experience sharing, early education products and service as well as maternal & baby products to pregnant women and parents of children between 0 and 6 years old, excluding the maternal & baby sector of portals and comprehensive e-commerce websites. The platforms are divided into three categories in this report:

	Media, Community and Life Service Platform	E-commerce Websites	Independent App
Representatives			
Product Forms	Web +App +Early Education Products +Others	Web +App +Physical Goods	App
Features	<ul style="list-style-type: none"> Based on media and community, offer a platform for experience sharing and inquiry and then develop e-commerce, early education business and apps 	<ul style="list-style-type: none"> Maternal & baby sector of comprehensive websites Vertical maternal & baby e-commerce websites, both self-owned and platforms. 	<ul style="list-style-type: none"> Community and tool apps Simple and convenient operation on mobile devices
Profit Model	Advertising revenue +products revenue +offline activity revenue +e-commerce revenue	Difference between purchase and sale price (commission for platform)	Advertising revenue +e-commerce revenue

Note: Enterprises are displayed according to the initial of their names in Chinese Pinyin, not representing any rankings.

Development of China Online Maternal & Baby Platforms

More and More Distinctive

In early stage, the e-commerce platforms of maternal & baby products were mostly the online stores of offline maternal & baby product stores, represented by leyou.com.cn and lijiababy.com.cn. By now, most enterprises still focus on offline selling with the help of online channels.

In 2010 or so, many comprehensive websites launched maternal & baby channels. In recent years, there are more and more vertical websites with distinct characteristics.

Vertical Platforms in Early Stage

- Jan. 2000 leyou.com.cn;
- Sep. 2002 aiyingshi.com;
- Apr. 2003 lijiababy.com.cn;
- Oct. 2003 muyingzhijia.com;
- Mar. 2004 redbaby.com.

Maternal & Baby Channels of Comprehensive Websites

- Jul. 2008 maternal & baby channel of yhd.com;
- Jun. 2010 maternal & baby channel of amazon.cn;
- Jul. 2010 maternal & baby channel of jd.com;
- Aug. 2010 maternal & baby channel of taobao.com;
- Jun. 2011 maternal & baby channel of dangdang.com;
- May 2012 Suning acquired Redboy to commence maternal & baby related business.

Featured Vertical Platforms

- Mar. 2011 miyabaobei.com was launched, dealing in special offer of imported maternal & baby products;
- Apr. 2014 beibei.com was put online, aiming to grow into the most trusted website providing special offer and flash sale;
- Apr. 2013 bbready.com was put online as the first socialized maternal & baby platform in China;
- Jul. 2014 ve.cn was launched, focusing on special offer of imported branded goods.

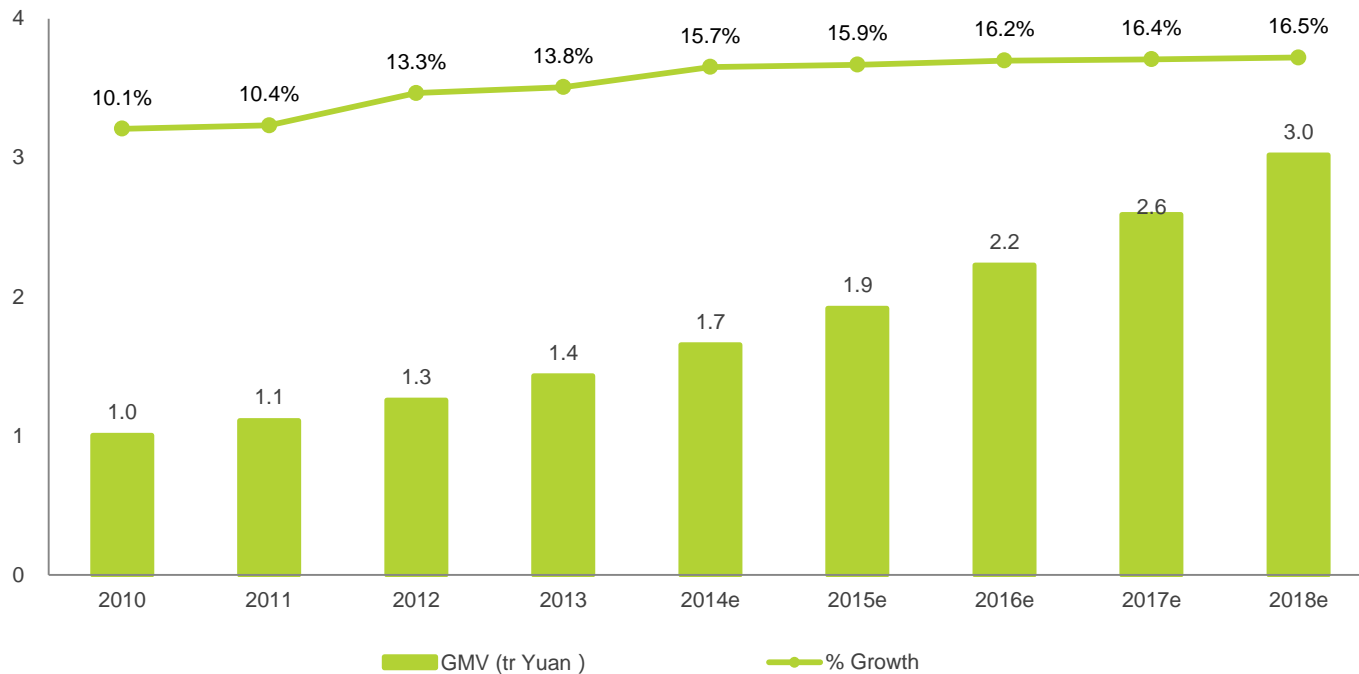
GMV of China Maternal & Baby Product Market

1.43 Trillion Yuan GMV in 2013

China maternal & baby product market attained 1.43 trillion Yuan GMV in 2013, which is expected to surpass 2 trillion Yuan in 2015.

iResearch believes that the new two-child policy generates a mini baby boom, and consequently there will be the golden time of maternal & baby industry. Additionally, the large consumption potential and improved consumption consciousness and ability of the young parents also help to create prosperity of maternal & baby industry in the next five years.

GMV and Growth of China Maternal & Baby Industry 2010-2017



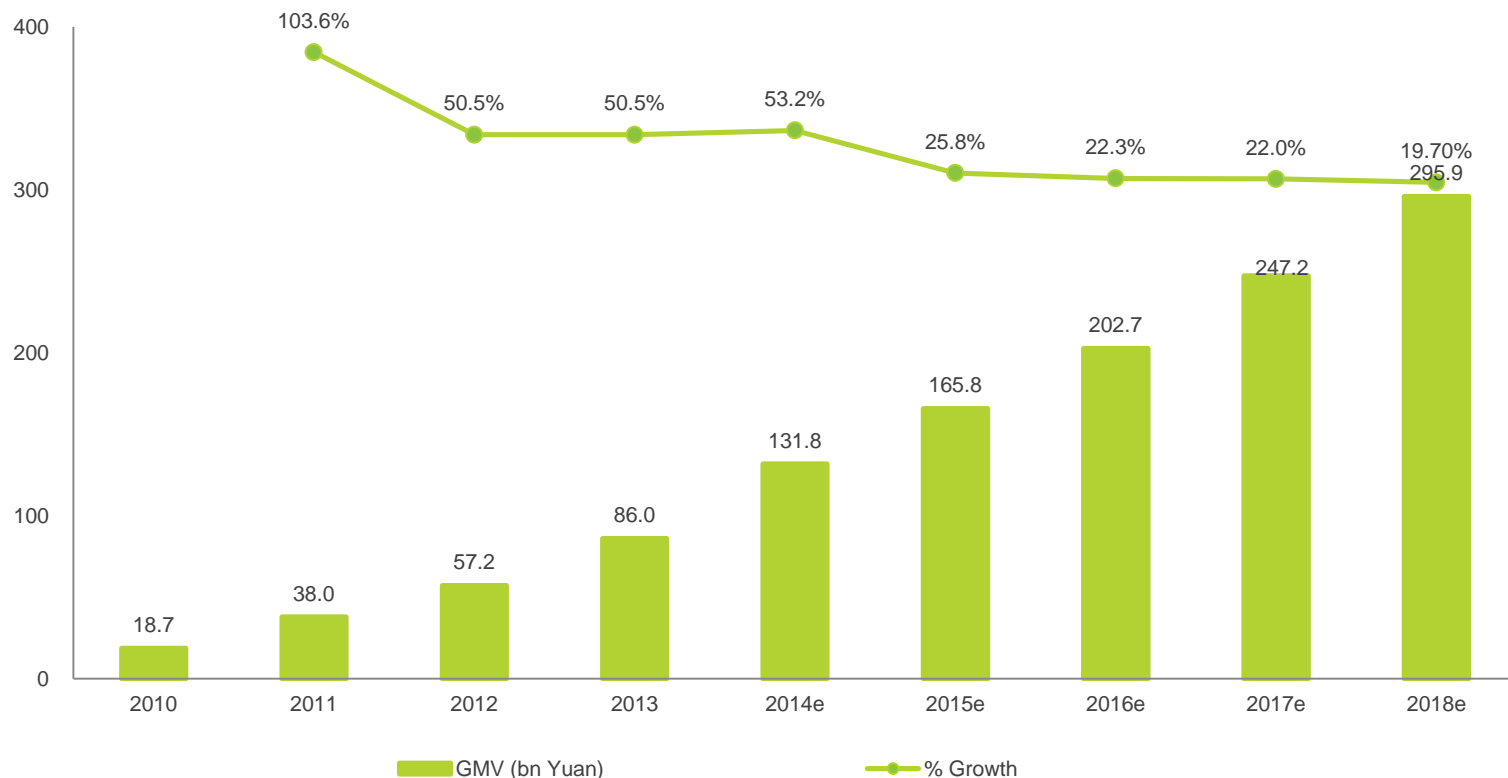
Source: The data is based on the financial results published by enterprises, interviews with experts, iResearch statistical forecast model and estimates.

Online GMV of Maternal & Baby Product Market

86.03 Billion Yuan Online GMV in 2013

In 2013, China maternal & baby product industry gained 86.03 billion Yuan GMV from online channels, generating a penetration rate of 6%. It's forecast that by 2017, the online GMV will amount to 247.2 billion Yuan with CAGR of 30%. The expanding online GMV reveals continuous penetration of online channels.

Online GMV and Growth of China Maternal & Baby Industry 2010-2018



Source: The data is based on the financial results published by enterprises, interviews with experts, iResearch statistical forecast model and estimates.

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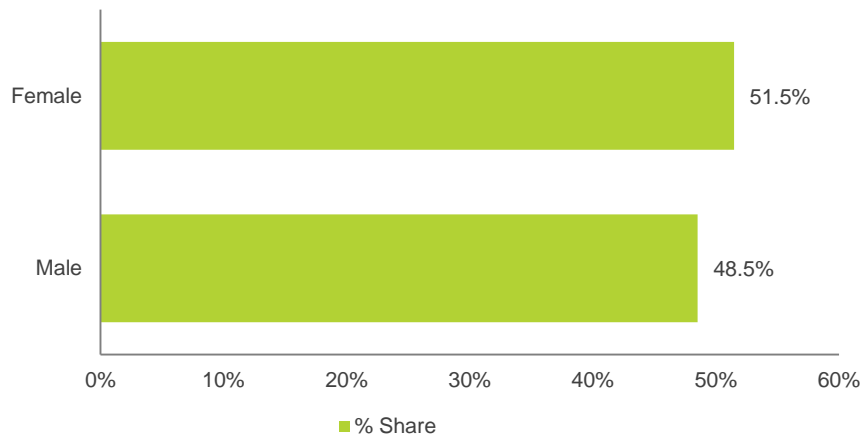
Typical Maternal & Baby Websites

Gender and Age Structure

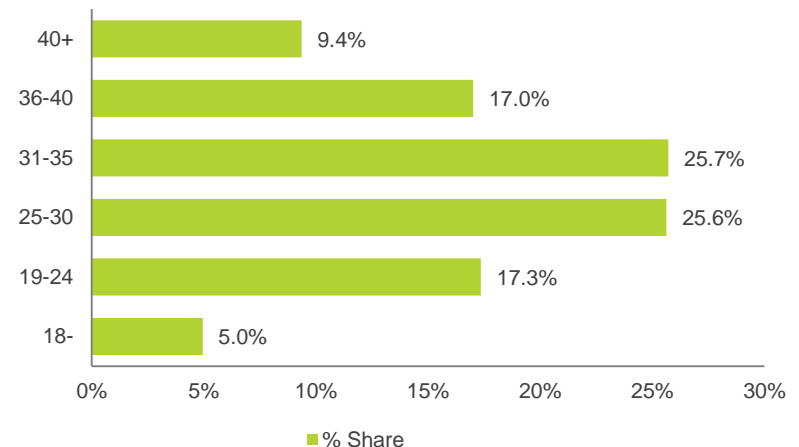
Mainly Young and Middle-aged Online Shoppers

In terms of gender structure, there were a little more female shoppers with concentration ratio of 116. More than half of the online shoppers were between 25 and 35 years old, and the concentration ratio of shoppers in the age ranges of 25-40 and 30-35 was 133.6 and 154.1 respectively.

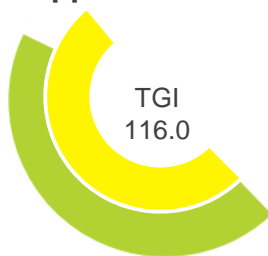
Gender Structure of Maternal & Baby Products Online Shoppers in Q2 2014



Age Structure of Maternal & Baby Products Online Shoppers in Q2 2014

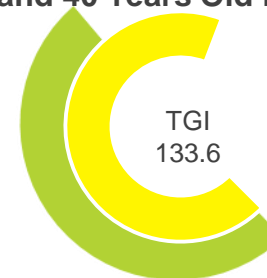


Concentration Ratio of Female Shoppers in Q2 2014



$$\text{TGI } 116 = \frac{\text{Female Online Shoppers of Maternal \& Baby Products}}{\text{Female Internet Users}}$$

Concentration Ratio of Shoppers Between 25 and 40 Years Old in Q2 2014



Source: Measurement of real behavior of iResearch's panelists. The data reflects the situation in Q2 2014.

Geographical Distribution

Close Relation With Economy Development

The online shoppers of maternal & baby products were mainly in East China, South China and North China, as 53% of them came from Guangdong, Shandong, Jiangsu, Zhejiang, Beijing and Shanghai. First-tier cities contributed large proportion of maternal & baby product online shoppers, and in terms of region, province and city, the share of maternal & baby product online shoppers is always positively related with the local economy development level.

Geographical Distribution of Maternal & Baby Product Online Shoppers in Q2 2014



Top10 Cities by Share of Maternal & Baby Product Online Shoppers in Q2 2014

City	Share of Shoppers (%)	Ranking
Beijing	7.13%	1
Shanghai	6.79%	2
Tianjin	3.21%	3
Guangzhou	2.73%	4
Shenzhen	2.25%	5
Hangzhou	1.94%	6
Nanjing	1.84%	7
Suzhou	1.75%	8
Ningbo	1.73%	9
Jinan	1.64%	10

Source: Measurement of real behavior of iResearch's panelists. The data reflects the situation in Q2 2014.

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Typical Maternal & Baby Websites

Pre-shopping Behavior: Traffic Source

Diverse Traffic Source of muyingzhijia.com & Much Traffic From SNS for beibei.com

Different from tmall.com whose 80% traffic comes from taobao.com, jd.com, redbaby.suning.com and muyingzhijia.com had more diverse traffic source, with about 30% of the traffic coming from B2C mall and C2C platforms. Such scattered traffic source was mainly caused by shoppers' price comparison among different sites. 11% of beibei.com's traffic came from SNS, higher than all of other similar sites.

Top10 Traffic Sources of Major Maternal & Baby Sites in Q2 2014

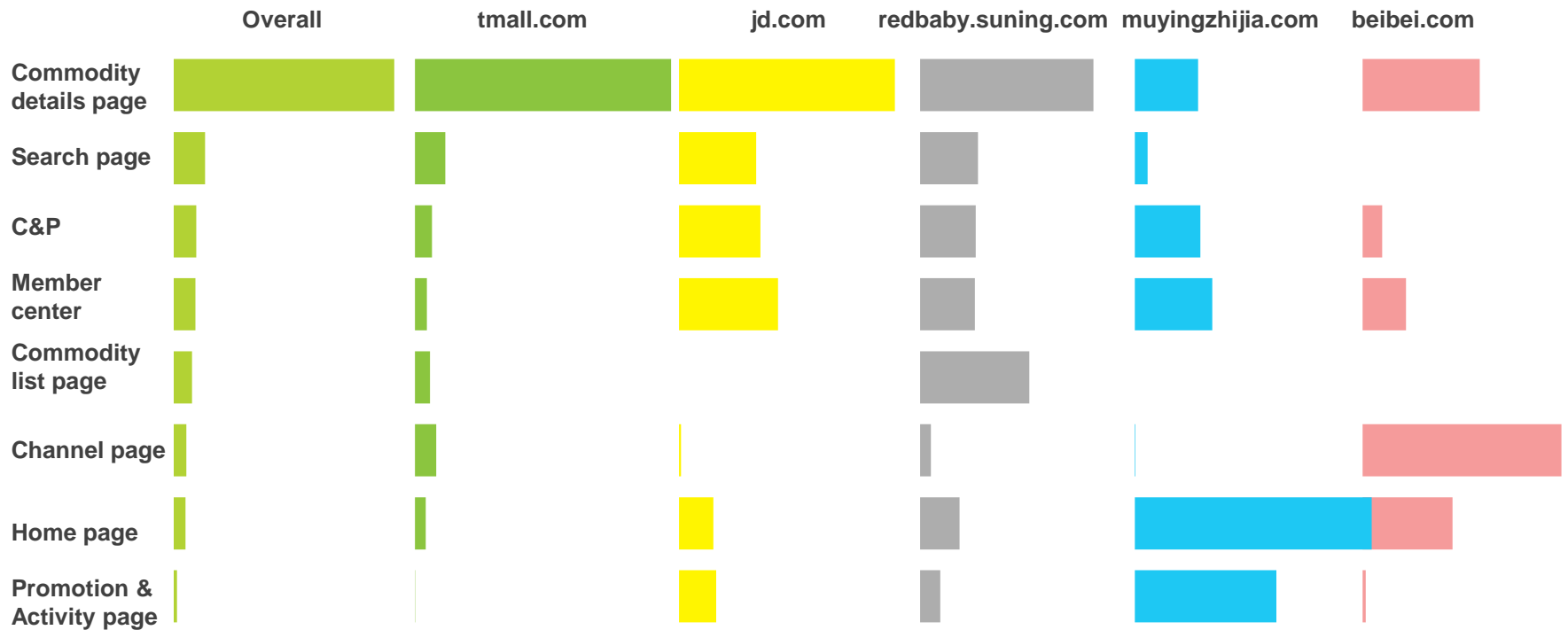
Ranking	Overall	tmall.com	jd.com	redbaby.suning.com	muyingzhijia.com	beibei.com
1	C2C platform 70.8%	C2C platform 79.9%	site navigation 19.8%	B2C mall 31.2%	B2C mall 24.9%	shopping comparison 44.3%
2	site navigation 5.4%	site navigation 3.8%	B2C mall 16.7%	web search 11.7%	web search 15.3%	C2C platform 13.8%
3	B2C mall 3.7%	shopping comparison 2.7%	C2C platform 11.2%	shopping comparison 8.0%	C2C platform 6.7%	SNS service 11.0%
4	shopping comparison 2.9%	B2C mall 1.6%	web search 8.9%	site navigation 7.8%	media homepage 5.5%	B2C mall 7.3%
5	web search 1.9%	online payment 1.2%	shopping comparison 4.1%	C2C platform 6.7%	site navigation 4.5%	site navigation 6.4%
6	SNS service 1.2%	group-buying 1.1%	consumption information 2.6%	consumption information 5.5%	email 4.3%	web search 2.6%
7	online payment 1.2%	SNS service 1.0%	email 2.4%	email 2.1%	parent-child site 3.3%	email 1.2%
8	group-buying 1.1%	web search 0.8%	SNS service 2.3%	media homepage 1.7%	shopping comparison 3.2%	weather site 0.7%
9	email 0.6%	email 0.4%	media homepage 2.0%	community 1.2%	online payment 2.5%	online payment 0.7%
10	consumption information 0.5%	video site 0.3%	news & information 1.7%	Internet security 0.9%	microblog 2.0%	IT site 0.5%

Sample: Internet users who visited maternal & baby sites in Q2 2014.

Shopping Behavior: Viewed Pages

Overall: Commodity Details Page Ranked First

Generally speaking, commodity details pages were viewed by the most shoppers with a share of 49.8%. The commodity details pages of tmall.com occupied a share of 56.9%, followed by jd.com and redbaby.suning.com at 30% or so. As for vertical websites, the situation is rather different. Home page was the most viewed page for muyingzhijia.com, but it was channel page for beibei.com.



Note: C&P refers to cart and payment page.

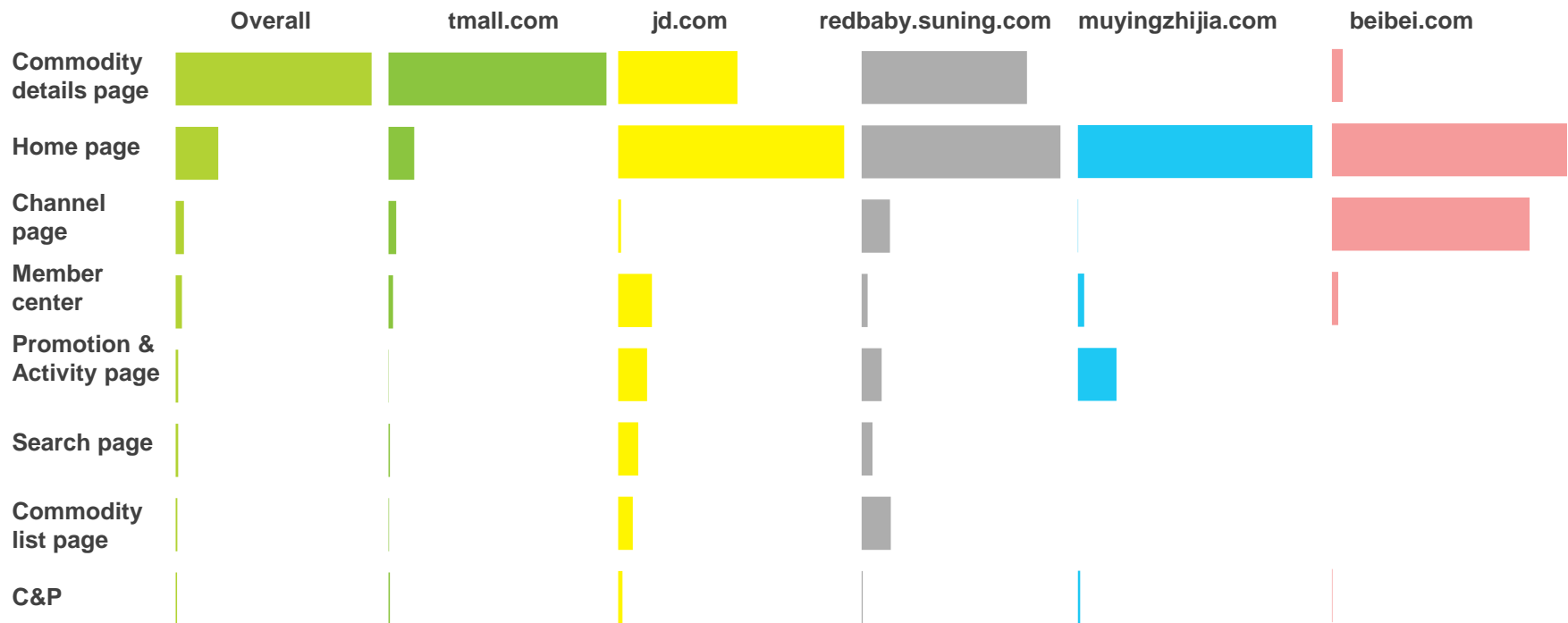
Source: Measurement of real behavior of iResearch's panelists. The data reflects the situation in Q2 2014.

Shopping Behavior: Viewed Pages

Landing Page: 80% Were Commodity Details Page and Home Page

Nearly 80% of the landing pages of maternal & baby sites were commodity details page and home page, but different types of website varied greatly in this respect.

For comprehensive B2C platforms represented by tmall.com, more than 70% of the landing pages was commodity details page, benefiting from the traffic directed by taobao.com. As for independent B2C websites represented by jd.com and redbaby.suning.com, 40% of their landing pages were home page, followed by commodity details page with share of 30%. In the sector of vertical websites, 76.0% of muyingzhijia.com's landing pages was home page, and the main landing pages of beibei.com were home page and channel page which jointly occupied more than 80%.



Note: C&P refers to cart and payment page.

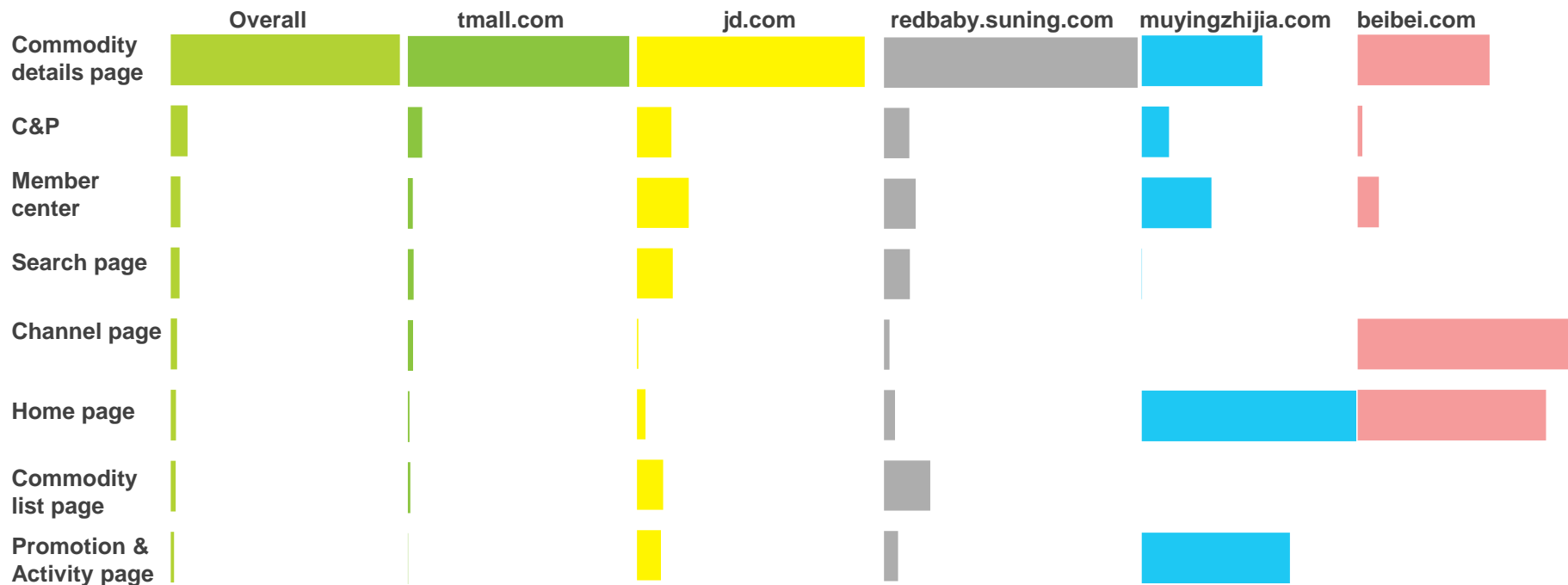
Source: Measurement of real behavior of iResearch's panelists. The data reflects the situation in Q2 2014.

Shopping Behavior: Viewed Pages

Exit Page: Commodity Details Page Ranked First for Comprehensive Platforms

Generally speaking, most visitors exited maternal & baby sites from commodity details page, followed by C&P and member center.

Tmall.com's situation was similar to the overall condition of the sector. Except commodity details page, visitors also often exited redbaby.suning.com from commodity list page. Muyingzhijia.com's visitors often exited from home page, promotion & activity page and commodity list page, indicating unsatisfactory orientation of traffic and casual visiting of visitors. Most of beibei.com's visitors exited from channel page, home page and commodity details page.



Note: C&P refers to cart and payment page.

Source: Measurement of real behavior of iResearch's panelists. The data reflects the situation in Q2 2014.

Post-shopping Behavior: Follow-up Visiting

Scattered Follow-up Visiting of muyingzhijia.com's Visitors

63.2% of tmall.com's traffic would go to C2C platforms after the visiting. The traffic destination of muyingzhijia.com was relatively scattered, with about 6% going to microblog and parent-child service websites. As beibei.com shares the traffic with mizhe.com, 44.9% of its traffic would go to shopping comparison websites.

Top10 Traffic Destinations After Visiting Maternal & Baby Sites in Q2 2014

Ranking	Overall	tmall.com	jd.com	redbaby.suning.com	muyingzhijia.com	beibei.com
1	C2C platform 57.1%	C2C platform 63.2%	B2C mall 19.5%	B2C mall 35.0%	B2C mall 31.2%	shopping comparison 44.9%
2	site navigation 5.5%	site navigation 5.2%	C2C platform 18.9%	C2C platform 12.7%	C2C platform 13.4%	C2C platform 12.3%
3	B2C mall 5.1%	online payment 3.4%	site navigation 8.4%	web search 6.4%	web search 7.1%	SNS service 8.7%
4	online payment 3.2%	group-buying 2.9%	web search 7.0%	shopping comparison 6.3%	site navigation 4.4%	site navigation 7.6%
5	SNS service 2.9%	SNS service 2.8%	media homepage 3.9%	site navigation 4.4%	email 3.6%	B2C mall 6.8%
6	web search 2.7%	B2C mall 2.7%	SNS service 3.8%	media homepage 3.5%	microblog 3.4%	web search 1.9%
7	group-buying 2.6%	web search 2.1%	shopping comparison 3.3%	consumption information 3.5%	media homepage 2.8%	media homepage 1.1%
8	shopping comparison 2.1%	shopping comparison 1.9%	email 2.4%	email 1.9%	online payment 2.7%	email 0.9%
9	media homepage 1.5%	media homepage 1.2%	consumption information 2.0%	SNS service 1.7%	parent-child site 2.5%	online payment 0.8%
10	email 0.9%	video site 0.7%	video site 1.5%	community 1.3%	shopping comparison 2.1%	video site 0.8%

Sample: Internet users who visited maternal & baby sites in Q2 2014.

1

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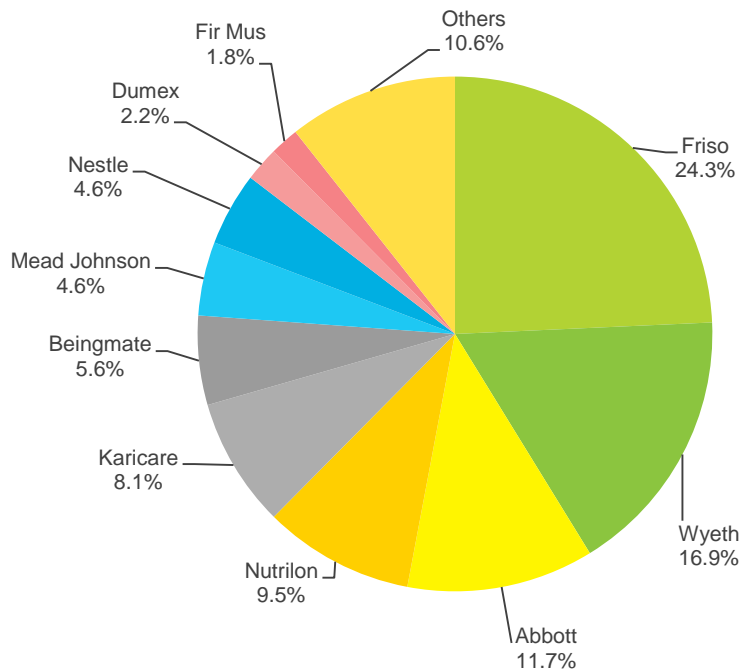
Typical Maternal & Baby Websites

Online Sales of Milk Powder – by Brand

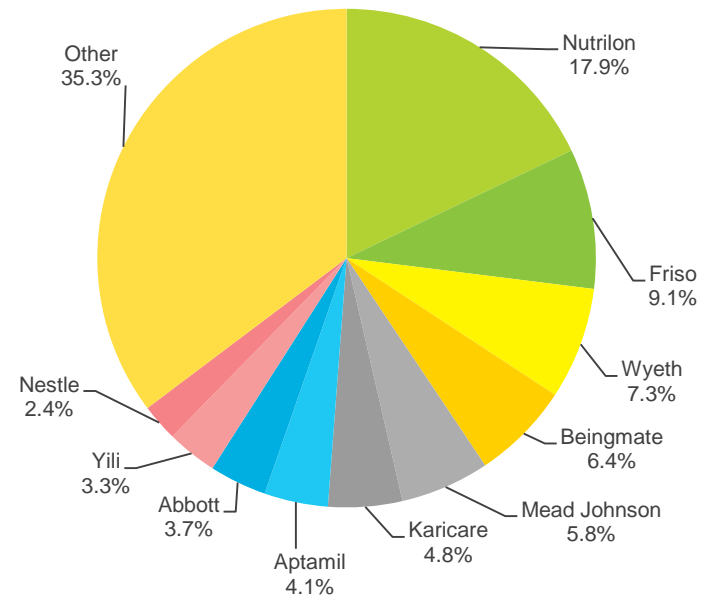
Monopoly of Foreign Brands

iEcTracker data shows that in Q2 2014, the C2C milk powder market was rather scattered. In terms of sales, the top 3 were Nutrilon, Friso and Wyeth. Overseas purchasing service of milk powder was fairly popular on taobao.com, especially for the milk powder made in Holland such as Nutrilon and Friso. Australia and Germany were another two major targets in overseas purchasing service of milk powder, and the brands included Karicare and Aptamil. The B2C milk powder market was relatively concentrated, as the top 3, Friso, Wyeth and Abbott, jointly made up 50% of the market share.

Share of Milk Powder Brands by Sales on B2C Platforms in Q2 2014



Share of Milk Powder Brands by Sales on C2C Platforms in Q2 2014



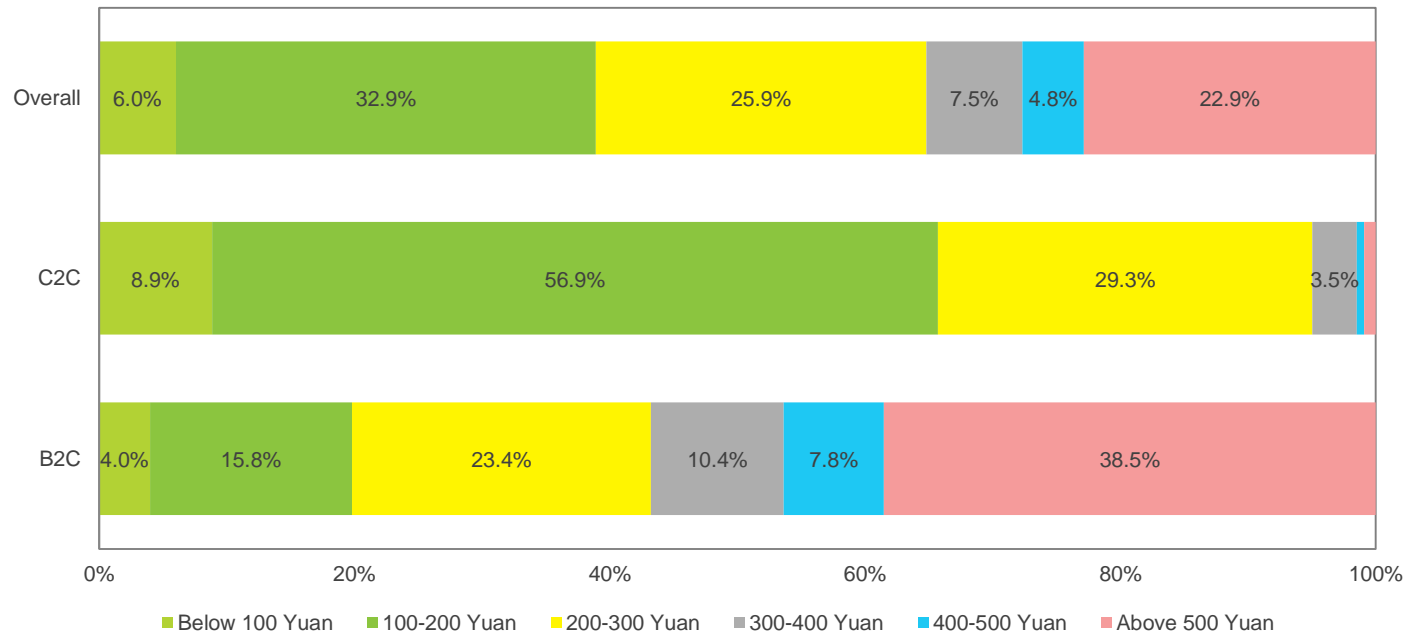
Source: iEcData which is a continuous measurement database based on millions of multi-source samples and iResearch's big data processing technology.

Online Sales of Milk Powder – by Channel

Mostly 100-200 Yuan for C2C and More than 500 Yuan for B2C

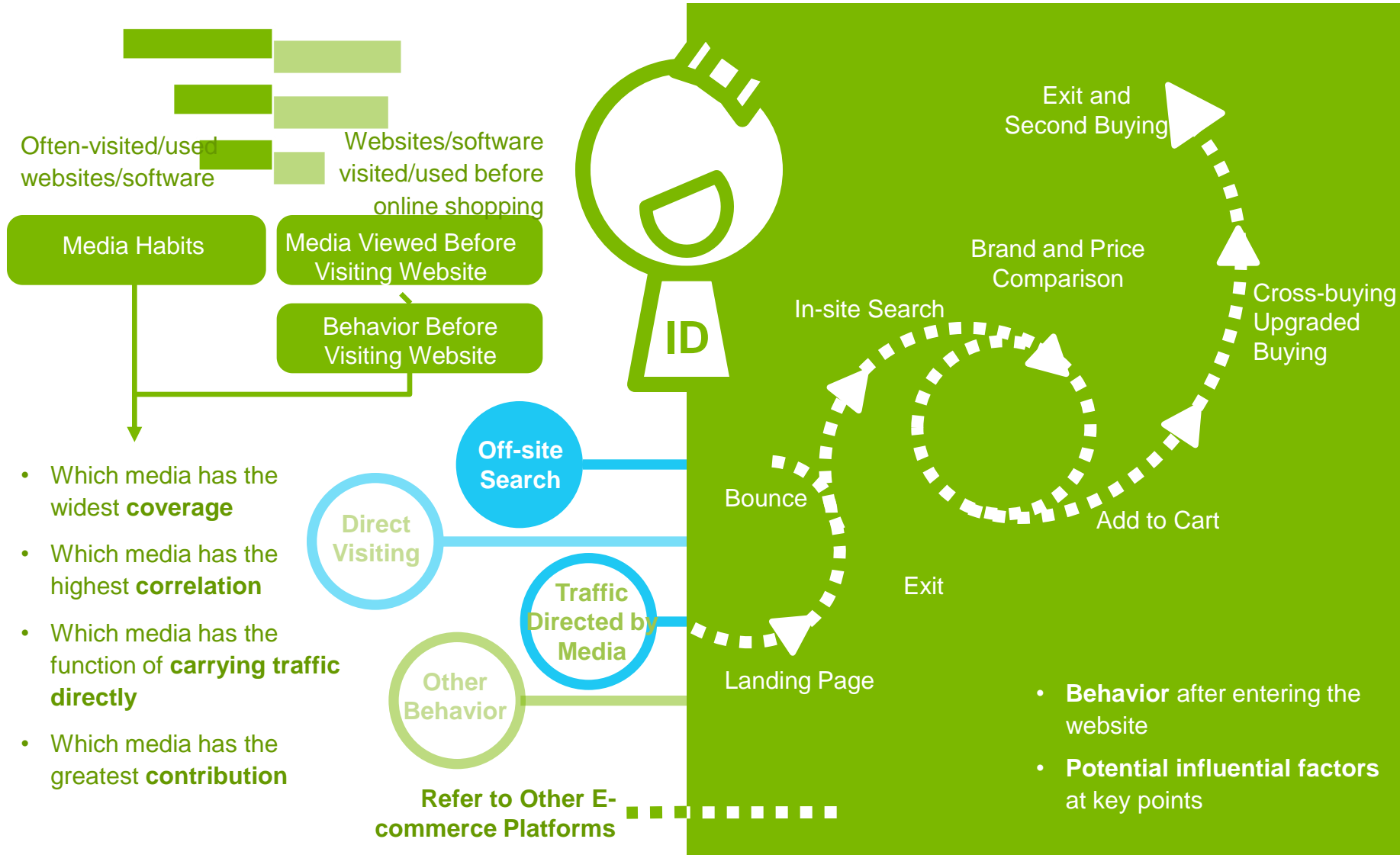
iEcTracker data reveals that in Q2 2014, the online trading of milk powder were mainly in the price ranges of 100-200 Yuan (32.9%), 200-300 Yuan (25.9%) and more than 500 Yuan (22.9%). 56.9% of the deals made via C2C channels were between 100 and 200 Yuan, followed by the deals between 200 and 300 Yuan at 29.3%. This is mainly because that the goods on taobao.com are mostly sold by single pieces and seldom in package. As for B2C channel, 38.5% of the deals were above 500 Yuan, followed by the price range of 200-300 Yuan. The reason may be that the packaging sales and sales of single commodity via B2C channel are in different SKU. Additionally, there is little overseas purchasing service provided by individuals on B2C channel, and the goods are mostly sold by import and export dealers, so the unit price is relatively higher than that purchased by individual agents.

Deal Prices of Milk Powder on Different Platforms in Q2 2014



Online Shopper Research Methodology

Overall Display of Online Shoppers and Shopping Flow



1

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2

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3

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4

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5

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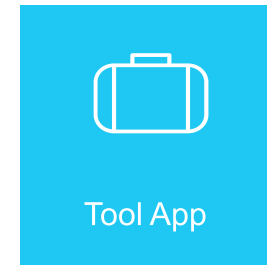
Key Points

Major Vertical Maternal & Baby Websites: E-commerce Websites, SNS and Tool Apps

Currently, there is a large population of newborn babies and the maternal & baby market is getting professional. Most of new mothers born in 1980s and 1990s are used to getting information on the Internet and shopping online. In addition, most of them are the only child in their family. These independent females lack parenting knowledge and thus desire to attain it. Propelled by the demand, maternal & baby websites have gained their popularity and are undergoing fast development.

Overall, besides the online business of traditional companies in maternal & baby industry like leyou.com and the e-commerce business of maternal & baby channels of traditional online media such as pcbaby.com, the major vertical maternal & baby related e-commerce participators also include: (1) **e-commerce business of vertical maternal & baby or parent-child communities and life service websites**. Some companies focus on selling featured products, some are engaged in e-commerce, and others will put more effort in e-commerce in the future which are represented by Babytree, Mama, Yaolan and Ci123; (2) **vertical maternal & baby products e-commerce websites** which deals in traditional sales or special offer. For instance, muyingzhijia.com and M6go.com focus on traditional sales and sometimes flash sales, while beibei.com, miyabaobei.com and ve.cn concentrate on special offer. As self-run websites or e-commerce platforms with the positioning of special offer or mall, these companies are pursuing differentiated development; (3) tool apps which emerge together with the rapid development of mobile Internet. Apps' income still mainly comes from games, advertising and e-commerce, as the users are not willing to pay. **Some apps for females also begin to set foot in e-commerce especially traffic directing and flash sales business**, making them new participators in the vertical maternal & baby products e-commerce sector, such as Lmbang.

In conclusion, there are a large number of maternal & baby-related online platforms which are developing in a variety of ways. Cases in this chapter mainly concern the development of online platforms, websites and apps and they are ordered by the initial of their names in Chinese Pinyin, including Babytree, Beibei, Lmbang, Mama, Miyabaobei, PCbaby, Ve, Yaolan and Ci123.



Relations Among Online Platforms

Combination of E-commerce, Community and Tool

The combination of social networking and e-commerce has been a new trend, by which the traffic attracted by content can be monetized, and this pattern also provides possibility for consultative selling.

For maternal & baby communities and life service platforms, most of their income comes from advertising, while vertical e-commerce websites earn profits mainly from gross profits or commissions.

Parenting information, interactive communication and maternal & baby e-commerce websites used to be separated from each other. However, an increasing number of online platforms are having a variety of functions by building one-stop experiencing platform. Users concern more about reputation and trust, which propels the combination of communities and vertical e-commerce websites. On one hand, on comprehensive maternal & baby-related websites, e-commerce is considered as a service. As a part of one-stop online service, e-commerce has been a monetization model. E-commerce is included in the community. On the other hand, while buying maternal & baby products, mothers are more cautious and desire more knowledge and information. Thus, they turn to communities and other media for help and that's why e-commerce platforms start exploring community business.



• Social Networking Boosts E-commerce

- Background: the existing demand for maternal & baby products is rigid demand. Thus, social networking e-commerce operators should recommend and sell the products that suit mothers best by making use of their advantages.
- Difficulties: social networking and shopping are separated, so it is hard to start e-commerce business only based on social networking and develop it in a large scale. The primary problem to be tackled is credit and safety of the products.
- Significance: on one hand, SNS can further exploit the value of data and find another way, except advertising, to make profits. On the other hand, it can provide not only information but also other services.

• E-commerce Boosts Social Networking

- Background: communities in e-commerce work for the e-commerce business so as to reassure mothers by providing more information of the products. On one hand, it can attract new users and enhance the stickiness of old users. On the other hand, it helps to achieve more sales and bind more users.
- Difficulties: mainly relying on external cooperation, there is little social networking and interaction on maternal & baby product e-commerce websites.
- Significance: comprehensive platforms always does not pay enough attention to the interaction of social networking. However, as the shoppers of maternal & baby products are a sub-group, e-commerce and social networking are complementary to each other.

Typical Maternal & Baby Websites

Babytree.com: An Online Parenting Community



Company profile: Babytree.com was launched in 2007. It aims to provide a multitude of high quality online and offline services for parents. With the successive launch of mobile app and offline early education, it has grown from a vertical website into a diversified parenting platform that provides both online and offline services. It serves parents in pregnancy or with children aged from 0 to 6 years old. Babytree's vision is to raise a healthy, friendly, intelligent and brave generation.

Business pattern: Babytree has a PC websites, an mobile app, a family early education product—Mika's World and a maternal & baby products trial package—Babybox. Since 2012, Babytree has started tapping into e-commerce business. After more than two years, it succeeded in turning community traffic into online sales and providing relatively mature solutions. In July 2014, it officially entered e-commerce sector and launched two smart hardware.

Organization	Profit Pattern	Operation Data	Financing
<ul style="list-style-type: none">➢ It launched babytree.com in March 2007, Mika Early Education Package in 2011, Happy Pregnancy, an App, in 2012 and, Meitunmama, an e-commerce platform, at the end of 2014.➢ With PC website, mobile app, early education products and trial package, it operates e-commerce and launches smart hardware.	<ul style="list-style-type: none">➢ To B:<ul style="list-style-type: none">• Advertising business of big clients• Advertising business of small and medium clients➢ To C:<ul style="list-style-type: none">• E-commerce business (self-support business, platform and self-owned products [Mika early education products])	<ul style="list-style-type: none">➢ Total UV of PC website and app exceeded 100 million.➢ DAU of Babytree Pregnancy (previously Happy Pregnancy) reached 3.5 million.	<ul style="list-style-type: none">➢ It got financing from well-known investment institutions like Matrix Partners, Hainabaichuan Investment, CBC Capital, TAL (previously Xueersi Group). Several rounds of financing fuel its development.

Typical Maternal & Baby Websites

Beibei.com: the Most Trusted Platform Providing Special Offer

Company profile: beibei.com is subordinate to Hangzhou Beigou Technology Ltd. Established in April 2014, it gained financing worth 100 million Yuan in August. Half a year after launching, the total sales exceeded 100 million Yuan, making it the biggest platform to provide special offer of maternal & baby products in China.

Business pattern: it builds a joint operation platform featured with authentic brand products, exclusive discounts and flash sales. It mainly provides special offer of children's wear, children's shoes, toys and children's items. It combines high quality upstream supply chain and penetrates the market with non-standard products, on the basis of which it then explores the business of standard products. In the process of operation, it keeps accumulating maternal & baby related big data and carries out precision marketing based on the data, which is the core advantage of the e-commerce targeting specific consumers.

Positioning & Pattern	Product Management	Operation Data	Characteristics
<ul style="list-style-type: none">➢ E-commerce for mothers: it focuses on providing products and services for mothers and babies. It covers multi-platforms and categories to meet mothers' need.➢ Flash sales with special offer: all products on beibei.com are sold in form of special offer with limited amount and within limited period of time.➢ Joint operation platform: it also serves as a platform for businesses.	<ul style="list-style-type: none">➢ Buyer-oriented: it offers shoppers with high quality products and comfortable shopping experience. A special team of buyers is in charge of selecting products.➢ Sellers: it provides suppliers with an efficient and convenient channel with low cost, which directly meets shoppers' need.➢ Authentic products: products' quality is insured by PICC.	<ul style="list-style-type: none">➢ Beibei.com was launched in April 2014.➢ In August 2014, it got financing worth 100 million Yuan from its parent company, Husor as well as Banyan Capital and IDG. Also in August, its monthly sales exceeded 60 million Yuan.➢ Half year after launching, the monthly sales exceeded 100 million Yuan. In October 2014, the figure hit 120 million Yuan, of which mobile sales accounted for more than 70%.	<ul style="list-style-type: none">➢ It operates both mobile and PC business. The current mobile sales accounted for more than 50%.➢ Big data: it conducts precision marketing based on the big data related to maternal & baby business.➢ Supply china: it cooperates with suppliers of high quality to get products with high cost performance. It entered the market with non-standard products which then drive the sales of standard products.

Source: Based on publicly available information and interviews with experts.

Typical Maternal & Baby Websites

Lmbang.com: Mobile community + Mobile E-commerce



Company profile: Lmbang.com is a platform where married women share their experience of life and parenting and record their life. In September 2014, Lmbang launched lamall.com to provide special offer of imported maternal & baby products.

Business pattern: it adopts mobile community and mobile e-commerce. In the community, married women discuss issues of their interest in different groups, covering parenting, fashion, travel, emotion, mother-in-law and daughter-in-law issues and shopping. The pattern of “C2B2C recommendation” is based on the community. According to users’ demand and suggestions, Lamabang decides what to buy.

Community	E-commerce	Operation Data	Financing
<ul style="list-style-type: none">➢ Starting with app: different from most vertical maternal & baby websites, Lmbang.com started with mobile app and then expanded to web services.➢ Organization pattern of community: maternal & baby websites usually group users according to their regions. However, Lmbang.com groups users according to their hobbies and interest, such as the fashionable hot moms group.	<ul style="list-style-type: none">➢ Cross-border e-commerce: 1. products are mailed directly from overseas; 2. products are purchased overseas and stored in bonded areas or warehouse in Beijing, and then sent to users.➢ Product selection: C2B2C recommendation pattern: 1. information and suggestions are collected from users of its community; 2. it adopts technological analysis to analyze 100 million pieces UGC on Lmbang community accurately in order to catch users’ need.	<ul style="list-style-type: none">➢ By November 2014, Lmbang.com had 45 million registered users and more than 30% of them are daily active users, with a more than 60% retention rate.➢ Most of the contents are UGC, having more than 1 million posts and replies as well as 200 thousand uploaded pictures every day.	<ul style="list-style-type: none">➢ In August 2013, in the series A round, it got investment worth several million dollars from Matrix Partners, Xianfenghuaxi and Morningside Ventures.➢ In July 2014, in the series B round, it got investment worth 20 million dollars from Greenwoods Investment, Morningside Ventures, Vip, Matrix Partners and China Renaissance K2 Ventures.

Typical Maternal & Baby Websites

Mama.com: A Big Parenting Platform



Company profile: Mama is a strategic partner of Tencent. It owns two parenting apps — Mamaquan and Mamaguanjia, a professional vertical information portal — mama.cn and 32 PC sites based on cities. These platforms are connected with each other directly. In 2014, it launched an official website, xiaoshuxiong.com, to provide special offer of imported products, which marks the formation of “big maternal & baby ecosystem” covering information, social networking, e-commerce and O2O.

Business pattern: it is a typical e-commerce company with social networking service. The ten-year experience of social networking is an advantage for it to solve the problem of e-commerce user source. Word of mouth plays an important role in product selection, purchase, experience sharing and traffic directing which involve users at home and abroad. It builds an ecosystem covering content and purchasing, providing a customized and socialized shopping platform for users. There is no doubt that the combination of e-commerce and social networking is the best pattern for e-commerce in maternal & baby sector.

Structure	Operation Data	E-commerce	Future
<ul style="list-style-type: none"> ➢ 4 major parts: ➢ Information: mama.cn provides professional parenting information; ➢ Social networking tools: 32 PC sites based on cities, 2 apps named Mamaquan and Huaiyunguanjia; ➢ O2O: it provides localized services in different cities both online and offline. ➢ E-commerce: xiaoshuxiong.com, Feimaibuke, C2C and situational shopping. 	<ul style="list-style-type: none"> ➢ PC: it has 32 PC sites based on cities and holds more than 3,000 offline activities every year. It established strategic partnership with Tencent. By December 2014, it owned more than 22 million registered users. ➢ Mobile: Mamaquan and Huanyunguanjia have 30 million users, attracting a large number of users for mama.cn. ➢ The platform has more than 52 million users overall. 	<ul style="list-style-type: none"> ➢ Feimaibuke: it is a channel providing shopping guide. An experienced operation team selects high quality information to meet users' need. The order volume a day once exceeded 10,000, proving that it is a right direction of e-commerce. ➢ Xiaoshuxiong.com: it is a self-run e-commerce platform for imported products. The coordination of purchasing, operation team and delivery service is its foundation. It also gains strong support of platform and system from its online community. 	<ul style="list-style-type: none"> ➢ It creates a maternal & baby ecosystem consisting of tools and social networking as well as online and offline consumption. ➢ It focuses on two apps which solve key issues of maternal & baby sector and attract a continuous flow of users. ➢ The development of xiaoshuxiong.com results in the breakthrough of profit pattern.

Typical Maternal & Baby Websites

Miyabaobei.com: Flash Sale of Imported Products



Company profile: established in 2011, Miyabaobei focuses on middle and high end imported maternal & baby products. The website was launched in March 2014 which targets middle and high end mothers and infants by combining boutique, authentic products and flash sale. It has finished three rounds of financing worth nearly 100 million dollars since establishment. In December 2014, it got series C round financing worth 60 million dollars. In terms of the speed and scale of financing, it is ahead of other vertical maternal & baby e-commerce companies. Mobile GMV accounts for 75% of its total GMV and maintains a high level of per customer transaction and repurchasing rate.

Business pattern: it focuses on special offer and self-run business. Its PC and mobile business both experience rapid growth, especially the mobile one. Its app, Miyaquan, integrates knowledge, experience and consumption. It already has competitive advantage in the global supply chain, achieved by trade, bonded import, direct mailing and purchasing from domestic agents. It cooperates with bonded areas in Guangzhou and Ningbo, and the cross-border trade volume in Ningbo bonded area has climbed to a leading position.

Positioning & Pattern

- Special offer: the main selling pattern of it, but it's likely to launch an online mall in the future.
- Global purchasing team: it has global purchasing teams in America, Germany, Australia and Japan. Their duty is to update products and manage products' sell-through rate and inventory turnover. It pays attention to the integration of purchasing and selling.

Product Management

- Overseas brand: half of the products are purchased overseas, and the rest is based on the cooperation between international brands' brand owner in China and general agency.
- Relevant data: 400+ brands and 15,000+ SKU. The percentage of milk powder and diapers is lower than 50%.

Operation Data

- Since the launch, it has had more than 1 million members. Since October, repurchasing rate has exceeded 70%.
- Its app was launched in June 2014 and mobile GMV has accounted for more than 75% of the total GMV.
- It is predicted that its GMV will exceed 500 million Yuan in 2014.

Warehousing & Logistics

- Warehousing: it owns a major warehouse in Beijing and cooperative warehouses in bonded areas in Ningbo and Guangzhou which are supervised by the customs. It also has overseas warehouses in America, Australia, Japan and Germany.
- Logistics: it cooperates with third-party logistics companies.

Typical Maternal & Baby Websites

Pcbaby.com.cn: Practical Parenting Information & Services

Company profile: pcbaby.com.cn, launched in March 2007, is owned by PC Group. It dedicates to healthy parenting and high quality life. It provides practical information and services for parents of children between 0 and 6 years old concerning pregnancy, child rearing and education, family life and family consumption, etc.

Business pattern: it is a professional parenting website owned by PC Group. Its PC business consists of information, interaction and shopping guide, while mobile business is composed of app and wap site. Advertising is its major business model, and shopping guide is the main e-commerce business, assisted by platform business.

Structure

- It is owned by PC Group and was launched in March 2007;
- The PC business contains channels of pregnancy, postnatal care, child rearing, life and living goods as well as interaction products like my.pcbaby.com, forum and Q&A;
- The mobile business consists of app and wap site.

Profit Pattern

- Advertising: community marketing + mobile marketing;
- E-commerce: best.pconline.com is its channel to provide special offers and shopping guide.

Operation Data

- It has 8.2 million valid registered users and 3.6 million active users.
- Information channel: the website editorial team writes more than 80 articles on average a day.
- Parent-child forum: average 7,000 posts a day;
- Expert Q&A: more than 350 thousand expert Q&A entries every year.

Future

- In 2015, it will focus on mobile business and pay more attention to adjusting product categories and operation pattern for mother born in the 1990s.
- It will invest more in e-commerce and introduce new pattern in 2015.

Typical Maternal & Baby Websites

Ve.cn: International Products for Mothers and Baby



Company profile: ve.cn is positioned to provide international products for mothers, infants and children. It features with authentic well-known brands, overseas purchasing, special offer and flash sales. It is a website dedicating to providing excellent and right products for consumers.

Business pattern: (1) well-selected: the professional buyers team is composed of experts of children's health, children's psychology and designers of children's wear and children's products. They provide the most suitable products for children and mothers; (2) special offer: it purchases authentic products abroad and provides special offer or flash sales of these products and domestic big brands. Flash sales are offered at different time periods every day with discounts as much as 90% off; (3) overseas purchasing: it establishes strategic cooperation with global famous brands to build the biggest purchasing management team in maternal & baby industry to purchase what consumers want the most.

Characteristics

- Staff: it has a Sydney branch and buyer teams around the world. The operation team has e-commerce experience of 15 years.
- Technology: the big data mining provides experience of different users and makes accurate push of commodities possible.
- Supply chain: it purchases standard products overseas without middlemen and cooperates with domestic big brands concerning non-standard products to provide special offer and flash sales.
- Vertical categories: products cover the whole maternal & baby sector and radiate related derivative products.

Commodity Management

- Warehousing: it has overseas warehouses in Holland, Australia, etc. and six warehouses in China.
- Logistics: it is the first company to launch a logistics tracking system in the maternal & baby industry and sets self-pick-up sites in bonded areas.
- Guarantee of authentic products: products are jointly insured by it and CIC. If a product is not authentic, the buyer will get a compensation which can be as high as 500 thousand Yuan. It also works with law offices to fight against counterfeits.

Operation Data

- It was launched on August 1 and had gained nearly 1 million members by early December.
- The current daily sales is close to 200 thousand Yuan.
- Thanks to the member marketing strategy, the repurchase rate arrives at 60% to 70%.
- Mobile business accounts for more than 60%.
- Products meet the need of children between 0 to 14 years olds and their mothers, with emphasis on shoes, clothes and toys.

Managers & Financing

- Guo Xiaolu, chairman of the board, has experience in brand operation of Guanggu Group (e-commerce industrial park, business attracting and operation) and Fengming Group (operator of Chnskin, an e-commerce brand).
- The company employs management and technology talents who once worked in listed e-commerce companies.
- It gained venture capital worth 30 million dollars before entering the market.

Typical Maternal & Baby Websites

Yaolan.com: to Be the Biggest Maternal & Baby Platform in the World

Company profile: created in America Silicon in 1999, yaolan.com was launched on December 15, 1999. In more than a decade, it has been focusing on maternal & baby industry and provides young parents with professional parenting and educating knowledge. It creates channels for mothers to communicate with each other. Since its e-commerce business has entered a new stage, it will build a comprehensive platform where mothers can obtain parenting knowledge, communicate with each other and have access to parenting services. Besides, it cooperates with offline institutes to hold offline activities for mothers and provide both online and offline solutions.

Business pattern: yaolan.com has not only PC and mobile websites but also apps. Profits come from marketing and e-commerce. Its e-commerce business is based on the accumulation of big data and experience of more than a decade, and now it has shopping guide business. In the future, platform business (not self-run) will be the main part of its e-commerce business.

Learning & Sharing	Product & Business Pattern	Operation Data	Future
<ul style="list-style-type: none">➢ It cooperates with more than a thousand experts and foreign research institutions in maternal & baby field to produce content of high quality. There is also UGC.➢ The cooperation with many maternal & baby service institutions improves the content on yaolao.com.➢ Experts and users can have one-to-one communication, so knowledge is exchanged more freely.➢ Communities help to establish a better sharing environment.	<ul style="list-style-type: none">➢ Yaolan.com has online and offline channels or products, including yaolan.com/zhishi/, ask.yaolan.com, space.yaolan.com, myYaolan/baby space, try.yaolan.com (including MamiBox) and activities.➢ The business pattern is centered on advertising, assisted by online education and some e-commerce business (which will be one of the priorities in the future).	<ul style="list-style-type: none">➢ It cooperates with 1,000+ experts and plans to work with 10,000 gynecologic experts in 2015.➢ It cooperates with 400+ companies of good quality in the world.➢ It serves pregnant women and children between 0 and 6 years, and 50-60% of the content is about those between 0 and 3 years old ;➢ It focuses on consumers in Beijing, Shanghai, Guangzhou, Shenzhen and cities on the east coast, while business in second and third tier cities is growing fast.➢ It is estimated that total income in 2014 will exceed 100 million Yuan, with advertising contributing 70 to 80%.	<ul style="list-style-type: none">➢ It will strive to develop e-commerce platform and attract excellent suppliers and resources around the world.➢ In 2015, it will launch several apps about pregnancy preparation and pregnancy care. It will also provide services for children aged from 0 to 6 years old.➢ In addition, it will launch smart devices to reinforce business related to early education and health management.

Typical Maternal & Baby Websites

Ci123.com: Comprehensive Maternal & Baby Solutions



Company profile: launched in February 2006, ci123.com provides comprehensive maternal & baby solutions for families, which includes online parenting solutions and offline education service. Online business includes PC website, app group and cross-platform services like social networking platform and set-top box. Offline business includes its early education center (Jim's workshop).

Business pattern: ci123.com has PC website and app group. The cross-platform service creates synergy effects. Marketing and e-commerce play an important part in its profit pattern. Meanwhile, its offline business covers an early education center (Jim's workshop), children's game, self-owned products, smart devices, as well as entertaining and education products for children. E-commerce comes naturally as a result of the company's growth and it mainly provides shopping guide, flash sales and OEM products.

Structure	Profit Pattern	Operation Data	Highlight
<ul style="list-style-type: none">➢ Online business: ci123.com for PC and wap version of ci123.com as well as app group (Mamashequ, Yunqitixing and Ci123) for mobile devices. It also operates on several social platforms.➢ Offline business: early education center (Jim's workshop).	<ul style="list-style-type: none">➢ Advertising: community marketing + mobile marketing + cross-social-platform marketing➢ E-commerce: shopping guide + flash sale + sale of OEM product➢ Early education business: offline early education center + early education app + entertaining early education products➢ Smart devices.	<ul style="list-style-type: none">➢ 22 million registered users➢ 300 thousand new photos and 70 thousand new posts on average a day➢ 20 million PV per day, 3 million UV per day and 80 million monthly UV.	<ul style="list-style-type: none">➢ By starting IPTV business, it has a multi-terminal business including PC, mobile devices, TV and social media.➢ IP contents like animation characters propel the generation of derivative products.➢ Early education business will expand to online sector.➢ It expands O2O business based on regional coverage of users.

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