



Alipay 2014 Spending Report Sheds Light on Chinese Online Spending Behavior

Hangzhou, December 8, 2014 – Alipay, China's largest online payment service provider, marks its 10-year anniversary today with the release of its Annual Spending Report, highlighting the development of online economic activity and consumer behavior of Chinese Internet users over the past decade (2004 through October 31, 2014). According to the report, the availability of online-payment services has played a major role in making goods and services widely accessible throughout Chinese society, especially in less-developed interior provinces and counties where people now enjoy equal access to branded products at the same prices as those living in first- and second-tier cities.

Over the past decade, Alipay has expanded from an online shopping payment tool into a multi-functional payment provider covering a wide range of goods and services. The report noted that the number of payments for utility bills, credit card, mobile phone recharge and money transfer reached 6 billion over the past 10 years. It is worthwhile to note that Yu'e Bao, a financial platform that allows users to invest idle cash in their Alipay account, has created a new channel for products that is readily accessible to and easily understood by investors and savers anywhere in the country. As of the end of Sep 2014, Yu'e Bao users had realized more than RMB20 billion in interest income from the money market fund since its inception in June 2013.

Meanwhile, with ongoing advances in mobile Internet technology, e-commerce in China continues to shift from desktop PCs to smartphones and other mobile devices. From 2012 to 2014, the proportion of mobile payments to total payments in some of the country's less-developed regions more than doubled, indicating consumers in rural areas and smaller cities are quickly adopting mobile devices as their primary tool for online shopping as [more people in China have access to mobile](#) devices and smartphones.

For example, in Tibet this year, more than 62 percent of Alipay payments came via mobile (up from 32.7 percent last year), the highest penetration rate out of all Chinese provinces and municipalities. For the country as a whole, the percentage of mobile transactions to total transactions was 54 percent this year, up from 22 percent last year.

The report also revealed that 42.3 billion payments were settled by Alipay over the past 10 years. During that period, the nation's coastal provinces and first-tier cities have typically led the nation in terms of online spending volume. Shanghai and Beijing along with Guangdong, Zhejiang and Jiangsu provinces are the top regions, together accounting for just over 55 percent of total transactions settled by Alipay this year. In terms of individual online spending, residents of the city of Hangzhou, Zhejiang's provincial capital, were the most prolific. On average, Alipay's Hangzhou users spent RMB 44,197 online for goods and services in 2014.

However, consumers in smaller cities and rural areas are increasingly part of the spending mix. For example, Alipay users residing in the Zhejiang Province town of Yiwu spent an average of RMB 65,160 online this year, the highest amount of any city, town or province in the country. Meanwhile, remote Western cities such as Lhoka and Shigaste in Tibet and Bortala in Xinjiang Province have for the past 10 years ranked among places where online spending is growing fastest in China. In the past decade, average annual online spending in Lhoka grew 600 fold while the average of Shigaste residents grew 145 times.

At the end of last year, there were 177 million Internet users in rural China, accounting for 28.6 percent of the country's entire Internet population, according to the China Internet Network Information Center (CNNIC).

With more than 300 million real-name registered users in China, who have passed the ID verification process, Alipay handles more than 80 million transactions daily. The Alipay Wallet mobile app has 190 million active users who access the app to shop, pay utility bills, book hospital appointments, pay for taxi rides and make investments.

About Alipay

Launched in December 2004 and operating as an important participant in Alibaba Group's ecosystem, Alipay (www.alipay.com) provides secure, trustworthy and convenient online and mobile payment services. Alipay currently collaborates with over 200 financial institutions and provides payment solutions for nearly 10 million small and micro businesses. As of December 2013, Alipay reached 300 million real-name registered users. According to iResearch, Alipay is the largest third-party online payment service provider in China by total payment volume. Alipay is a business within Ant Financial Services Group and provides payment and/or escrow services for Alibaba Group's marketplaces through contractual arrangements.

Media Contacts

Robert H. Christie
Alibaba Group
+1 917 860 9410
bob.christie@alibaba-inc.com

Rachel Chan
Alibaba Group
+852 2215 5209
rachelchan@hk.alibaba-inc.com