

Trends in the Chinese digital commerce landscape

Following DeepSeek's disruption of the AI space, we worked with industry experts to explore the trends shaping China's digital growth.

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China in the digital space

Introduction

China is a global leader in digital innovation, driving advancements in B2B e-commerce, AI, manufacturing, and digital governance. While some businesses see China as challenging to enter, those who understand its landscape can unlock significant opportunities.

Pioneering mobile-first commerce, AI-driven personalisation, and large-scale digital transformation, China's platforms like Alibaba, Tencent, and JD.com set global benchmarks in efficiency, engagement, and scalability. Learning from these trends allows businesses to adapt and stay competitive.

At Box UK, we collaborated with Lucidata and FPT to deepen our understanding of China's market:

- **Lucidata:** a leading Chinese e-commerce and digital marketing firm, with expertise across FMCG, healthcare, and automotive sectors. As a certified partner of platforms like Alibaba, JD.com, and WeChat, Lucidata provides valuable insights into B2B trends and innovations. We interviewed experts to gain insights into major Chinese digital trends.
- **FPT:** Vietnam's largest IT services company, with deep experience in the Chinese market. Their expertise offers practical lessons for businesses looking to enter China.

This white paper highlights key trends and real-world examples from our collaboration with Lucidata and FPT, equipping businesses with the insights needed to navigate and succeed in one of the world's most dynamic markets.

Subject Areas

What are the main themes explored in the research?

China's B2B E-Commerce Boom

The influence of B2C on the B2B space

AI Innovation

Automation and Manufacturing

Data Privacy and Digital Governance

What else do Western companies need to know?

China's B2B E-Commerce Boom

China's B2B e-commerce market is the largest in the world, surpassing 16.7 trillion yuan in 2023 (1,802,818,440,000.00 pounds), with projections to reach 20.2 trillion yuan (2,180,654,640,000.00 pounds) by 2026 (source: [Statista](#)). Platforms like 1688.com, JD.com, and Alibaba's Tmall are transforming procurement, supply chain management, and customer engagement.

Taking a look at Alibaba's 1688 platform, we can see B2B solution excellence in how it provides a comprehensive ecosystem for small businesses to connect with manufacturers, streamlining order fulfillment and payment processes. Meanwhile JD.com has implemented AI-driven forecasting models for inventory management, reducing lead times and improving accuracy in B2B transactions.

We spoke to industry experts to get their take. They affirmed how China's B2B platforms are evolving

from transactional marketplaces to integrated supply chain ecosystems, enhancing efficiency through real-time coordination and zero-inventory models. For example, suppliers can adjust deliveries in real-time based on buyers' production schedules, achieving zero-inventory efficiency.

Driven by the Belt and Road Initiative - a Chinese plan to improve trade and infrastructure across Asia, Africa, and Europe - these platforms are expanding globally while diversifying into financial services, smart logistics, and big data analytics to offer comprehensive industry solutions.



Phone in Chengdu, China

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From R&D to after-sales, suppliers can adjust deliveries in real time based on buyers' production schedules, achieving zero-inventory efficiency. Additionally, cross-border expansion, driven by the Belt and Road Initiative, allows China's manufacturers to leverage B2B platforms to export cost-effective products while importing advanced technologies to strengthen global supply chain integration.

The market is undergoing rapid digital transformation, with businesses utilising data analytics for precision marketing, IoT for real-time supply chain monitoring, and cloud computing to optimise costs. Mobile B2B e-commerce is expanding, enabling buyers to place orders and track logistics seamlessly via apps. At the same time, sustainability is becoming a priority, with platforms promoting eco-friendly procurement, such as certified green building materials.

These trends are collectively enhancing efficiency, accessibility

and environmental responsibility across the B2B sector in China.

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Mobile B2B e-commerce is growing rapidly, with transactions increasingly shifting to mobile applications. This enables buyers to place orders and track logistics on the go. Additionally, sustainability and green development are becoming key focus areas.

Key takeaway:

Businesses must adopt a digital-first mindset and leverage AI-powered platforms to succeed in China's B2B landscape. When operating in the B2B space, attention must be given to the full supply chain ecosystem so that efficiencies can be driven across the process while also maintaining a commitment to sustainability and meeting user needs.

The influence of B2C on the B2B space

China's leadership in B2C e-commerce innovation is reshaping expectations for B2B buyers. Trends like "reverse Haitao" (source: [China Internet Watch](#)) highlight the growing preference for Chinese brands in Western markets. B2B buyers now expect personalised, intuitive digital experiences similar to those offered in B2C platforms like Tmall and JD.com. Features such as AI-driven product recommendations, real-time customer engagement, and tailored content have become the norm. JD.com's B2B division, for instance, leverages AI to recommend procurement options based on historical purchasing behaviour and seasonal trends.

Historically B2B ecommerce practices have been starkly different to B2C. B2B has generally been optimised for business efficiencies rather than the optimisation of user driven journeys that we see on B2C.

However, industry experts agree that more than ever B2C practices are reshaping B2B commerce in the Chinese commerce space, with buyers expecting a similar convenient shopping experience. Seamless ordering, rapid logistics, and personalised service are becoming the standard in B2B.

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B2B buyers now expect a shopping experience similar to B2C, including quick product searches, seamless ordering, and efficient logistics. High-quality after-sales support and customer feedback mechanisms, common in B2C, are also driving improvements in B2B service levels.

More than ever, creators of B2B ecommerce experiences need to learn from the trends of B2C in order to improve B2B experiences and meet the increasing expectations of end users. But what are some of the features that we're seeing that demonstrate this? Our research explored how some B2B platforms now offer live-streaming services, allowing suppliers to showcase products and answer customer questions in real-time. Social commerce, driven by messaging apps like WeChat, facilitates instant buyer-seller communication beyond traditional channels. Additionally, gamification features such as reward points and leaderboards are being integrated to boost engagement and encourage repeat purchases. These innovations are transforming B2B transactions into more dynamic and interactive experiences.



Wai Tan, Shanghai, China

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Key priorities for Chinese B2B customers include:

- 1. Convenience and mobile-first access:** seamless transactions on mobile devices.
- 2. Personalisation:** tailored recommendations based on browsing history.
- 3. Quality assurance:** strict anti-counterfeit measures and reliable after-sales services.
- 4. Real-time interaction:** live chat, live streaming, and instant customer support.

Key takeaway:

Companies that align B2B platforms with B2C-level personalisation and convenience will gain a competitive edge.

AI Innovation

It is unsurprising that with Deep Seek's explosive entry into the global market that AI Innovation is a key trend in the Chinese commerce space.

China is rapidly closing the AI gap with the U.S., hosting over 4,500 AI companies as of 2024 (source: [Forbes](#)). By 2030, AI could contribute \$600 billion annually to China's economy. Baidu's Apollo AI platform is leading the way in autonomous driving, while Tencent uses AI for real-time fraud detection in its WeChat Pay ecosystem.

AI integration in B2B operations drives efficiencies by automating repetitive tasks, enhancing decision-making through real-time insights, and enabling hyper-personalised customer experiences.



南江滨公园, Fuzhou, China

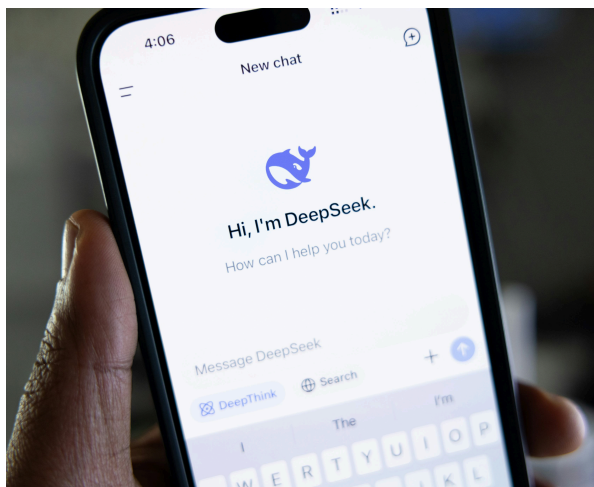
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AI has optimised supply chain operations by analysing historical sales data and market trends to forecast demand, minimise overstocking, and reduce shortages. It also enhances logistics by dynamically re-routing shipments to avoid delays, cutting costs, and improving delivery reliability.

The impact of Deep Seek and AI innovation in China can be seen across the B2B space. AI is transforming B2B operations through precision marketing, leveraging vast user data for hyper-personalised ad targeting. In customer service, AI chatbots provide 24/7 support, enhancing efficiency while reducing labour costs. Supply chains are also optimised with AI-driven demand forecasting, minimising overstocking and delivery delays. Leading e-commerce platforms

like Alibaba's Tmall use AI to deliver tailored product recommendations and dynamic pricing. Baidu's NLP advancements enable conversational AI chatbots that enhance customer interactions, making hyper-personalisation a standard in China's competitive market. These advancements improve operational agility, cost-effectiveness, and customer engagement.

So what's next for AI innovation in China? The expert opinion is that AI is becoming increasingly industry-specific, with applications such as demand prediction in niche sectors like agriculture. Multimodal integration is advancing, combining text, voice, and image recognition to improve customer interactions. In logistics, AI-driven smart warehouses and automated delivery systems are enhancing efficiency and accuracy. These developments are driving greater precision, automation, and responsiveness across B2B operations.



DeepSeek app

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The future of AI in e-commerce is about being specialised and interconnected.

But there's always security and ethical considerations to be considered. Businesses must adhere to China's Personal Information Protection Law (PIPL) to mitigate data privacy risks and ensure regulatory compliance. Algorithmic bias remains a concern, necessitating regular audits to maintain fairness in AI-driven recommendations. Additionally, the experts spoken to acknowledged that AI-driven automation threatens job displacement, and there is a drive for workforce retraining programs to create human jobs. Addressing these challenges is essential for responsible AI adoption and long-term industry sustainability.

Key takeaway:

Incorporating AI into core business strategies is critical to remaining relevant in China's fast-evolving market.

Automation and Manufacturing

China's dominance in advanced manufacturing is transforming global supply chains. Companies like Geely, Changan, and GAC are integrating AI and IoT into next-generation smart factories, driving efficiency and innovation in automotive technology.



Futuristic robot, China

For instance, Haier's COSMOPlat IoT platform allows for mass customisation of products by capturing real-time data from customers and adjusting production schedules accordingly. Even NIO, a leading electric vehicle manufacturer, has integrated robotics and AI to optimise assembly lines and improve production efficiency.

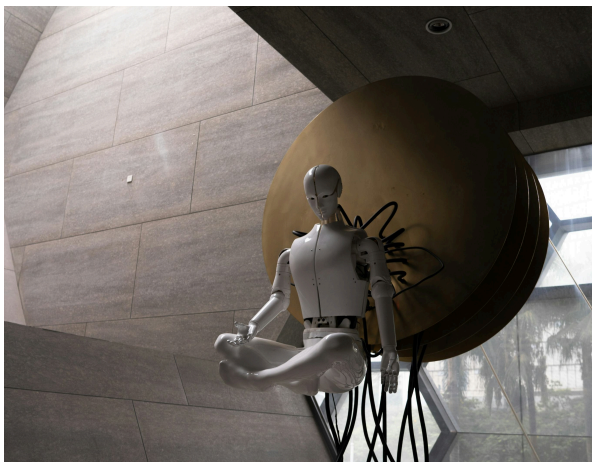
We asked industry experts what was next for China in the industrial world, and they said that advanced manufacturing is expanding, driven by growth in aerospace, high-precision machinery, and smart factories. The industrial internet is



Shanghai Tower, Lujiazui, Pudong

enhancing real-time collaboration by interconnecting factories, suppliers, and clients. Smart manufacturing is also advancing, with greater adoption of robotics and IoT to improve efficiency and sustainability. These innovations are reshaping industrial production through automation, connectivity, and precision.

Manufacturing is shifting toward flexible small-batch production to meet growing demand for personalised goods. Robotics advancements, particularly collaborative robots (cobots), are enhancing precision and efficiency in assembly lines; this has also been confirmed through a recent Design Sprint we ran with a leading cobot supplier. IoT integration in factories enables real-time data collection, allowing predictive maintenance to minimise downtime. These trends are driving greater adaptability, automation, and reliability in industrial production.



Shenzhen, Guangdong Province, China

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Robotics is experiencing a surge in collaborative applications, with cobots increasingly working alongside humans to enhance safety and precision, especially in 3C product assembly lines. Cobots assist with intricate tasks, such as precise component placement, boosting both efficiency and accuracy.

Key takeaway:

Businesses must align with China's advanced manufacturing practices to enhance operational agility and competitiveness.

Data Privacy and Digital Governance

Businesses looking to operate in China need to be aware of the rules surrounding data privacy. China's Personal Information Protection Law (PIPL) mirrors GDPR in many respects but introduces stricter controls on cross-border data transfers. Compliance with evolving regulations is essential for businesses seeking to operate in the Chinese market.

WeChat's parent company Tencent has implemented stringent data privacy measures, including enhanced user consent protocols and data encryption.



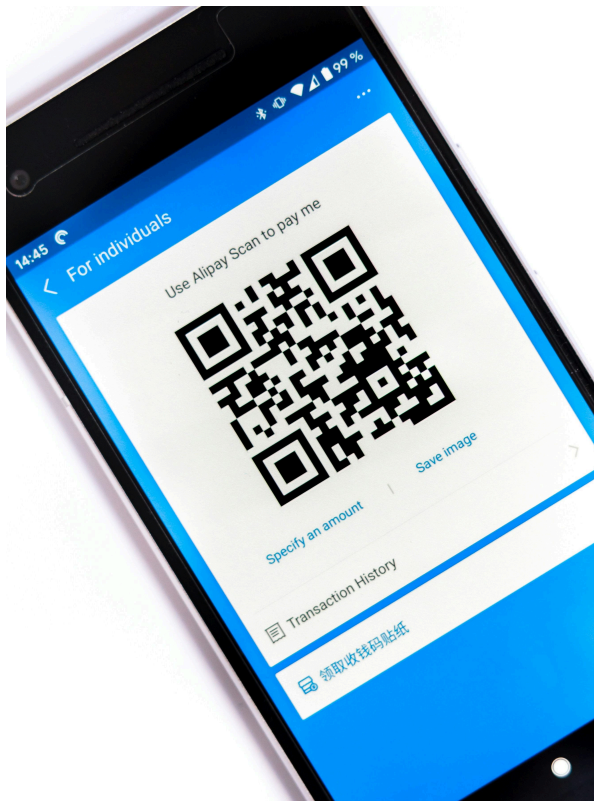
WeChat app

Companies operating in China must follow similar practices to ensure compliance and build trust with customers.

Businesses looking to operate in China must ensure strict compliance with PIPL and cybersecurity regulations to protect user data. Transparency in user consent is critical, requiring clear communication of data collection policies. Advanced security measures, including encryption and regular audits, are essential to mitigate risks. These efforts strengthen data protection and build trust in digital transactions.

Industry experts gave us their thoughts on what challenges will be faced by international companies entering China's digital market. They commented that regulatory compliance remains challenging, as China's data laws differ from international standards.

Cultural expectations around privacy and digital interactions further shape consumer behaviour. Intense competition gives local companies an advantage, leveraging speed and deep market insights. Successfully operating in this environment requires adaptability and a nuanced understanding of local dynamics, and many Western companies need to completely overhaul their data collection strategies to be compliant. Business must get explicit user consent for data collection and consider the stricter cross-border data controls and how there are additional legal contracts for overseas operations. Partnering with a local firm can help aid the transition and is the best strategy for legal compliance.



Alipay Scan

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Companies must rigorously study and comply with China's data privacy and digital governance laws, such as PIPL and cybersecurity regulations. Establishing a robust compliance management system, conducting regular internal audits, and proactively addressing gaps is essential to avoid penalties.



CCTV Cameras in Beijing, China

Key takeaway:

Companies must embed privacy-by-design principles to build trust and ensure compliance with Chinese data laws.

What else do Western companies need to know?

So what are the key differences between China and Western markets when it comes to B2B e-commerce strategy and execution? China's market strategy targets mid-to-low-end segments, leveraging scale and cost advantages for rapid expansion, while Western markets focus on high-end segments, emphasising brand reputation and product quality. Execution strategies also differ, with China utilising mobile payments, big data, and AI-driven automation to enhance efficiency, whereas the West prioritises industrial IoT and supply chain optimisation. In logistics, China excels in speed and automation, while Western markets emphasise customised solutions for complex industry needs. These strategic differences reflect varying market

priorities, technological investments, and competitive advantages.



China, view of the Country in East Asia

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There are significant differences in market positioning and expansion strategies between Chinese and Western B2B e-commerce platforms. In China, B2B platforms initially target mid-to-low-end markets, leveraging economies of scale and cost advantages to attract a broad user base. They typically maintain this strategy to drive large-scale expansion.

When it comes to user expectations in the Chinese market it's best to be prepared. B2B platforms are increasingly mobile-first, with buyers expecting seamless transactions and interactions on mobile devices. AI-driven personalisation can be explored to enhance user experience by providing tailored recommendations based on browsing behaviour. Quality assurance is a priority, with strict anti-counterfeit measures and reliable after-sales services ensuring trust. Real-time interaction, enabled by chat features and AI-powered support,

further enhances customer engagement and responsiveness.

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Western B2B platforms focus on the high-end market, prioritising product quality and brand building, with an emphasis on steady growth and long-term client relationships. In terms of execution, China leverages consumer-facing technologies like mobile payments and big data for transactional efficiency, while Western markets invest more in back-end innovations such as industrial IoT and supply chain optimisation.

Furthermore, it's important to understand the latest trends surrounding the commerce space. China's digital landscape is shaped by multiple intersecting trends that have set the nation apart as a leader in e-commerce and technological advancement. Customer interactions have transformed, with platforms like WeChat and Alipay evolving into super apps offering a range of services from payments to e-commerce.

The rise of 5G is fuelling innovations such as augmented reality (AR) shopping and real-time data analytics, creating seamless, omnichannel experiences for users. With widespread 5G deployment, companies like Tencent and Huawei are unlocking new possibilities in cloud gaming, smart home technology, and immersive digital experiences. This infrastructure empowers businesses to deliver cutting-edge customer experiences and operational efficiencies.

Also, platforms like Taobao Live and Douyin have turned livestreaming into a powerful sales tool, generating billions in sales during events like Alibaba's Singles Day. Social commerce platforms



Mobile users in Forbidden City, Beijing

such as Xiaohongshu (Little Red Book) integrate user-generated content with e-commerce capabilities, fostering authentic consumer engagement.

Meanwhile, The Guochao Trend – the trend of celebrating Chinese cultural heritage and domestic brands – is driving increased consumer loyalty. Companies like Li-Ning and Perfect Diary have successfully integrated traditional Chinese elements with modern marketing strategies to capture this sentiment.

Key takeaway:

By embracing mobile-first strategies, livestreaming, cultural authenticity, AI personalisation, and 5G innovations, businesses can thrive in China's highly dynamic and competitive digital marketplace.



Why understanding China's digital landscape matters

Understanding and engaging in China's digital B2B space is essential for businesses seeking growth in one of the world's most dynamic markets.

The rapid evolution of AI, IoT, and big data has transformed B2B platforms into integrated ecosystems, optimising supply chains, enhancing customer engagement, and driving industrial efficiency. However, success requires navigating unique regulatory frameworks, cultural differences, and intense local competition, where speed, innovation, and compliance play critical roles. Companies that adapt to these challenges—leveraging China's advanced digital infrastructure while aligning with market expectations—can unlock significant opportunities in the global economy.

Even for businesses operating solely in the West, there is much to learn from China's approach to digital transformation. From its mobile-first commerce and AI-driven personalisation to its rapid innovation cycles and data-driven decision-making, Western companies can adopt these best practices to enhance agility, improve user experiences, and remain competitive in an increasingly digital world.



WE ARE BOX UK

For over 25 years, Box UK has been delivering high-performance digital products and multi-channel experiences that help businesses thrive. Known for our speed, precision, and human touch, we go beyond consultancy — we become an extension of your team, sharing your challenges and ambitions to drive future growth.

Our global experience has seen us explore diverse user needs across countries and regions.

Understanding cultural nuances drives impactful solutions!

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RS Vietnam & Indonesia

Delivered localised e-commerce solutions with high usability.

Award-winning complex taxonomy and site-wide navigation received recognition in the 'Navigation Design for Websites' category.



OKdo

Developed a scalable e-commerce platform with advanced personalisation.
Delivering significant increases in average order value and revenue growth in excess of 150% year-on-year.



TBC Bank

Improved UX for a banking platform, increasing internet banking penetration from 20% to 80%, driving engagement and sales.