

Chapter III – Development of Internet Applications in China

In 2024, the Internet, AI, and other digital technologies boosted the development of the digital economy, facilitating the deep integration of the real and digital economies on the foundation of the real economy. The application of the Internet in transport and telecommunications, business services, and cultural industries was deepening. New business forms and scenarios were emerging, laying a more solid foundation for the integration of the digital and real worlds.

Overall Internet Development In China

In 2024, the number of Internet applications increased, as did their user base. Online literature, online meal ordering, online payment, and online travel booking recorded the fastest growth in user base, increasing by 54.74 million, 47.77 million, 75.05 million, and 39.35 million from December 2023, with growth rates of 10.5%, 8.8%, 7.9%, and 7.7%, respectively.

Table 5 Chinese User Size and Utilisation Ratio of Internet Applications from Dec. 2023 to Dec. 2024

(Unit: 10,000 people; %)

Applications	User scale by Dec. 2023 (10,000 people)	Percentage of Internet users using the application by Dec. 2023 (%)	User scale by Dec. 2024 (10,000 people)	Percentage of Internet users using the application by Dec. 2024 (%)	Growth rate (%)
Instant messaging	105,963	97.0	108,133	97.6	2.0
Online video ³³	106,671	97.7	107,018	96.6	0.3
Short video	105,330	96.4	103,953	93.8	-1.3
Online payment	95,386	87.3	102,891	92.8	7.9

Online shopping	91,496	83.8	97,443	87.9	6.5
Search engine	82,670	75.7	87,782	79.2	6.2
Live broadcasting	81,566	74.7	83,303	75.2	2.1
Online news	77,191	70.7	81,100	73.2	5.1
Online music	71,464	65.4	74,795	67.5	4.7
Online meal ordering	54,454	49.9	59,231	53.4	8.8
Online literature	52,017	47.6	57,491	51.9	10.5
Online office	53,706	49.2	57,048	51.5	6.2
Online travel booking	50,901	46.6	54,836	49.5	7.7
Online car-hailing services	52,765	48.3	53,945	48.7	2.2
Online medical services	41,393	37.9	41,765	37.7	0.9
Online audio	33,189	30.4	33,529	30.3	1.0

Note: User scale refers to the number of users of each Internet application. Growth rate is calculated based on the user scale.

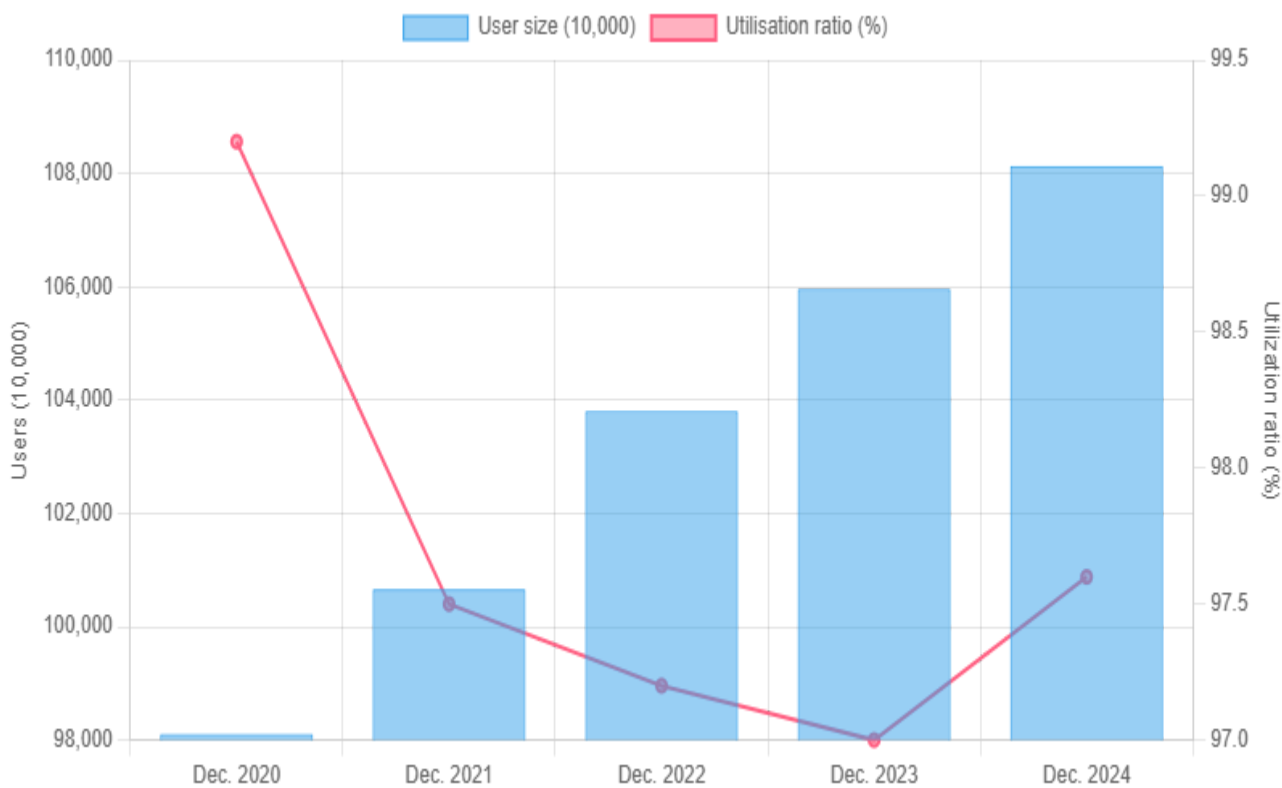
Source: Statistical Survey on China's Internet Development, December 2024.

³³ The user size of online video included micro-drama users by December 2024.

Basic Applications in China

As of December 2024, China had 1,081 million instant messaging users, an increase of 21.7 million from December 2023, accounting for 97.6% of all internet users.

Figure 21 User Size and Utilisation Ratio of Instant Messaging from Dec. 2020 to Dec. 2024

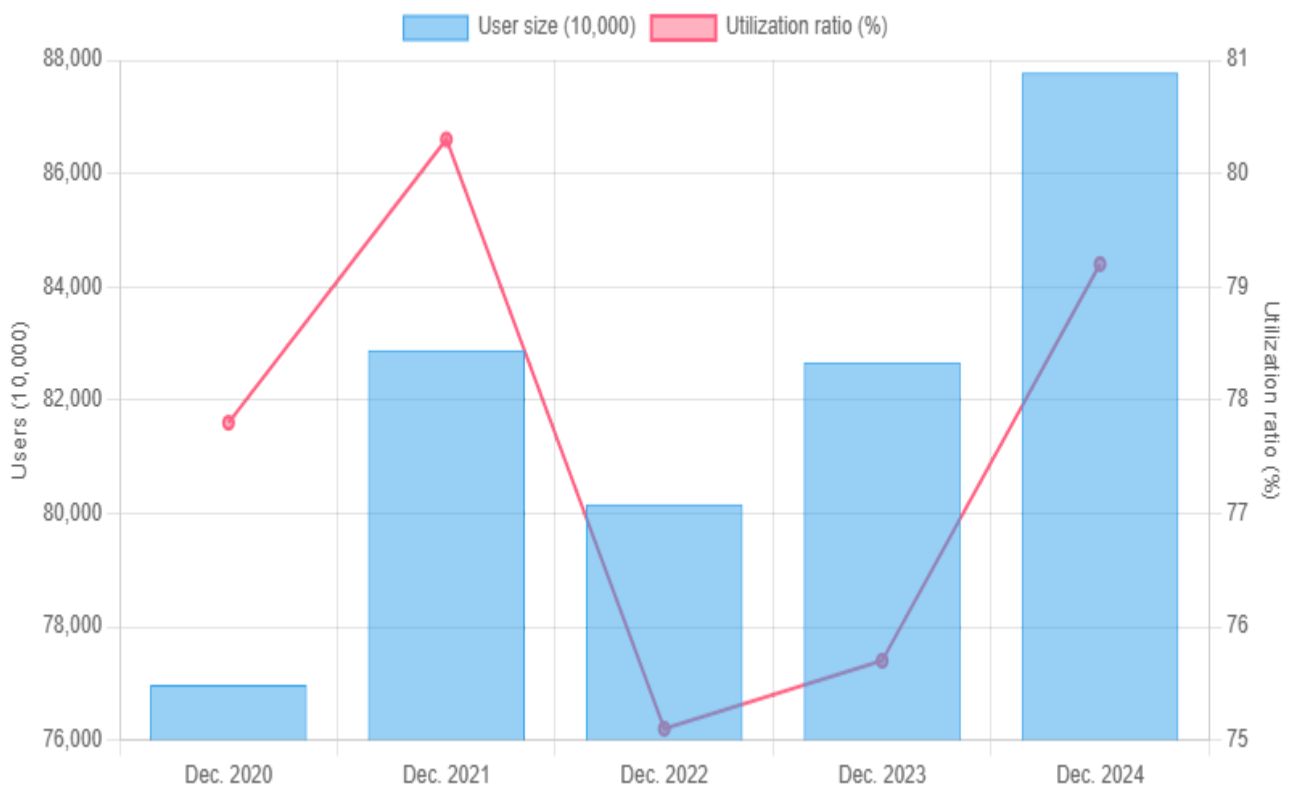


Left axis: User size (10,000 people). Right axis: Utilisation ratio (% of Internet users using instant messaging).

Source: Statistical Survey on China's Internet Development, December 2024.

As of December 2024, the number of search engine users reached 878 million, an increase of 51.12 million from December 2023, accounting for 79.2% of the total.

Figure 22 User Size and Utilisation Ratio of Search Engine from Dec. 2020 to Dec. 2024

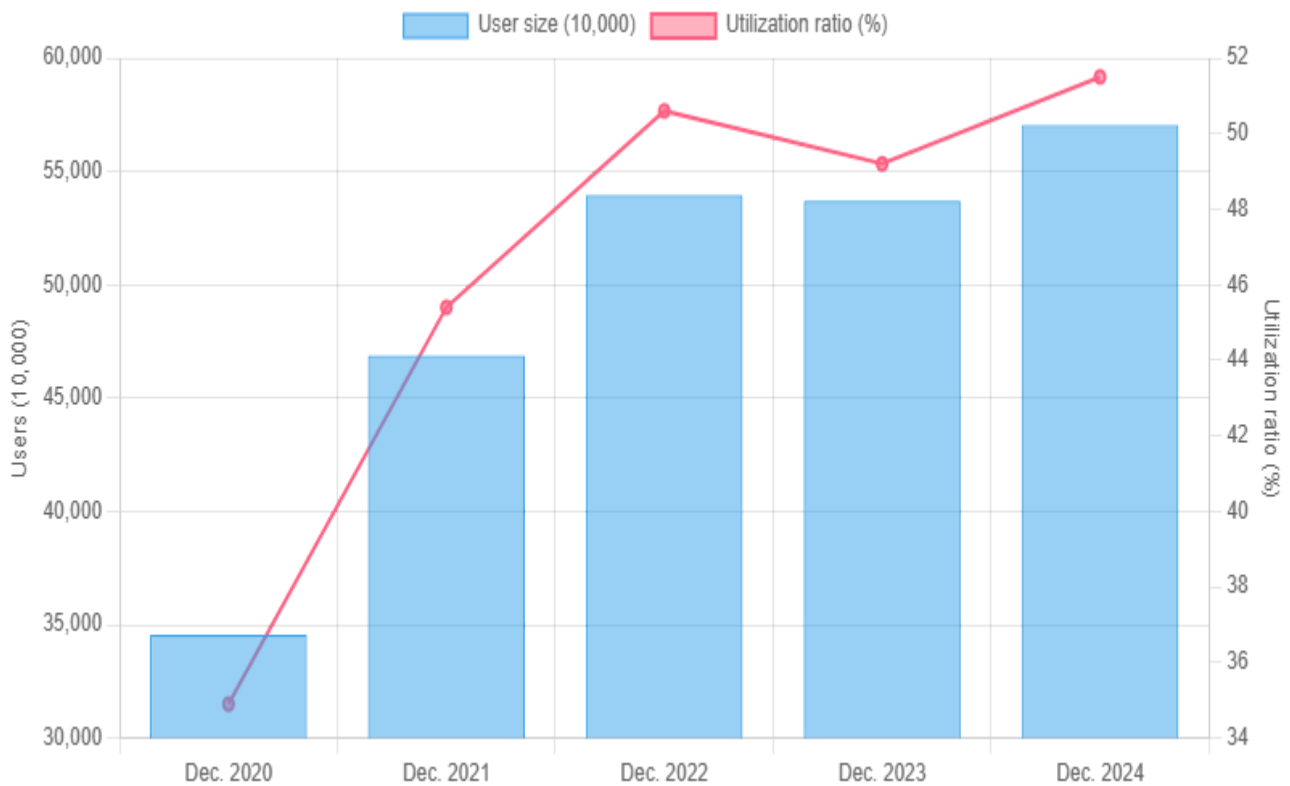


Left axis: User size (10,000 people). Right axis: Utilisation ratio (% of Internet users using search engines).

Source: Statistical Survey on China's Internet Development, December 2024.

As of December 2024, China had 570 million online office users, an increase of 33.42 million from December 2023, accounting for 51.5% of all internet users.

Figure 23 User Size and Utilisation Ratio of Online Office from Dec. 2020 to Dec. 2024



Left axis: User size (10,000 people). Right axis: Utilisation ratio (% of Internet users using online office).

Source: Statistical Survey on China's Internet Development, December 2024.

In 2024, China's basic Internet applications continued to develop robustly, their functions were enhanced, and their commercial boundaries were extended. The revenue of information service providers continued to increase. According to data on the operation of the Internet and related service industries in the first three quarters of 2024, Internet business revenue of news & information, search, social networking, and other information service-based enterprises increased by 7.5% year-on-year³⁴.

The instant messaging industry has been enriching scenarios, enhancing user experience, and driving growth in consumption and business revenue. First, it has helped build a diversified industry ecosystem. Tencent has enriched its industry ecosystem by establishing connections among WeChat, QQ, and online games. Tencent's Interim Financial Report 2024 indicated that over 30% year-on-year growth in total revenue was attributable to mini games⁵⁴. The Financial Report Q3 2024 showed that game revenue from the international market grew by 9% year-on-year³⁶. Tencent has systematically built its transaction capabilities to create a robust transaction and content ecosystem for the applet business and to provide

users with a more comfortable shopping experience. In the third quarter, the turnover of applets exceeded RMB trillion, up by over ten percentage points year-on-year³⁷. Second, the e-commerce business was an essential source of revenue. The channels on WeChat have continued to expand the number of commodity categories and have encouraged more content creators to participate in live selling, thereby improving the e-commerce ecosystem. In 2024, the total number of usage hours on Channels increased by more than 80% year-on-year in the first quarter 38. The Channels contributed substantial revenue³⁹.

The search engine industry, driven by emerging technologies, has enhanced service effectiveness and promoted the diversified development of market players. First, AI technologies have empowered intelligent search. As generative AI technology continues to evolve, the traditional search engine industry has focused on enhancing smart and personalised services. The AI functions of the Baidu App covered nearly 70% of its monthly users, and more than 20% of search result pages included AI-generated content⁴⁰. To provide personalised services, Baidu launched its AgentBuilder, with over 100,000 smart agents using the commercial component. It achieved a 395% increase in the number of intelligent agents gaining revenue⁴¹. Second, content platforms have emerged as a new force in the industry. E-commerce and social networking platforms have paid greater attention to building the search business within the content ecosystem and to leveraging it to improve revenue conversion. They have served as an essential new force in this industry. Sina Weibo released the Zhiwei model, developed the Smart Search scenario, and helped users quickly understand the content of popular searches, leveraging general data and specialised data such as real-time hot topics, storylines, and Internet buzzwords. In March 2024, Tencent's financial report indicated that WeChat Search's daily active users exceeded 100 million and that search volume increased by more than 30% year-on-year. The search ads also delivered a multi-fold increase in annual revenue [42]. More than 500 million users used Kuaishou Search monthly in Q3 2024. Average daily searches exceeded 700 million, up by more than 20% year-on-year. The peak in single-day searches also exceeded 800 million 43. On the Xiaohongshu website, 70% of monthly active users conducted six searches per day. The first action among one-third of users upon opening the app was to search.

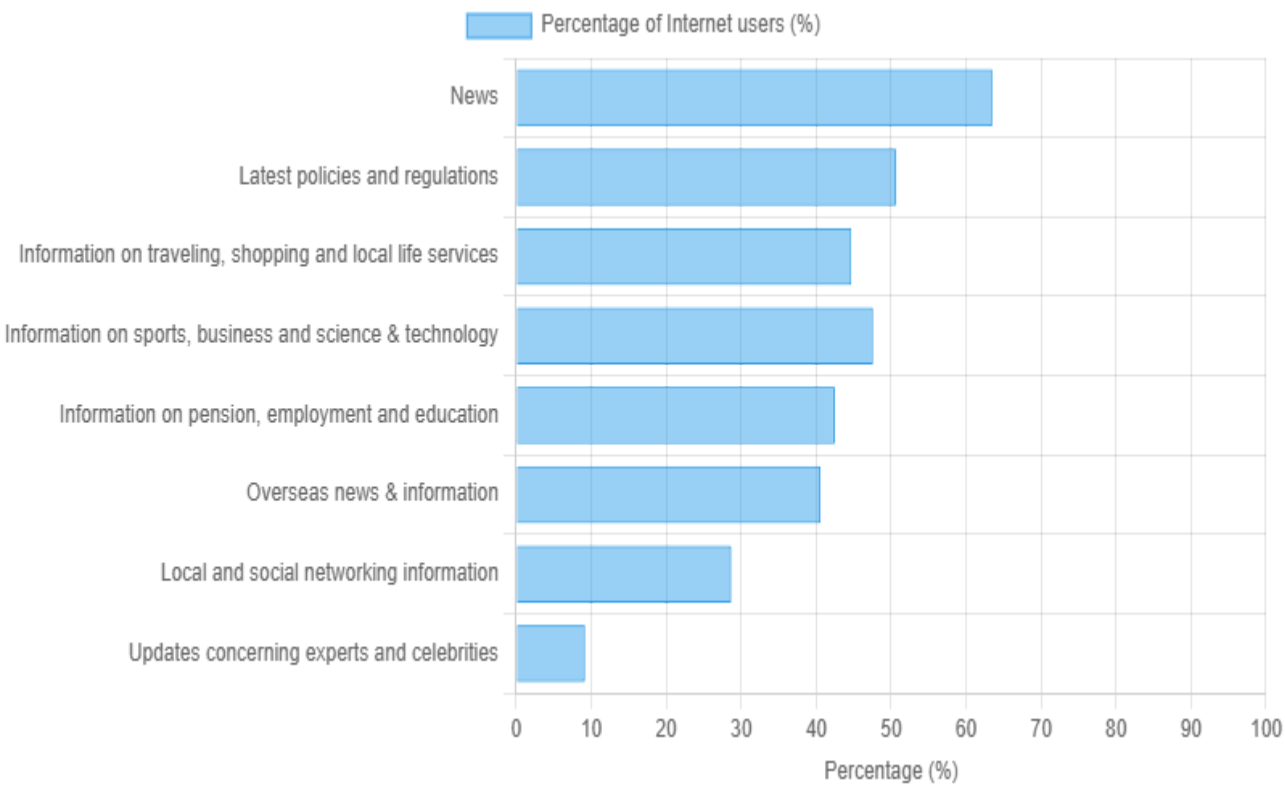
The online office industry has demonstrated a smart development trend and enhanced its business potential through the payment model. First, large models

have boosted innovative development. In 2024, AI technologies promoted innovation and development in the online office industry. They optimised office efficiency and enhanced the user experience across multiple aspects, including content generation, text processing, and summary generation. Take DingTalk as an example for you. As of January, DingTalk had more than 20 product lines and over 80 scenarios for accessing large models, with 700,000 enterprises using DingTalk services⁴⁵. In June, DingTalk announced its opening to all large model vendors to build China's most open AI ecosystem. In addition to the large model Tongyi, MiniMax, Moonshot, and four other large model makers have also partnered with DingTalk⁴⁶. Second, the payment model became an important source of revenue. As of January 9, more than 300,000 three-party payment enterprises and more than 100 million three-party payment accounts⁴⁷ were registered on the enterprise version of WeChat. The subscription revenue of the software Feishu exceeded USD 200 million in 2023, doubling the 2022 revenue. It was growing at a high rate in 2024⁴⁸ and expected to surpass USD 300 million⁴⁹.

The social networking industry has enriched the content ecosystem, explored the new trend of AI social networks, and fostered the diversified development of the industry ecosystem. First, social networking applications have been the primary channel for netizens to obtain information. By December 2024, China had 1,101 million social networking users, accounting for 99.3% of the total. Social networking has been the main channel for netizens to get information. 44.7% of Internet users paid attention to information about travel, shopping, and local life. 23% of the TikTok live streamers registered in the first half of 2024 focused on the life segment⁵⁰. Xiaohongshu has become a vital promotion channel for cultural and travel content, with more than 2.21 million travel notes posted during China's 2024 National Day holidays, an increase of 11.8% year-on-year. It attracted 4.7 billion views⁵¹. 47.6% of Internet users paid attention to information on sports, business and science & technology. During the 33rd Olympic Games held in Paris, Internet users paid greater attention to sports-related topics. During the Paris Olympics, there were more than 4 billion interactions with Olympic-related content across five major social media platforms: Weibo, TikTok, Xiaohongshu, Bilibili, and Kuaishou⁵². Second, multiple platforms have continued to explore the new trend of AI-based social networking. Sina Weibo has developed several applications that leverage AI technologies, including comment bots, virtual character generation for dramas and variety shows, and AI assistants for bloggers. Commentator Robert, an intelligent

robot, interacted with users in a fun and warm style to improve users' stickiness and activity. The role generation model could use data to generate virtual characters and provide fans with personalised replies and comments. Tencent launched AI chat partners based on the classic social product QQ, offering various types of virtual characters, including companionship, stories, challenges, MBTI⁵³, and celebrities. Users could have real-time conversations with these characters and enjoy a personalised social experience⁵⁴. ByteDance unveiled the AI-based social app BagelBell, which provides technical services and interactive entertainment content as its core function⁵⁵. Baidu released the WanHua app and the overseas AI-based social app SynClub. They were developed through AI technology to provide emotional companionship and social interaction. They aimed for in-depth communication with users through AI virtual characters. Soul, an innovative social app, explored the integration of AI and social interaction through its intelligent dialogue robot, Goudan, to provide a personalised communication experience for young users⁵⁶.

Figure 24 Percentage of Topics Internet Users Following on Social Networks in 2024



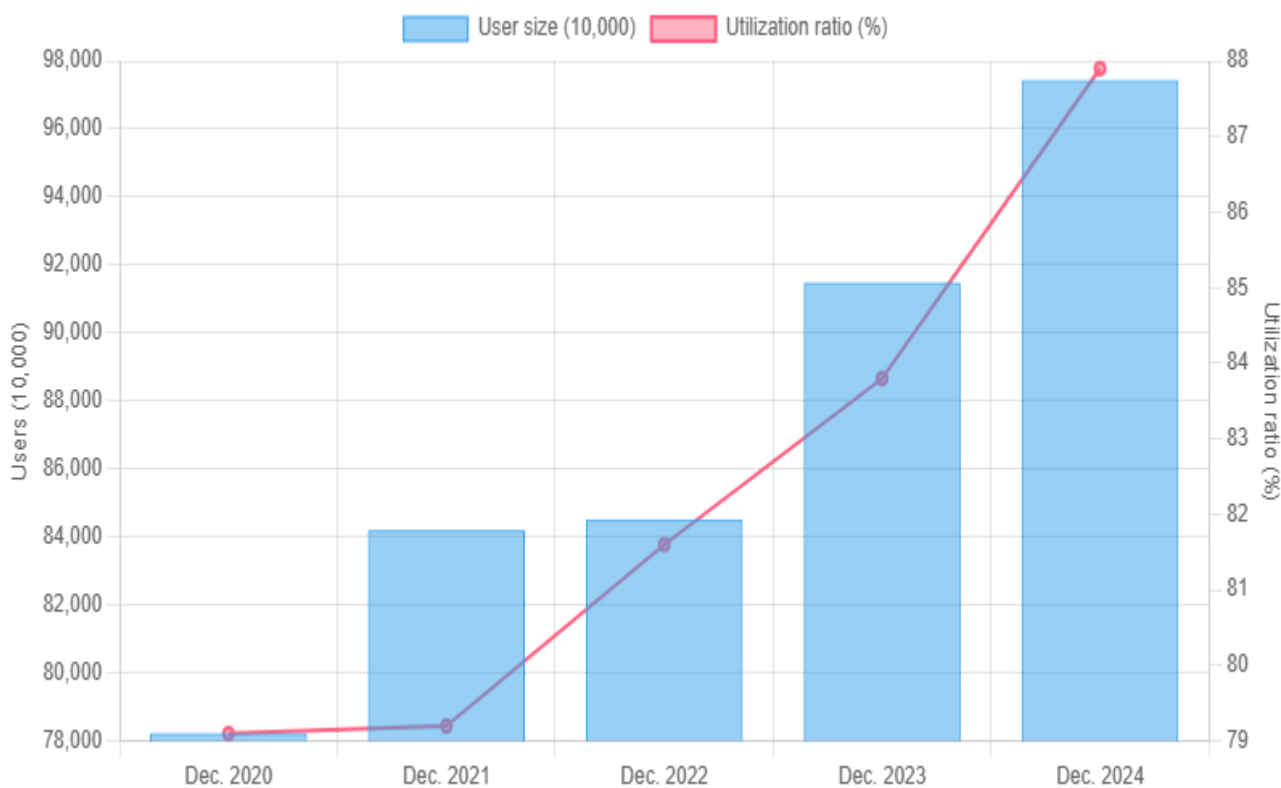
Distribution of topics followed by Internet users on social networks in 2024.

Source: Statistical Survey on China's Internet Development, December 2024.

Business Transaction Applications in China

As of December 2024, the number of online shopping users in China reached 974 million, an increase of 59.47 million from December 2023, accounting for 87.9% of the total.

Figure 25 User Size and Utilisation Ratio of Online Shopping from Dec. 2020 to Dec. 2024

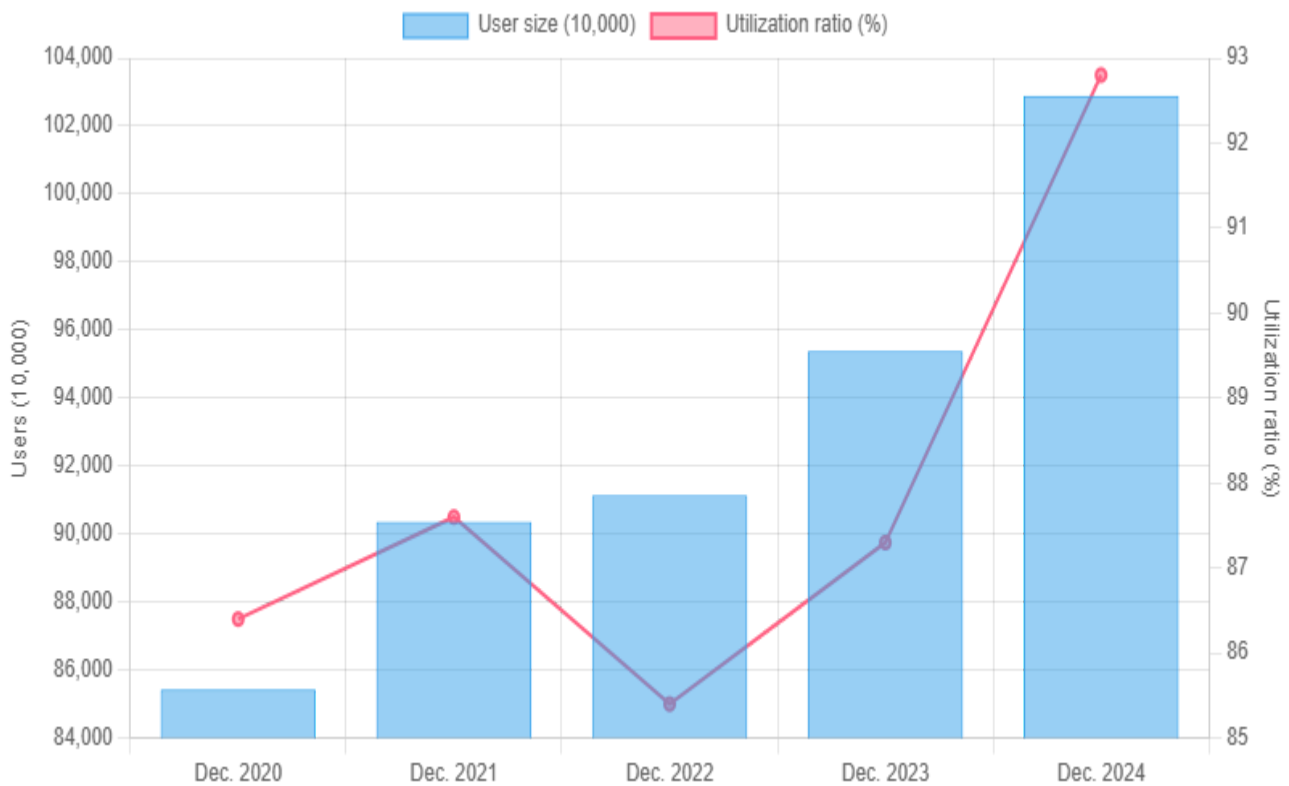


Left axis: User size (10,000 people). Right axis: Utilisation ratio (% of Internet users using online shopping).

Source: Statistical Survey on China’s Internet Development, December 2024.

As of December 2024, the number of online payment users was 1,029 million, an increase of 75.05 million from December 2023, representing 92.8% of the total.

Figure 26 User Size and Utilisation Ratio of Online Payment from Dec. 2020 to Dec. 2024

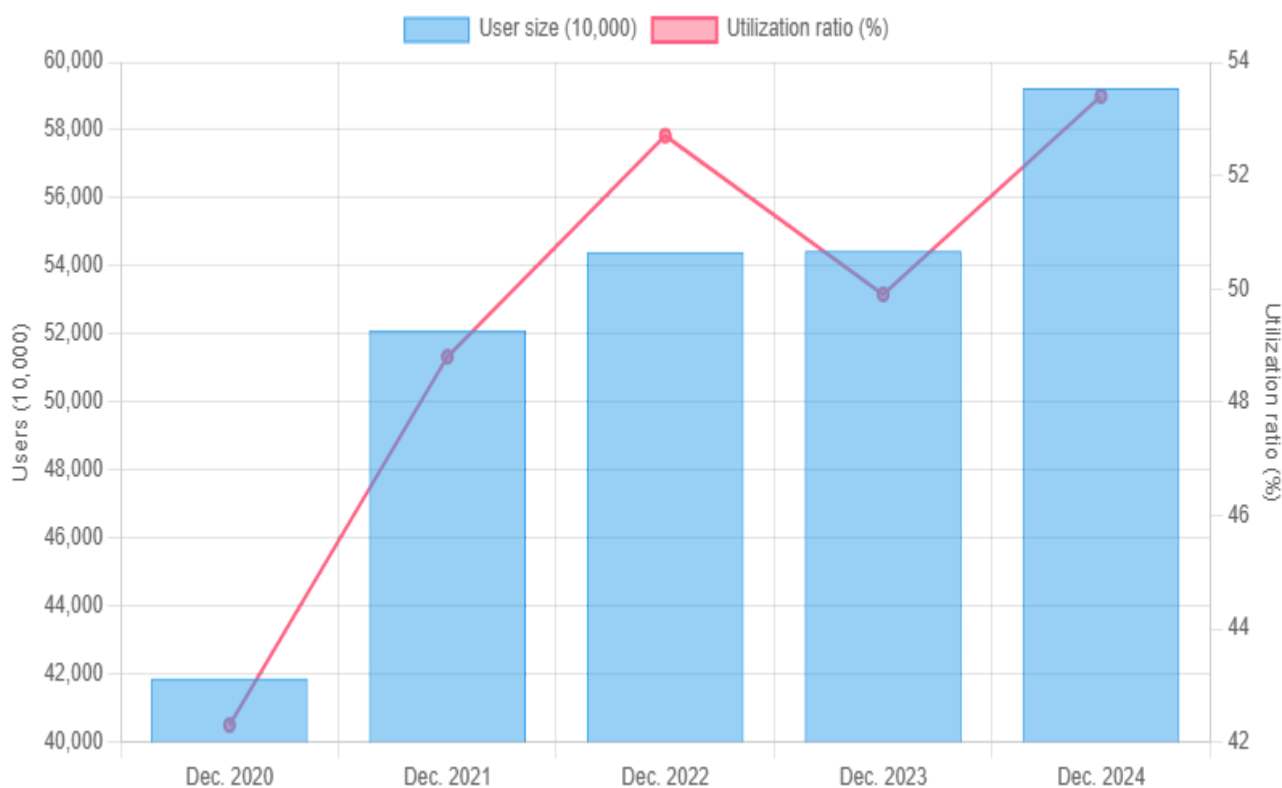


Left axis: User size (10,000 people). Right axis: Utilisation ratio (% of Internet users using online payment).

Source: Statistical Survey on China's Internet Development, December 2024.

By December 2024, the number of online meal-ordering users was 592 million, an increase of 47.77 million from December 2023, representing 53.4% of the total.

Figure 27 User Size and Utilisation Ratio of Online Meal Ordering from Dec. 2020 to Dec. 2024



Left axis: User size (10,000 people). Right axis: Utilisation ratio (% of Internet users using online meal ordering).

Source: Statistical Survey on China's Internet Development, December 2024.

In 2024, e-commerce trade applications showcased innovation and vitality. Highlights included trade-in programs on e-commerce platforms, connectivity on payment platforms, and drone-based meal delivery on online meal-ordering platforms. With their distinctive advantages and new models, online shopping, online payment and online meal ordering have facilitated the innovation and upgrading of business circulation, the healthy development of platform economy and the vitality release of digital-real integration.

Online shopping has experienced sustained growth, promoting consumption expansion and upgrading. In 2024, the e-commerce industry experienced rapid growth. Trade-in and cross-border e-commerce became essential factors. First, the trade-in of consumer goods yielded new results. Policies and measures to increase domestic demand and stimulate consumption have been introduced sequentially to promote the sales growth of 3C digital and home appliances. E-commerce platform enterprises have vigorously promoted the trade-in model to achieve mutual benefits for economic and social development. During the Jun.18 promotion period, JD.com collaborated with more than 20 provincial and municipal governments to

increase consumer subsidies, with home appliance turnover in seven provinces and cities, including Beijing and Hebei, rising by over 100% year-on-year⁵⁷. During the Nov.11 promotion period, government subsidies and the discounts stimulated the first-hour turnover of Tmall's home appliances by 765% year-on-year⁵⁸. The trade-in policy provided economic benefits to consumers and promoted the consumer market, obviously. Second, cross-border e-commerce injected new vitality into foreign trade development. In the first three quarters, China's cross-border e-commerce import and export was RMB 1.88 trillion, up 11.5% year-on-year⁵⁹. Cross-border e-commerce has become a vital force in China's foreign trade development. The live-streaming base of cross-border e-commerce has helped Chinese brands go global. Enterprises have used platforms such as TikTok Shop to promote their products among consumers worldwide through short videos and live streaming. The e-commerce platform implemented technological innovations to support the development of cross-border e-commerce. The AI business assistant on Alibaba.com has offered product release, marketing, and promotion to support the international expansion of small and medium-sized enterprises. As of October, AI business assistants for domestic sellers had 45,000 users⁶⁰.

The online payment environment has been optimised consistently, and new services have benefited more people. In 2024, the interconnection of online payments advanced rapidly, and additional service innovations were implemented. First, progress has been made in interplatform connectivity. Internet payment agencies have carried forward interconnection. Various bar codes have advanced in mutual recognition and scanning, thereby ensuring consumers' right to choose online payment methods. In September, Taobao and Tmall released Solicitation of Opinions on Taobao's New WeChat Payment Capability and Solicitation of Opinions on Tmall's New WeChat Payment Capability, respectively. The interconnection among e-commerce platforms has deepened, and the consumer experience has been continuously enhanced. Alipay, WeChat Pay, and China UnionPay Quick Pass have achieved mutual recognition and barcode scanning across offline channels, thereby promoting the interconnection of online and offline multi-scenario payments. By October, 85% of Taobao shops accepted payments via China UnionPay Quick Pass⁶¹. Second, the new payment method has been more convenient. The user's convenient payment experience has been improving, thereby enabling new forms of consumption. In July, Alipay launched the touch-it payment service. A user does not need to display the payment code; instead, they

unlock the phone and touch the shopman's payment device to complete the payment. Quick pay has become a new way for retailers to operate their cash registers and memberships. As of September 6, the touch-it payment service served more than 50 cities, including Shanghai, Chengdu, Wuhan, Changsha, Hangzhou, and Qingdao⁶², providing additional opportunities for shopkeepers. Huawei, Xiaomi and other mobile phone manufacturers have accessed the touch-it function. All parties are working together to promote the touch-it ecosystem.

The online meal-ordering technology has been developed to improve efficiency, and the delivery service model has been iteratively refined. In 2024, instant delivery accelerated technological innovation, and online meal-order delivery explored new models. First, digital technology facilitated the growth of the instant-delivery business. According to the data, the number of Meituan instant delivery transactions in Q3 reached 7.078 billion, a year-on-year increase of 14.5%⁶³. Online meal ordering companies have optimised their scheduling systems using big data and AI to address issues such as order backlogs and delivery delays during peak hours, and to ensure the timeliness, accuracy, and safety of instant delivery. Meituan has expedited collaboration on technology and data with property management companies to develop a rider-friendly solution, in which riders can use WeChat to scan the property applet code at the community entrance to complete one-key registration and instant verification. Such efforts can improve the efficiency of rider delivery. Second, drone-based meal delivery became a new model. Drone-based delivery routes have been established at a rapid pace, accelerating the development of the low-altitude economy. Meituan has conducted drone deliveries in multiple scenarios, including communities, scenic spots, municipal parks, and campuses, to meet consumers' timeliness needs. As of September, Meituan drones operated 53 routes in Beijing, Shenzhen, Shanghai, Guangzhou, and other cities, completing over 400,000 orders⁶⁴. During the National Day Golden Week, Meituan drones opened a new delivery route in the South Fifth Tower area of the Badaling Great Wall. Average daily orders increased by more than 1,100% compared with the pre-holiday weekend period, with Chinese and Western-style simple meals and beverages becoming best-selling items⁶⁵.

Footnotes

³⁴ China's Ministry of Industry and Information Technology, https://www.miit.gov.cn/jgsj/yxj/xxfb/art/2024/art_42faa762420a4d1ab7160c4d5f1f7b8f.html, October 31, 2024.

³⁵ Tencent's Interim Financial Report 2024, <https://static.www.tencent.com/uploads/2024/08/27/921cf1c0c56a51dd08ee318678b3bb08.pdf>, August 14, 2024.

- ³⁶ Tencent's Financial Report Q3 2024, <https://static.www.tencent.com/uploads/2024/11/13/309f975d755016a10be34254968a1651.pdf>, November 13, 2024.
- ³⁷ Tencent's Financial Report Q3 2024, <https://static.www.tencent.com/uploads/2024/11/13/309f975d755016a10be34254968a1651.pdf>, November 13, 2024.
- ³⁸ Tencent's Financial Report Q1 2024, <https://static.www.tencent.com/uploads/2024/05/14/eef7133794cd389f7a031dbac92f2e4f.pdf>, May 14, 2024.
- ³⁹ ThePaper.cn, https://www.thepaper.cn/newsDetail_forward_27607077, June 3, 2024.
- ⁴⁰ Yicai, <https://www.yicai.com/news/102369201.html>, November 21, 2024.
- ⁴¹ Xinhuanet, <https://www.xinhuanet.com/tech/20241121/dbda2471b1374eb6b4d3757e7d5f539c/c.html>, November 21, 2024.
- ⁴² 36Kr, <https://news.qq.com/rain/a/20240321A04DG700>, March 21, 2024.
- ⁴³ Kuaishou Technology Releases Unaudited Financial Results Q3 2024, <https://ir.kuaishou.com/zh-hans/news-releases/news-release-details/kuaishoukejifabu2024niandisanjидуweiijingshenhecaiwuyejі>, November 20, 2024.
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- ⁴⁵ WeChat official account of DingTalk, https://mp.weixin.qq.com/s/ytTjhXBcygCiVVTW_S2MgQ, January 9, 2024.
- ⁴⁶ Yicai, <https://new.qq.com/rain/a/20240626A0A7CU00>, June 26, 2024.
- ⁴⁷ Yicai, <https://www.yicai.com/news/101951383.html>, January 9, 2024.
- ⁴⁸ Caijing, <https://mp.weixin.qq.com/s/QDUBrNmyEZCrRY86TO-sKA>, September 5, 2024.
- ⁴⁹ Jiemian News, <https://m.jiemian.com/article/11674929.html>, September 4, 2024.
- ⁵⁰ Feigua, <https://dy.feigua.cn/article/detail/912.html>, July 31, 2024.
- ⁵¹ Gmw.cn, https://travel.gmw.cn/2024-10/18/content_37622773.htm, October 18, 2024.
- ⁵² 36Kr, <https://36kr.com/p/2908135522507392>, August 16, 2024.
- ⁵³ MBTI refers to Myers–Briggs Type Indicator, a theoretical model of personality test developed by Isabel Myers and Kathryn Briggs.
- ⁵⁴ Tencent, <https://new.qq.com/rain/a/20240306A09PR500>, March 6, 2024.
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- ⁵⁸ CNR News, https://tech.cnr.cn/ycbd/20241014/t20241014_526939704.shtml, October 14, 2024.
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- ⁶⁰ STCN, <http://egs.stcn.com/news/detail/1892429.html>, October 22, 2024.
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- ⁶² Ant Group, <https://www.antgroup.com/news-media/press-releases/1725616800000>, September 6, 2024.
- ⁶³ Meituan's Financial Report Q3 2024, https://www.hkexnews.hk/listedco/listconews/sehk/2024/1129/2024112900544_c.pdf.
- ⁶⁴ Meituan's Financial Report Q3 2024, https://www.hkexnews.hk/listedco/listconews/sehk/2024/1129/2024112900544_c.pdf.
- ⁶⁵ Media report on Meituan drones during National Day Golden Week (Badaling Great Wall South Fifth Tower area), 2024.

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