

JD.com racks up \$38B in sales in annual online shopping fest

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Xu Lei, head of JD Retail, second from left, sounds the gong to mark the listing of JD.com on the Hong Kong Stock Exchange at the JD.com headquarters in Beijing on Thursday, June 18, 2020. Chinese e-commerce firm JD.com's stock jumped nearly 6% on its debut in Hong Kong on Thursday after the firm raised \$3.9 billion in a share sale. (AP Photo/Ng Han Guan)

JD.com's annual "618" online shopping extravaganza racked up a total of 269.2 billion yuan (\$38 billion) worth of transactions, as consumers splurged during China's first major e-commerce sale since the pandemic began.

This year's tally was 33% higher than last year's 201.5 billion yuan in sales. It reflects an increasing shift to [online shopping](#) as consumers shun brick-and-mortar stores.

The "618" shopping event, which typically spans from June 1 to June 18, was first conceived by JD.com to rival Alibaba's November 11 Singles' Day festival. It is being closely watched as a barometer of consumer appetites for spending given pressures from the pandemic. China's economy contracted for the first time in nearly three decades during the first quarter of this year.

Imported goods remained popular among JD.com customers, who snapped up luxury products, electric shavers and coffee machines. Some of the most popular brands among customers were Apple, Panasonic, Sony and Philips, the company said.

Over 70% of new customers who bought items during the sale also came from smaller regional cities, it said.

Although the 618 shopping extravaganza is held by JD.com, rivals Alibaba and Pinduoduo and other Chinese retailers are also offering discounts.



Xu Lei, head of JD Retail, reacts before the ceremony to mark the listing of JD.com on the Hong Kong Stock Exchange at the JD.com headquarters in Beijing on Thursday, June 18, 2020. Chinese e-commerce firm JD.com's stock jumped nearly 6% on its debut in Hong Kong on Thursday after the firm raised \$3.9 billion in a share sale. (AP Photo/Ng Han Guan)

This year, JD.com doubled down on live-streaming e-commerce, offering 300,000 live-streams over nearly three weeks that allowed buyers to interact with sellers and influencers in real-time and purchase products without ever leaving the video stream. To boost sales, the company also provided 10 billion yuan (\$1.4 billion) in subsidies on top of big discounts and coupons for consumers.

Sales of daily necessities and fresh produce are growing quickly both in

China's big cities and in smaller ones, while [home appliances](#) have fared less well, Xu Lei, chief executive of JD Retail, said in an interview in Beijing on Thursday.

That's partly because of weakness in the property market and partly because coronavirus restrictions can make it difficult for deliverymen to do in-person installations, he said.



Attendees record the running sales figure for the 618 event during an event to mark the listing of JD.com on the Hong Kong Stock Exchange at the JD.com headquarters in Beijing on Thursday, June 18, 2020. Chinese e-commerce firm JD.com's stock jumped nearly 6% on its debut in Hong Kong on Thursday after the firm raised \$3.9 billion in a share sale. (AP Photo/Ng Han Guan)

JD.com's shares gained 3.5% in their trading debut in Hong Kong on Thursday, after it raised \$3.9 billion in a share sale. The stock opened almost 6% above its offer price.

Its debut comes as a growing number of Chinese technology companies choose to list in Hong Kong amid growing regulatory pressures and a worsening of relations between Beijing and Washington that could see Chinese companies cut off from U.S. capital markets.

"When we went public six years ago, our shareholder structure in the capital market at the time was still inclined towards Europe and the U.S. In recent years, although we have had some expansion in our [international business](#), our core users and business of JD.com is still largely on mainland China," said Xu.

He said the company chose to hold its secondary listing in Hong Kong because it is one of the "world's freest market economies" and because investors in Hong Kong understand mainland businesses and are very "mature" and "stable."



Attendees wear masks to curb the spread of the new coronavirus before the ceremony to mark the listing of JD.com on the Hong Kong Stock Exchange at the JD.com headquarters in Beijing on Thursday, June 18, 2020. Chinese e-commerce firm JD.com's stock jumped nearly 6% on its debut in Hong Kong on Thursday after the firm raised \$3.9 billion in a share sale. (AP Photo/Ng Han Guan)



An attendee wearing mask to curb the spread of the new coronavirus is framed by flowers sent for the ceremony to mark the listing of JD.com on the Hong Kong Stock Exchange at the JD.com headquarters in Beijing on Thursday, June 18, 2020. Chinese e-commerce firm JD.com's stock jumped nearly 6% on its debut in Hong Kong on Thursday after the firm raised \$3.9 billion in a share sale. (AP Photo/Ng Han Guan)



Xu Lei, head of JD Retail, center right, poses for photos with a guest before the ceremony to mark the listing of JD.com on the Hong Kong Stock Exchange at the JD.com headquarters in Beijing on Thursday, June 18, 2020. Chinese e-commerce firm JD.com's stock jumped nearly 6% on its debut in Hong Kong on Thursday after the firm raised \$3.9 billion in a share sale. (AP Photo/Ng Han Guan)



Xu Lei, head of JD Retail, center gestures after a ceremony to mark the listing of JD.com on the Hong Kong Stock Exchange at the JD.com headquarters in Beijing on Thursday, June 18, 2020. Chinese e-commerce firm JD.com's stock jumped nearly 6% on its debut in Hong Kong on Thursday after the firm raised \$3.9 billion in a share sale. (AP Photo/Ng Han Guan)

"We think that because of consumers in Asia and the retail and internet industry, investors will be more familiar with our development and improvements each year. We hope to have some changes in terms of the investors in our company's capital structure," he said.

The company is expecting revenue to grow between 20% to 30% this quarter.

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