

Chinese shoppers splurge in world's largest shopping fest

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A delivery man passes by an ad for the Nov. 11 Sales Day in Beijing, China on Oct. 28, 2020. Chinese consumers are expected to spend tens of billions on everything from fresh food to luxury goods during this year's Singles' Day online shopping festival, as the country recovers from the coronavirus pandemic. (AP Photo/Ng Han Guan)

Chinese consumers are expected to spend tens of billions on everything from fresh food to luxury goods during this year's Singles' Day online shopping festival, as the country recovers from the pandemic.

The shopping festival, which is the world's largest and typically begins in November, is an annual extravaganza where China's e-commerce companies, including Alibaba, JD.com and Pinduoduo, offer generous discounts on their platforms.

By 12:30 a.m. (1630 GMT, 11:30 a.m. EDT) on Wednesday, consumers had already spent 372.3 billion yuan (\$56.3 billion) on Alibaba's Taobao and Tmall e-commerce platforms since the company kicked off the shopping festival on Nov. 1.

Rival JD.com also reported cumulative sales of 200 billion yuan (\$30.2 billion) since Nov. 1, nine minutes after the clock struck midnight on Wednesday.

The shopping festival got its name as the main shopping day falls on Nov. 11 every year. Also known as 11.11 or Double 11, the numbers look like "bare branches", an expression referring to those who are single and unattached in China. The day thus later became known as Singles' Day.

This year's festival will be closely watched as a barometer of consumption in China, which is just beginning to bounce back from the coronavirus pandemic after months of lockdown earlier in the year.



Residents wearing masks to protect from the coronavirus pass by an ad promoting 50% for online movies during the Nov. 11 Sales Day, in Beijing on Sunday, Nov. 8, 2020. Chinese consumers are expected to spend tens of billions on everything from fresh food to luxury goods during this year's Singles' Day online shopping festival, as the country recovers from the coronavirus pandemic. (AP Photo/Ng Han Guan)

Analysts expect Chinese consumers to spend more on imported products and foreign luxury brands, since many Chinese tourists were unable to travel internationally due to the coronavirus pandemic and tightened travel restrictions.

A survey by consulting firm Oliver Wyman found that 86% of Chinese consumers are willing to spend the same as or more than during last

year's Singles' Day festival.

"In the last six months or so, wealthy households have actually spent more money," said Sean Shen, customer and strategy competence leader for EY in Greater China. "We also see that purchases of luxury segment products are increasing because of the international travel restrictions."

In 2018, Chinese consumers spent about 770 billion yuan (\$116.3 billion) on luxury items, accounting for about a third of the global spend, with each luxury-consuming household spending an average of 80,000 yuan annually (\$12,089), according to a 2019 McKinsey report on luxury.



A sales person talks to a shopper at a shopping district in Beijing on Sunday, Nov. 8, 2020. Chinese consumers are expected to spend tens of billions on

everything from fresh food to luxury goods during this year's Singles' Day online shopping festival, as the country recovers from the coronavirus pandemic.(AP Photo/Ng Han Guan)

Sales of electronic goods and health and wellness products are also expected to rise, as more people work from home and pay more attention to their health amid the pandemic, according to a report by consultancy Bain & Company.

To help merchants cope with the impact from the coronavirus, online platforms have extended the shopping festival period this year in hopes of boosting sales.

Both Alibaba and JD.com, the country's two biggest e-commerce companies, began offering discounts on Oct. 21, three weeks ahead of Nov. 11. Some brands and merchants that slashed their prices booked hundreds of millions of yuan (tens of millions of dollars) in sales just hours into the shopping festival.

Tang Chenghui, an electrical engineer who lives in Beijing sees Singles' Day as an opportunity to stock up on snacks and imported products such as milk from Australia. Ahead of the festival, Tang pre-ordered 3 boxes of duck eggs, 10 packets of soybean milk powder, two boxes of yogurt, coffee and wine.



Residents wearing masks to protect from the coronavirus stand near an ad promoting the Nov. 11 Sales Day in Beijing on Sunday, Nov. 8, 2020. Chinese consumers are expected to spend tens of billions on everything from fresh food to luxury goods during this year's Singles' Day online shopping festival, as the country recovers from the coronavirus pandemic. (AP Photo/Ng Han Guan)

"I'm buying more snacks this year because I've just moved into a new apartment and have enough storage space to stockpile the snacks I like," said Tang. "Some of these products are really cheap during the Singles' Day discounts."

Unlike Black Friday and Cyber Monday in the U.S., Singles' Day in China is not just about deep bargains. Alibaba pioneered the concept of Singles' Day and holds an annual gala on Nov. 11 with celebrity

performances to entertain shoppers.

E-commerce companies don't break down Singles Day sales volume by brands so it is hard to know what share goes to foreign companies, though some companies might announce their own performances.

Sales via livestreaming and Alibaba's annual gala are part of a "shoppertainment" trend which blends shopping with entertainment in order to become more appealing and engaging to shoppers.



A man wearing a mask to protect from the coronavirus walks past an ad for the Nov. 11 Sales Day in Beijing, China on Oct. 28, 2020. Chinese consumers are expected to spend tens of billions on everything from fresh food to luxury goods during this year's Singles' Day online shopping festival, as the country recovers from the coronavirus pandemic. (AP Photo/Ng Han Guan)



A worker wipes the surface of a luxury car as shoppers wearing mask to protect from the coronavirus visit a shopping district in Beijing on Sunday, Nov. 8, 2020. Chinese consumers are expected to spend tens of billions on everything from fresh food to luxury goods during this year's Singles' Day online shopping festival, as the country recovers from the coronavirus pandemic. (AP Photo/Ng Han Guan)

Mini games within online shopping platforms entice shoppers with deeper discounts while encouraging them to spend more time within the app.

"Because of COVID-19, brands and retailers have doubled down on e-

commerce and livestreaming commerce to drive growth, and it will show strongly on (Singles' Day) this year," said Wang Xiaofeng, a senior analyst at Forrester.

But while millions of shoppers spend hours on mini games hoping to snag better bargains, some are irked by the complexities required to win such discounts.

"Black Friday discounts tend to be better, and they are more straightforward," said Liu Zhirou, a 27 year-old Beijing-based accountant. "Now, I still ask my friends to help me buy things from the U.S. during Black Friday."

"The rules around Singles' Day discounts now are getting more and more complicated," she said. "I usually just spend my money on Black Friday, and buy less on Singles' Day."

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