

Alibaba, JD enjoy record Singles Day despite tech crackdown

November 12 2021



Alibaba's online sales extravaganza saw a record \$84.5 billion spent on its platform, providing a much-needed boost for the firm after a tough year in the crosshairs of Beijing.

Chinese ecommerce titan Alibaba enjoyed record sales during its Singles Day shopping extravaganza, giving a much-needed boost to the firm

after a torrid year in which it became the symbol of a government crackdown that hammered the country's tech sector.

The firm said 540.3 billion yuan (\$84.5 billion) was spent as China's army of consumers went on a splurge, despite a much lower-key sales campaign following pressure from the government to tone down the aggressive promotions and rampant consumerism.

Combined sales with industry rival JD.com came in at 889 billion yuan (\$139.4 billion)—equivalent to the GDP of many countries—which was also a record and up about a fifth from last year.

Both Alibaba and JD.com reported strong sales of items such as electric appliances, electronics, pet supplies, and cosmetics and other personal-care goods.

JD.com share rose more than four percent in Hong Kong on Friday, though Alibaba was down more than one percent.

"Single's Day"—so-called for the 11.11 date—began more than a decade ago and for years was a one-day, 24-hour event on November 11.

But industry players expanded it recently into an extended promotion from November 1-11, with many retailers and platforms offering discounts and pre-sales even earlier.

The shopping fest now dwarfs the US "Black Friday" spree and has become a barometer of consumer sentiment in the world's second-largest economy.

Concerned that Big Tech was becoming too powerful and abusing its market dominance, the government has this year dramatically tightened regulation.

The campaign has rattled investors, slicing billions of dollars off the market capitalisation of Alibaba—which has seen its share price plunge about 30 percent this year— as well as JD, Tencent and other major players.

In e-commerce, the government has taken specific aim at alleged abuse of user data and monopolistic business practices by platforms, such as banning merchants from selling their products on rival sites.

But the steadily rising consumer sales are also likely to be quietly welcomed by the government, which is moving to create a more modern consumer-driven economy, lessening the traditional reliance on manufacturing, exports and government investment.

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