

China's muted Singles' Day shopping fest expects slow growth

November 11 2022, by Zen Soo



A woman waits for a bus at a bus stop next to an advertisement for Tmall's Singles' Day sale in Beijing, Wednesday, Nov. 9, 2022. China's biggest online shopping festival, known as Singles' Day, is typically an extravagant affair as Chinese e-commerce firms like Alibaba and JD.com ramp up marketing campaigns and engage top livestreamers to hawk everything from lipstick to furniture as they race to break sales records of previous years. Credit: AP Photo/Mark Schiefelbein

China's biggest online shopping festival, known as Singles' Day, is typically an extravagant affair as Chinese e-commerce firms like Alibaba and JD.com ramp up marketing campaigns and engage top livestreamers to hawk everything from lipstick to furniture as they race to break sales records of previous years.

This year, however, the shopping festival is a much quieter event, with sales numbers expected to grow more slowly as consumers tighten their wallets amid an uncertain economy and the ongoing impact of COVID-19.

Singles' Day—also known as Double 11 as it falls on Nov. 11 annually—is typically closely watched as a barometer of consumption in China, as consumers collectively spend billions on online shopping platforms and merchants offer attractive discounts and promotions.

Following a government-led crackdown on China's [technology industry](#) last year, coupled with an [economic slowdown](#) and COVID-19 outbreaks, e-commerce companies have shifted their focus this year away from massive sales growth and high-profile [marketing campaigns](#).

"The Singles' Day market is more mature now and it's impossible to sustain high growth every year," said Xiaofeng Wang, principal analyst at market research firm Forrester.

A Bain & Co. report on Singles' Day this year found that 34% of consumers planned to spend less this year compared to 2021. Only 24% indicated that they would spend more.



People wait for a bus at a bus stop next to an advertisement for Tmall's Singles' Day sale in Beijing, Wednesday, Nov. 9, 2022. China's biggest online shopping festival, Singles' Day, is muted this year with sales numbers expected to grow slowly amid an uncertain economy and COVID-19. Singles' Day — also known as Double 11 as it falls on Nov. 11 annually — is closely watched as a barometer of consumption in China. Credit: AP Photo/Mark Schiefelbein

"The epidemic has been impacting us for three years, so everyone has become more rational (in spending)," said Liu Hui, a consumer who works in the internet industry. "Unlike before, we are more worried about our future income, so we have to be more cautious."

Some shoppers, like consultant Anna Zhao, plan to stock up on necessities such as toiletries and health products at a discount.

"This year I feel kind of worried when spending money, but what I have bought are things I need and that would be used for quite a long time," said Zhao, adding that she purchased some makeup and skincare items for herself as well as supplements as gifts for loved ones.

Alibaba, China's biggest e-commerce player which runs the Taobao and Tmall online shopping platforms, is also contending with rivals such as JD.com and Pinduoduo, as well as e-commerce offerings from short-video platforms like Douyin, as consumers spread out their purchases across platforms, the report found.



A cyclist rides past an advertisement for Tmall's Singles' Day sale at a bus stop in Beijing, Wednesday, Nov. 9, 2022. China's biggest online shopping festival, known as Singles' Day, is typically an extravagant affair as Chinese e-commerce firms like Alibaba and JD.com ramp up marketing campaigns and engage top

livestreamers to hawk everything from lipstick to furniture as they race to break sales records of previous years. Credit: AP Photo/Mark Schiefelbein

Notably missing from Alibaba's online festival this year is China's top e-commerce livestreamer Viya, who sold over \$1 billion in products during a livestream marathon last year.

Viya, whose real name is Huang Wei, vanished online after she was fined \$210 million for [tax evasion](#) late last year.

Another top livestreamer, Li Jiaqi, was also not prominently featured in Alibaba's [marketing campaign](#) this year after he was caught in a scandal when a cake shaped like a tank was featured on one of his livestreams on the eve of June 4, the anniversary of the 1989 Tiananmen Square massacre in Beijing.

The scandals around these online celebrities have prompted some brands to shift away from partnering with them.

This has led to a rising trend in using virtual influencers—hyperrealistic, computer-generated characters—to attract consumers.



Employees sort parcels at a warehouse for online retailer JD.com in Beijing, Wednesday, Nov. 11, 2020. China's biggest online shopping festival, Singles' Day, is muted this year with sales numbers expected to grow slowly amid an uncertain economy and COVID-19. Singles' Day — also known as Double 11 as it falls on Nov. 11 annually — is closely watched as a barometer of consumption in China. Credit: AP Photo/Mark Schiefelbein, File

"It's really risk control, as in the past few years a lot of celebrities have been caught in some scandals," Wang said, adding that digital influencers allow brands to avoid reputation risks while bringing a sense of novelty to consumers.

One such virtual influencer is Ayayi, a female digital idol who has amassed over a million followers on [social media platforms](#) and is

featured in a marketing campaign this year by Chinese electronics brand Hai'er for Singles' Day.

Some brands have also begun hosting in-house livestreams, according to Jacob Cooke, CEO of WPIC, a marketing firm that helps Western companies sell online in China.

"It's obviously a lot more cost-effective than giving Li Jiaqi a 30% commission," he said.

More merchants have simplified promotions this year, offering price discounts instead of complicated coupon systems that were used in previous years, said Cooke, who added that some consumers are still eager to spend during the festival amid pent-up demand from not being able to travel overseas.



A delivery courier unloads packages near parked carts for other delivery companies along a street in Beijing, Friday, Nov. 11, 2022. China's biggest online shopping festival, Singles' Day, is muted this year with sales numbers expected to grow slowly amid an uncertain economy and COVID-19. Singles' Day — also known as Double 11 as it falls on Nov. 11 annually — is closely watched as a barometer of consumption in China. Credit: AP Photo/Mark Schiefelbein



A delivery courier sorts packages along a street in Beijing, Friday, Nov. 11, 2022. China's biggest online shopping festival, known as Singles' Day, is typically an extravagant affair as Chinese e-commerce firms like Alibaba and JD.com ramp up marketing campaigns and engage top livestreamers to hawk everything from lipstick to furniture as they race to break sales records of

previous years. Credit: AP Photo/Mark Schiefelbein



A delivery courier places a package in a customer storage locker outside a residential community in Beijing, Friday, Nov. 11, 2022. China's biggest online shopping festival, Singles' Day, is muted this year with sales numbers expected to grow slowly amid an uncertain economy and COVID-19. Singles' Day — also known as Double 11 as it falls on Nov. 11 annually — is closely watched as a barometer of consumption in China. Credit: AP Photo/Mark Schiefelbein



A woman walks her dog near an ad from JD.com for Singles' Day in Beijing, Wednesday, Nov. 9, 2022. China's biggest online shopping festival, known as Singles' Day, is typically an extravagant affair as Chinese e-commerce firms like Alibaba and JD.com ramp up marketing campaigns and engage top livestreamers to hawk everything from lipstick to furniture as they race to break sales records of previous years. Credit: AP Photo/Ng Han Guan



Shoppers outside a mall look up at an ad from JD.com for Singles' Day in Beijing, Wednesday, Nov. 9, 2022. China's biggest online shopping festival, Singles' Day, is muted this year with sales numbers expected to grow slowly amid an uncertain economy and COVID-19. Singles' Day — also known as Double 11 as it falls on Nov. 11 annually — is closely watched as a barometer of consumption in China. Credit: AP Photo/Ng Han Guan



Residents waiting for their bus stand near an ad from Alibaba for Singles' Day in Beijing, Thursday, Nov. 10, 2022. China's biggest online shopping festival, Singles' Day, is muted this year with sales numbers expected to grow slowly amid an uncertain economy and COVID-19. Singles' Day — also known as Double 11 as it falls on Nov. 11 annually — is closely watched as a barometer of consumption in China. Credit: AP Photo/Ng Han Guan



A man adjusts his mask as he waits near an ad from JD.com for Singles' Day in Beijing, Thursday, Nov. 10, 2022. China's biggest online shopping festival, Singles' Day, is muted this year with sales numbers expected to grow slowly amid an uncertain economy and COVID-19. Singles' Day — also known as Double 11 as it falls on Nov. 11 annually — is closely watched as a barometer of consumption in China. Credit: AP Photo/Ng Han Guan

China is one of the few countries globally that still has strict entry restrictions, as it adheres to its "zero-COVID" strategy that has seen authorities lock down cities and test millions for the virus, adversely impacting both inbound and outbound tourism in China.

Amid COVID-19 outbreaks, festivities surrounding the Singles' Day online shopping festival have also been toned down.

For the first time in eight years, Alibaba did not hold a massive gala the night before Nov. 11. Previous galas featured superstars such as Taylor Swift, Mariah Carey and even Cirque du Soleil, and typically included a countdown to the start of the Double 11 shopping day.

The lack of festivities has not gone unnoticed by [consumers](#).

"The gala used to feature top stars like Kobe (Bryant), (David) Beckham ... but in just a few years it's gone from its heyday to total silence," said a Chinese user on Weibo. "It's certain that the best era has now passed."

© 2022 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: China's muted Singles' Day shopping fest expects slow growth (2022, November 11) retrieved 13 March 2024 from <https://techxplore.com/news/2022-11-china-muted-singles-day-fest.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--