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NBS: Total retail sales of consumer goods up by 10.0% yoy in October 2016

According to the National Bureau of Statistics (NBS), total retail sales of consumer goods reached 3,111.9 billion yuan in September 2016, up nominally by 10.0% yoy. Of which, retail sales of companies above designated size amounted to 1,350.8 billion yuan, up 7.5% yoy. By area, retail sales in urban areas reached 2,689.3 billion yuan, up by 10.0% yoy while retail sales in rural areas were 422.6 billion yuan, up 10.3% yoy. In January to October 2016, online retail sales grew 25.7% yoy to 3,928.8 billion yuan. Online retail sales of physical goods increased 24.9% yoy to 3,174.0 billion yuan, accounting for 11.8% of total retail sales.

CNCIC: Retail sales of 100 key retailers in China decrease 0.2% yoy in October 2016

According to the China National Commercial Information Center (CNCIC), retail sales of 100 key large-scale retail enterprises decreased by 0.2% yoy in October of 2016. The growth rate was 0.5 percentage points lower than that in 2015. By category, sales of apparel showed satisfactory results, up 5.8% yoy, of which, childrenswear enjoyed the fastest growth, soared 14.1% yoy. Cosmetics and home appliances were down by 1.9% yoy and by 1.8% yoy respectively.

State Council issues “Opinions on Facilitating Innovation and Transformation of the Physical Retail Industry”

In light of new developments of the economy, the State Council issued opinions to request relevant departments and local governments to launch policies to facilitate the innovation and transformation of physical retailers. Major tasks include:

- Adjusting the commercial structure: supporting companies to move into new markets such the mid-west and rural areas to capture new growth opportunities; guiding companies in saturated markets to enter new business areas; as well as improving quality, categories and brand image of goods in the market.
- Supporting innovative development: encouraging companies to adopt new business models that can meet new market demands and improve operation efficiency; facilitating industry standardization and informatization.
- Facilitating cross-sector collaboration and integration: guiding physical retailers to use information technology to achieve online-offline integration; facilitating the development of platform-based professional business services; as well as deepening the reform of state-owned enterprises including collaboration project with different types of investors. Introducing various types of capital, technology and management models to help physical retailers transform.
- Improving business environment: improving the planning of commercial networks in cities and rural areas; relieving physical retailers’ burden by streamlining administrative measures and processes; as well as perfecting the market monitoring mechanism to facilitate fair market competition.
- Strengthening policies support: reducing fees and taxation rates of companies such as import duties of certain consumer goods and electricity rate; providing financial support to companies transforming their businesses through public and private funding and other financial tools; as well as
encouraging local governments to set up demonstration areas dedicated to retail transformation.

MOFCOM and 12 other ministries jointly issue the “Opinions on Accelerating Domestic Trade Circulation and Innovation, Optimizing Supply-side Structural Reform and Improving Consumption”

Ministry of Commerce (MOFCOM) and 12 other ministries jointly issued the “Opinions on Accelerating Domestic Trade Circulation and Innovation, Optimizing Supply-side Structural Reform and Improving Consumption” (the Opinions). The Opinions target to spend two years to address some underlying issues that restrict consumption, and gain experience in reforms and innovations that can be expanded and popularized. The Opinions specify 13 tasks in 4 areas, which include: intensifying efforts in informatization; encouraging transformation by focusing on selling products to selling lifestyle services; supporting the integration of the circulation sector with various related industries; reforming the operations of the commercial sector; relaxing and abandoning various restrictions on operations; reforming taxation policies; optimizing regional planning; coordinating the development of urban and rural areas; regularizing the consumption environment; improving consumption standards; enhancing the credit system; and encouraging green consumption.

MOFCOM and nine other ministries jointly issue the “13th Five-year Plan for the Development of Domestic Trade and Circulation”

The Ministry of Commerce (MOFCOM) and nine other ministries jointly issued the “13th Five-year Plan for the Development of Domestic Trade and Circulation” (The Plan). The Plan put forward the strategies to upgrade domestic trade circulation, which include nine “major tasks” and 17 key projects. The Plan also set out the growth targets for the development of domestic trade and circulation – China’s retail sales is expected to reach about 48 trillion yuan by 2020, with average annual retail sales growth at 10%. Domestic consumption will contribute significantly to China’s economic growth; added value of wholesale, retail, hotels and catering services industries is set to reach 11.2 trillion yuan, an average annual increase of 7.5%; e-commerce is projected to hit 43.8 trillion yuan by 2020, with an average annual growth rate of about 15%.

E-commerce: Singles’ Day

Sales performance of major e-commerce players in the Singles’ Day period

Alibaba

- Total GMV was 120.7 billion yuan, up 32% yoy. Mobile GMV accounted for 82% of total GMV; with 235 countries and regions completed cross-border transactions.
- Alipay processed more than 1 billion payment transactions in total, and processed 120,000 transactions per second at peak hours.
- In logistics, Cainiao Network processed more than 657 million delivery orders placed on Alibaba's China and international retail marketplaces.

Tmall Global

- At 9.5 hours into the sales event, total GMV of Tmall Global surpassed the total for the 24-hour sale last year.
Chemist Warehouse online flagship store topped the list with the highest GMV.

The top 5 countries selling imported goods on Tmall Global were Japan, the U.S., South Korea, Australia and Germany.

Among all the product categories, the best selling product categories included paper diapers, baby milk powder, face masks, skin care products and watches.

JD.com

According to the statistics from JD.com, total GMV increased by 60% yoy during the Singles’ Day period, i.e. from 1 – 11 November.

While the growth of GMV was 59% yoy on the Singles’ Day (11 November), and 85% of the orders were generated from mobile devices.

Among all the categories, apparel and home products were the top selling product categories, accounted for more than 40% of total orders in JD.com.

Consumers from Guangdong, Beijing, Jiangsu, Shanghai and Sichuan made the most orders from JD.com.

Meanwhile, total number of orders from tier three or below cities grew the fastest; and that from rural areas achieved JD.com’s sales target of 30%.

Gome

According to the data released by Gome, total GMV went up by 268% yoy on 11 November; and 72% of total GMV were made via mobile devices.

Guangdong, Beijing, Jiangsu, Shandong and Sichuan were the top buying provinces in terms of total number of orders.

In logistics, Gome introduced on-demand goods delivery on a 24 hours/ 7 days basis this year, which is the first of its kind in China. Other than that, Gome also provided delivery from their shops, or customers can pick up the goods by themselves.

Suning

According to the data released by Suning, total number of orders increased by 193% yoy, with online orders up by 210% yoy. 83% of total number of orders online was made via mobile devices.

Total number of orders from rural areas grew significantly by 300% yoy.

In logistics, half day delivery and express delivery accounted for 80% of all the product deliveries.

All stock in Uniqlo’s Tmall store is sold out on the Singles’ Day in just 10 hours

All stock in Uniqlo’s Tmall store is sold out in just ten hours into the Singles’ Day shopping festival; there was a note asking customers to visit its physical stores. The brand said previously that its strategy for the sales event is to provide an upgraded shopping experience to its customers through tactics such as simultaneous discount offers in both online and offline channels, as well as click and collect services, etc.

BBG records 1.126 billion yuan GMV on the Singles’ Day

Better Life Group (BBG) recorded 1.126 billion yuan worth of GMV on the Singles’ Day, an increase of 83% yoy. On 11 November, its supermarkets, department stores, home appliances specialty stores, and yunhou.com achieved record-breaking sales of 300 billion yuan. BBG adopted “cewebrity” marketing in its Singles’ Day marketing campaign. On 11-13 November, around 20 cewebrities launched live streaming broadcasts at various
stores of BBG and attracted more than 500,000 viewers.

Loulai racks up 288 million yuan GMV on the Singles’ Day; the 5th consecutive year to be Tmall’s top home textile brand

Loulai recorded GMV of 288 million yuan on the Singles’ Day, being the fifth consecutive year to be the Tmall’s number one home textile brand in terms of sales. It also became the first home textile brand that achieved 200 million yuan GMV within the same day. On 11 November, Loulai’s flagship store on Tmall recorded GMV of over 1 million yuan within 1 minute, and over 10 million yuan within 8 minutes.

Tmall’s women’s wear list during the Singles’ Day shopping festival releases; Uniqlo tops the list

The top 5 women’s wear brands from Tmall were, namely, Uniqlo, ONLY, Bosideng, JNBY and Le Ting during the Singles’ Day shopping festival. JNBY is the only brand from Taobao that remains on the list.

Cosmetics products record total sales of 21.24 billion yuan on the Singles’ Day; foreign brands have over 50% of market share

According to Syntun, a domestic big data solution provider, sales of cosmetics on 16 major B2C platforms reached 21.24 billion yuan, accounting for 12% of the total sales on these platforms on the Singles’ Day. Top 10 bestselling brands included L’Oréal Paris, Schwarzkopf, Pechoin, Chando, Lancôme, Head & Shoulders, One leaf, Seeyoung, Maybelline, and Herborist. Foreign brands commanded 51.7% of the total market share, with sales up by 29.2% yoy. Sales of cosmetics on Tmall accounted for 60% of the total.

SPB: Total number of express delivery orders on the Singles’ Day reached 350 million, up 59% yoy

According to State Post Bureau of the PRC (SPB), total number of express delivery orders from major e-commerce platforms on the Singles’ Day (11 November) reached 350 million, up 59% yoy. During 11-16 November, the logistics industry of China was estimated to process over 1.05 billion pieces of express delivery parcels, up 35% yoy. Top 10 provinces that received the largest number of parcels during the Singles’ Day period were Zhejiang, Guangdong, Jiangsu, Fujian, Shanghai, Beijing, Hubei, Anhui, Hebei and Henan. Express delivery parcels from cross-border e-commerce operators increased fivefold to reach 10 million pieces.

E-commerce: Others

MOFCOM: Transition period for the implementation of new supervision regulations on CBEC imports to extend to end-2017

According to Ministry of Commerce (MOFCOM), the one-year transition period for the implementation of new supervision regulations on cross-border e-commerce (CBEC) imports which starts from 11 May, 2016 will be extended to the end of 2017. Importers will not be required to provide CIQ Clearance Notice before importing CBEC goods into bonded warehouses of pilot cities. Pre-market approvals for first-time imported goods such as cosmetics, infant formula, medical devices, and certain nutritional and health products via bonded area import or direct mail models will also be put on hold.
JD.com's net income up more than 10 times yoy in 3Q16

JD.com has announced the financial results for 3Q16. In the quarter, JD’s net revenue was 60.7 billion yuan, up 38% yoy. Non-GAAP net income was 269 million yuan, grew by more than ten times compared with the same period in 2015. GMV reached 158.8 billion yuan, up 47% yoy; of which almost 80% of orders were placed via mobile devices, up 110% yoy. Annual active customer accounts increased by 57% yoy to 198.7 million in the 12 months ended 30 September, 2016.

E-commerce logistics

Ele.me cooperates with YTO Express to provide express delivery services

Ele.me, a domestic online food delivery service platform, cooperates with YTO Express to provide express delivery services in 15 major cities including Beijing, Shanghai and Guangzhou. It is estimated that Ele.me can handle more than 1 million orders per day during the Singles’ Day period. Ele.me launched an app for the couriers and they can accept orders via the app. Previously, couriers for Ele.me mainly worked during lunch and dinner hours, now they can utilize their idle time to provide delivery services and get extra income.

Wangfujing's total sales up 101% in the Singles’ Day shopping festival

Wangfujing Group announced its sales results for the Singles’ Day shopping festival this year. It is reported that the sales growth of Wangfujing during the Singles’s Day period was 101% compared to the same period last year. Total sales (including e-commerce business and sales generated from promotion activities of all sales channels) added up to 74.48 million yuan; and sales from e-commerce accounted for 29% of the total sales during the Singles’ Day period.

Wangfujing Group restructuring to form an O2O centre

Recently, Wangfujing Group announced to establish an O2O centre by merging its marketing department, e-commerce company and O2O project team. The establishment of an O2O centre is an initiative of the Group’s headquarters to change its internal organization structure, which aimed at meeting consumers’ needs and strengthening its operation capability. According to the Group, it is hoped that the number of active members would increase to 5 million upon the formation of the O2O centre.

German supermarket chain Aldi to enter China in 2017

German supermarket chain Aldi is set to enter
China in 2017 using Australia as a springboard. Aldi will set up online store in China in 1H17. It may also open physical stores in China by the end of 2017. The online store will sell non-chilled groceries and wine, and the majority of these products will be sourced from Aldi’s existing suppliers in Australia.

Carrefour plans to open 40 Carrefour Easy convenience stores by end of 2016

Carrefour planned to open 40 Carrefour Easy convenience stores by end of 2016. With an average area of around 300 sqm, Carrefour Easy is a smaller scale retail format under Carrefour. Each Carrefour Easy store sells around 4,000 SKUs and serves around 300,000 customers per month. Currently, 17 Carrefour Easy has opened for business in Shanghai.

Luxury products

Gucci introduces customized DIY service in China for the first time

Recently, Gucci opened its first flagship store in China. The store was designed by creative director Alessandro Michele. The store provides customized DIY service to Chinese customers; it is the first time such service is available in China.
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