

China Retail & E-commerce Weekly Update



Helen Chin
Vice President

William Kong
Senior Research Manager

Brigitte Ng
Research Analyst

Fung Business Intelligence
11/F LiFung Tower
868 Cheung Sha Wan Road
Kowloon, Hong Kong
T: (852) 2300 2271
F: (852) 2635 1598
E: fbicgroup@fung1937.com
W: <http://www.fbicgroup.com>



I. Sector Review..... 2

Internet & E-commerce 2

- JD.com’s 618 Shopping Festival sees record number of participating brands 2
- Kuaishou E-commerce: FMCG GMV increases by 126% yoy during 618 period..... 2
- Bilibili: E-commerce advertising revenue during 618 period up by over 400% yoy..... 2
- Taobao Live 618 event: 79 merchants exceed 30 million yuan in turnover..... 2
- Xiaohongshu establishes new company in Zhuhai with a registered capital of 51 million yuan 3
- JD Supermarket to invest over one billion yuan in support for domestic brands 3

Retail Logistics..... 3

- China’s first global cross-border e-commerce DTC brand innovation centre lands in Cainiao Smart Valley in Hangzhou..... 3

Apparel & Sports..... 4

- SHEIN partners with third-party sellers to expand product range and introduce more well-known brands 4
- Peacebird establishes strategic partnership with Weimob to accelerate digital transformation..... 4
- Nike partners with AntChain to launch product traceability services using blockchain technology 4

II. Market Overview 5

- CCFA publishes list of top 100 Chinese supermarkets for 2022 5

III. Policy Spotlight 5

- SAMR calls for stronger regulation and supervision of online advertising 5

References (in Chinese) 6

I. Sector Review

Internet & E-commerce

JD.com's 618 Shopping Festival sees record number of participating brands

The number of brands and physical stores participating in JD.com's (京东) 618 shopping festival reached a record high this year. Tens of thousands of offline JD.com stores, as well as millions of offline partner stores connected to JD.com's supply chain, have participated in the 618 promotions. JDDJ (京东到家) cooperated with more than 380,000 offline stores to provide instant retail services from online ordering to store delivery and product delivery within minutes, and the number of partner stores increased by 80% yoy.¹

Kuaishou E-commerce: FMCG GMV increases by 126% yoy during 618 period

Kuaishou E-commerce (快手电商) recently released its operational performance during the 618 shopping festival. During the 618 promotional period (1-18 June), the overall GMV of the FMCG category increased significantly. The GMV of FMCG brands increased by 126% yoy, the GMV of food brands increased by 164% yoy, the GMV of cross-border e-commerce increased by 273% yoy, the GMV of daily goods and health brands increased by 110% yoy, and the GMV of the automotive industry exceeded 300 million.²

Bilibili: E-commerce advertising revenue during 618 period up by over 400% yoy

During the 618 promotional period this year, Bilibili's (B站) e-commerce advertising revenue increased by more than 400% year-on-year, the number of e-commerce videos on the site increased by nearly eight times year-on-year, and the number of product livestreams increased by nearly 7.5 times year-on-year. The SKUs for orders placed through Bilibili increased by nearly four times year-on-year.³

Taobao Live 618 event: 79 merchants exceed 30 million yuan in turnover

Taobao Live (淘宝直播) recently concluded a large-scale livestreaming event for the 618 shopping festival. 79 merchants had a turnover of over 30 million yuan, 286 merchants had a turnover of over 10 million yuan, and 553 merchants had a turnover of over 5 million yuan. Over 8,000 Taobao/Tmall merchants from over 20 industries signed up for the event, with small- and medium-sized merchants accounting for 96% of the total. 147 stores participated in the 618 promotions for the first time, and they achieved a growth rate of more than 100% in turnover compared to April.⁴

Xiaohongshu establishes new company in Zhuhai with a registered capital of 51 million yuan

Xiaohongshu (小红书) recently established a wholly owned subsidiary called Xiaohongshu Technology (Zhuhai Hengqin) Co., Ltd. It has a registered capital of 51 million yuan and its legal representative is Wang Xiaobo. Its business scope includes IT consulting services, advertising production, cultural and artistic exchange activities, professional design services, and marketing planning.⁵

JD Supermarket to invest over one billion yuan in support for domestic brands

JD Supermarket (京东超市) recently launched a new support scheme for domestic brands. It will invest more than one billion yuan in resources to help qualified brands with eight support measures across product insights, marketing resources, operations support, and service support. With the support, brands are expected to achieve an average year-on-year increase in turnover of over 50% on the JD Supermarket platform, and over 100 bestselling domestic products will be incubated. The support measures include C2M production, development of category standards, large-scale promotional activities, online marketing resources, multi-channel traffic support, empowerment of core operating tools, data analysis and operational support, and professional training and guidance.⁶

Retail Logistics

China's first global cross-border e-commerce DTC brand innovation centre lands in Cainiao Smart Valley in Hangzhou

The 7th Global Cross-Border E-Commerce Summit was held in Hangzhou in mid-June. At the conference, it was announced that China's first global cross-border e-commerce direct-to-consumer (DTC) brand innovation centre will be opened at Cainiao Smart Valley (菜鸟智谷) in Hangzhou Future Sci-Tech City. The centre will focus on cross-border business flow, cross-border logistics, cross-border capital flow, and cross-border information flow, creating a cross-border trade hub for cross-border e-commerce merchants, logistics service providers, warehousing service providers and other ecosystem partners.⁷

Apparel & Sports

SHEIN partners with third-party sellers to expand product range and introduce more well-known brands

Cross-border fast fashion brand SHEIN recently announced that it will further expand its product categories by cooperating with global brands and third-party sellers to cater for the growing demand for diversified products. The SHEIN marketplace has introduced new product categories beyond fashion and apparel, including home appliances such as portable washing machines, smart home products such as remote-controlled lighting, and home DIY products such as bathroom and kitchen fixtures and wallpaper. SHEIN has also partnered with global brands to sell popular products on its platform. For example, Skechers, a leading footwear company, and Lansinoh, a maternal care brand, are already available on SHEIN. SHEIN will also collaborate with globally renowned multi-brand boutiques to bring a wide range of fashion, beauty and lifestyle brands to its platform.⁸

Peacebird establishes strategic partnership with Weimob to accelerate digital transformation

Fashion brand Peacebird (太平鸟) recently signed a strategic cooperation agreement with cloud-based commerce and marketing solutions provider Weimob (微盟). Peacebird's subsidiary brands (PEACEBIRD MEN, PEACEBIRD WOMEN, mini peace and LEDiN) are now fully connected the new Weimob WOS business operating system and will undergo an integrated upgrade. The two parties will carry out in-depth cooperation across store digitalization, channel digitalization, shopping guide digitalization, marketing digitalization, customer management digitalization and other aspects in order to help Peacebird to accelerate its digital transformation, generate new growth momentum for digitalization of physical retail, and achieve sustainable high-quality growth.⁹

Nike partners with AntChain to launch product traceability services using blockchain technology

During the 618 promotional period, Nike launched its product traceability system that combines blockchain technology with Near Field Communication (NFC) chips embedded in Nike shoes. The system was developed in partnership with AntChain (蚂蚁链) (Ant Group's blockchain arm) and aims to enhance transparency and traceability throughout the supply chain by securely recording and verifying important product information. Nike is the first brand in the sports industry to comprehensively integrate NFC and blockchain technology into product traceability.¹⁰

II. Market Overview

CCFA publishes list of top 100 Chinese supermarkets for 2022

On June 21, the China Chain Store and Franchise Association (CCFA) released the *Top 100 Supermarkets in China in 2022*. Walmart, Yonghui (永辉) and RT-Mart (大润发) remained in the top three (as they were in 2021), BBK (步步高) dropped out of the top ten, and Freshippo entered the top ten for the first time. The total sales of the 100 supermarket enterprises were 936.887 billion yuan, with a total of 28,413 stores. The total sales (including tax) of Walmart China, Yonghui Superstores and Kangcheng Investment (China) Co. (owner of RT-Mart) in 2022 were 109.310 billion yuan, 97.987 billion yuan, and 92.012 billion yuan respectively.¹¹

III. Policy Spotlight

SAMR calls for stronger regulation and supervision of online advertising

The General Office of the State Administration for Market Regulation (SAMR) recently issued a notice to provide further guidance on advertising supervision. The notice proposes 10 specific requirements and measures, including strengthening the supervision of online advertising, especially regarding new forms of advertising such as livestreaming, pop-ups, and advertorials; strengthening cross-departmental coordination and supervision and solving major problems such as repeat offenders.¹²

References (in Chinese)

- ¹ 《京东 618：线上品牌商家参与数量达历史最高》，2023 年 6 月 19 日，搜狐网
https://sohu.com/a/687095318_99900743
- ² 《快手电商快消行业 618 战报：快消品牌成交 GMV 同比增长 126%》，2023 年 6 月 20 日，电商报
<https://www.dsb.cn/news-flash/118906.html>
- ³ 《B 站：618 期间电商类广告收入同比增长超 400%》，2023 年 6 月 20 日，36 氪
<https://36kr.com/newsflashes/2309556384099592>
- ⁴ 《淘宝直播 618 商家超级播活动收官 79 个商家成交额破 3000 万元》，2023 年 6 月 22 日，电商报
<https://www.dsb.cn/news-flash/119084.html>
- ⁵ 《小红书在珠海横琴成立新公司 注册资本 5100 万》，2023 年 6 月 21 日，联商网
<http://www.linkshop.com/news/2023505400.shtml>
- ⁶ 《「京东超市公布“国货之光”品牌计划 将投入超 10 亿资源》，2023 年 6 月 16 日，亿邦动力网
<https://www.ebrun.com/ebrungo/zb/521099.shtml>
- ⁷ 《国内首个全球跨境电商 DTC 品牌创新中心落地菜鸟智谷》，2023 年 6 月 16 日，亿邦动力网
<https://ebrun.com/ebrungo/zb/521083.shtml>
- ⁸ 《SHEIN 与第三方卖家合作拓展品类范围 引入更多知名品牌》，2023 年 6 月 20 日，电商报
<https://www.dsb.cn/news-flash/118930.html>
- ⁹ 《太平鸟与微盟战略合作，一体化解决方案加速数字化转型》，2023 年 6 月 19 日，联商网
<https://www.linkshop.com/news/2023505275.shtml>
- ¹⁰ 《耐克携手蚂蚁链推出的 NFC+ 区块链全新溯源方案展开试点应用》，2023 年 6 月 21 日，36 氪
<https://36kr.com/newsflashes/2310997311172098>
- ¹¹ 《2022 中国超市百强发布》，2023 年 6 月 21 日，新浪财经网
<https://finance.sina.com.cn/jjxw/2023-06-21/doc-imyxzzqi7620457.shtml>
- ¹² 《市场监管总局：加强互联网广告监管，加大互联网广告乱象清理整治力度》2023 年 6 月 19 日，36 氪
<https://36kr.com/newsflashes/2308107149831429>