

China Retail & E-commerce Weekly Update



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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

Internet & E-commerce

Douyin E-commerce plans to develop 20 10-billion-yuan industry belts by the end of the year

The 4th China New E-commerce Conference was recently held in Changchun, Jilin during 26-27 September. At the conference's launch ceremony for the 'New E-commerce Empowerment Action Plan', Zhang Fuping, vice president and editor-in-chief of Douyin (抖音) Group, introduced the initial achievements and future plans for Douyin E-commerce's 'Industry Growth Plan'. Zhang disclosed that in 2023, Douyin E-commerce covered 684 distinctive industry belts across the country, the number of merchants in the industry belts increased by more than 194%, the number of e-commerce livestreams exceeded 1.09 million, and product sales volume increased by more than 66% – of which the sales volume of shelf-based e-commerce increased by 103%. It is expected that by the end of this year, the platform will have developed 20 10-billion-yuan industry belts across the country, and there will be more than 10 industry belts with over 100% growth in transaction volume or number of merchants.¹

Pinduoduo to launch 11.11 event at midnight on 14 October

Pinduoduo (拼多多) recently began recruiting merchants for its 11.11 promotional event. This year's 11.11 event will start at 0:00 on 14 October, nearly a week earlier than last year. The company has increased its efforts to attract brands this year. The platform will provide a special promotion brand package, while also setting up dedicated brand pages to boost online traffic. The promotion brand package includes advertising rights and a half-year 'flood link' – this means that the platform specifically invites brand merchants to participate in same-price activities, which has looser price comparison requirements than regular promotion activities.²

Pinduoduo launches a 10-billion-yuan support plan for new quality merchants

On September 30, the 4th China New E-commerce Conference opened in Changchun City, Jilin Province. At the conference, Pinduoduo (拼多多) released the '10-billion-yuan support plan for new quality merchants'. Wang Jian introduced that Pinduoduo will invest 10 billion yuan in the next year, set up a special team to go deep into 100 agricultural areas and industry belts, select new quality merchants with product and technology innovation capabilities, and use the platform's digital capabilities to provide full-chain support for new quality merchants in products, marketing, operations and supply chains. It is expected that these new quality merchants will help promote agricultural production areas and industry belts to achieve industrial upgrading and embark on a path of high-quality development.³

Kuaishou E-commerce hosts online ‘Hairdressing Festival’ and invests tens of millions in traffic incentives

Kuaishou E-commerce’s (快手电商) personal care division recently initiated an online hairdressing festival which will run from 1 to 12 October, working with merchants and experts to bring users seasonal, high-quality hair products with diverse styles and affordable prices. During the festival, Kuaishou E-commerce is expected to invest in tens of millions in traffic incentives and launch industry-exclusive benefits. Participating merchants will have the opportunity to obtain exclusive traffic exposure and enjoy subsidies for specific products.⁴

Supermarkets & Hypermarkets

JD.com’s 7Fresh Supermarket begins trial operations in Shanghai

JD.com (京东) recently announced that its self-operated supermarket 7Fresh (七鲜) has officially entered Shanghai, as the Shanghai Huiju Store has begun trial operations. This is 7Fresh’s first store in Shanghai, which will provide consumers with a one-stop shopping experience, offering gourmet fresh food and local life services. The store’s average daily customer flow exceeded 10,000 in the first three days of trial operations. ‘Breakthrough price’ products and 7Fresh’s own brand products were the most popular among consumers. Furthermore, 7Fresh continues to improve its supply chain capabilities, explore profit margins in various links of the industry chain, and give back to consumers.⁵

Retail Logistics

SHEIN begins first phase of construction on supply chain headquarters in Guangzhou

SHEIN recently began phase one of construction on its supply headquarters in Zhongxin Town, Zengcheng District, Guangzhou, which will eventually become a cross-border e-commerce innovation and development hub. It has invested a total of 10 billion yuan in the project, which will be built in three phases. At full capacity, the hub’s annual export volume is expected to exceed 100 billion yuan, with around 100,000 employees during the peak period. The first phase of the project will cover a floor area of not less than 800,000 sqm with a total investment of 3.69 billion yuan. It will hire around 30,000 to 40,000 employees, driving the development of upstream and downstream industries and employment across trade exports, production and manufacturing, warehousing, logistics, and transportation.⁶

Apparel

H&M joins Pinduoduo

Swedish brand H&M has announced its entry into the Chinese e-commerce platform Pinduoduo (拼多多), opening an official flagship store and launching a trial operation. This move highlights H&M's commitment to digital strategy and exploration of new opportunities in the Chinese market. The group appointed Sed Al-Achkar as its president last year. After taking on the role, Al-Achkar reiterated the importance of the Chinese market and aimed to strengthen local operations. H&M previously announced a partnership with Shanghai Fashion Week. By the end of fiscal 2023, H&M will have about 300 stores in more than 120 cities in the Greater China market.⁷

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Fung Business Intelligence

Fung Business Intelligence collects, analyses and interprets global market data on sourcing, supply chains, distribution, retail and technology.

Headquartered in Hong Kong, it leverages unique relationships and information networks to monitor, research and report on these global issues with a particular focus on business trends and developments in China. Fung Business Intelligence makes its data, impartial analysis and specialist knowledge available to businesses, scholars and governments through regular research reports and business publications.

As the knowledge bank and think tank for the Fung Group, a Hong Kong-based multinational corporation, Fung Business Intelligence also provides expertise, advice and consulting services to the Group and its business partners on issues related to doing business in China, ranging from market entry and company structure, to tax, licensing and other regulatory matters.

Fung Business Intelligence was established in the year 2000.

Fung Group

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