

# 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**
  - Li Jiaqi’s brand Never’s Family begins livestreaming on Douyin ..... 2
  - Youzan’s revenue down 5.2% yoy to 686 million yuan in 1H24 ..... 2
  - Douyin Delivery reassigned from e-commerce to local lifestyle services division..... 2
  - Vipshop: The number of tennis skirts purchased by post-95s more than triple year-on-year..... 3
  - JD.com’s 2Q24 revenue reaches 291.4 billion yuan as income from operations reaches 10.5 billion yuan..... 3
  - Alibaba’s revenue goes up by 4% yoy to reach 243.2 billion yuan in June quarter .... 3
- Cross-border E-commerce..... 4**
  - SHEIN sets up supply chain headquarters in Guangzhou with 3.69 billion yuan investment ..... 4
- Retail Logistics..... 4**
  - SF Intra-city provides merchant support for Chinese Valentine’s Day ..... 4
  - Alibaba enters Hong Kong express delivery market as Cainiao Hong Kong launches local express delivery service ..... 4
- Cosmetics ..... 5**
  - Hermès perfume and cosmetics now available on JD.com ..... 5
  - Chantecaille expands presence in China with Tmall flagship store ..... 5
- Food & Beverage..... 5**
  - Yum China reaches 15,423 stores ..... 5
- II. Market Overview ..... 6**
  - NBS: Total retail sales of consumer goods up by 2.7% yoy in July 2024 ..... 6
- III. Policy Spotlight ..... 6**
  - Beijing publishes municipal guidelines on livestreaming e-commerce..... 6
- References (in Chinese) ..... 7**

# I. Sector Review

## Internet & E-commerce

### Li Jiaqi's brand Never's Family begins livestreaming on Douyin

Beauty influencer Li Jiaqi's agency MeiOne (美腕) recently hosted a livestream for his brand Never's Family (奈娃家族) on Douyin (抖音). However, Li Jiaqi did not appear on the livestream, which was instead hosted by some of his assistants. Never's Family is an IP incubated by MeiOne in 2020, based on Li Jiaqi's five Bichon Frise dogs. On Douyin, the brand only offers IP-related goods such as mobile phone cases, dry hair caps, powder puffs, denim bags and other daily products. Never's Family has already opened flagship stores on multiple platforms including Tmall, but so far, Douyin is its only livestreaming platform. MeiOne said that the brand's livestreaming on Douyin is one of its regular sales channels, with more to come.<sup>1</sup>

### Youzan's revenue down 5.2% yoy to 686 million yuan in 1H24

Youzan (有赞) recently released its financial results for the first half of 2024. During this period, the company's revenue reached 686 million yuan, a year-on-year decrease of 5.2%; net loss was 17.22 million yuan, and the adjusted EBITDA was 51.22 million yuan, with a profit margin of 7.5%. During the reporting period, the average sales of merchants on Youzan were 840,000 yuan, an increase of 25% yoy. Youzan's operating profit in the first half of 2024 was 51.22 million yuan, exceeding the full year of 2023. So far, Youzan has achieved operating profitability for seven consecutive quarters.<sup>2</sup>

### Douyin Delivery reassigned from e-commerce to local lifestyle services division

Douyin Delivery (抖音外卖), which was originally affiliated with Douyin e-commerce and instant retail division, announced internally that it would return to Douyin's local lifestyle services division. This marks the second restructuring of Douyin's food delivery service within just half a year. The initial shakeup came in April, when Douyin Delivery was shifted from the local lifestyle services division to instant retail. This move led to a cascade of changes, most notably on the consumer-facing side. By mid-June, Douyin's group buying delivery service had stopped onboarding new merchants, and by late June, Douyin's home delivery platform officially launched. Shortly thereafter, reports surfaced that a food delivery option had been integrated into the hourly delivery section of Douyin Mall, expanding its reach to most major cities. However, the integration was short-lived. Four months later, the team found itself reassigned back to local lifestyle services. Furthermore, the food delivery option has since disappeared from the hourly delivery section in Douyin Mall.<sup>3</sup>

### **Vipshop: The number of tennis skirts purchased by post-95s more than triple year-on-year**

Fuelled by the Olympics, niche sports trends have continued to emerge this summer. Tennis, breakdancing, rock climbing, skateboarding and other sports have become increasingly popular, with corresponding growth in related consumption. On local lifestyle platforms, the search volume for breakdancing soared by nearly 130%, and data from e-commerce platforms showed that the sales of tennis skirts, skateboard shoes, street dance pants, etc., grew rapidly. According to Tmall's (天猫) 'Sports Skirt Hot Brand List', lululemon tennis skirts ranked first in sales within 48 hours after the women's tennis singles final. Vipshop (唯品会) data showed that since 3 August, sales of tennis skirts have increased by 122% yoy, and the number of tennis skirts purchased by post-95 consumers has more than tripled year-on-year.<sup>4</sup>

### **JD.com's 2Q24 revenue reaches 291.4 billion yuan as income from operations reaches 10.5 billion yuan**

JD.com (京东集团) recently released its financial results for the second quarter of 2024. During this period, the company's revenue rose by 1.2% yoy to 291.4 billion yuan; income from operations was 10.5 billion yuan, up by 27% yoy. Net income attributable to the company's ordinary shareholders was 12.6 billion yuan, compared to 6.6 billion yuan for the second quarter of 2023. Net margin attributable to the company's ordinary shareholders was 4.3%, compared to 2.3% for the second quarter of 2023. Non-GAAP net income attributable to the company's ordinary shareholders was 14.5 billion yuan, compared to 8.6 billion yuan for the second quarter of 2023.<sup>5</sup>

### **Alibaba's revenue goes up by 4% yoy to reach 243.2 billion yuan in June quarter**

Alibaba Group (阿里巴巴集团) recently reported its financial results for its fiscal first quarter ended 30 June. During this period the company's revenue reached 243.2 billion, an increase of 4% yoy; adjusted EBITDA reached 4.5 billion, a decrease of 1% yoy. Taobao and Tmall Group (淘天集团) achieved steady year-over-year growth in orders and GMV, while 88 VIP members reached 42 million, indicating a strong premium member base. The company's international e-commerce segment, AIDC, delivered 32% yoy revenue growth. Furthermore, Alibaba Cloud's overall revenue excluding Alibaba-consolidated subsidiaries grew 6% yoy, with public cloud revenue maintaining double-digit growth. AI-related product revenue sustained triple-digit growth, continuing to increase its share in public cloud revenue. Across businesses outside of e-commerce and cloud, operating efficiency improved this quarter, and losses in businesses such as Ele.me (饿了么) and Lazada narrowed significantly.<sup>6</sup>

## Cross-border E-commerce

### **SHEIN sets up supply chain headquarters in Guangzhou with 3.69 billion yuan investment**

The Guangzhou Municipal Planning and Natural Resources Bureau recently announced that leading fast fashion e-commerce company SHEIN has received permits for its supply chain headquarters project in Zengcheng District, Guangzhou. With this approval, SHEIN Group will establish an intelligent warehousing logistics distribution park that will integrate various functions such as warehousing, stockpiling, picking, distribution, delivery, and settlement. This supply chain centre, the largest cross-border e-commerce supply chain headquarters in China, is envisioned to be a core support for SHEIN's global sales. The first phase of the project spans 738 acres, with a minimum construction area of 800,000 square meters and a total investment of 3.69 billion yuan.<sup>7</sup>

## Retail Logistics

### **SF Intra-city provides merchant support for Chinese Valentine's Day**

During Chinese Valentine's Day this year, categories such as flowers, catering, and retail saw increased consumption, and the number of related instant delivery orders also increased. According to SF Intra-city's (顺丰同城) data, the number of flower and cake delivery orders for Chinese Valentine's Day surged this year, increasing several times month-on-month. The number of supermarket and convenience orders increased by 126% yoy, and the number of orders for beverages, fresh food, and beauty products increased by double digits year-on-year. In addition to traditional platforms such as Meituan (美团) and Taobao (淘宝), growth on new channels such as WeChat (微信), Douyin (抖音), and Xiaohongshu (小红书) was also quite impressive. According to SF Intra-city's data, the number of delivery orders across categories within the Douyin ecosystem increased by 186% yoy.<sup>8</sup>

### **Alibaba enters Hong Kong express delivery market as Cainiao Hong Kong launches local express delivery service**

Alibaba's (阿里巴巴) Cainiao Group (菜鸟集团) recently launched a local express delivery service in Hong Kong, providing convenient logistics solutions for e-commerce businesses and consumers. With the 'Business to Consumer (B2C)' service, Cainiao will help e-commerce merchants deliver their goods to consumers. Meanwhile, the 'Cainiao EASY Delivery' service is a 'Consumer to Consumer (C2C)' service. At present, 'Cainiao EASY Delivery' has launched about 80 self-pickup points, with a total of 700 expected by the end of this year.<sup>9</sup>

## Cosmetics

### Hermès perfume and cosmetics now available on JD.com

Luxury brand Hermès has recently launched over 100 perfume and cosmetics products on JD.com (京东). The brand has also partnered with the platform to release new products, while also launching a limited gift box for Chinese Valentine's Day. The brand's JD.com flagship store can be accessed through the search function on the app. As of now, more than 90% of the world's luxury brands, including Louis Vuitton, Gucci, Tiffany & Co., Bottega Veneta and Saint Laurent, have joined JD.com, making their latest products available on the platform once they are launched.<sup>10</sup>

### Chantecaille expands presence in China with Tmall flagship store

Luxury skincare and cosmetics brand Chantecaille is expanding in China through a new domestic partnership with Tmall (天猫). The brand has already launched its Tmall flagship store with eight products currently for sale, including iconic cosmetics and skincare products such as face creams, pressed powder, blush, and facial masks, with unit prices ranging from 430 to 3,100 yuan. The new store also features detailed product information, exclusive offers, and tailored recommendations to enhance the shopping experience.<sup>11</sup>

## Food & Beverage

### Yum China reaches 15,423 stores

Yum China recently released its financial results for the second quarter of 2024. During this period, the company's revenue increased by 1% yoy to a record high of US\$ 2.679 billion; net profit increased 8% yoy to US\$212 million. In the first half of this year, Yum China's total revenue was US\$5.637 billion, a year-on-year increase of 1%. The company opened a record 779 net new stores in the first half of this year, reaching a total of 15,423 stores nationwide. Among this number, there are 10,931 KFC stores and 3,504 Pizza Hut stores; in the second quarter, there were more than 400 new store openings, including 328 KFC stores and 79 Pizza Hut stores.<sup>12</sup>

## II. Market Overview

### **NBS: Total retail sales of consumer goods up by 2.7% yoy in July 2024**

According to the National Bureau of Statistics, in July, total retail sales of consumer goods reached 3.7757 trillion yuan, up by 2.7% yoy. By consumption types, retail sales of goods reached 3.3354 trillion yuan, up by 2.7% yoy, while catering income was 440.3 billion yuan, up by 3.0% yoy. From January to July this year, total retail sales of consumer goods reached 27.3726 trillion yuan, up by 3.5% yoy, and online retail sales of physical goods were 7.0093 billion yuan, up by 8.7% yoy and accounting for 25.6% of total retail sales of consumer goods.<sup>13</sup>

## III. Policy Spotlight

### **Beijing publishes municipal guidelines on livestreaming e-commerce**

The Beijing Municipal Market Supervision Bureau recently published new guidelines on livestreaming e-commerce. The guidelines will further shift the focus of market supervision of livestreaming from in-process supervision and penalties to prevention, in order to help all market participants effectively prevent and resolve compliance risks, fully protect the legitimate rights and interests of consumers, and promote healthy industry competition and development. The guidelines also put forward specific compliance requirements for livestreaming platform operators, livestream operators, sales personnel and service agencies in accordance with the relevant provisions of existing laws, regulations and departmental rules, with a total of four chapters and 31 articles.<sup>14</sup>

## References (in Chinese)

- 1 《李佳琦“奈娃家族”在抖音开播》，2024年8月9日，电商报  
<https://www.dsb.cn/news/01j4td15hjnr28t64pwav0b5zk>
- 2 《有赞上半年营收 6.86 亿元 同比减少 5.2%》，2024年8月13日，网经社  
<https://www.100ec.cn/detail--6641328.html>
- 3 《抖音外卖业务离开电商板块 回归本地生活》，2024年8月15日，壹览商业  
<https://www.yilantop.com/news/38274>
- 4 《唯品会：95后购买的网球裙数量同比增长超3倍》，2024年8月15日，电商报  
<https://www.dsb.cn/news/01j59vz26bevg2krpbz130pwgy>
- 5 《京东2024年第二季度收入 2914 亿元 经营利润 105 亿元》，2024年8月15日，观点网  
<https://www.guandian.cn/article/20240815/429572.html>
- 6 《阿里2025财年Q1财报：营收 2432.4 亿元，同比增长 4%》，2024年8月15日，新浪财经网  
<https://www.100ec.cn/detail--6641192.html>
- 7 《全国最大跨境电商供应链总部落户广州增城》，2024年8月14日，电商报  
<https://www.dsb.cn/news/01j57t3gwyc88xh7jmd3ae213b>
- 8 《顺丰同城助力商家迎七夕消费“小高峰” 商超便利单量同比增长 126%》，2024年8月12日，东方财富网  
<https://finance.eastmoney.com/a/202408123153889318.html>
- 9 《阿里巴巴正式进军香港快递市场 菜鸟香港开通本地快递服务》，2024年8月13日，新浪财经网  
<https://finance.sina.com.cn/tech/roll/2024-08-13/doc-incinynk5320955.shtml>
- 10 《HERMES 爱马仕香水美妆全面入驻京东 七夕限时享受精美礼赠》，2024年8月12日，新浪财经网  
<https://finance.sina.com.cn/tech/roll/2024-08-12/doc-incikrfk9539272.shtml>
- 11 《香缇卡新设天猫旗舰店，加速布局中国》，2024年8月14日，联商网  
<http://www.linkshop.com/news/2024521646.shtml>
- 12 《百胜中国门店总数达 15423 家》，2024年8月12日，联商网  
<http://www.linkshop.com/news/2024521537.shtml>
- 13 《国家统计局：2024年7月份社会消费品零售总额增长 2.7%》，2024年8月15日，国家统计局  
[https://www.stats.gov.cn/sj/zxfb/202408/t20240815\\_1955981.html](https://www.stats.gov.cn/sj/zxfb/202408/t20240815_1955981.html)
- 14 《《北京市直播带货合规指引》正式发布》，2024年8月12日，新浪财经网  
<https://city.sina.cn/finance/2024-08-12/detail-incikeqz7577894.d.html>

## 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

Fung Holdings (1937) Limited, a privately-held business entity headquartered in Hong Kong, is the major shareholder of the Fung Group of companies, whose core businesses operate across the entire global supply chain for consumer goods including sourcing, logistics, distribution and retail. The Fung Group comprises over 26,000 people working in more than 40 economies worldwide. We have a rich history and heritage in export trading and global supply chain management that dates back to 1906 and traces the story of how Hong Kong and the Pearl River Delta emerged as one of the world's foremost manufacturing and trading regions. We are focused on both creating the Supply Chain of the Future to help brands and retailers navigate the digital economy as well as creating new opportunities, product categories and market expansion for brands on a global scale.

Listed entities of the Group include Global Brands Group Holding Limited (SEHK: 00787) and Convenience Retail Asia Limited (SEHK: 00831). Privately-held entities include Li & Fung Limited, LH Pegasus, Branded Lifestyle Holdings Limited, Fung Kids (Holdings) Limited, Toys "R" Us (Asia) and Suhyang Networks.

For more information, please visit [www.funggroup.com](http://www.funggroup.com).

© Copyright 2024 Fung Business Intelligence. All rights reserved.

Though Fung Business Intelligence endeavours to ensure the information provided in this publication is accurate and updated, no legal liability can be attached as to the contents hereof. Reproduction or redistribution of this material without prior written consent of Fung Business Intelligence is prohibited.