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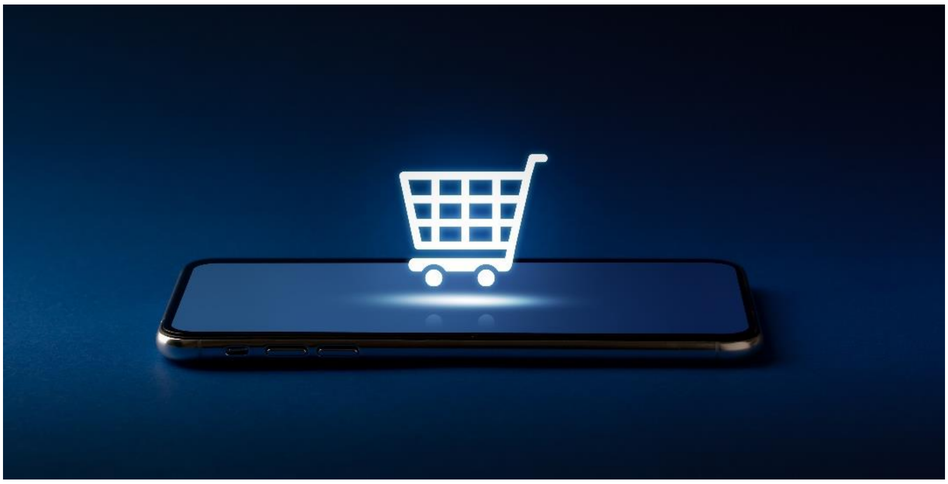
China Retail & E-commerce Weekly Update



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I. Sector Review

Internet & E-commerce

Douyin beauty brand rankings show 'Tmall-ization' trend

Douyin's (抖音) beauty category GMV reached 23.497 billion yuan in May 2025, increasing by 18% yoy. Of which, 35 beauty brands achieved GMV exceeding 100 million yuan, surging 66.7% compared to the previous month (21 brands) and growing 25% compared to the same period in 2024 (28 brands). Boosted by the 618 shopping festival promotion, beauty consumption enthusiasm continues to grow. Notably, international major brands occupied seven positions in Douyin's beauty TOP10 ranking in May. Moreover, 60% of the TOP10 beauty brands of Douyin overlap with that of Tmall beauty rankings. The Douyin beauty brand rankings, which were once dominated by 'Douyin brands', appear to be showing a 'Tmall-ization' trend.[1]

Ele.me expands 'Icy Gift Festival' benefits coverage as number of participating merchants up by over 40% yoy

On 6 June, Ele.me (饿了么) announced the official launch of this summer's 'Icy Gift Festival', delivering the first wave of 'cool delivery to home' shopping experience to users. This summer, Ele.me has upgraded its user benefits, launching millions of free ice cream, iced alcoholic beverages, and iced fruit vouchers, along with multiple full-reduction discounts. Additionally, the number of activity products has increased significantly, with participating merchants growing by over 40% compared to last year. Ele.me continues its 'Ice Protection' service this year, allowing consumers to apply for refunds within 15 minutes if ice products arrive melted, thawed, or not cold upon delivery.[2]

Kuaishou Local Life GMV goes up 151% yoy during Dragon Boat Festival group buying event

Kuaishou Local Life (快手本地生活) recently released the *2025 Dragon Boat Festival Group Buying Event Iron Friends Consumption Report*. The report shows that during the Dragon Boat Festival group buying event (29 May to 2 June), Kuaishou Local Life's GMV grew 151% yoy, with new customers increasing by 95% yoy. Consumption growth in new-tier cities reached 1.5 times that of first- and second-tier cities. Meanwhile, festive consumption surged, with physical retail merchants witnessing a spike in customer traffic. In-store retail GMV grew 242% yoy, with electric vehicles and gold remaining the most popular categories – both saw GMV growth exceeding 1,600% yoy. Daily necessities and supermarket GMV grew 195% yoy, while specialty store GMV increased 189% yoy.[3]

First batch of nine JD Outlets stores connect to JD NOW for instant delivery

JD Outlets (京东奥莱) recently established a strategic partnership with JD NOW (京东秒送), with the first batch of nine stores nationwide officially connecting to JD NOW's delivery service. It covers various regions including Jiangyin in Wuxi, Jiangsu; Tengzhou in Zaozhuang, Shandong; Taihe in Fuyang, Anhui; and Wancheng in Nanyang, Henan. The service brings local consumers a full range of discounted products from international sports brands such as Nike, Adidas, Puma, New Balance, and Under Armour, with delivery in as fast as nine minutes.[4]

Kuaishou Local Life launches special merchant support policies across multiple categories

In order to help high-quality offline merchants with their physical operations and new business growth, Kuaishou Local Life will roll out a series of special support policies across multiple product categories. The first batch of policies covers hair care and styling, beauty and body care, nail and eyelash services, sports and fitness, and education and training categories. From now until 31 July 2025, merchants in the above categories can enjoy up to 100% commission refunds on GMV generated through offline QR code scanning channel. Additionally, merchants who reach corresponding GMV thresholds can receive extra livestreaming and short video traffic support.[5]

AI boosts development of Baidu Youxuan

The 2025 Shanghai International MCN Conference was recently held. Zhao Chen, Head of E-commerce Investment Promotion and Marketing at Baidu (百度), introduced that as an AI-powered intelligent new generation e-commerce platform, Baidu E-commerce has achieved significant development by leveraging Baidu's technological advantages. As the core vehicle of Baidu's AI-driven e-commerce, Baidu Youxuan (百度优选) has also achieved notable results, with top live-streamer Luo Yonghao's debut livestreaming show on Baidu serving as clear evidence: total sales exceeded 50 million yuan, with cumulative viewership reaching 10.75 million, breaking the platform's single-session record.[6]

Retail Logistics

Cainiao accelerates global expansion of logistics technology

Cainiao's (菜鸟) continued delivery of technology projects overseas and its technology partnerships with several multinational groups have attracted attention recently. On 10 June, Bi Jianghua, Vice President of Cainiao and General Manager of the Logistics Technology Business Unit, stated that Cainiao's global major client base for logistics technology grew by over 60% yoy and the company is accelerating its overseas expansion, expecting overseas sales growth to exceed domestic growth for the full year. Additionally, building on its long-term focus on automation, digitalization, and intelligent technology products, Cainiao plans to enhance its research and development capabilities for logistics operation robots and improve application efficiency by consolidating its existing internal R&D capabilities, meeting the diverse technology needs of various industries.[7]

Apparel

Lululemon's revenue in Chinese mainland market grows by 21% yoy in 1Q25

Canadian athleisure brand Lululemon recently announced its financial results for the first quarter of 2025. During this period, Lululemon's total global net revenue grew 7% yoy. Net revenue in the Chinese mainland grew by 21% yoy. This reflects that the Chinese mainland market has become the driving force for the company's revenue growth.[8]

Food & Beverage

Starbucks China plans to focus on non-coffee beverages

On 9 June, Starbucks China announced its plans to focus on the non-coffee beverage market, targeting an all-day service scenario of 'coffee in the morning, non-coffee drinks in the afternoon'. This move aims to meet more diverse consumer needs and enhance brand competitiveness. Yang Zhen, Chief Growth Officer of Starbucks China, stated that the company will improve its non-coffee product matrix, operating in parallel with core coffee products, and create product combinations and experiences based on different scenarios and store types in response to Chinese consumers' demand for sugar-free and low-sugar coffee. Additionally, Starbucks China will also launch an innovative 'authentic sugar-free' system, allowing consumers to have greater control over the sweetness of flavoured coffee.[9]

Burger King China to close underperforming stores

On 12 June, Restaurant Brands International Inc., the parent company of Burger King, announced the launch of a series of strategic initiatives. As part of this plan, Burger King China will conduct a comprehensive evaluation of its restaurant store presence and close stores with poor locations and operations. This adjustment is expected to reduce Burger King China's total number of stores in 2025. To offset some of the impact, Burger King China plans to simultaneously add 40 to 60 new restaurants. The new stores will mainly focus on core commercial districts in first- and second-tier cities.[10]

II. Market Overview

100EC publishes *China Livestreaming E-commerce Market Data Report 2024*

On June 9, the E-commerce Research Centre of 100EC, which is part of the China General Chamber of Commerce, published the *China Livestreaming E-commerce Market Data Report 2024*. The report shows that in 2024, the transaction value of livestreaming e-commerce reached 5.3256 trillion yuan, a year-on-year increase of 8.31%, a slowdown from past years. The livestreaming e-commerce penetration rate reached 34.3%, with a growth rate of 7.52%, as growth momentum continued to decline. Additionally, the user base of livestreaming e-commerce reached 620 million people in 2024, a year-on-year increase of 14.81%, with steady growth momentum. Overall, five major trends emerged in the 2024 livestreaming e-commerce market: reshaping of top hosts landscape, change in platform positioning, intensified traffic concerns, comprehensive regulatory overhauls, and new options for digital human livestreaming.[11]

III. Policy Spotlight

SAMR plans to strengthen live-streaming e-commerce supervision

On 10 June, the State Administration for Market Regulation (SAMR) started to solicit public opinions on the *Livestreaming E-commerce Supervision and Management Measures*. The Measures stipulate that livestreaming e-commerce platform operators should establish a blacklist system, placing livestreaming studio operators and marketing personnel who seriously violate market supervision and management laws, regulations, and rules on the blacklist; they should also be reported to provincial-level market supervision and management departments. Livestreaming e-commerce platform operators should strengthen management of blacklisted livestreaming studio operators and marketing personnel, taking necessary measures to prevent them from re-entering the platform through account switching, re-applying for accounts, account migration, and other means. The Measures encourage livestreaming e-commerce platform operators to share blacklist entity information among themselves to achieve cross-platform constraints on relevant offenders.[12]

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