

Singles Day: China's online shopping holiday

November 11 2012, by Joe Mcdonald



Participants who are singles introduce themselves during a matchmaking party organized by one of the biggest Chinese matchmaking websites in Shanghai, China on Sunday Nov. 11, 2012. Singles Day was begun by Chinese college students in the 1990s as a version of Valentine's Day for people without romantic partners. The timing was based on the date Nov. 11, or "11.11"—four singles. Unattached young people would treat each other to dinner or give gifts to woo that special someone and end their single status. (AP Photo/Eugene Hoshiko)

(AP)—Lei Shujie, a designer in Shanghai, piled up a wish list for Sunday, a quirky holiday dubbed "Singles Day" that has grown into

China's—and possibly the world's—busiest online shopping day.

Clothes, a pillow, a cabinet to give a friend—Lei put off buying until Sunday, when retailers promised discounts of up to 70 percent. "The prices are irresistible," she said.

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That gift-giving helped to turn it into a major shopping event as sellers of everything from jewelry to TVs to cars saw a marketing opportunity and launched Singles Day sales. It is China's answer to [Cyber Monday](#) in the United States—the day after Thanksgiving weekend, when online [Christmas shopping](#) begins and merchants have their busiest sales day.

Companies that are rushing to cash in on the holiday range from Alibaba Group, operator of China's biggest e-commerce platforms, to rival platforms such as 360buy Ltd., mom-and-pop companies that sell online and delivery services.

In the first 13 hours of selling on Sunday, the 50,000-plus merchants on Alibaba's consumer-oriented Tmall.com took in 10 billion yuan (\$1.6 billion), the company announced on its microblog account.

That would top the total of \$1.25 billion that research firm [comScore](#) said U.S. online retailers took in last year on Cyber Monday and might make Singles Day the biggest e-commerce sales day on record.

"This is very, very big for us," Steve Wang, vice president of Tmall.com and head of website operations, said in a phone interview. The company

said on its website that Sunday might be the "biggest e-shopping orgy ever."



Female participants who are singles wait to introduce themselves to male participants during a matchmaking party organized by one of the biggest Chinese matchmaking websites in Shanghai, China on Sunday Nov. 11, 2012. Singles Day was begun by Chinese college students in the 1990s as a version of Valentine's Day for people without romantic partners. The timing was based on the date Nov. 11, or "11.11"—four singles. Unattached young people would treat each other to dinner or give gifts to woo that special someone and end their single status. (AP Photo/Eugene Hoshiko)

The spending binge will be welcome news for communist leaders who want to shift the basis of growth in the world's second-largest economy from trade and investment to consumer spending and service industries. Weak global demand for Chinese exports has added to the urgency of

ramping up domestic consumption.

China has the world's biggest population of Internet users, with 538 million people online. Its population of online shoppers also is the biggest at 193 million, versus 170 million for the United States, according to Boston Consulting Group. It trails the U.S. and Japan in online spending but, despite average incomes less than one-tenth the American level, is forecast to rise to first place as early as 2015.

The Communist Party's latest five-year development plan calls for more than quadrupling annual e-commerce volume from 2010 levels to 18 trillion yuan (\$2.9 trillion) by 2015. The party tries to block access to online material deemed subversive or pornographic but promotes Web use for business and education.

"The Internet today in China is similar to television in the 1960s and '70s in the West—the place where consumers congregate and companies need to locate," Boston Consulting Group said in an April report.

Alibaba, founded by a former English teacher, Jack Ma, grew into one of the world's biggest e-commerce players by linking Chinese suppliers with Western manufacturers and retailers. It branched into consumer sales with the 2003 launch of Taobao, which operates Tmall.com. Alibaba also operates China's biggest online payment system, Alipay.



A single man waits to introduce himself to others during a matchmaking party organized by one of the biggest Chinese matchmaking websites in Shanghai, China on Sunday Nov. 11, 2012. Singles Day was begun by Chinese college students in the 1990s as a version of Valentine's Day for people without romantic partners. The timing was based on the date Nov. 11, or "11.11"—four singles. Unattached young people would treat each other to dinner or give gifts to woo that special someone and end their single status. (AP Photo/Eugene Hoshiko)

Tmall.com accounted for 45.1 percent of business-to-consumer online sales in China in the three months ending in September, according to Analysys International, a research firm in Beijing. 360buy was in second place with 17.4 percent. Boston Consulting Group said more products were sold through Taobao in 2010—about 48,000 per minute—than at China's top five bricks-and-mortar retailers combined.

"Alibaba has so many assets that they can integrate that it's hard to compete with them," said Mark Natkin, managing director of Marbridge

Consulting, a technology consulting firm in Beijing.

Other rivals include clothing retailer Vancl.com, bookseller Dangdang.com, Amazon.com Inc.'s joint venture with a Chinese partner, and traditional retailers such as consumer electronics chain Suning Ltd. that have expanded online. Walmart Stores Inc., which operates 340 outlets in China, boosted its online presence last month by expanding its stake in [online retailer](#) Yihaodian to a controlling 51 percent.

In addition to its e-commerce platform used by other merchants, 360buy also is China's biggest online retailer, selling consumer electronics and other goods directly to customers.

The source of Singles Day's rise as China's online shopping day is a matter of debate by Chinese commentators and industry analysts.



A man and woman participants who are singles chat during a matchmaking party organized by one of the biggest Chinese matchmaking websites in Shanghai,

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Some cite demographics and timing: University graduates who adopted the holiday earn more and shop online. Singles Day comes as people receive monthly paychecks and need to buy winter clothes. Unlike other events such as the Lunar New Year, China's biggest family holiday, it involves few other expenses such as travel or banquets, leaving more money for gifts.

And there is the romantic angle that might prompt shoppers to open their wallets.

"This is about giving a gift that will woo that perfect someone," Natkin said. "If you play your cards right, you only need to make that purchase once."

Lei, the Shanghai designer, wound up buying only the pillow from her shopping list for 118 yuan (\$18) because other discounts weren't as big as she hoped.

"I will wait to see if I can get them later," she said.

Companies began preparing for Sunday months in advance.



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At its headquarters in Hangzhou, southwest of Shanghai, Alibaba set up 200 lounge chairs for its 800-strong staff to rest during the day. The company rented 180 rooms at nearby hotels for longer breaks.

On Tmall.com, called Tian Mao, or "Sky Cat," in Chinese, goods ranged from clothes, books and furniture to discounts on restaurant meals and travel packages. An auto dealer in the southern city of Shangrao offered 23 percent off BMW 3-series luxury cars ordered Sunday.

China's delivery companies had 800,000 employees working Sunday, including 65,000 temporary workers hired for the holiday, the China Daily newspaper said, citing the country's delivery industry association.

One of the biggest, YTO Express Co. Ltd. in Shanghai, planned to have 30,000 vehicles on the road, the newspaper said, and expanded its daily handling capacity by 50 percent to 6 million packages for the day.

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Citation: Singles Day: China's online shopping holiday (2012, November 11) retrieved 27 April 2024 from <https://phys.org/news/2012-11-singles-day-china-online-holiday.html>

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