

# China splurges on world's biggest online shopping spree

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People take photos of a screen showing total gross merchandise volume, a measure of sales, exceeding 10 billion yuan at 00:12 am and 28 seconds during the 2015 Tmall Global Shopping Festival gala in Beijing on November 11, 2015

Shoppers spent around \$9 billion in the first 12 hours of China's "Singles Day" sale on Wednesday, e-commerce giant Alibaba said, in the world's biggest online shopping day.

Total gross merchandise volume, a measure of sales, matched the 2014 US dollar total of \$9.3 billion just after 12:30 pm (0430 GMT), after the promotion began at midnight.

"The 2015 sale has eclipsed last year's final results in a little over half the time," it said.

In an earlier release Alibaba's chief executive officer Daniel Zhang said: "The whole world will witness the power of Chinese consumption this November 11."

"Singles Day" is not a traditional Chinese festival, but Alibaba has been pushing November 11—11/11 being a date heavy on ones—since 2009 as it looks to tap an expanding army of Internet shoppers in China, which has the world's biggest online population of 668 million.

At first it was marketed as an "anti-Valentine's Day", featuring hefty discounts to lure the country's singletons and price-sensitive buyers.

With sales hitting new highs year after year, "Singles Day" has become a lucrative business opportunity embraced by all online retailers in China, with competition between them turning increasingly fierce.

The event has received vocal support from the government at a time when China's economic expansion is slowing and Beijing is trying to transform the growth model into a more sustainable one driven by consumption.



An Australian company has apologised to local mothers after its premium organic baby milk formula flew off domestic supermarket shelves ahead of China's Singles Day buying frenzy

Chinese Premier Li Keqiang's office phoned Alibaba chairman Jack Ma hours ahead of the promotion kicking off, "congratulating and encouraging the creation and achievement of the 11.11 event", said a posting on a social media account of Tmall, the group's business-to-consumer arm.

Chinese Internet users showed off their acquisitions Wednesday—with many lamenting that they had spent far too much money.

"I can only afford to eat dirt for the next half year," said a user on the Twitter-like Sina Weibo, with an attached screengrab of a Taobao app showing she had bought 42 items.

But some consumers also expressed concerns about fake products.

"Good luck. Hope you guys will not get phoney products or things that turn out to be useless," said a Weibo user.

## Rival claims



Alibaba does not sell products directly but acts as an electronic middleman, operating China's most popular consumer-to-consumer platform, Taobao

Headquartered in the eastern city of Hangzhou, Alibaba does not sell products directly but acts as an electronic middleman, operating China's most popular consumer-to-consumer platform, Taobao, which is estimated to hold more than 90 percent of the market.

Nasdaq-listed rival online marketplace JD.com reportedly filed a

complaint with the government last week, accusing Alibaba of monopolising the market by restricting suppliers from participating in other operators' promotion events on November 11.

But Alibaba—listed on the New York Stock Exchange—shrugged off the allegations, asserting that it owns the "Singles Day" brand.

"Today the chicken reported on the duck, accusing the duck of monopolising the lake," said a spokeswoman for Alibaba's promotional event, according to Chinese media report.

Ahead of the shopping spree, Alibaba mounted a television spectacular at Beijing's Water Cube Olympic swimming venue, featuring Chinese and foreign celebrities including James Bond actor Daniel Craig, and Hollywood star Kevin Spacey in his role as President Frank Underwood from the Netflix series "House of Cards".

In comparison with Singles Day, desktop sales for the five days from Thanksgiving through Cyber Monday in the United States last year stood at \$6.56 billion, according to Internet analytics firm comScore.

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