

RETAIL

Singles' Day poised for another record year despite uncertainty

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Livestreams are a top purchase motivator ahead of Singles' Day. Image credit: China Luxury Advisors

By SARAH RAMIREZ

Chinese shoppers are ready to open their wallets this Singles' Day, as 36 percent of consumers are planning to spend more on Double 11 than they did in 2020.

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According to "[The Outlook for Singles' Day 2021](#)" [report](#) from China Luxury Advisors, C2 Global and Coresight Research, livestream promotions are one of the most popular ways consumers discover new products for Singles' Day. This year, Singles' Day sales and promotions started as early as Oct. 21, turning the shopping holiday into a three-week event.

"Luxury brands need to carefully consider their Singles' Day strategy as it relates to discounting, and how they can maintain excitement without discounting, such as through limited edition products or special products," said Renee Hartmann, cofounder of [China Luxury Advisors](#) and [C2 Global](#), Los Angeles.

The Singles' Day 2021 preview is based on a survey of 1,000 Chinese consumers.

Changing attitudes

Despite a global pandemic, Singles' Day 2020 saw record sales ([see story](#)). Tmall and JD.com alone accounted for \$115 billion in sales, up 70 percent from 2019's \$67.6 billion.

As Chinese ecommerce giants look to extend the Singles' Day sales cycle, Alibaba added a "warm up period" with sales and promotions beginning on Oct. 21. A high sales period from Nov. 1 to Nov. 3 also added another opportunity for brands to capitalize on peak retail traffic.



The Singles' Day shopping period has nearly doubled. Image credit: Alibaba

Shoppers expect to spend more across a variety of categories including skincare, handbags and luggage while cutting back spending on footwear, electronics, fresh food and education. Consumers are also more inclined to spend on foreign brands in categories such as apparel and footwear, but will spend the bulk of their money on Chinese brands.

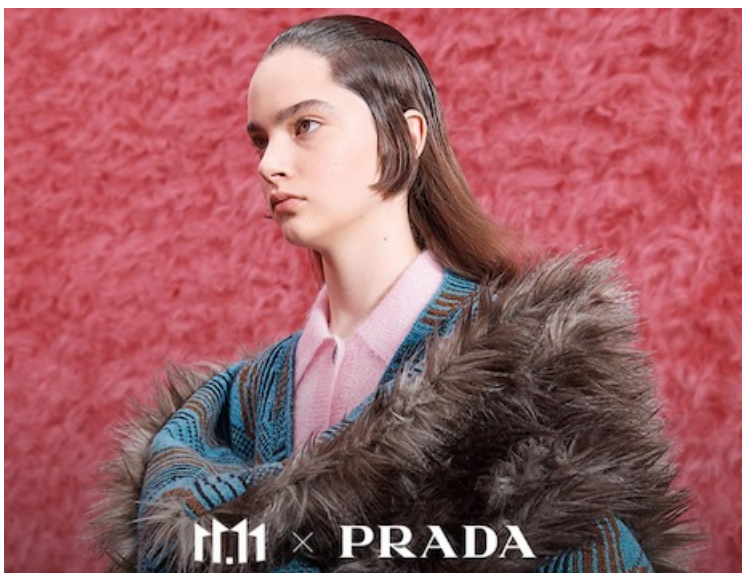
More than a third of shoppers, 35.7 percent, plan to spend more this Singles' Day than last year, while 42.1 percent expect to spend the same amount as 2020.

About 22 percent plan to spend between 2,001 and 4,000 RMB, or about \$312 to \$625 at current exchange, on Singles' Day. The share of shoppers that plan to spend between 4,001 RMB and 8,000 RMB, or about \$625 to \$1,250, has seen the most growth year-over-year.

At least 3 percent plan to spend at least 10,000 RMB, or about \$1,560, up from 2.5 percent in 2020.

COVID-19, which remains a reality in China, continues to influence consumer behavior as well.

Twenty-six percent of shoppers believe COVID has changed what they intend to buy on Singles' Day, but not what they plan to spend, up from 23.9 percent in 2020. However, 38.2 percent report they will cut back on their spending because of the pandemic, compared to 36.5 percent last year.



Prada and Miu Miu are among the luxury brands running promotions on Singles' Day. Image credit: JD.com

Holding steady from 2020, one in 10 plan to spend more because of COVID while 7.9 percent do not think the pandemic has any impact on their holiday spending, down from 8.9 percent from 2020. About 18 percent believe the pandemic has affected their Singles' Day decisions but are unsure how.

"We are seeing an increase in demand for travel and related products like suitcases when compared to 2020," Ms. Hartmann said. "While Chinese citizens are still not traveling outside of China due to strict quarantine requirements upon return to China, we continue to see strong demand for domestic tourism, and the anticipation of Chinese consumers beginning to travel overseas in 2022.

"Although we are still seeing demand for product categories related to COVID such as fresh food, vitamins and

supplements, we are also seeing stronger demand for traditional categories such as beauty, accessories and fitness," she said.

Singles' Day sales pitches

While luxury labels in particular are unlikely to rely on heavy discounts to attract shoppers, there are other tactics they can leverage that can resonate with Chinese affluents.

More than half of shoppers use Singles' Day as a reason to splurge or pull the trigger on a long-coveted item. This is an indication that brands' hard work building awareness and consumer engagement can pay off during these shopping holidays.

By prioritizing customer lifetime value, retailers can build more sustainable long-term strategies to retain customers, which will ultimately help them throughout the entire year and not simply on one shopping day ([see story](#)).

On Singles' Day, consumers also gravitate to products featured on livestreams, collaboration products or limited-edition items.

The COVID-19 pandemic has accelerated the growth of livestreaming around the globe, after it first gained popularity among China's highly digitalized society in 2016.

In 2020, China reported more than \$162 billion in livestreaming ecommerce sales. By the end of December 2020, 617 million people watched livestreaming shopping events, and more than 388 million participated by making purchases and interacting within platforms ([see story](#)).

"We continue to see livestreaming leading demand for Singles' Day, though it is primarily driven by the top three livestreamers on Tmall: Austin Li, Cherie and Viya," Ms. Hartmann said. "These three livestreamers can drive huge quantities, but they typically require brands to provide a discount."