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## Is China's 618' shopping fever cooling down?

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*The revenge consumption that emerged in 2020 is hard to replicate in 2022, as Chinese consumers have become more rational and cautious. Image credit: Shutterstock*

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June 20 marked the conclusion of this year's 618 mid-year shopping festival.

Initiated by JD.com in 2004 to commemorate the ecommerce giant's founding anniversary, the event has become China's second-largest shopping carnival after Singles' Day in November.

In addition to JD.com, local marketplaces including Tmall, Douyin, Xiaohongshu and even global ecommerce platforms such as Farfetch rolled out various discount programs to participate in the celebration.

As of June 18 Beijing time, [JD.com reported](#) a total transaction volume of \$56.74 billion (379.3 billion yuan). Total sales increased 10.3 percent, significantly down from the 27.7 percent growth in the same period last year.

Although Tmall has yet to announce its final turnover as of publication, the rival marketplace's performance over the pre-sale period indicates a downward trend.

According to the [report](#) "Sales Analysis During the 618 Presale in 2022 on Tmall and Douyin," the number of pre-sale products, brands and stores involved in the event on Tmall all decreased to varying degrees.

Meanwhile, overall sales on Douyin saw an increase of 183 percent year-on-year.

**The Jing Take:** Though 618 is a significant shopping occasion for Chinese consumers, consumer sentiment has changed since the pandemic.

When COVID-19 first hit in 2020, 618's total transaction volume surged by 44 percent year-on-year. In 2021, the event's growth slowed to 26 percent.

This falling growth rate illustrates how Chinese consumers have become more rational, which is distinct from the [revenge consumption](#) that emerged in 2020.

In fact, the shift was anticipated by the [Future Consumer Index report](#) published by global consulting firm Ernst &

Young in March.

The report stated that consumers will continue to rein in their spending levels, opt for cheaper alternatives and shop less for non-essentials, as the cost of goods and services rises.

Douyin ecommerce's growth during 618 this year also supports this prediction, as the marketplace mainly targets users with high price sensitivity.

Generally speaking, the midyear shopping festival is still relevant to brands but only some of them.

For luxury houses with a high commitment to maintaining brand integrity and image, participating in such discount-driven events will not help them get closer to their clients.

But for consumer goods labels, especially those in the beauty sector, knowing how to leverage the game rules of various platforms could help to distinguish them from competitors.

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