China’s Singles’ Day remains key occasion for luxury labels

By Dominique Muret - 16 November 2021

This year’s Singles’ Day once again prompted a major consumption spree in China. The event is celebrated on November 11, and was devised in 1993 by four students from Nanjing University. In 2009, it was transformed in a global shopping bonanza by Chinese e-commerce giant Alibaba. In the last few years, Singles’ Day has proved highly attractive for luxury labels too, to the point of become a key occasion for many of them.

Singles’ Day 2021 has been a success for Chinese e-commerce giant Alibaba - Alibaba

As Bain & Company analyst Claudia D’Arpizio pointed out in a recent presentation for the Luxury Observatory of Altagamma, the association of Italian luxury brands, “Singles’ Day is becoming the most significant shopping occasion of the year. Above all, it sets the tone for defining the sales trend of the year-end holiday season.”

Of course, the ‘common prosperity’ policy launched a few months ago by Chinese President Xi Jinping has taken a little shine off the occasion. Ever since the government called for narrowing the gap between the rich and the poor and promoting greater sharing of wealth, it has become difficult for consumers to flaunt over-ostentatious handbags and other luxe products.

China’s e-tail giants have had to adopt a more understated promotional tone, and to focus more on sustainability. Alibaba for example has reduced the environmental impact of its logistics operations, and used recyclable packaging. All of this did not stop Alibaba from generating record sales with the event, as high as €74 billion (8.5% more than last year), as did its competitor JD.com, whose sales reached €37 billion, equivalent to a 28% rise. Notably, Alibaba generated extremely positive results on Tmall Luxury, its site dedicated to luxury labels, with very high-end products such as jewellery.

As for luxury labels, they participated in Singles’ Day with relish, without showing undue concern. The owner of Tod’s, Diego Della Valle, told FashionNetwork.com that “[Tod’s doesn’t] need to change its China strategy. We are continuing with all our initiatives there.” According to footwearbiz.com, Tod’s generated on JD.com the equivalent of last year’s sales volume in the first minute of its Singles’ Day’s pre-sales.
“More than by the government's decisions, we are concerned by the restrictions linked to the resurgence of Covid cases. A large shopping mall was closed for this reason in Beijing this evening, in the middle of Singles' Day. It was a real pity, because this is a key occasion,” the executive vice-president of Salvatore Ferragamo told FashionNetwork.com. Moncler's boss Remo Ruffini, visibly embarrassed, instead opted to duck the question. “It's a complex issue,” he said, without elucidating.

“I don't think that labels have changed their Singles' Day strategy due to the Beijing government’s new policy on luxury consumption. November 11 is increasingly becoming a time for extensive interaction with Chinese consumers, through multiple initiatives and events,” said D'Arpizio, adding that “there is a great desire for luxury goods in China right now. The slowdown experienced by labels in the country was mainly due to a number of lockdowns.”

By Dominique Muret
Translated by Nicola Mira

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