

Consumer cheer extends beyond one celebration

Social media, higher disposable incomes to carry Christmas-related sales through New Year's Day

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The consumer cheer unleashed by the Singles Day (or Double Eleven) online shopping festival on Nov 11 will likely extend to New Year's Day in China, coasting on the growing popularity of non-religious Christmastime celebrations, industry insiders said.

Increasingly, even Chinese consumers, not just the global markets, are buying Christmas items produced in Yiwu in East China's Zhejiang province.

Often referred to as Santa's Workshop, Yiwu has seen a spike in sales of smaller varieties of Christmas decoration items this year as Chinese shoppers prefer them to big-ticket items that are popular elsewhere.

On Yiwugou, an online retail platform of Yiwu manufacturers, the top five domestic sales items this year are fake berry plants, snowman table decorations, gift cards, snowmen made of lights, and balloons.

On Taobao, the online marketplace of Alibaba, the top three Christmas-themed items are socks, LED lights, and window stickers.

"Smaller Christmas gifts like headbands and socks are preferred by domestic buyers, compared to overseas buyers who prefer large plush Santa toys and Christmas trees," said Zhu Guohua, a Christmas gift store owner in Yiwu who has been in this business for about 15 years.

Zhu said overseas buyers visiting his store as well as other stores in Yiwu have increased by 5 percent this year. He attributed the rise to buyers' eagerness to complete purchases before prices rise further due to higher US import tariffs on Chinese goods.

Zhao Ping, director of research at the Academy of China Council for the Promotion of International Trade, said that unlike in overseas markets where Christmas is a religious festival and a time for family reunions, consumers in China tend to use the year's last week to inject some cheer into the dim winter by buying low-value decoration items.

Hence, Christmas trees and large plush Santa products, which are costlier and require more time to install, are not as popular in the domestic market as they are elsewhere.

"Christmastime celebrations are



A saleswoman holds a soft toy at a stall at the Yiwu International Trade City in Yiwu, East China's Zhejiang province.

REUTERS

more commonly seen among younger people who prefer to hang out with friends and exchange gifts," said Zhao.

Unsurprisingly, that entails outdoor activities, and, from late October, the sense that Christmas is nigh drives consumers to restaurants and malls.

Zhao said: "In recent years, Christmas has been a great sales season for Chinese consumers, especially those who prefer overseas brands. However, Christmas sales are less popular than Singles Day sales and the New Year sales.

"Moreover, Chinese consumers are getting more rational in their purchases. They know there will always

be a next sales season. They are also less price-sensitive as their disposable incomes have risen in recent times."

So, businesses such as cosmetics giant Yves Saint Laurent (YSL) are enhancing their marketing, branding and promotional activities around Christmas, focusing on things like limited-edition collections, said a report from consulting firm Frost & Sullivan.

YSL's Sparkle Clash lipstick collection was an instant sellout during the 2016 Christmas season, and remained on top of the recommendations of social media influencers.

The social media boom in China in recent years has sparked a rise

in digital channel advertising by brands around Christmas, market insiders said.

Zhang Yang, 26, a Beijing-based film producer, said she buys makeup and home appliances after watching short videos on an app called Douyin, which is known as TikTok in overseas markets.

Zhang said: "I follow several social media influencers on Douyin. They specialize in makeup tutorials, cooking tutorials, and pet products. I tend to buy some of their recommendations and those receiving online reviews.

"I can see Christmas products are having increasing visibility on Douyin."

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more for Christmas items that are usually imported from China," it said.

Qiu Xuemei, manager of Weijiule, an Yiwu-based manufacturer of Christmas decorations, agreed. "Trade tensions have definitely had some effect on our exports, but the impact is not that significant," she said.

Weijiule now focuses on markets in South America, Southeast Asia and Australia, Qiu said. "We have a strong designer team in Huizhou (in South China's Guangdong province), and our factory there mainly caters to high-end Christmas items, with the Yiwu outlet selling medium to low-end ones.

"In this way, we can cover the full range of Christmas items, catching up with the latest trends and designs.

"In the ever-changing market, it's the latest designs and trendy products that can generate the highest sales volumes.

"For example, recently, we launched a new night lamp through the Douyin short video platform during the Double Seven — the Chinese Valentine's Day on Aug 17. It instantly received over 300,000 hits and became a rage among consumers, but we can't meet the overwhelming number of orders."

Yiwu International Trade City is currently home to more than 75,000 shops that supply over 1.8 million kinds of commodities, includ-

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QIU XUEMEI
Manager of Yiwu-based manufacturer Weijiule

ing clothing, shoes, hardware and building materials, to more than 200 countries and regions. It attracts over 500,000 foreign buyers each year.

During the 24th China Yiwu International Commodities Fair in late October, more than 204,700 buyers and participants, including over 8,000 foreign buyers, thronged the town, clinching over 60,000 deals worth 18.4 billion yuan (\$2.67 billion).

"We will continuously enhance our efforts to improve product quality and innovate to make Yiwu a 'warehouse of the world,'" said Lin Yi, Party secretary of Yiwu.

Official data showed Yiwu's trade was worth 171 billion yuan from

January to August this year, up 11 percent year-on-year.

Countries participating in the Belt and Road Initiative have emerged as important export destinations, leading many merchants to add Arabic-language labels and manuals to their products, in addition to Chinese and English content.

Customs officials said India is the largest importer of Yiwu's goods, with trade volume exceeding 13 billion yuan in 2017, while Hungary and Angola notched up the top two year-on-year growth rates of 232 percent and 101 percent, respectively.

Chen Huadong in Yiwu contributed to this story.