

2021 JD 618 DATA REPORT



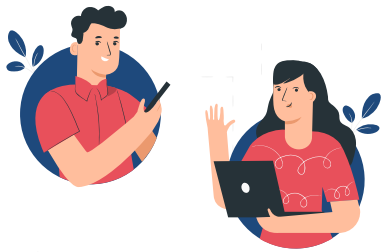
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618



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JD celebrates its 18th anniversary with record sales

343.8+ billion yuan

Total sales
1st June – 18th June

28% increase
from last year

GROWTH IN:
Total sales

Product categories

Types of services

Speed of shipping

Areas where products can be delivered

Most searched words for imported goods on
JD.com during 618 in 2021

JD consumers used the platform for more categories than ever,
expanding far beyond consumer electronics, which JD is most famous for



Source: JD designed by Daxue consulting

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1. RISING CONSUMER GROUPS



The sinking market: 81% of new-e-commerce shoppers are from lower-tier cities

Purchase frequency of new users at 618 in 2021

Up by 25%



Newly released products as buyers' 1st-time purchase
Up by 79% YOY

Top 5 categories for 1st-time shoppers during 618 in 2021



Personal care



Books



Furniture



Home cleaning



Home appliances

Common first-purchased products on JD by region (The preferences are related to local culture)

Zhejiang

(Ranked 4th in national GDP in 2020)



Cycling-related products

Guangdong

(Hot and sultry weather)



Baby powder

Sichuan

(Humid weather)



Anti-dandruff shampoo

Tianjin

(Locals love to drink)



Wine

Source: JD designed by Daxue consulting

Health nuts: Chinese consumers are increasingly concerned with their health



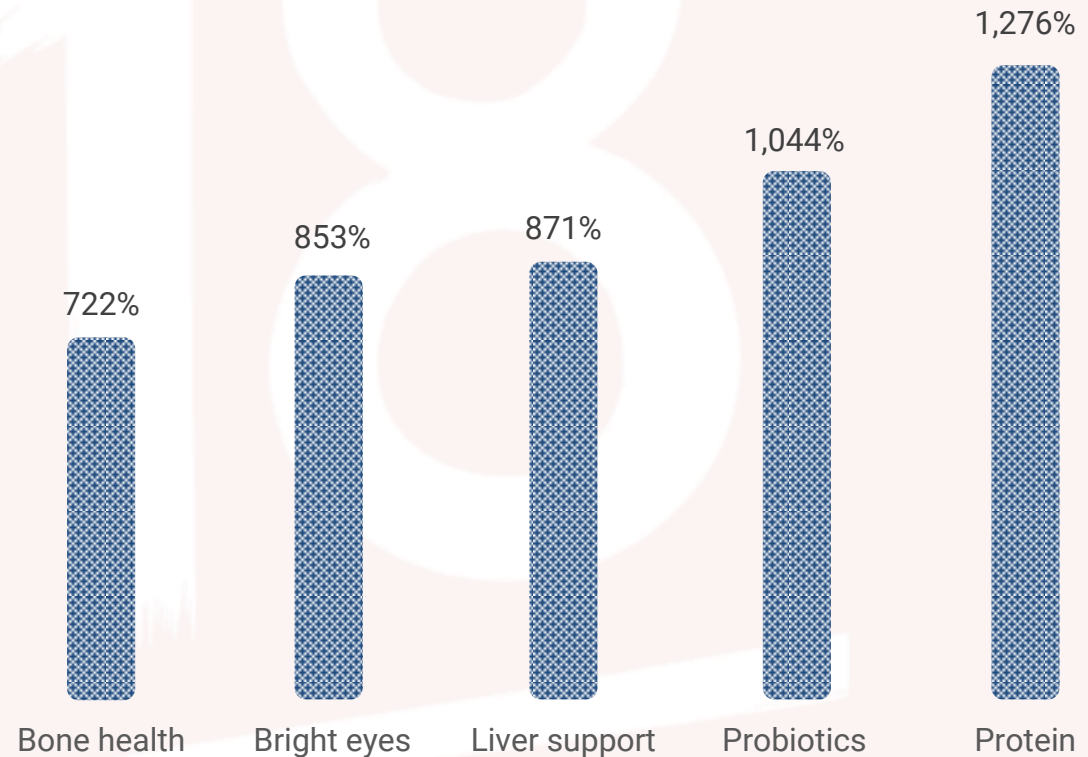
75%

of survey respondents plan on eating healthier after the pandemic.
(McKinsey's Chinese Consumer report 2021)



China is the **2nd largest market** of healthcare products, after the U.S.A.

YOY growth of the top 5 health and nutrition products sold on JD's 618



Source: JD, McKinsey designed by Daxue consulting

China-chic: Gen-Z are increasingly going for Chinese brands

- During in-depth interviews by Daxue Consulting, **66%** of female Gen-Z said they have purchased more domestic brands in last 5 years, much higher than **14%** of males
- Domestic brands are **growing faster than international brands**, with a **7%** higher turnover and **8%** higher number of users year-over-year

Traditional style



Florasis

Domestic beauty brand

Chinese traditional style has penetrated the clothes, beauty and watch industries

National pride



Li-Ning

Sportswear brand

Young Chinese consumers are showing pride in their own culture

Cultural creation



Beijing Palace Museum's Cultural Creations

Cultural creations and personalized products have continued to be popular

Designer brands



Tongshifu

Artistic furniture brand

Consumption is becoming increasingly diversified. Emerging domestic designer brands are highly pursued

Source: JD, Daxue consulting designed by Daxue consulting

Pet lovers: The Post-90s are the most willing to invest in pets



33% consumers are post-90s. They are more likely to treat pets as their friends.



61% are families with children. More parents are willing to own pets to keep their children company.



With many elderly people's children not being around, they are getting pets as companions.



Average monthly spending on pets in China was **507 yuan** in 2021.



Top 5 sales of pet's sub-category

(Year-over-year increase rate)

+200% Beauty tools

+54% Healthcare

+51% Pet toys

+43% Grooming products

+42% Pet treats



Pet smart product sales up **47%** year-over-year.

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Fitness fanatics: The number of people investing in sports is growing



Gym memberships in China have increased

to **70.3 million** in 2020, up **3.19%** from 2019

This means the population of gym-members in China is **more than the UK's population** of 66.5 million



Smart watches that monitor heart rate and blood oxygen saw sales grow by **120%** YOY

Source: JD, Santiyundong data analysis platform designed by Daxue consulting

Top sales categories of outdoor sports on JD 618



Golf equipment



830%
YoY sales increase



Yoga equipment



643%
YoY sales increase



Baseball apparel



400%
YoY sales increase



Arm protection pads



293%
YoY sales increase



Swimming rings



106%
YoY sales increase

New parents: Parents are spending more and more on baby products



Post-80s working moms were the core consumers of Jing Dong Dao Jia* during 618 sales in 2021.

*A 24-hour shopping platform for vegetables, daily necessities and medicines developed by JD

The proportion of **children aged 3+** will continue to grow, driving growth in the following categories



Early education



Children's playgrounds



Children's snacks



Children's digital products



Children's skincare



Toy cars



Milk powder



Cup/water bottle

Average monthly spending on mother and baby products:

3,456 yuan

Childcare spending as a proportion of monthly income:

Post-80s: **25%**

Post-90s: **27%**

Post-85s: **26%**

Post-95s: **30%**

Source: JD, iResearch designed by Daxue consulting

2. POST-COVID BOOM IN CROSS- BORDER E-COMMERCE



This year's 618 was very lucrative for imported brands



Nearly **700** brands' sales **doubled**

Over **20,000** international brands
from more than **100** countries
joined JD's 618 anniversary shopping festival in 2021

Top 5 most popular imported brands



Pantene
Personal care



Volkswagen
Vehicles



Snickers
Food



Bissell-Vacuum cleaner
Home appliances



ROG (Republic of gamers)
PC/gaming

Source: JD designed by Daxue consulting

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The post-80s are the major consumers of imported products

Consumers of imported products:

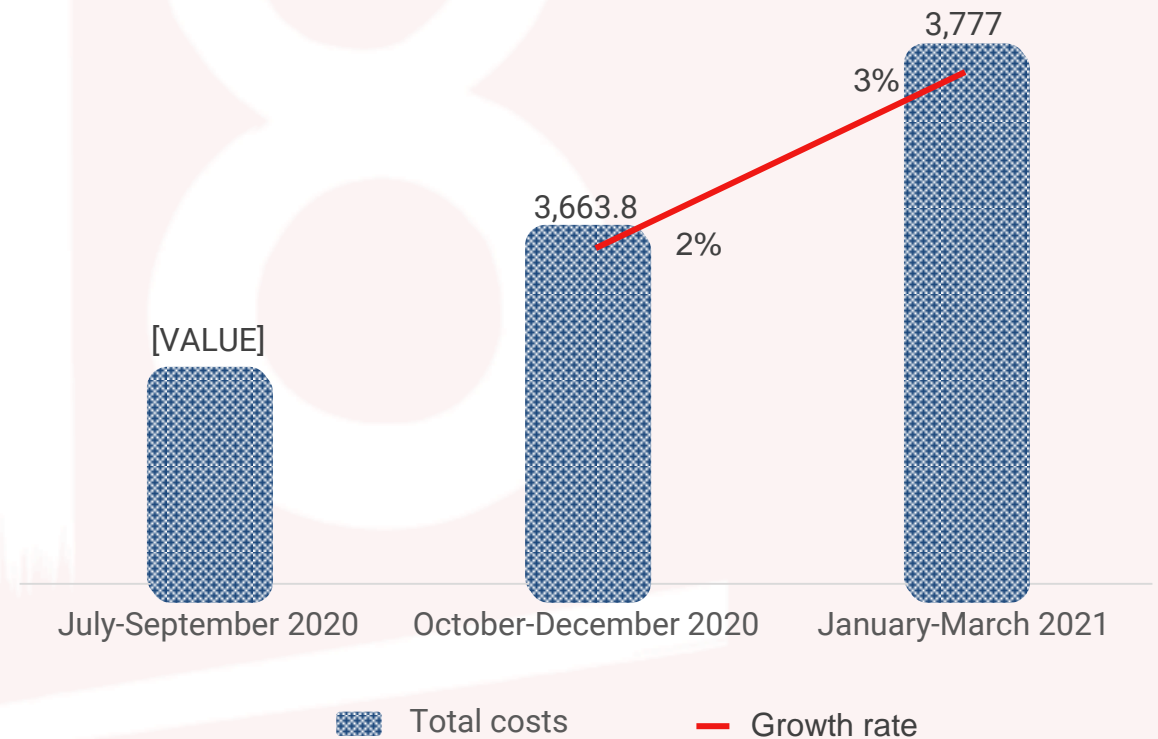
88.6% with high purchasing power

Average age is **33.3**



China's total import costs of transport, insurance and products

(Million yuan, July 2020 to March 2021)



Source: People's Daily Overseas, CEIC Economists
Data designed by Daxue consulting

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JD helps foreign brands access China

JD's supporting measures to help foreign brands sell on its cross-border platform



Case study: Ampleur

Japanese skincare brand

2x sales on JD's e-commerce platform during 2020's Double 11 shopping festival

(After participating in JD's customized training course)

JD Global 2020 offers **online training courses** on store operations.

Online Training Courses

JD Global launched an **intelligent operations tool** to help stores analyze bottlenecks and provide advice for them through algorithms.

Intelligent Operations Tool

JD Global has developed **logistics solutions** to reduce costs and improve the order collection speed, which also contributed to sinking market.

Logistics solutions

Source: JD designed by Daxue consulting

3. SINKING MARKET CONSUMPTION



Total online sales in the sinking market have grown 9.5-fold in 5 years

1.9 trillion RMB

2019 total e-commerce sales in sinking market*

81%

of JD's new users come from lower-tier markets

120%

Increase of purchase frequencies of new users in lower-tier cities in 2020

*The sinking market refers to the market in cities, counties and rural areas below the tier-3 city, including about 200 prefecture-level cities, 3,000 counties and 40,000 townships.

Source: JD, Ministry of Commerce designed by Daxue consulting

Top 5 lower-tier cities by growth of new users



Chaozhou
Guangdong province



Longyan
Fujian province



Jiyuan
Henan province



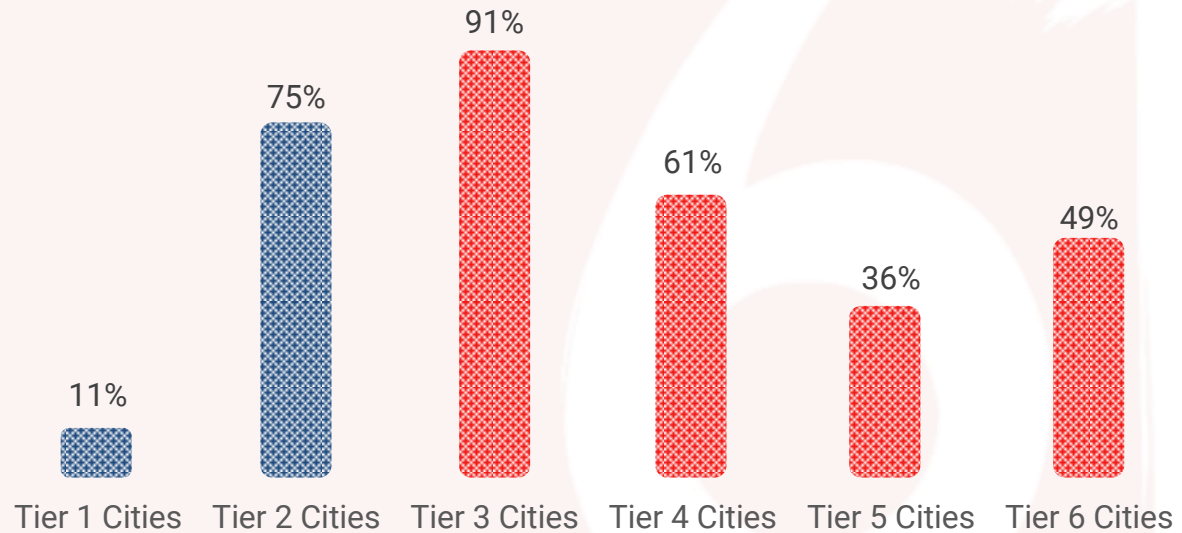
Quanzhou
Fujian province



Lishui
Zhejiang province

Consumer trends in lower-tier cities during JD's 618 festival

Consumption growth rates on imported products by city tier during JD's 618



Tier 3 cities have the highest consumption growth rate, while lower-tier cities all have higher growth rates than Tier 1 cities.

Top product categories in the sinking market



Food & Beverage
15.7%



Mom & Baby
9.6%



Household Appliances
6.4%



Healthcare
6.1%



Personal Care
5.1%



Cleaning Supplies
6.1%



Clothing
5.0%

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JD's long-term support for rural revitalization through e-commerce

Major Rural Revitalization Initiatives

- **Joint developments** of iconic agricultural products to help farmers producing higher quality branded goods avoid the trap of low-price and low-quality.
- JD's extensive **logistics network** covers 300 cities in rural areas and provides channels for farmers to distribute agriculture products to consumers all over China.
- JD launched **social e-commerce platform** Jingxi in 2019 to help rural households reach more consumers and grow their revenue.

Outcomes



- Support more than **1 million** local producers in rural areas.
- Farmers' incomes increased over **50%** in three years.
- Over **300 million** agricultural items sold so far.

Source: JD designed by Daxue consulting

JD created two apps specifically for the sinking market



Jingxi is an app designed for the sinking market which has helped **10,000** farms since being founded.

Over **22.5 million** kg of agricultural products were sold on Jingxi during the 2021 618 festival.



JD Lite, a simplified version of the JD app designed for lower-tier markets to facilitate and stimulate consumption in rural areas.

Sales increased **25-fold** from 618 in 2020, and number of users also increased **15-fold**.

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4. THE RISE OF OMNI-CHANNEL



JD helps traditional retailers meet consumers' needs

Through its powerful e-commerce platform and technology department, JD is helping retailers adopt an omni-channel retailing model that is more in line with modern Chinese consumers' shopping needs and behaviors.

Offline



JD acquired Gome to expand its offline electrical appliance stores. Consumers can see the goods offline and buy online, or arrange for offline pickup.



JD cooperates with luxury brands so that consumers can experience them offline and buy online while guaranteeing delivery from the brand's official warehouse or specific stores.



JD expands offline supermarkets throughout China to meet the needs of consumers who want the purchased products delivered within an hour.

Online



Services



With the goal to provide a “product + service” consumption model for more consumers, JD offers local life services within a 3-kilometer radius of users homes and offices, such as car maintenance and fresh flower delivery.

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Dada Logistics acquisition boosts JD's omni-channel development

JD acquired Dada logistics firm to help reach more areas throughout China and increase delivery speed



Deepened cooperation with JD Logistics in over **2,700** cities and counties



894 million yuan in net revenue
Increase of **51%** YOY



Revenues from **chain merchants** increased by over **130%** YOY



Revenues from **catering chains** increased by over **400%** YOY



Revenue from **pharmaceutical chains** increased by over **606%** year-on-year

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JD provides diverse services to satisfy life's important needs

Not only providing services on the JD mobile app, JD has dedicated websites for various services such as real estate and auto maintenance



 京东房产

Real Estate service

Online viewings, phone consultation

Turnover increased by **210%** YOY



京东汽车
CAR.JD.COM

Auto repair & maintenance services

The whole lifecycle service of shopping, purchasing and car exchanging

2,000+ Enovate cars sold during 618 2021



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鲜花超市
让你爱上鲜花
日常鲜花日常鲜花日常鲜花

Online flower mart

Online purchasing, express shipping

YOY growth of **186%** for same city express delivery



JDH 京东健康

Health management platform

Online medical consultation, 24 hours medicine delivery, online registration

Oral category turnover increased **107%** YOY

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One-hour delivery after shopping is becoming a new norm



- JD Daojia mainly sells **fresh groceries** for delivery.
- Now JD is gradually integrating **all kinds of categories**, through **offline expansion** of stores and cooperation with other retailers. Now, in addition to fresh foods, consumers expect other products to also be delivered within an hour.
- JD Daojia provides consumers with **one-hour delivery** service within a three-kilometer radius.



Covered **1,400** countries and cities in China.



Sales increased **140%** during 618 2021 from 2020.



On day one of the JD 618 festival, cell phone sales on JDDJ increased **15-fold** compared with the same day last year.

In addition to daily fresh foods, JD Daojia also provides products in the following categories:



Household products



Medicine



Flowers



Beauty & skincare



Electronics

Source: JD designed by Daxue consulting

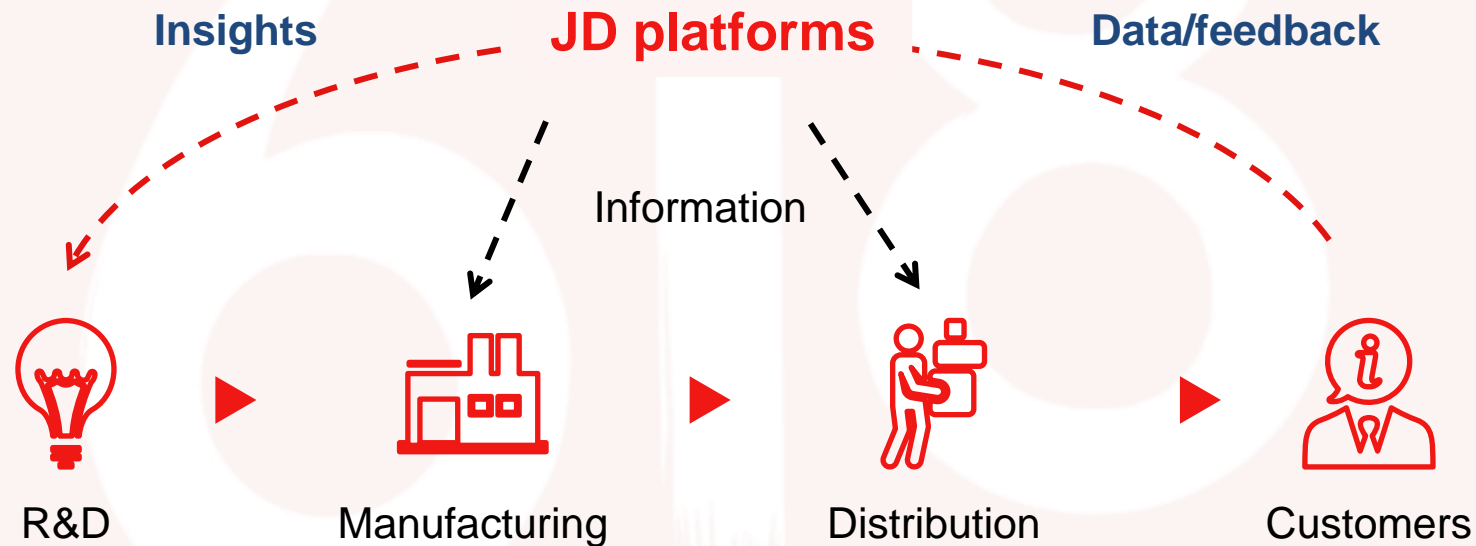
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5. THE C2M MODEL



JD's C2M model cuts down processes between R&D and end-users

JD's C2M model allows manufacturers to create customized products directly based on actual consumer data insights from JD's more than 500 million customers



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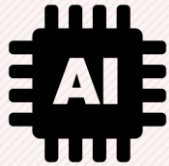
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JD leverages data analytics and supply chain to improve its C2M capabilities

Digitalization and technology have improved the entire business value chain, enabling C2M model to thrive especially in the manufacturing sector



JD's AI and big data technologies

- Summarize valuable insights based on JD's customer data
- Draft engaging marketing content, such as product introductions, for its e-commerce platform
- Provide an artificial intelligence-driven product recommendation system for each different type of person
- Help manufacturers automate quality checks on assembly line



JD's intelligent supply chain

- More accurate and agile insight into demand
- Visualization of full supply chain
- Intelligent and efficient customer service
- One-stop collaborative optimization

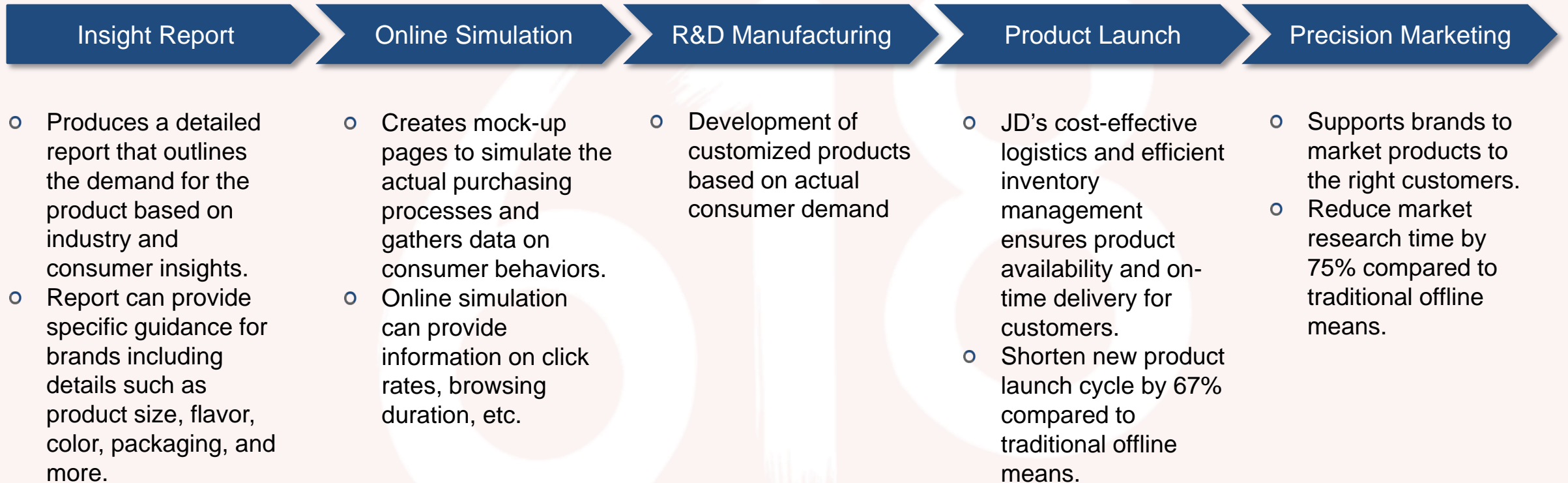
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JD's C2M approach covers the full lifecycle of a product



Source: JD designed by Daxue consulting

C2M products have strong sales performance on JD 618

JD has worked with industry leading brands and merchants to create and launch several best-selling C2M products that meet the increasingly fragmented and specific demand of Chinese consumers

Some C2M products sold on 618 this year



Fresh air-conditioners

Pre-sales accounted for more than **40%** of total sales



Low sugar rice cooker

Pre-sales exceeded **280%**

Other popular C2M products

MARS



High-end cat food

SONY



AI eye protection TV

Lenovo



Notebook

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Case study: Midea custom refrigerator

Midea Group is a home and commercial appliance manufacturer based in Foshan, Guangdong. The company employs over 150,000 people and has been listed as a Fortune 500 company for 5 consecutive years.



Through data analysis, JD was able to identify the rising awareness of food safety during the post-COVID-19 outbreak, particularly in families with children.



Based on this insight, JD recommended partner brands to prioritize functions such as sterilization, microcrystalline, anti-odor, and separate dry/wet storage.



Midea created a fridge that has sterilization capabilities and marketed food safety as the main selling points. When the fridge series hit the market during JD 618 last year, the daily average sales went up **4x** year-on-year.

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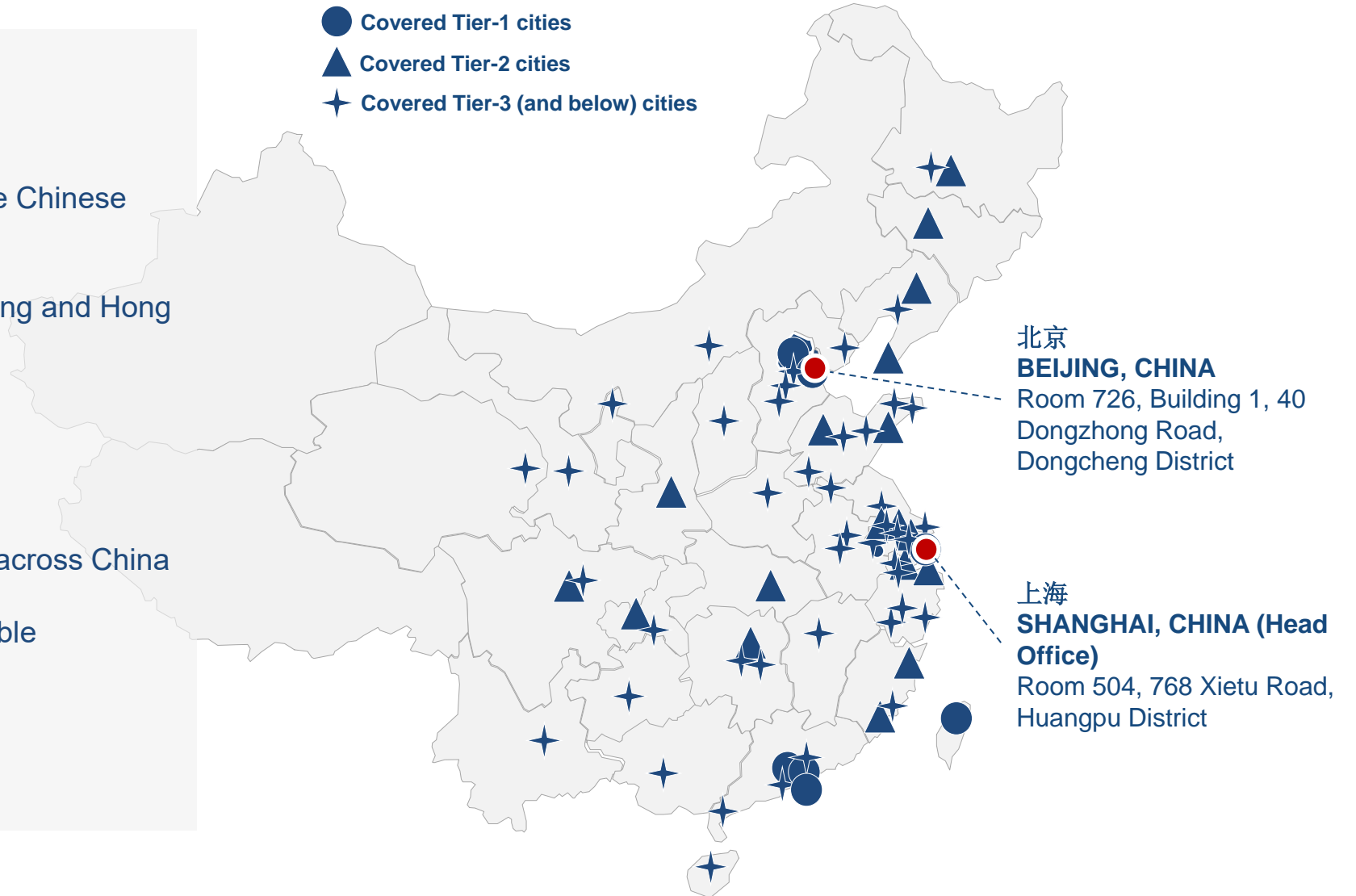


Who we are

Your Market Research Company in China

We are **daxue consulting**:

- A market research firm specializing on the Chinese market since 2010
- With 3 offices in China: in Shanghai, Beijing and Hong Kong
- Employing 40+ full-time consultants
- Full, complete, national coverage
- Efficient and reliable fieldwork execution across China
- Using our expertise to draw precise, reliable recommendations
- With key accounts from around the world



Our past and current clients

350+ clients with 600+ projects for the past 7 years



A recognized expertise on the Chinese market

Regularly featured and quoted in global publications

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Business of Apps

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THE BUSINESS OF LUXURY IN CHINA 商业观察

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