

## **Import Goods, the Winner of 11/11**

***Oliver Wyman survey reveals 57% of consumers intend to buy overseas goods, with sales expected to make up a third of Chinese consumer spending***

**SHANGHAI, November 7, 2018** — As Singles Day marks its 10<sup>th</sup> year amid the backdrop of a slowing Chinese economy, a new survey conducted by global consulting firm Oliver Wyman reveals that imported goods are seeing strong demand among Chinese consumers. A majority (57%) of consumers expect to buy overseas goods, with the penetration higher in Tier 1 cities (76%). However, the proportion of overall purchases is consistent across city tiers, making up around a third (32%) of expected spending. The top categories are beauty (55%), personal care (44%) and apparel (37%).

Overall consumer sentiment remains strong, with 51% of Chinese consumers expecting to spend more on Singles Day in 2018 compared to the year before. However, the shopping festival's pace of growth may be moderating, with consumer spending only expected to increase by 9% on average.

The survey also found that fatigue might be setting in among some consumers, with 30% of respondents expecting to spend less this year. This is primarily due to a perception of less attractive discounts and the sense that there are now many other promotional events to choose from throughout the year.

“Although confidence remains strong, Chinese consumers are being more selective compared to a year ago, keeping their spending in check as they search for deeper discounts and more unique events or offerings,” says **Jacques Penhirin, Partner and Head of Greater China at Oliver Wyman**. “On the surface, it is reassuring to see that there continues to be annual growth in overall sales for Singles Day. However, if you scratch deeper then you realise that the days of breakneck growth by tapping new audiences in China cannot continue. Increasing per head spending will become increasingly vital.”

Despite the focus on Singles Day itself, a growing proportion of sales are already being locked up well in advance. A week ahead of this year's event, 40% of total expected spending has already been pre-ordered, already higher than the 33% seen in 2017, and is expected to rise further as the event approaches.

More interestingly, consumers plan to spend as much as 40% of their overall total spending offline, suggesting high potential for the New Retail model of online-to-offline (O2O), though the reality may be even higher. However, the impact of offline channels varies considerably across city tiers – consumers in Tier 1 cities are keen (81%) but in Tier 3 cities this falls to little more than half (57%). Most consumers (61%) expect to spend RMB 300-2000 through offline events.

**Pedro Yip, Partner, Greater China at Oliver Wyman** notes, “After a decade that has seen it revolutionise the e-commerce sector, Singles Day has inspired fierce competition from other online retail platforms. Now, tech giants like Alibaba, Tencent and JD.com are heavily investing and competing head to head in the offline battleground. Making best use of integrating these channels will be key to maintaining future growth.”

**ENDS**

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**Official account of Oliver Wyman:****About the survey**

The online questionnaire was fielded in China in November 2018. Oliver Wyman surveyed 2,000 individuals from tier 1 to 4 cities including Beijing, Gaungzhou, Shanghai, Sichuan, Wuhan etc asking them about their shopping habits during the Singles Day period. Of these, the 2,000 surveyed online shoppers consisted of 64 percent female consumers and 36 percent male consumers, with 30 percent having a monthly income between RMB\$5,000 and RMB\$10,000.

**About Oliver Wyman**

Oliver Wyman is a global leader in management consulting. With offices in 50+ cities across nearly 30 countries, Oliver Wyman combines deep industry knowledge with specialized expertise in strategy, operations, risk management, and organization transformation. The firm has more than 4,700 professionals around the world who help clients optimize their business, improve their operations and risk profile, and accelerate their organizational performance to seize the most attractive opportunities. Oliver Wyman is a wholly owned subsidiary of Marsh & McLennan Companies [NYSE: MMC]. For more information, visit [www.oliverwyman.com](http://www.oliverwyman.com). Follow Oliver Wyman on Twitter @OliverWyman.