

China Tmall Consumer D11 Trend Analysis & 2022 in Review

Tmall: operated in China by Alibaba Group, Tmall is a platform for local Chinese and international businesses to sell brand-name goods to consumers in Greater China

Source: Moojing Market Intelligence

DATE: 22 Feb, 2023

Synopsis

China Consumer D11 Trend Analysis on Tmall

The 2022 D11 shopping festival concluded on 12 Nov 2022. Unlike previous years, Tmall did not disclose their GMV in 2022, just comments like "in line with last year" ". D11 shopping festival evolved from a one-day carnival to a two week shopping festival since 2020.

To help our clients better understand consumer behavior and industry trends in selected subsectors like Cosmetics, F&B, Home Appliances and Sportswear during D11, Part 1 of this report is China Tmall consumer D11 trend analysis.

Tmall 2022 in Review

To help our clients become more familiar with the dynamics of the Chinese e-commerce market in 2022, Part 2 of this report is China Tmall 2022 annual analysis.

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Sales figures description of Part 1

- Research topic: Double 11 related sales figures
- E-commerce platform: Tmall
- Time period: Oct. 20 Nov. 11, 2021, Oct. 24–
 Nov. 11, 2022
- All categories
- Data source: Moojing Market Intelligence
- Special comments: sales figures take product return into consideration, which may be different from official sales figures of Tmall

Sales figures description of Part 2

- Research topic: 2022 annual related sales figures
- E-commerce platform: Tmall
- Time period: Jan, 2022 Dec, 2022; Jan, 2021-Dec, 2021
- All categories
- Data source: Moojing Market Intelligence
- Special comments: sales figures take product return into consideration, which may be different from official sales figures of Tmall

Data source: Moojing Market Intelligence based on public information from internet



Part 1: China Consumer D11 Trend Analysis on Tmall

Overall analysis of Tmall platform on D11 festival



1. Overall sales: GMV of Tmall's Double 11 Top 100 categories did not change much compared to the same period last year, with GMV down by 2.68%, but average price was up by 7.57%, due to 3 factors:

Double 11 2022 vs. Double 11 2021: cumulative GMV of Top100 categories

- Consumer spending declines due to weak macroeconomic environment;
- Emerging channels e.g. Douyin expanded into
 Double 11 and grabbed market share from Tmall
- Promotion cycle of Double 11 2021 was 4 days longer than that of Double 11 2022.

Time	Cumulative GMV (RMB100mn)	Cumulative GMV change	Cumulative sales volume (100mn pieces)	Cumulative sales volume change	Average price (RMB)	Average price change
Double 11 2022	3,016	-2.68%	19	-10.79%	158.74	7.57%
Double 11 2021	3,099	-	21	-	147.57	-

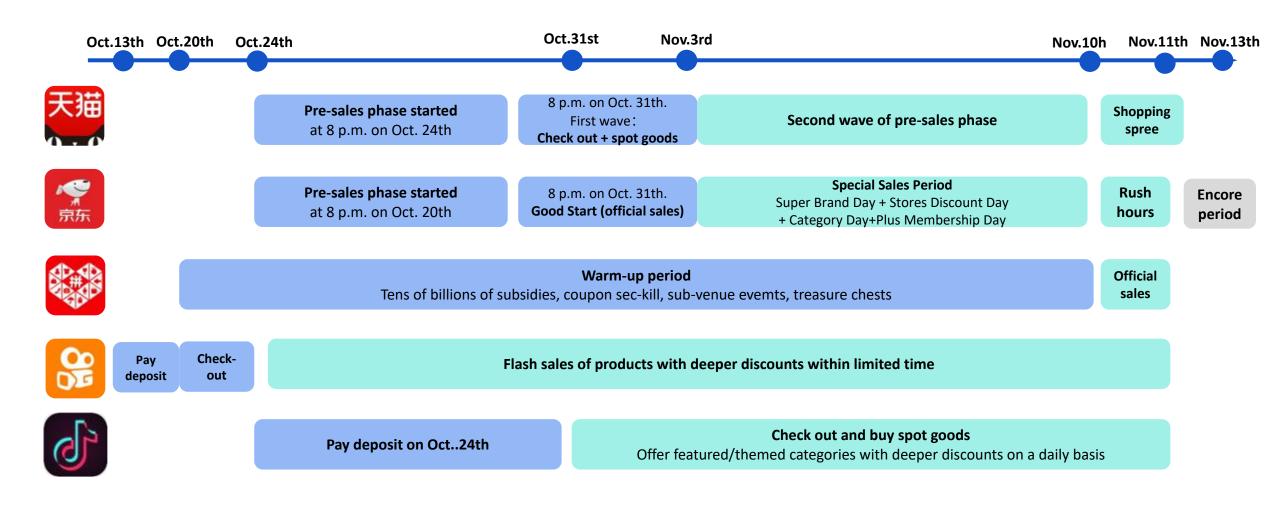
Data source: Moojing Market Intelligence

Time period: Oct. 20 – Nov. 11, 2021, Oct. 24 – Nov. 11, 2022

- 2. Category: Among 16 major categories with a total GMV> RMB2bn on Double 11, GMV of women's shoes declined the most, down>30% YoY; GMV of accessories category grew the most, up > 108% YoY. GMV change varied with categories and we can't draw the conclusion that GMV of most categories declined.
- 3. Brand: Top 3 brands for most categories have not changed significantly, the proportion of Chinese brands in Top10 categories has increased, and consumers' preference for Chinese brands has been further enhanced.

Double 11 China e-commerce platforms sales events: focus on user experience, shorten event cycle and adjust the sales time to "8 p.m."



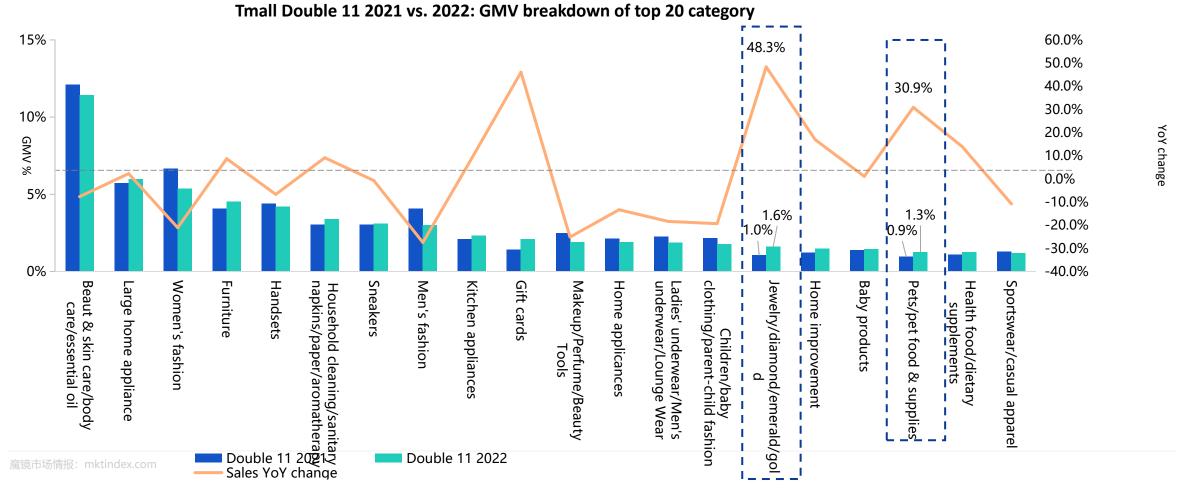


Data source: Moojing Market Intelligence based on public information from internet

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Double 11 Tmall Tier 1 categories' GMV

- Comparative analysis of Tmall's Double 11 level-1 categories in the past two years shows that GMV of jewelry/diamonds/emeralds/gold increased by 48.3% YoY and its proportion of total GMV increased by 0.6%; pets/pet food and supplies increased by 30.9% yoy and its proportion of total GMV increased by 0.4%. In addition, home improvement increased by 16.9% YoY, health food/dietary nutritional supplements increased by 13.9% YoY, and their proportions of total GMV both increased by 0.2%.
- Gold price has risen recently, and the sales of gold jewelry are booming. The GMV of gold/ jewelry accounted for 73% of total GMV of jewelry/diamonds/emeralds/gold. Pet products sales continued to grow during Double 11 and GMV of sub-category products e.g. cat food, dog food, cat/dog grooming and cleaning products ranked TOP3.



Tmall platform level-1 category ranking by GMV on D11



Top 10 categories by GMV

Category name GMV Ranking YoY change (level-1) (RMB100mn) Beauty & skin care/ body care/ 344.7 -8% essential oil Large home 2 180.1 2% appliance 3 Women's fashion 162.0 -21% Furniture 136.4 9% 4 5 Handset 127.0 -7% Cleaning//paper/ 102.3 6 9% aromatherapy 7 Sneakers 92.9 -1% Men's fashion 90.8 8 -27% 9 Kitchen appliance 69.9 9% 10 Gift card 63.0 46%

Top 10 categories by YoY growth

Ranking	Category name (level-1)	YoY change	GMV (RMB100mn)
1	Online game cards	307%	9.2
2	Education & training	161%	14.5
3	Accessories/fashion jewelry/fashion accessories	109%	22.1
4	Personalized customization/ design service/DIY	86%	4.7
5	Rx drug	63%	8.8
6	Digital Camera/SLR Camera/Camcorder	58%	5.0
7	Stationery audio-visual education/stationary supplies/office supplies	52%	19.8
8	Jewelry/diamond/ emerald/gold	48%	47.9
9	Gift cards	46%	63.0
10	Local life services	45%	4.9

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Tmall Double 11 Beauty & skincare brand ranking by GMV



No.1 category: Beauty & Skin Care/Body Care/Essential Oils

Ranking	Brand name	GMV (RMB100mn)	ASP (RMB)
1	L'OREAL	25.42	341
2	LANCOME	16.81	923
3	ESTEE LAUDER	15.27	794
4	OLAY	15.06	330
5	PROYA	15.00	344
6	Winona	12.41	229
7	SHISEIDO	8.34	745
8	QUADHA	7.82	462
9	Skin Ceuticals	7.70	1,012
10	SK-II	7.27	1,267

Beauty & Skin care/Body Care/Essential Oil: No. 1 ranking category

Makeup/Perfume/Beauty Tools: No. 11 ranking category

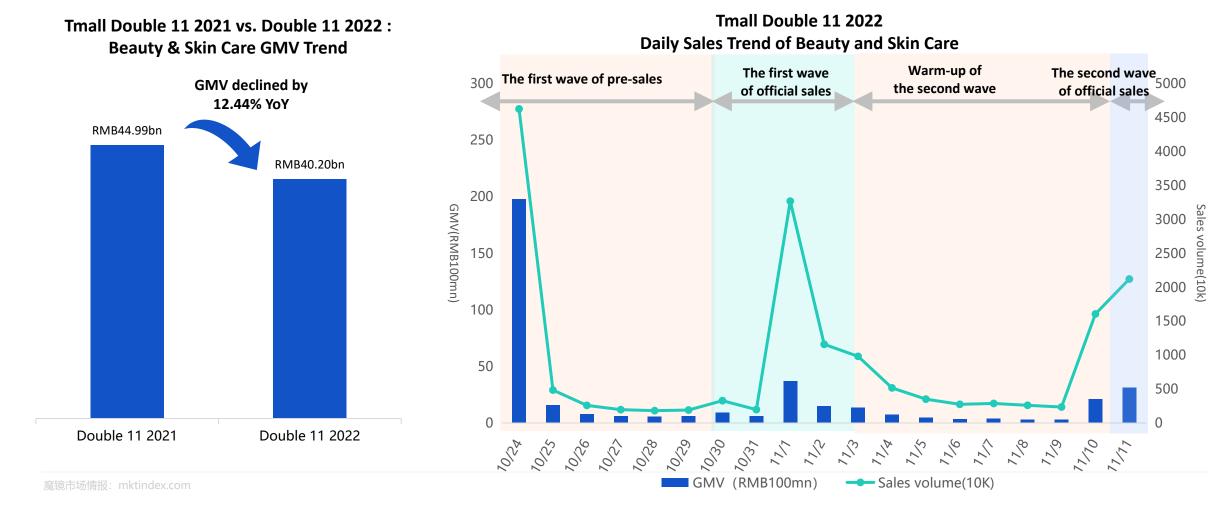
Beauty & skincare: both medical beauty and skincare had impressive performance and Chinese brands did not change their rising momentum

- According to Double 11 sales figures, **Winona** ranks TOP6 in Tmall beauty & skin care category this year and TOP1 in the beauty category on Tmall supermarket. The Omni-channel GMV of **Kefumei**, a subsidiary of Giant Bio, increased by 130%. Medical skin care is growing its market share.
- From the perspective of brand structure, international brands still occupy a dominant position, but some Chinese brands have not changed their rising momentum. A number of Chinese brands e.g. Winona, Kwadi and Florasis have strong momentum. Improved strength of leading Chinese companies + enhanced confidence in Chinese culture are the key factors of the rise of Chinese brands.

Tmall D11 Beauty & Skincare Category GMV down 13% y/y



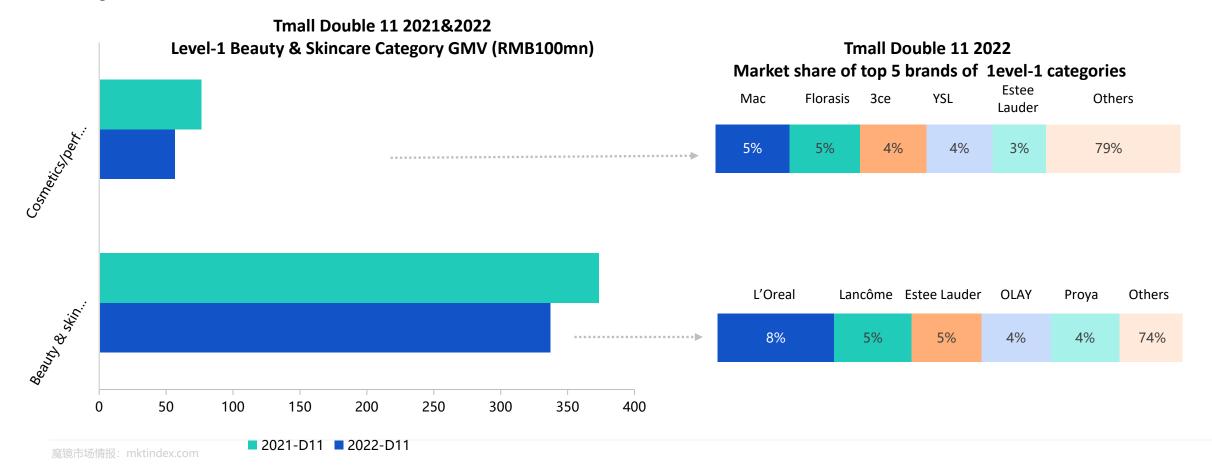
- In terms of overall market size, beauty & skin care market has shrunk significantly, with GMV down 12.44% YoY. On the one hand, consumers are more cautious and conservative in the consumption of beauty and skin care products due to resurgence of Covid-19, economic pressure and spending cut; on the other hand, emerging channels started to grab market share from Tmall.
- In terms of daily sales trends, the first day of pre-sale started off well, contributing RMB19.79 billion of GMV, in which special livestreaming of Li Jiaqi's Super Beauty Festival on that day significantly drove product sales. After the first day, sales slumped and and the market started to cool down.



Tmall D11 Beauty & Skincare – Cosmetics GMV down 26% y/y and a growing preference for local Chinese Brands



- In terms of subcategories, sales of cosmetics/perfume/beauty tools and beauty& skin care/body care/essential oils both declined to varying degrees compared with double 11 2021, among which the decline of cosmetics/perfume/beauty tools was more obvious and GMV was down 25.87% YoY, as the demand for makeup when going out has weakened and the consumption of cosmetics-related products has cooled down as people spend more time at home due to covid-19.
- In terms of top brands, Chinese brands are among top 5 brands of make-up/perfume/beauty tools and beauty & skin care/body care/essential oils. Florasis is the leading Chinese cosmetics brand and Proya is the leading Chinese skin care brand, and consumers' preference for Chinese brands is further strengthened.



Beauty & Skin Care market trend analysis | Consumer preference shifting to "evidence-based" branding, particularly in the anti-aging segment



- In terms of selling points of ingredients, Moojing noticed some changes in trends: 1. Shift from industry ingredients to brand ingredients; 2. brand ingredients shift from international brands to Chinese brands/new brands; 3. High-value ingredients shift from fancy ingredients to basic ingredients; 4. shift from single ingredient to compound ingredient; 5. shift from extracted ingredients to green synthetic ingredients.
- At present, due to regulation over efficacy claims, many brands are trying to make changes, taking the lead in **transform from "ingredients" brand to "formula" brand and the "evidence-based" brand**, aimed to attract more consumers with differentiated products and increase brand value.
- Focus on anti-aging market: "Human Skin Aging Evaluation Standard" is the first human skin aging evaluation standard in China.





pro	proya anti-aging collection(Tmall platform, excluding Taobao)				
	time period: Jan,2020 - Nov, 2022				
No	Item	GMV(RMB/Yuan)	Sales volume		
1	Facial essence	1,798,133,696	4,437,298		
2	Eye care	342,085,986	1,159,684		
3	Facial mask	311,013,385	1,121,123		
4	Facial care kit	121,709,078	249,854		
5	Lotion/cream	4,889,038	24,946		
6	6 Toner 4,793,206 26,184				
7	Facial cleanser	146,290	1,479		

proya ruby collection(Tmall platform, excluding Taobao) time period: Jan,2020 - Nov, 2022				
No	Item	GMV(RMB/Yuan)	Sales volume	
1	Facial essence	1,424,959,384	2,879,707	
2	Lotion/cream	611,484,776	1,782,009	
3	Facial care kit	287,759,427	423,870	
4	Eye care	111,186,996	402,645	
5	Toner	9,465,140	40,244	
6	Facial mask	1,685,702	10,941	
7	Travel pack	442,929	8,109	







3DEJ BOOSTERTM TECHNOLOGY Targeting different types of collagen



Activates the skin's selfcleaning program to remove dead cells



China Anti-aging Promotion Association Self Commitment

The solid standard of T/ZGKSL001-2022 "Evaluation Standard of Human Skin Aging" issued by China Anti-aging Promotion Association follows the principles of openness, fairness, transparency, consensus, and promotion of trade and exchanges, formulated based on "Standard Procedure Document ZGKSL". The content stipulated in the group standard of T/ZGKSL001-2022 "Human Skin Aging Evaluation Standards" conforms to the requirements of relevant national laws, regulations and mandatory standards, and does not infringe on the legitimate rights and interests of others.

China Anti-aging Promotion Association makes this commitment on a voluntary basis, and is responsible for the authenticity of the content of the above commitment.

Tmall Double 11 Large Home Appliance Brand Ranking by GMV



Traditional large home appliances: No. 2 ranking category

Kitchen appliances: No. 9 ranking category

Household cleaning appliances: No. 12 ranking category

Home appliances: consumption differentiation is significant, premiumization vs. value for money

- During double 11, home appliances showed a phenomenon of consumption differentiation. On the one hand, consumers prefer set of products and premium products, and on the other hand, they pursued cost-effectiveness.
- The integration and premiumization are mainly reflected in the white goods category. According to public data, the purchase rate of Midea set of products during Double 11 period increased by 22% YoY, and the growth rate of Haier's premium brand Casarte on JD.com and Tmall exceeded 30%.
- The pursuit of cost-effectiveness is mainly reflected in the category of small kitchen appliances. Bear brand, known for its high costeffectiveness, has increased its GMV by 40% YoY, outperforming the industry.

No.2 category: Large home appliances

Ranking	Brand name	GMV (RMB100mn)	ASP (RMB)
1	Haier	28.52	3,849
2	Midea	24.88	3,378
3	Little Swan	11.50	4,382
4	TCL	9.70	4,037
5	MIUI	8.84	3,341
6	Siemens	8.59	4,721
7	GREE	7.53	4,459
8	Hisense	7.21	4,287
9	Panasonic	5.02	6,616
10	Robam	4.63	957

Data source: Moojing Market Intelligence based on public information from internet

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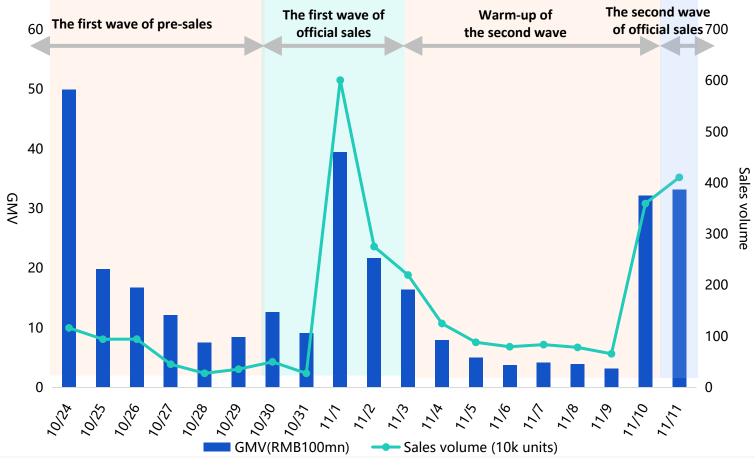
Tmall D11 Home appliances – Growth was flat at 0.3%



• In the context of waning consumer confidence, weak home appliance market, rolling dynamic COVID lockdowns across +50 cities, Tmall Double 11 promotion activities changed e.g. shorten the cycle, offer deeper discounts and raising the discount thresholds. During the shopping festival, the GMV of home appliance found it difficult to exceed RMB30 billion; overall sales performance was basically the same as that of Double 11 2021, and GMV increased only slightly by 0.3% YoY.

Tmall Double 11 2021 & 2022 **Home Appliance GMV Trend GMV YoY change** +0.3% 320 310 RMB30.58bn RMB30.68bn 300 290 280 270 260 250 Double 11 2021 Double 11 2022

Tmall Double 11 2022 Daily sales trend of home appliances

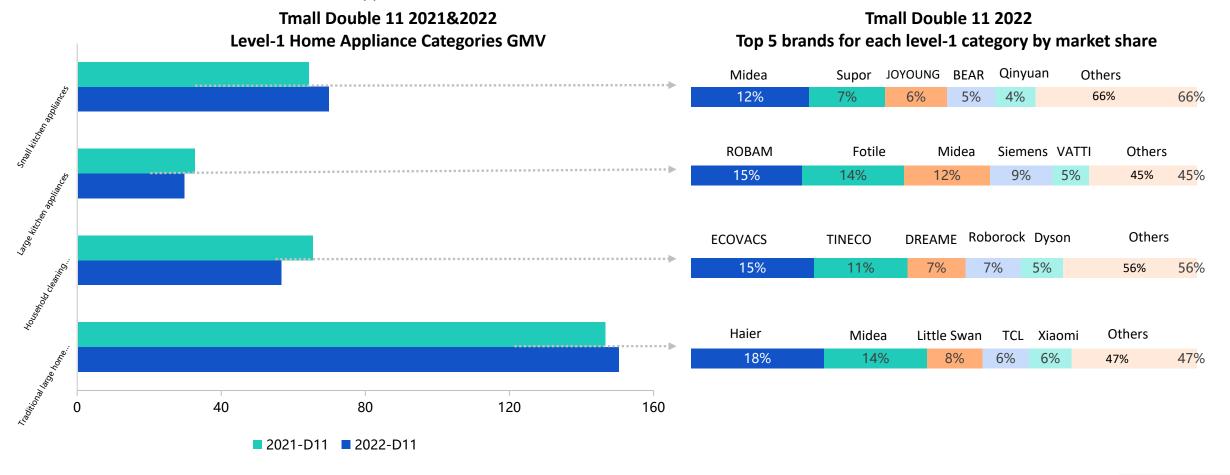


Tmall D11 Home Appliances – Small Kitchen Appliance GMV +9% y/y. All other sub-categories declined or had marginal growth





- Against the backdrop of a weak home appliance market, traditional large appliances and small kitchen appliances achieved relatively impressive performance, with GMV up 2.5% and 8.7% YoY respectively, while large kitchen appliances e.g. integrated stoves, dishwashers and range hoods and gas stoves fell by 8.9%. the growth rate of household cleaning appliances has dropped or even shrunk, and sales of water purifiers and heaters dropped was weak. As a result, home appliances recorded the largest decline of 13.3% on Double 11.
- Midea continued to lead the home appliance market and its sales ranked No. 1 on Double 11 2022.



Home appliance market trend analysis | Focus on 6 major scenarios and overseas market, coffee makers have strong growth momentum in China















Home fitness

Mom& baby products

Massage chair

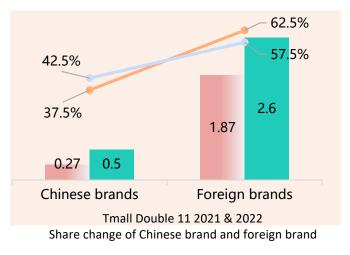
Household cleaning appliances

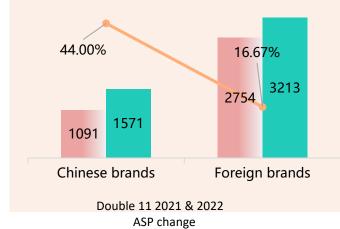
Pet foods & supplies

Healthy foods

Ranking	Brand name	GMV (RMB10,000)	Sales volume (units)	ASP (RMB)
1	Delonghi	9,662.90	19,770	4,888
2	Barsetto	Barsetto 3,584.30 7,		4,786
3	PHILIPS	3,351.90	10,518	3,187
4	NESPRESSO	2,802.60	21,681	1,293
5	maxim's de paris	1,839.40	3,452	5,328
6	Petrus	1,568.80	9,748	1,609
7	Gemilai	862.8	4,210	2,049
8	Welhome	750	1,291	5,810

Double 11 Top 8 coffee maker brands





魔镜市场情报: mktindex.com

Tmall Double 11 Sneaker brand ranking by GMV



No.7 category: Sneakers

Ranking	Brand name	GMV (RMB100mn)	ASP (RMB)
1	Nike	18.60	547
2	ANTA	11.13	335
3	lining	8.66	352
4	Fila	8.32	552
5	Adidas	7.45	426
6	NEW BALANCE	5.96	509
7	JORDAN	5.20	759
8	Skechers	3.86	428
9	Puma	3.36	463
10	XTEP	3.06	224

Sneakers: No. 7 ranking category

Sports wear/Casual Wear: No. 20 ranking category

Outdoor / Mountaineering / Camping / Travel Goods: No. 28 ranking category

Sports/Yoga/Fitness/Fans Supplies: No. 47 ranking category

Sports Bags/Outdoor Bags/Accessories: No. 97 ranking category

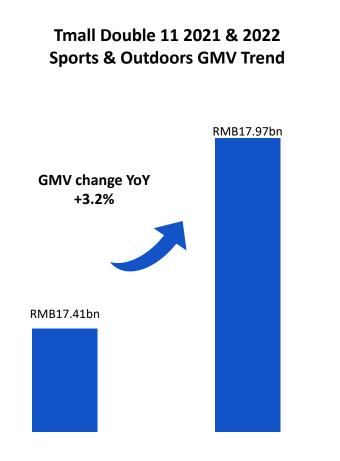
"Sports & outdoors" products are still very popular, which drives the consumption of "sports & outdoor" products

- According to Star Map data, the GMV of sports and outdoor category on e-commerce platforms during Double 11 reached RMB33.3 billion, up 3.3% YoY, ranking among the top 10 categories in terms of GMV.
- Due to Covid-19, consumer' enthusiasm for sports has not diminished, which has driven the growth of sports & outdoor industry. As some outdoor activities with low entry barriers e.g. camping/fitness/skateboard/frisbee get increasingly popular, the combination of sports and social entertainment attract a lot of consumers with strong demand for sports and outdoor products.

Tmall D11 Sports & Outdoors – Marginal GMV growth of 3%



• The daily sales figures of sports & outdoors indicated that the sales of sports & outdoors reached the highest with a GMV of RMB3.12bn when the event just started on Oct. 24, then sales started to decline. Tmall Double 11 started the final check-out on the night of Oct. 31st, which also led to a significant increase in GMV and sales volume on Nov 1st- 3rd. Due to Covid-19 and restrictions on travel, consumers still have demand for travel, therefore outdoor & sports with multiple attributes e.g. sports, travel and social networking have become the best choice for consumers. As a result, Tmall online sales maintained a better momentum and recorded slight GMV growth compared with Double 11 2021.



Tmall Double 11 2022 Daily sales trend of sports & outdoors

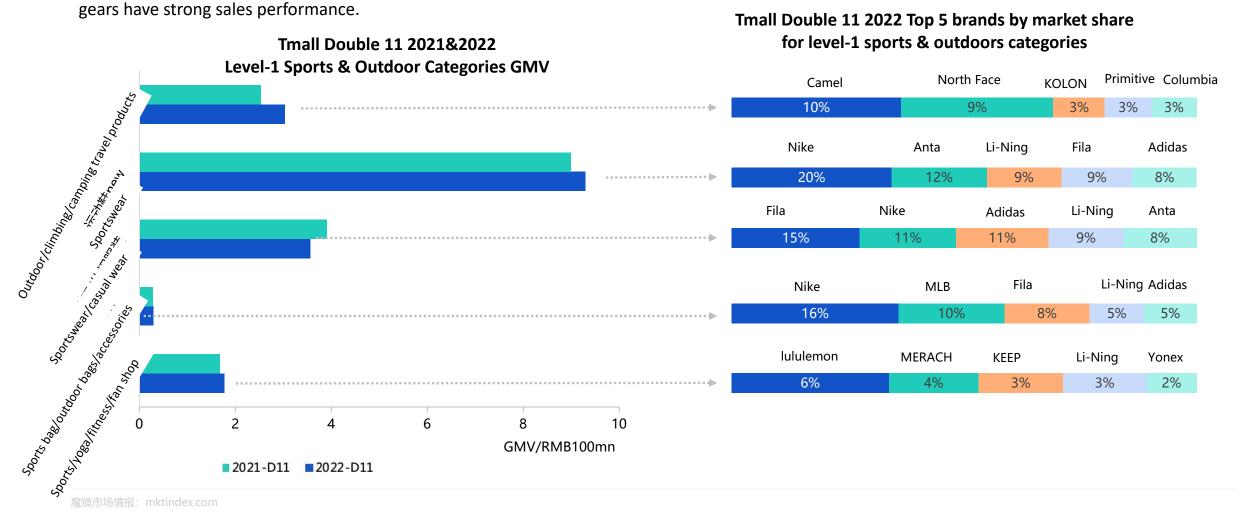


Tmall D11 Sports & Outdoors – Marginal GMV growth for all sub-categories



 In terms of GMV of level-1 sports & outdoors categories, apparel and footwear contributed higher GMV; the remaining 4 categories have similar trends with a slight increase, excluding sportswear/casual wear.

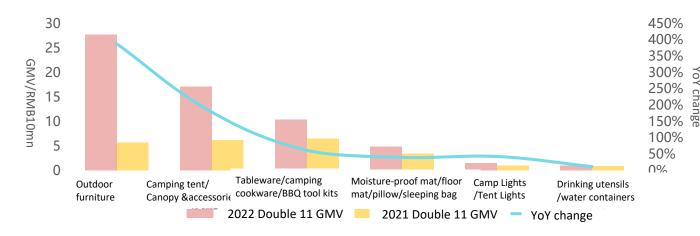
• In terms of Top 5 brands, each category is dominated by well-known brands, among which **Nike** has a relatively high market share in the two market segments of sports shoes and sports bags/outdoor bags/accessories; **Lululemon** better caters to the female market and performs better with the popularity of outdoor sports; **Camel** launched promotion on both new and old e-commerce platforms during Double 11, and its outdoor camping



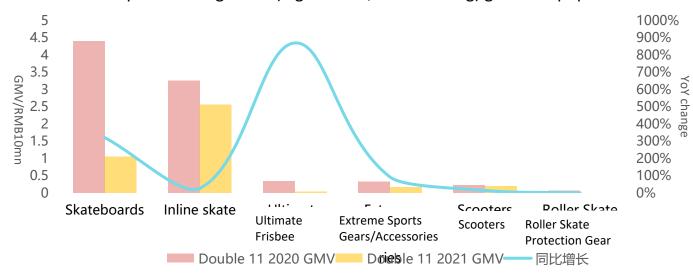
Sports & outdoors market trend analysis | focus on outdoor sports for beginners and outdoor shoes and apparel brands



1. Exponential growth of glamping (glamorous + camping)



2. Outdoor sports for beginners (e.g. Frisbee, roller skating) get more popular



3. Roller skating/skateboard/extreme sports - brands focus more on children

Rank ing	Brand name	GMV (RMB1mn)	Sales volume(piece)	ASP (RMB)
1	Sway	7.2	35,001	206
2	Decathlon	7.1	26,963	266
3	dbh	6.7	23,670	283
4	Массо	5.1	12,846	398
5	Xiaozhuangyuan	4.8	29,224	167
6	Balka	4.5	14,170	315
7	Roadshow	3.9	13,568	288
8	Disney	2.8	14,071	201

4. Outdoor shoes and apparels had impressive performance

RMB630mn Tmall 2022 double 11 Outdoor footwear and apparel categories with better growth performance RMB160mn RMB92mn RMB48mn RMB27mn RMB13mn Train running Outdoor Outdoor Trekking/ Fleece **Functional** Jackets & shoes casual wear hiking shoes jacket underwear pants 22.3% 46.3% 58.5% 88.4% 120.6% 111.5%

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Tmall Double 11 Pet food & supplies brand ranking by GMV



No.18 category: Pets/Pet Food & Supplies

Ranking	Brand name	GMV (RMB100mn)	ASP (RMB)
1	MYFOODIE	1.28	95
2	Orijen	1.12	829
3	ROYAL CANIN	1.04	310
4	Nourse	1.03	198
5	ACANA	0.85	840
6	Lifease	0.77	156
7	PIDAN	0.66	180
8	ZIWI	0.64	362
9	lorde	0.63	252
10	Instinct	0.62	548

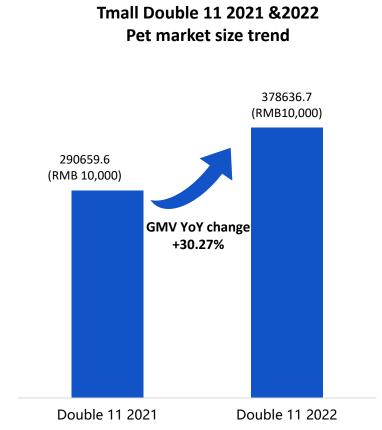
"It economy" is booming and pet industry is growing fast

- Double 11 2022 sales figures from platforms e.g. JD.com, Tmall, and Vipshop showed that sales of pet food and supplies have grown exponentially, confirming the strong rise of "it economy".
 Sales of pet food & supplies category on Tmall platform increased by 30% YoY.
- Tmall Report even called the pet category one of "New Four Kings", together with designer toys, outdoor sports and jewelry vs. "Old Four Kings" including beauty, FMCGs, consumer electronics and apparels.

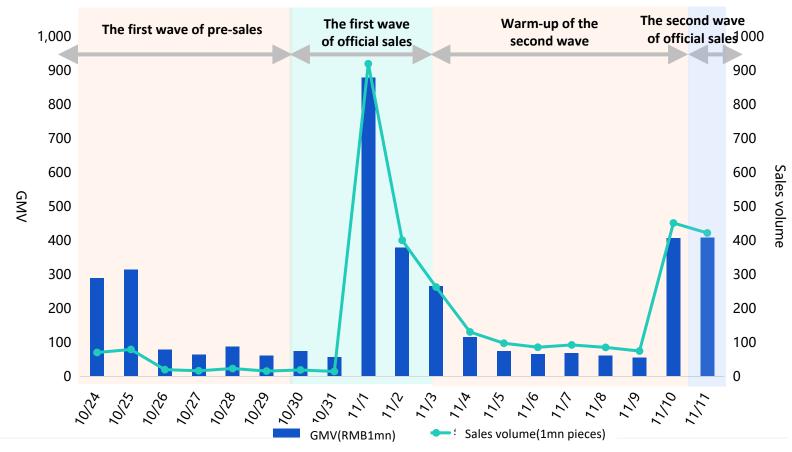
Tmall D11 Pets-+30% y/y GMV growth



- Compared with Double 11 2021, sales on Tmall platform in 2022 increased by 30.27% YoY, and GMV increased from RMB2,906,596,000 to RMB3,786,367,000.
- On Nov.1, pet sales peaked, with GMV surged to RMB 879.48mn and sales volume to 9.199mn pieces. In addition, sales performance was also particularly strong on the first two days of pre-sale (Oct.24 -25) and the last two days of the second wave (Nov.10 & 11).



Tmall Double 11 2022 Daily sales trend of pet foods and supplies



魔镜市场情报: mktindex.com

Pet market trend analysis | by Dec-22 China has surpassed Japan as the world's largest pet cat and Catfood market and for some brands D11 is 85% of their annual sales



Double 11 top 8 brands for complete cat food

Ranking	Brand name	GMV (RMB10mn)		ASP (RMB)
1	Orijen	9.09	11.26	807.55
2	Royal Canin	8.36	24.29	344.08
3	Instinct	5.93	10.53	563.48
4	Lifease	5.57	20.62	270.29
5	Legend sandy	5.30	16.48	321.63
6	Nourse	5.23	17.28	302.81
7	Rosy Fresh	4.23	11.13	379.94
8	Jiangxiaoao (江小傲)	4.11	20.20	203.34

- The "2021 Pet Industry White Paper" pointed out that by the end of 2021, the number of cat owners in China has exceeded the number of dog owners. In 2021, the number of cat owners in China will reached 59.5%, and the number of pet cats in China exceeded 58 million. According to the prediction of a British organization, consumption of cat food in China will surpass that of Japan by the end of 2022, becoming the No.1 "cat-loving country" on the earth.
- "Complete puffed food" is the first choice for cat food consumers to "stock up" on Double 11, accounting for 85% of its sales. In addition, wet food/staple food cans, freeze-dried food, and air-dried/baked food are also the main choices of "cat owners".
- In terms of brand selection, Orijen, Royal Cani and Instinct are very popular in 2022 Double 11 event, and ranked top three by GMV. Orijen has the highest ASP, and it has also become a major driving force for its No. 1 sales.

Best-selling products



Wet cat food

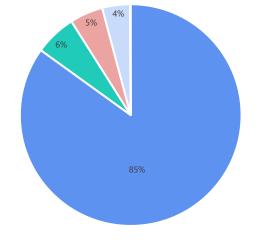




Freeze-dried food



Complete cat food breakdown



Canned food

- Baked food
- Complete puffed cat food
- Compelte freeze-dried cat food
- Complete cold/fresh cat food
- Compelte wet cat food/canned food
- Complete air-dried/baked treats for catsComplete prescription food for cats

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ed food Baked 1

Tmall D11 Pet supplies - Top brands with Orijen recording the greatest y/y/ GMV growth of 67%



Double 11 2022 pets/top pet foods & supplies brands

Ranking	Brand name	GMV (RMB10k)	Sales volume (1k)	GMV growth rate	Sales volume growth rate	ASP (RMB)
1	Myfoodie	12818.01	1347.34	21.61%	10.68%	95.14
2	Royal Canin	11720.27	356.63	22.08%	10.58%	328.64
3	Orijen	11144.12	134.11	67.26%	42.46%	830.97
4	Nourse	10315.69	519.54	18.27%	-20.70%	198.55
5	Acana	8450.83	100.01	41.62%	-7.49%	845.01
6	Lifeease	7659.97	491.13	57.56%	93.31%	155.97
7	Pidan	6565.45	365.58	4.31%	-13.30%	179.59
8	Ziwi	6380.58	175.79	48.41%	23.65%	362.98

- The growth rate of Orijen brand is strong, with sales revenue and sales volume up 67.26% and 42.46% YoY respectively.
- In terms of product itself, considering the nutritional needs of pets, Origen focused on product formulations to meet nutritional requirements of "Furry Friends"; for example, cat food is formulated based on the intake ratio of cat ancestors, with 70% poultry and fish, 20% viscera and 10% bones. In addition, considering that cats naturally do not like to drink water, chicken bone soup and fish bone soup are added to the canned cat food to help cats get enough water while enjoying the delicious food. In addition, the brand has launched new anti-counterfeiting stickers to enhance anti-counterfeiting capabilities, resist counterfeit and shoddy sales, and further protect the rights and interests of the brand and consumers.



Data source: Moojing Market Intelligence based on public information from internet

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Tmall Double 11 Grain& Oil/ Seasoning/Fast Food/Dry Goods/Baking brand ranking by GMV – shift in consumer preference to a more balanced diet with natural ingredients



No.21 category: Grain& Oil/ Seasoning/Fast Food/Dry Goods/Baking

Ranking	Brand name	GMV (RMB100mn)	ASP (RMB)
1	Luhua	1.44	176
2	Jinlongyu	1.13	67
3	AIRMETER	0.95	200
4	Fortune Fu Lin Men	0.86	83
5	October Paddy Field	0.83	68
6	HAOHUANLUO	0.79	80
7	Chai Huo Yuan	0.76	101
8	Orchid	0.75	175
9	Baixiang	0.49	34
10	Li Ziqi	0.47	76

No.21 category: Grain, oil & seasoning/instant food/dry goods/baking

No.22 category: Coffee / cereal / instant drinks

No.25 category: Snacks/nuts/special local foods

NO.36 category: Liquor

No.51 category: Aquatic products/fresh vegetables & fruits/cooked food

No.74 category: Tea

Basic staple food and the new generation of tea drinks are gaining momentum

- China is a vast China and consumers have different preferences for flavors.
 However, judging from the trend of food and beverages on Double 11, consumers
 are more interested in a balanced diet and have strong demand for more natural,
 nutritious, healthy and high-quality foods. F&B category has obvious trend of
 product update at a faster speed.
- Basic staple foods (peanut oil, corn oil, rapeseed oil, instant vegetables/pre-cooked vegetables, pickled/mustard/sauerkraut, shrimp products, new cheese, sunflower oil, flour/edible powder, white fungus/freeze-dried white fungus) and new generations of tea beverages (carbonated beverages, pure fruit and vegetable juices, milk-containing beverages, reprocessed tea/formulated tea/flavored tea, coffee beans, fruity/flavored beverages, tea beverages) are gaining momentum, which is worthy of our attention.

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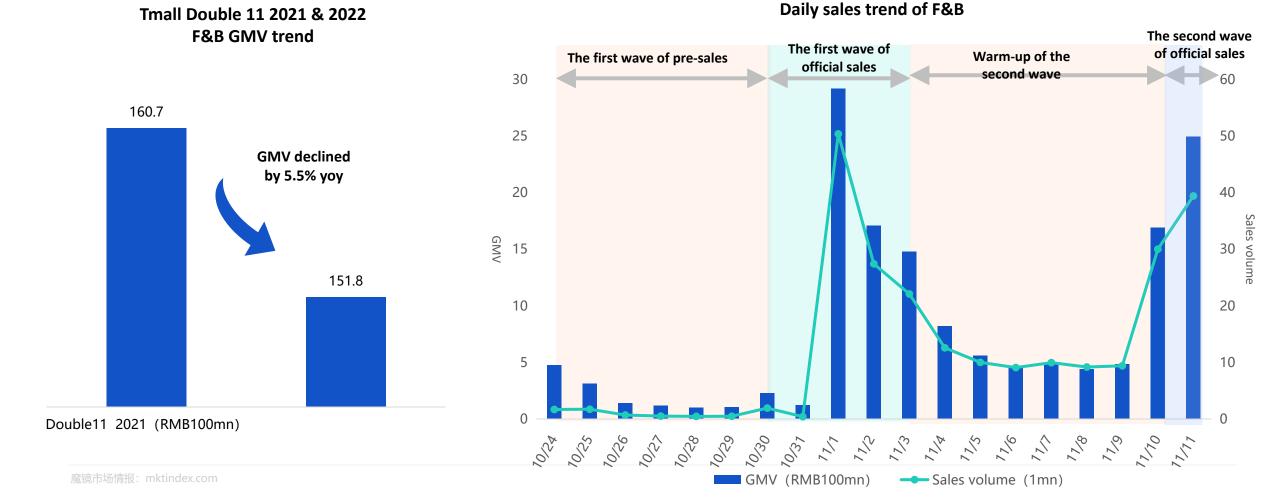
Tmall D11 Food & beverage –GMV down 6% y/y



- F&B include snacks/nuts/special local products, aquatic meat/fresh fruits and vegetables/cooked food, grain and oil seasoning/fast food/dry goods/baking, tea, coffee/oatmeal/brewed drinks and liquor, with a total of 6 level-1 categories.
- F&B GMV on Double 11 2022 was RMB15.18bn, vs. RMB16.07bn on Double 11 2021, down by 5.5% YoY.

• Daily sales figures showed that sales reached the highest point on Nov. 1st and Nov. 11th, with daily GMV reaching RMB2.918bn and RMB2.497bn respectively.

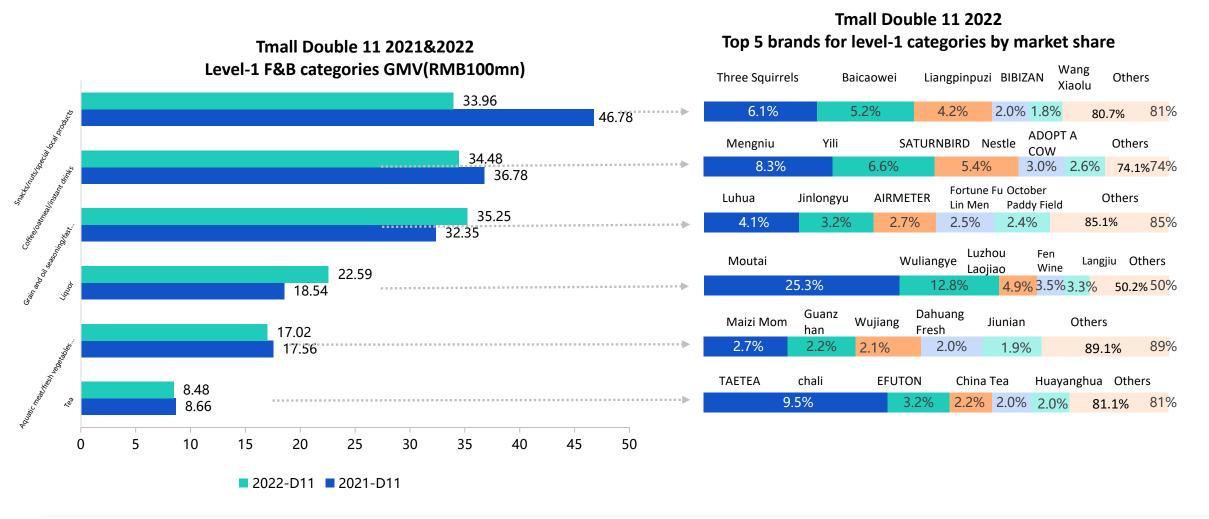
Tmall Double 11 2022



Tmall D11 Food & beverage – Liquor up 22% y/y, Snacks down 28% y/y and other subcategories, eg Tea showing marginal growth 0.2%



• Categories with a positive YoY growth included grain and oil seasoning/fast food/dry goods/baking (+9.0%), liquor(+21.8%); GMV of snacks/nuts/special local products dropped significantly (-27.4%), GMV of coffee/oatmeal/brewed beverages declined by 6.2% YoY, GMV of aquatic meat/fresh vegetables and fruits/cooked food categories decreased by 3.1% YoY, and GMV of tea category decreased by 2.1% YoY.



Analysis of F&B market trends | the trend of medicine and food homology, focusing on consumer, shift to health, wellness and emotional well-being



The trend of snacking: by changing product form, diluting product scarcity, simplifying production process, leveraging price to attract consumers and improving instant gratification









Product name	Laojinmofang sugar-free black sesame balls	Grandma's Steamed Ejiao Guyuan Cake	Zhengguanzhuang Red Ginseng Pomegranate Drink	Jiyuan Instant Fish Maw Porridge and Fish Maw Soup
Discount price	RMB174/piece	RMB199.9/piece	RMB666.45/box	RMB219/piece
Ingredient	Black sesame, black beans, black rice, black fruit wolfberry, wolfberry,	Donkey-hide gelatin, black sesame seeds, walnut kernels, red dates, wolfberry	Red ginseng	Quinoa, Fish Maw, Red Dates
MAT2022* GMV	RMB120mn	RMB52.508mn	RMB 31.961mn	RMB12.405mn
Traditional product form				

Example of medicine and food homology: highly related to the scenario and consumers will become loyal buyers by developing habits

- Although liver protection and liver nourishing market is still growing fast in China, the barriers to entry for health food are relatively high; and ingredients e.g. turmeric, honey and Raisin Tree Seed are used to make anti-alcoholic drug based on medicine and food homology in South Korea, brand can expand into market with the help of "anti-alcoholic drug "concept.
- There is demand for gut health and sugar control in China, but consumers are not aware of the benefits of
 raw materials. Dandelion can help regulate gut health; mulberry leaves and cassia seeds can be added
 into sugar control products; long pepper can relieve waist discomfort, etc. It is recommended that brands
 start with ordinary food and educate consumers on medicine and food homology through product
 marketing and promotion.





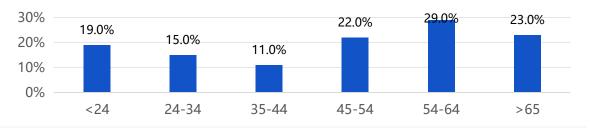






Product name	Baohai Raspberry Wine	LON Natural Organic Functional Herbs Tea	Yamamoto Kampo Japan imported sugar flow tea health tea	Korea inno.N hangover drink	Jinbei High Sour Jujube Kernel Whey Protein Solid Drink
Ingredients	Soaking black raspberry juice, etc.	Organic Dandelion Leaf, Organic Dandelion Root, Wild Dandelion Flower	Mulberry leaves, barnabas leaves, persimmon leaves, guava leaves	Citrus aurantium extract, etc.	gaba, imported whey protein, jujube seed, etc.
Benefits	men's health	Support gut health	Sugar control	hangover, anti- alcoholic	Children, adolescents and adults, supplement calcium + VD + VA

Penetration rate of nourishing and health care in different age groups



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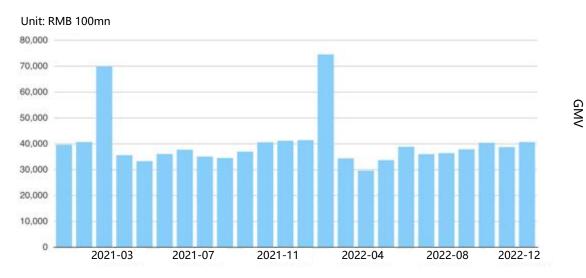
Part 2: Tmall 2022 in Review

The current state of China's consumer goods development in 2022: overall consumption cooling, online channel performance is outstanding



- In 2022, total retail sales of China consumer goods will be 4,397.33 billion yuan, down 0.2% from the previous year 2021.
- In 2022, China online retail sales amounted to RMB 1,735.53 billion, up 4.0% over the previous year 2021. Among them, the online retail sales of physical goods amounted to 119,642 billion yuan, an increase of 6.2%, accounting for 27.2% of the total retail sales of social consumer goods; among the online retail sales of physical goods, food, wear and use goods grew by 16.1%, 3.5% and 5.7% respectively.
- According to Moojing market intelligence data, as of 2022 the total GMV of the Taobao platform and Tmall platform reached 5.54 trillion yuan, down 0.7% year-on-year.

2022 China total retail sales of consumer goods



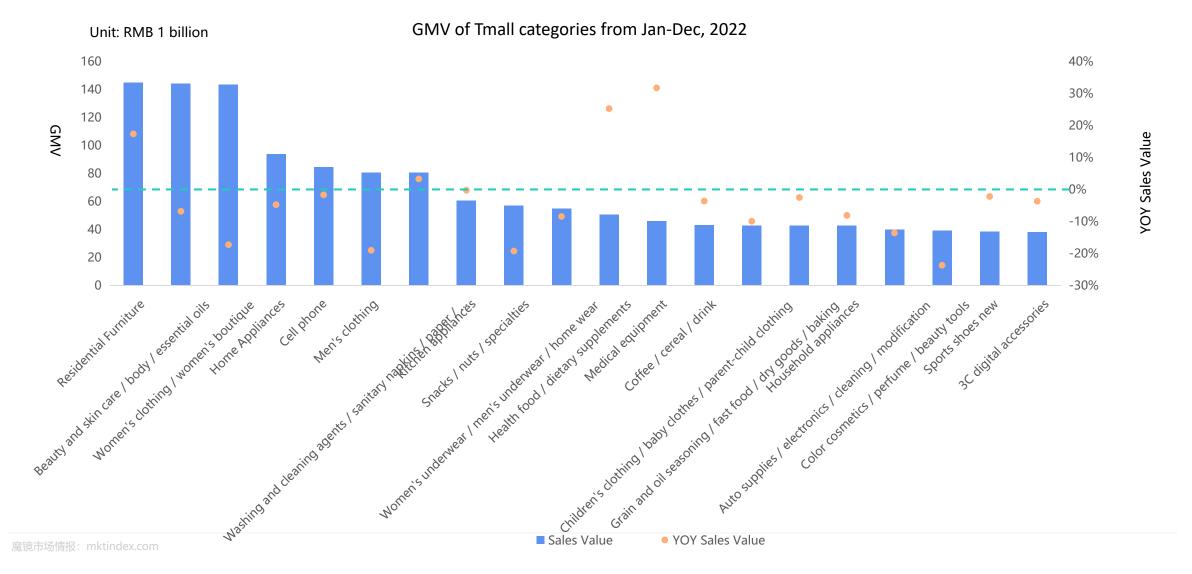
Source: National Bureau of Statistics China - http://www.stats.gov.cn/english/PressRelease/202301/t20230118 1892301.html

GMV of Taobao Platform and Tmall Platform

Tmall 2022 Online top categories scanning



Taking Tmall platform as an example, during Jan-Dec 2022, Residential Furniture. Beauty and skin care / body / essential oils. Women 's clothing / women' s boutique categories performed outstandingly, with individual categories contributing GMV over 140 billion yuan. Home Appliances. Cell phone. Men 's clothing. Washing. cleaning agents / sanitary napkins / paper / aromatherapy and other categories followed closely behind.



Tmall platform level-1 categories ranking by GMV in 2022



Top 10 categories by GMV

Top 10 categories by YoY growth

Ranking	Category name (level-1)	GMV (RMB1bn)	YoY change
1	Residential Furniture	145.07	17%
2	Beauty and skin care / body / essential oils	144.32	-7%
3	Women's clothing / women's boutique	143.44	-17%
4	Home Appliances	93.82	-5%
5	Cell phone	84.55	-2%
6	Men's clothing	80.70	-19%
7	Washing and cleaning agents / sanitary napkins / paper / aromatherapy	80.62	3%
8	Kitchen appliances	60.63	0%
9	Snacks / nuts / specialties	57.15	-19%
10	Women's underwear / men's underwear / home wear	54.93	-8%

Ranking	Category name (level-1)	YoY change	GMV (RMB1bn)
1	Prescription	48%	13.86
2	Video game / Accessories / Games / strategy	47%	4.40
3	Tablet PC /MID	44%	14.39
4	OTC medicine / international medicine	39%	18.39
5	Decoration design / construction / supervision	35%	0.57
6	Play mode / animation / peripheral /cos/ games	34%	5.15
7	Medical apparatus and instruments	32%	46.23
8	Mobile phone number / package / value added service	27%	1.90
9	Health food / dietary supplement	25%	50.60
10	Jewelry, diamond, jade, gold	25%	25.33

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Top categories' sales declined, top brands try to stabilize in the change



• The consumer market in 2022 was unpredictable, with new and old brands competing fiercely. In addition to residential furniture, the rest of the Top 5 categories performed less well than the same period last year. In terms of brands, the outstanding performers are Uniqlo, Bosideng, Lin's home, L'Oreal Paris, Apple and other brands. Residential home category brands in recent years pay great attention to the layout of online channels, and perform well in various emerging platforms such as live e-commerce.

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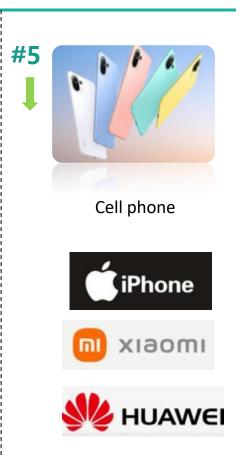
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2022 Current state of the consumer goods markets: Tapping into the niche markets



Overall consumption downturn, epidemic catalyzes online consumption

- Throughout 2022, the overall downturn in the consumer goods markets, the closure of offline stores, the epidemic home and other factors drive consumer behavior to migrate online, while the impact of the general economic environment and the subtle changes in the international situation, women's clothing, women's shoes, home appliances and other online leading markets continue to receive impact.
- At the end of 2022, the initial liberalization of epidemic control will lead to the post-epidemic opening era in most provinces and cities in China, and offline consumption and production will gradually recover, with most people living with the epidemic for a long time. China's consumer goods markets still have a strong resilience.

Consumer preferences shift to drive a few categories to benefit

With the liberalization and precision of epidemic control, consumers' living conditions will also undergo a brand new change in 2023.
 Coexisting with the epidemic, switching back and forth between offline and telecommuting will become the norm, and consumers' physical and mental health will require more comprehensive care and monitoring, which will inevitably give rise to new high-growth tracks.

Online multi-sector consumption shrinks as consumer preferences begin to shift

- Online consumers in 2022 tend to be conservative and pragmatic shoppers. This is not a sign that consumers have no desire to shop, but rather means that consumers will have longer to examine their own consumer behavior, and there are still unlimited opportunities for brands that are attuned to the deepest demands of consumers' souls.
- Combined with some of the high-growth track trends, we find that
 consumers tend to want to solve more problems at a decent cost. The
 right cost may mean a friendly price (affordable), or a friendly space
 storage (small volume), or a friendly conversion cost (long life); solving
 the most problems often requires products with multi-functional
 attributes (integrated), the use of the expected effect, and the
 appearance of the product in line with their own aesthetics and scene
 aesthetics. In addition, changes in behavior during the epidemic, such as
 home office, home study, etc. have also led to innovation and growth in
 categories such as coffee machines, eye massagers, etc.

New concepts of innovation under consumer goods markets

 In 2022, the concept innovation in the consumer goods markets is also endless. Some brands upgrade the product concept by digging deep into the existing needs of consumers to seize the minds of consumer groups, such as cool feeling fabric design; some brands optimize the design for scenes and people; some brands try to develop potential new needs of consumers, such as bone conduction headphones and other avant-garde designs.

Niche markets for example

Disinfectant spray gun



Fruit and vegetable purifier



Food preservation vacuum machine



Probiotic Pet Food



Eye Care Nutritional Products



Zinc-Magnesium Tablets



Men's Body Wash



Cat strips without food attractants



Nebulizing eye moisturiser



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Wet toilet paper



Local Snacks/food

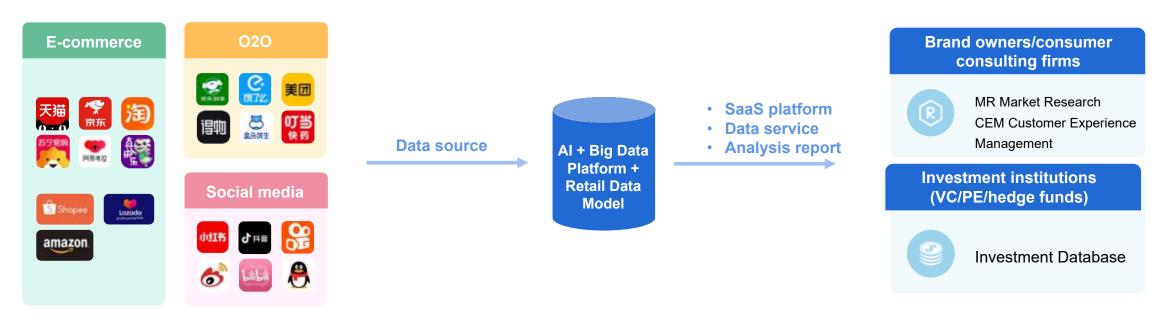


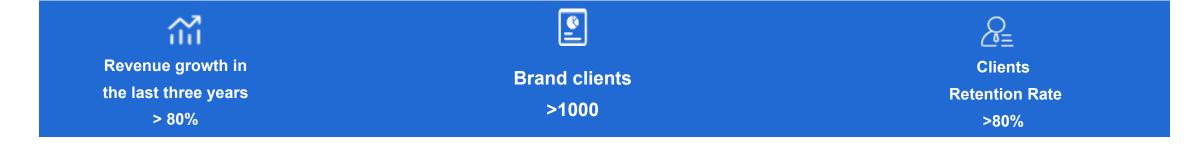
Children's Oral Spray



Moojing is the leading provider of intelligence retail insights/datasets in China

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