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China Internet

Ecommerce Expert Call Takeaways: 11.11 First Phase At +4% YoY

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CITI'S TAKE

We hosted Mr. Deng Tao, General Manager of Hangzhou Haxi Interactive Technology Co., Ltd., to discuss Phase 1 Singles' Day (11.11) performance across major e-commerce platforms. Overall GMV growth is tracking >4% YoY, or +10% including instant retail, in line with industry expectations, aided by simplified direct price cuts and removal of pre-sales. Performance divergence remains: Douyin grew the fastest, thanks to faster growth of shelf-ecommerce and tactical influencer support; Tmall outperformed Taobao leveraging growth in 88VIP membership contribution and brand ad spend; JD balanced margins while defending its 1P 3C/appliance fulfillment moat; PDD prioritized industrial-belt supply quality over subsidies and Kuaishou lagged peers. While AI adoption unlocks merchant marketing and cost efficiencies, consumer scenarios remain early-stage and insufficient to reverse macro headwinds. Overall, platforms are increasingly prioritizing sustainable, disciplined monetization over price wars. Maintain our Buy rating on Alibaba, JD and PDD and Neutral rating on Kuaishou.

Broad sector performance - Mr. Deng shared that based on the preliminary estimate collectively from 3rd party forecast and his own observation, overall comprehensive e-commerce marketplaces plus live streaming/content commerce-based GMV grew over ~4% YoY during the Phase 1 period (till end Oct/early Nov), or +10% YoY if including GMV from instant retail and local services categories. By platforms, Douyin recorded the fastest growth of high-single digit to c.10% yoy; within TTG, Tmall is likely to have grown by mid-to-high single digits while Taobao is likely weaker at low-single digit yoy, JD.com is likely to have clocked growth rate of +5–8%, Pinduoduo 6–9% and Kuaishou underperforming with low-single-digit growth. Mr. Deng noticed that the removal of pre-sales has shifted demand towards in-stock/immediate-ship inventory, which has helped smooth out and normalize the single-day spike previously experienced. The discount mechanism has also been simplified, replacing cross-store discount stacking (跨店满减) with direct official discounts (官方立减/一键直降) which help improve efficiency and reduce return rate. We view this as in line with our earlier comments highlighted in our preview note.

Please see more comments on individual ecommerce platforms in the note.

See Appendix A-1 for Analyst Certification, Important Disclosures and Research Analyst Affiliations.

Expert Sharing On Double 11 1st Phase

Alibaba's performance & strategies

Mr. Deng noted that Tmall benefited from brand flagship stores and 88VIP membership growth. Top performance categories include 3C/appliances and cosmetics. GMV contribution from 88VIP increased to 35%+ this year vs. 27-28% last year and 88VIP membership could exceed 67mn post the event. Thanks to higher ad budget spending, better traffic support and subsidies rebates for top-tier brands/merchants, GMV growth from Tmall brands has outperformed Taobao's smaller merchants which could indicate some share losses in low-price categories to other platforms.

JD balancing growth with 3C/appliances bright spot

JD's strategic priority this year is to balance growth and profit rather than having aggressive subsidies or discounting. Standout categories during the festival include large appliances, 3C electronics, and To-home services. When asked what is JD's competitive moat in home appliances/3Cs, the expert highlighted JD's supply chain strength in 1P which captures traction on new product launches and ad budgets, its dedicated service on fulfilling large-item appliances and installation service, its strict compliance advantage and strong consumer mindshare for high-ticket items, especially for its post-sales service. That said, the expert noted JD still lags in high-frequency/repeat-purchasing categories like apparel and household daily goods.

PDD's selective subsidy

PDD's initial performance has been stable, without a sharp promotional spike, which is consistent with PDD's historical pattern during major shopping festivals. PDD's strategy has shifted from low-price subsidies to supply-side quality by supporting industrial-belt merchants with consistent quality and stable capacity and focusing on increasing purchase frequency over raising AOV. Strong performance categories are food/fresh, daily necessities and industrial-belt goods while weaker in high-end digital, appliances and beauty products.

Kuaishou's growth is lagging

Mr. Deng believes Kuaishou is likely to grow at low-single digit % yoy due to weaker brand supply and lower livestream conversion as it relies more on industrial-belt and regional merchants. The performance gap versus Douyin is widening, as Douyin continues to absorb a disproportionate share of brand advertising budgets and top influencer resources, leaving Kuaishou more dependent on lower-tier, regional, and industrial-belt merchants.

Douyin's growth remains robust

Douyin is likely to be the only platform that still commands double-digit growth, per Mr. Deng. Shelf marketplace (货架电商) now represents ~60% of total GMV, outgrowing content/live streaming ecommerce. During 11.11, Douyin temporarily tiled traffic support towards top/mid-tier influencers to boost explosiveness, reversing its normalized annual strategy of supporting brand's self-broadcasting. Mr. Deng noted that it is possible that Douyin's growth rate could end up around 10-15% yoy for the entire period of Singles Day promotion this year.

AI-Driven Shopping

Alibaba's Qwen and Douyin's Doubao are the two leading AI tools driving shopping-related traffic this cycle, primarily through conversational Q&A/recommendations paired with vouchers bundling. AI traffic contribution reached 30-40% of store

traffic at peak for some stores during the promotion period. AI lengthens decision cycles and reduces impulse purchases, making shopping more rational, per Mr. Deng. AI digital human livestreaming becomes more standard and cover 40%+ SKUs on Tmall. AI is also used for intelligent customer service, ad material optimization, ad placement, helping with good cost efficiency gains on merchant production side. While AI is enhancing front-end lead-generation efficiency and back-end merchant products, current user scenario remains at early stage and not yet sufficient to reverse the current weak consumption sentiment.

In summary

In short, per Mr. Deng, with the overall macro remaining weak, consumers' consumption behavior is more cautious and selective while they are still willing to spend on products they want and perceived as good value. Aggressive subsidies and price cut tactics are no longer a focus for platforms, rather balancing profitability and growth and utilizing AI tools is the focus this year across major ecommerce platforms. As the first phase of promotional activities usually sets the tone and captures most of the spending, we anticipate there will be some quiet spending over the next few days before the promotional intensity spikes up again into the last 24 hours of Nov 11th. As noted in our earlier note, we estimate overall 2026 Double 11 industry GMV to grow at low-to-mid single digits YoY.

Companies Mentioned:

Alibaba Group Holding (BABA.N; US$100.36; 1; 03 Nov 26; 16:00) | Baozun (BZUN.O; US$3.22; 1; 03 Nov 26; 16:00) | JD.com (JD.O; US$26.91; 1; 03 Nov 26; 16:00) | Kuaishou (1024.HK; HK$28.0; 2; 04 Nov 26; 16:10) | PDD Holdings Inc (PDD.O; US$80.17; 1H; 03 Nov 26; 16:00) | Vipshop Holdings (VIPS.N; US$13.04; 2; 03 Nov 26; 16:00)

