



# Environmental Analysis of E-Commerce Platforms Based on PEST Model Taking Alibaba as an Example

Weiheng Guan <sup>1,\*</sup>

<sup>1</sup> Department of Economics, University of California, Irvine, U.S.A

\*Email: weihengg@uci.edu

## ABSTRACT

With rapid technological advances and economic development, more and more consumers in China participate in online shopping, which has become a habit in people's lives. Among all the marketing strategies that various online shopping platforms have adopted, the ultimate Double 11 shopping festival on November 11 has attracted significant attention from the public and bled people dry, even with the variety of influences of COVID-19. This article aims to analyze the phenomenon of the Double 11 Shopping Festival, which is the epitome of the general online shopping environment in China, using PEST analysis. From its political, economic, socio-cultural, and technological, this article discusses the rationales behind the continued success of the e-commerce industry in China. Based on the PEST analysis paradigm, this article tries to interpret both the internal and the external factors that contributed to a boost in online shopping. With the support of the government, along with the changes in demand, e-commerce platforms managed to attract more and more consumers with their developed and adapted new technological improvements to adopt the new consumer lifestyles and preferences.

**Keywords:** E-Commerce, PEST Model, Alibaba, China, Double 11 Shopping Festival, Consumer Demands, Price Discrimination, Dynamic Pricing, Pandemic, Opinion Leadership

## 1. INTRODUCTION

### 1.1 Research Background

In recent decades, substantial advancements in the digital economy and e-commerce have gradually changed people's lives, especially their purchase behaviors. Many traditional physical stores have been replaced by online shopping stores on several e-commerce platforms. Among these upstart companies that benefited from the booming of e-commerce in Chinese society, Alibaba, with its online platform, Tmall, is commonly regarded as the most popular and successful one due to its high turnover for years. In order to maintain its leading position in the e-commerce industry, taking up more market share, Alibaba constantly innovated and tried to adapt to the ever-changing Chinese market, such as using CSR information systems, and downstream and upstream operations [1]. In addition to technological innovations and the changes in the production processes and business models as mentioned, derived from Black

Fridays and Cyber Mondays that have been prevailing in the U.S. market for decades, Alibaba launched and promoted a special online promotion: "Double 11" Online Shopping Festival, held on November 11 each year.

Black Friday, without an exact and unanimous origin, was first used by the Philadelphia Police Department back in 1966 to describe the Friday following Thanksgiving Day since on this particular day, the pace was hectic, and the traffic was heavy [2]. Regardless of the origination of the term and this special marketing strategy, there should be no dissent that Black Friday has a tremendous impact this single day on the retailing industry, followed by Cyber Monday, introduced years later. Similar to these two major shopping days in the United States market, Tmall utilized price discounts to offer both acquisition and transaction utility to the consumers, encouraging them to purchase on November 11 since the price is set as the lowest on this particular day. The Double 11 (November 11) is also called Single's Day or Bachelor's Day in China since unmarried

people do not add ‘branches’ to the family tree [3]. On the day of November 11, 2009, Tmall initiated its ultimate online shopping carnival. At that time, the number of businesses participating and promoting efforts was quite limited. Only 27 brands actively participated in this very first online promotion activity, and the total sales were only 0.5 billion CNY [4]. However, after years of promotion and extension, more and more consumers and brands are attracted by this shopping carnival. In 2019, the total sales on the Tmall platform were shockingly 268.4 billion CNY [5]. The upward trend was not stopped by the pandemic, which caused many serious economic problems in Chinese society. In 2020, the figure further went up to 372.3 billion CNY and 541.1 billion CNY for 2021[6].

## 1.2 Research Significance

The numbers mentioned above are intriguing that can help explicate the changing consumption behavior of consumers in Chinese markets. The very emergence of many e-commerce platforms have gradually influenced and altered consumers in China. Due to the pandemic, the purchasing power of consumers inevitably decreased, which made the whole e-commerce market even more competitive. Various platforms had to excogitate and adapt different selling and promoting strategies to attract more consumers to win more market share. In fact, most of the recent studies concentrate on consumer psychology and how different e-commerce platforms utilize a variety of marketing and pricing strategies to exploit, “hoaxing” the consumers to prompt purchase. Also, the competitions between Tmall and other e-commerce platforms, such as J.D. and PingDuoDuo, receive much attention. Few studies and articles focus on the external environment rather than the internal business decisions made by the platforms. In order to encourage consumption, there are many external environmental factors that grant e-commerce platforms like Tmall to utilize their marketing strategies. After the outburst of COVID-19, people’s consumption was expected to decrease since many people lost their jobs and international trade was interrupted and hindered. However, in accordance with the figures of the total sales on Double 11 shopping carnival on Tmall, consumers in the Chinese market actually spend more than before. Besides the superb marketing and sales strategies that e-commerce platforms have innovated and reinforced, the efforts of the government and society as a whole are nonnegligible. With the joint efforts, e-commerce platforms in China needed to adapt strategies in various aspects in order to meet their business targets. Besides, in-depth studies concentrating on both the internal and external environment of the prevail of Double 11 shopping carnival are necessary since they can both explain the enormous success of Tmall and reveal the myth of the continued boom of online shopping platforms in the Chinese society.

## 1.3 Paper Organization

This paper aims to analyze the phenomenon of the Double 11 Shopping Festival, which is the epitome of the general online shopping environment in China, using PEST analysis. Based on the PEST analysis paradigm, this article tries to interpret both the internal and external factors that contributed to a further boost in online shopping. Alibaba and Tmall, as the initiator of this influential online shopping festival and the platform with the highest sales volume on this particular day, are being scrutinized and analyzed to reflect the overall marketing strategies that several e-commerce platforms in the Chinese market have applied. The article aims to find the reasons behind the continued success of the shopping carnival through its very origin. The goal is to find out the rationales behind the continued high sales volumes of Tmall in recent years, with the impact of the outburst of the pandemic, through its political, economic, socio-cultural, and technological environments. The government has played a crucial role in boosting the economy and encouraging consumption, which benefits e-commerce. With the help of the government, e-commerce platforms are able to identify the changes in the market and react immediately to such an extreme. Consumers in China have gradually changed their lifestyles and shopping behaviors, and e-commerce has utilized technological advances to help attract and satisfy as many consumers as possible under the impact of the pandemic. Rather than simply lowering the prices of the products or offering coupons, many factors have contributed to driving consumers to purchase jointly on November 11.

## 2. PEST ANALYSIS ON E-COMMERCE PLATFORMS

### 2.1 Political Environment

#### 2.1.1 Proactive Government Policies of Tax Deduction

Proactive legislation, especially related to public health, was not favored by the Chinese government. Many laws and policies were established retroactively [7]. Since China has suffered from such large-scale infectious diseases before, such as the SARS Outbreak of 2003 and the 2009 Swine Flu Pandemic, the Chinese government introduced many public health policies and regulations empirically to cope with the effects brought by the COVID-19. However, e-commerce was a relatively new trend in China without experience. Chinese government needed to enact and introduce specific proactive policies and laws to help participating businesses out.

Many consumers in China were worried about the safety of express packages (since they can also carry the virus) and the quality of products, given that most

businesses suffered from the economic recession. The Chinese government imposed several degrees of social distancing and mandatory face coverings, which inevitably harmed the physical stores. To prevent themselves from bankruptcy and insolvency, many private businesses had “pivoted” to e-commerce to reach consumers and e-procurement to reach suppliers [8]. Also, the Chinese Centre for Disease Control and Prevention had ordered delivery companies should disinfect delivery equipment and ensure workers had hygienic supplies throughout their shifts [9]. The escalations of precautions on the safety of online shopping packages undoubtedly eased consumers in the markets by convincing them it was safe to choose to purchase online. On the supply side of the market, since most businesses had suffered much from the pandemic, especially private businesses, the Chinese government had provided diversified help to businesses. It is reported that the government had further extended the policy of additional deduction of value-added tax (VAT) in the service industry. Both big and small businesses which participate in the e-commerce market can effectively reduce their cost in such a difficult time. Many companies that provide services to their customers were hugely influenced by the pandemic since they are not able to offer services in person. Online services could be a great alternative to deal with the effect of the pandemic; however, the incurred costs are too huge for many companies to bear. The policy mentioned above could be the savior of many service companies. Another approach named “six taxes” also contributed to easing the tax burden of businesses: value-added taxpayers could have a 50 percent deduction on their resource tax, urban maintenance and construction tax, property tax, urban land use tax, stamp duty, and farmland occupation tax [10]. Altogether with the supportive policies and regulations on e-commerce, floundering companies could turn the majority of their business online. With the massive slump in the physical store retailing industry, companies that produce goods need to control their costs to survive. The “six taxes” policy aims to help production companies to maintain their current lands, properties, plants, and equipment for some time while figuring out plans for the future. Since many companies are able to continue to provide both goods and services with the help of proactive government policies, e-commerce platforms can preserve the variety of goods provided to the consumers. Companies may also reduce prices or underbid to win more consumers, which would help them survive in this extreme difficulty.

### *2.1.2 Government Issued Consumption Coupon Stimulates Consumption*

It is commonly known and understood even by the general public that in response to economic recessions and depressions, governments can resort to stimulus payments to spur consumer spending, leading to

stimulations of the whole economy [11]. When the economy is shrinking, either people’s income levels decrease or the prices of products in the market increase, it is reasonable to predict that people will purchase fewer products, which creates even more problems for the sellers in the markets besides a reduction in revenue. It is reported that COVID-19 greatly affected the labor market by declining urban employment by 16 percent [12]. When people or a family lose one source of income, they tend to switch their consumption bundle due to a lower income level. Also, many businesses inevitably went bankrupt or insolvent due to the economic recession, including the most valuable real estate company in the world, Evergrande Group [13]. Even more and more people become unemployed, and the aggregate demand in the market will decline eventually; however, businesses need revenues to survive in this global economic crisis, and the reduction in private consumption is devastating. For the government, it is also pivotal to keep unemployment under a certain level since unemployment volatility negatively affects burglary in the short run [14]. In order to deal with the reduction in consumption, many government-issued digital coupon programs were introduced in China, leading to a higher consumer’s marginal propensity to consume, which encouraged even urged people to purchase. From the empirical evidence, consumers are highly responsive to digital consumption coupons issued by the government, which the continued boom of e-commerce platforms can reflect. It is reported that many Chinese cities gave out tens of millions of Chinese Yuan worth of consumption coupons or vouchers to spur consumer spending and demand to cope with the effects of economic recession and stringent coronavirus containment prescribes [15]. Studies also have shown that these issued digital consumption coupons not only boosted sales on various e-commerce platforms but also required relatively little government spending, which saved budgets for the Chinese government to help more and more people in help [16]. Consumers, with the consumption coupons and vouchers, are able to select consumption bundles with more direct consumer spending while not affecting other expenditures much. It is an extremely difficult time for the consumers since many of them have to face a pay cut or even unemployment. The government issued coupons can effectively stimulate consumer consumption, which benefits all three parties: consumers, since they only need to pay a smaller amount of money to buy the same product by claiming and using the consumption voucher, which helps offset the decrease in income level; businesses, since they can sell more products; and e-commerce platforms, since more consumers are able and willing to purchase online. This “win-win-win” situation is crucial for the economic upturn, and it surely boosts the sales of various e-commerce platforms in the short run.

## 2.2 Economic Environment

### 2.2.1 Change in Consumer Demand Spurred Consumer Spending

In the context of rapid economic growth and diversified technological advances, the scale of netizens (net citizens) has continued to grow. It was reported in 2021 that 1.01 billion Chinese people were citizens, fueling China's online economy, and the figure was continuing to climb [17]. With more and more people participating in e-commerce and relevant online activities, the types of products that people purchase began to expand. At the beginning of the e-commerce area in the Chinese markets, there were much more C2C transactions than B2C transactions [18]. With more and more companies joined in the online shopping market, there were more choices for consumers to purchase, especially the essential products or consumer staples. Essential products are physical items that are required by basically all consumers to sustain health or life. Due to the outburst of the pandemic, people's income declined, which inevitably reduced their demands for most types of goods (arguably except for Veblen and Giffen goods). The most commonly used measure of consumers' sensitivity to price is known as the "price elasticity of demand," which is defined as the proportionate change in demand given a change in price [19]. And goods that are "more essential" to everyday living and that have fewer substitutes typically have lower elasticities; staple foods are a good example. Before the pandemic and the widespread of e-commerce platforms, people in China used to purchase essential products in the physical stores offline since it enabled consumers to examine the products in person. However, due to the rapid development of e-commerce, many online stores are now equipped with the advantages of physical stores: consumers are now able to view the actual products, the assembly line, and even the whole production process online. Also, consumers can post comments under the products purchased, which can serve as a reference to new customers. With all the improvements, consumers in China are willing to purchase more essential goods online, such as food, beverages, and household products. With the change in the consumer demands on the e-commerce platforms, since consumers now purchase a great proportion of essential goods (or goods that have a relatively low-price elasticity) online, the impact of COVID-19 does not affect the e-commerce market in China much. In fact, due to the significant spike in demand for staples such as rice, wheat flour, and cooking oil, as well as vegetables, meat, fish, and other seafood, many e-commerce platforms' supply chains were confronted with shortages of human resources [20]. Alibaba's supermarket chain Freshippo launched a "group-buying" scheme to serve more lock-down customers. The company could deliver goods via commissioned buses instead of its usual bike-riding

couriers, which makes it more convenient for consumers to shop for essential goods online even under extreme conditions [21]. Also, because of the entrance of more and more businesses, online shopping platforms like Tmall are now able to supply a great variety of goods for the consumers. Since the prices of many goods are much lower than on normal days on Double 11, it is reasonable for consumers to jointly purchase all kinds of goods on this particular day. The changes in consumer demands, especially the types of goods purchased on e-commerce platforms with their special price elasticity, help explain the continued boom of e-commerce platforms in the Chinese market. Due to the economic recession, consumers now have changed their demands in favor of essential or staple goods. E-commerce platforms immediately realized the change in consumer demands and reacted quickly with improvements in delivery. Along with the inelastic price elasticity of those essential goods, consumers are now willing to change their shopping behavior to purchase essential goods online, which benefits e-commerce platforms.

### 2.2.2 Pricing Strategies to Help Extract Money from Consumers

It has not been a secret for all kinds of companies to adopt different degrees of price discrimination to maximize profits. For e-commerce, since all the transactions are taken place online, and there is little room for communication and resales, it is even more accessible and more applicable for online shopping platforms to charge different prices to different groups of people. At the beginning of this century, there were enormous discussions on price discrimination by e-commerce platforms utilizing collected consumer-selected data [22]. By deploying data mining techniques, e-commerce platforms and participating companies are able to infer from the massive users' data the consumer preferences and their willingness to pay (WTP) for products. Many reports have pointed out that online shopping platforms in China have adopted third-degree price discrimination; this occurs when different groups are charged different prices for the same good [23]. Third-degree price discrimination of e-commerce platforms is mainly demonstrated in three aspects: different prices for iOS and Android smartphone users, different prices for registered and unregistered users, and different prices for more active and less active users. It is licit for platforms to gather consumer data mentioned above and make good use of them. While not preventing consumers from purchasing it, third-degree price discrimination can help e-commerce platforms, and associated businesses receive the highest producer surplus possible.

What's more, e-commerce platforms like Amazon have utilized dynamic pricing to set flexible prices for products based on current demands. Even from decades

ago, marketers are resorting to dynamic prices even for goods and services sold at posted prices, spurred partly by the lower, even nil, menu cost of changing prices on the Internet and partly as a response to consumer use of price-comparison bots [24]. This pricing strategy is also highly applicable for e-commerce platforms to spur sales, especially the sales on Double 11, by changing prices frequently. Many consumers have complained and accused various e-commerce platforms, including Tmall, JD.com, Vipshop, etc., of raising the prices of products before offering discounts during online shopping events on Double 11 and in December, as well as of false promotions and bait-and-switch selling, which happens when a product is advertised at a bargain price but is not available for sale in reasonable quantities. [25] These confusing and intriguing pricing strategies have lured and induced many consumers to purchase Double 11 at a price as usual, without any discounts. The State Administration for Market Regulation (SAMR) announced investigations into several e-commerce platforms after receiving enormous complaints from consumers in 2020. However, it is basically impossible to eliminate such behavior entirely. Dynamic pricing is still in the e-commerce markets in China and extracts money from potential consumers. For the e-commerce platforms, since they have not been punished and eventually prohibited from utilizing different degrees of price discrimination and dynamic pricing, these practical and arguably exploitive pricing strategies can help e-commerce platforms to gain as many benefits extracted from the consumer side as possible.

## 2.3 Socio-Cultural Environment

### 2.3.1 Opinion Leadership's Influence on Consumers' Shopping Behaviors

An opinion leader is a popular marketing strategy utilized by various companies to attract customers. Elihu Katz discussed in his article "The Two-Step Flow of Communication" that opinion leaders can have a considerable influence on the general public's opinions, actions, and behaviors even more than media since some opinion leaders can be regarded as purposeless and genuine [26]. In order to promote products, many companies began to hire celebrities from all fields in society to become opinion leaders. These celebrities, different from the traditional view of an opinion leader that is an opinion leader in one field and a follower in another field, are polymorphic that their reputation in the field that they endorse is not because of their credibility and expertise, rather it is due to their successful and reputed career in another field. For example, famous jewelry brand Swarovski teamed up with brand ambassador Wang Yibo to launch their limited editions in 2020. Wang Yibo is a renowned singer and actor and had over 36 million followers on social media when the endorsement was announced. He is definitely not an

expert on jewelry, and most of his endorsements were not about the quality of the limited editions. The primary purpose of Swarovski was to attract Wang Yibo's fans to purchase their products since they were about to lose the Chinese market due to various issues. It turned out to be a great promotion, with thousands of reservations within only two days of presale [27]. Consumers now are willing to accept opinions of one field from people with little knowledge about it. As discussed earlier in this paper, the scale of netizens in China continues to grow, and more and more people are spending time on various forms of social media. Businesses now do not waste time, money, and energy on making an attractive advertisement clip. They can team up with some celebrities and target their fanbase. Even though they differ from the very definition of opinion leadership, businesses' application of this marketing strategy does help participating businesses prevail on e-commerce platforms by pinpointing target groups.

### 2.3.2 Post-Pandemic Lifestyles and Influenced on Shopping Behaviors

Undoubtedly, the pandemic has changed many people's lifestyles. People now need to learn how to coexist with the ever-mutating virus and normalize their life. Continuing with the zero-tolerance policy, Chinese people need to develop new lifestyles to cope with all the negative impacts brought by the pandemic. Research has shown that the diet of people in China has changed, that significant increases were observed in the frequency of consumption of wheat products, other staple foods, and preserved vegetables, with males consuming these foods more frequently than females [28]. This result is consistent with the increase in demands for essential goods and staple goods. Due to the strict social distancing and face-covering policies, along with unpredictable lockdowns, people are now willing to purchase online more frequently. Going outside and visiting physical stores can be a dangerous thing since if you are regarded as a "close contact" that happens to be in the same general area at about the same time as a person who is found to be infected may need to be tested or even quarantined, this "special-temporal overlap" may cause days of self-quarantine, which is highly disruptive to one's work and life in general [29]. Research conducted in July 2020 implied that more than two-thirds of Chinese consumers participated in online shopping more frequently than before [30]. As mentioned before, packages now need to be sanitized before being delivered, which reassures the consumers that pushes them to purchase all kinds of products online instead of in physical stores, the frequency for Chinese consumers to shop online reasonably and expectedly continue to go up. Chinese society is gradually adjusting to cope with the impacts brought by the pandemic, which can be reflected by the changing lifestyles and shopping behaviors. Purchasing more staple goods and purchasing online are the new

trends for consumers in China, bringing opportunities and expanding the market for e-commerce platforms.

## **2.4 Technological Environment**

### **2.4.1 Trending Live Commerce Attracts More Consumers**

China's live stream e-commerce is experiencing explosive growth. Livestreaming E-Commerce is promoting and selling goods through influencer streams on their own social media channels, most often housed on China's online shopping mall [31]. And Alibaba's Tmall Live has the lion's share of live streaming at around 80%. These streamers, apart from opinion leaders mentioned above that can help attract consumers, do not have the popularity and fanbase. They work as the salesperson in physical stores, introducing products and discounts. In 2020's Double 11, one of the most famous promotion streamers on Tmall, Viya, receives a message from Taylor Swift, the famous singer with a lot of fans globally. Surprisingly, Taylor's message was to greet Viya and promote her new merchandise on Tmall. Huang Wei, more commonly known as Viya, is widely regarded as a "live-streaming queen." Frequently touted as being able to "sell anything" on Tmall's live-streaming platform, the 36-year-old quickly became an internet celebrity, amassing over 18 million followers on microblogging site Weibo and 80 million followers on Taobao. In December 2021, her net worth reached 1.25 billion dollars; this unorthodox key opinion leader (KOL) is an extraordinarily effective saleswoman, making over US\$31 billion worth of sales on her live-stream channel in 2020, reports Protocol [32]. The widespread live stream on e-commerce platforms contributes to the continued boom of sales of online shopping platforms in China. Without expertise in the products that they are introducing and trying to sell, the streamers are indeed the experts in promotion and selling, attracting consumers purely based on their appealing words.

### **2.4.2 Application of Big Data in Logistics and Delivery**

China's application of big data is always a hot issue all over the world. For e-commerce platforms, big data can be utilized in various ways, "helping" the consumers, suppliers, and the platforms themselves. Back in 2017, Tmall Global announced to launch of a new big data plan to ensure product authenticity. This is a unique logistics tracking system applying the latest supply chain technology and big data analytics to trace the origin of the products and keep track of the whole shipping process of every product imported into China from overseas [33]. For consumers who are on the hunt for oversea goods, Tmall's efforts help ensure the authenticity and quality of products on its platform. The improved logistics and supply chain also benefited the suppliers; reports

indicated that Tmall boosted a pool of geographical, on-demand delivery, and logistics analytics; combined with data that sellers have on products purchased, the age of the customer, and information on the likes of cart abandonment, all three sides can receive immediate and precise information of the package delivery. This specific technological advancement in the application of big data has improved the quality and efficiency of logistics and delivery for Alibaba, benefited all parties that are involved in transactions, and encouraged them to purchase more.

## **3. CONCLUSION**

### **3.1 Key Findings**

With the rapid growth in the number of netizens in China, online shopping has become mainstream for consumers in China. Alibaba, as one of the biggest and most popular e-commerce platforms in the Chinese market, has expanded its businesses to target all kinds of consumers, from businesses to individuals. By introducing the Double 11 Shopping Festival, Alibaba and its shopping platforms, Tmall and Taobao, have attracted many consumers, which helped them reach some sky-high sales volumes. When the coronavirus swept across the world and directly caused global economic recessions, even depressions, e-commerce platforms in China managed to maintain their success.

From a political perspective, the Chinese government has enacted tax deduction policies for business owners, preventing them from insolvency or bankruptcy. Also, in order to stimulate consumers to purchase even though many people were suffering from a decreased income level, government-issued consumption coupons and vouchers do spur consumers to spend more. The stimulation of consumption has benefited e-commerce platforms to maintain their success. Economically, due to the changes in consumer demands, which is the increase in the demand for essential and staple goods with their inelastic price elasticity, consumers now are more inclined to spend their limited and presumably reduced income on essential goods. E-commerce platforms realized the change in the market with actions in improving delivering and shopping experience for consumers. They also utilize exploitive pricing strategies to extract money, or consumer surplus, from the consumers. E-commerce platforms were able to find the equilibrium between pissing consumers off or violating laws and maximizing their profits. As for the socio-cultural aspect, the widely used opinion leadership has helped e-commerce platforms attract many consumers. The use of polymorphic opinion leadership has effectively dealt with the scarcity of human resources, attracting various groups of consumers through celebrity endorsement. In addition, new lifestyles and shopping behaviors adopted by Chinese people in response to the

proposal of “normalizing” the pandemic by the government has shifted people’s everyday consumption and shopping habit. People now prefer to purchase more staple foods online, which also benefits e-commerce platforms. Finally, the technological advances also helped e-commerce platforms to continue their high sales volume. Live commerce has become a new trend, and live streamers with little knowledge or background of the products they promote have become key opinion leaders to induce consumers to purchase goods advertised by them. These streamers work for e-commerce platforms, and participating businesses have contributed to the continued growth of sales volume. What’s more, a variety of applications of big data in improving logistics and delivery have effectively improved consumers’ shopping experiences and businesses’ after-sale services. And more importantly, applications of big data perfected platforms’ control of orders to make sure every transaction is complete. All three parties are benefited from the technological advance.

### 3.2 Future Studies

Both the internal and external factors mentioned have contributed to the continued boom of e-commerce platforms. It is inevitable for platforms to face higher costs caused by limited human resources and failure of both domestic and international transportation and loss of participating companies; however, since the government has cleared the path for them, e-commerce platforms are able to continue prevailing in such a difficult time. Online shopping is promoted and encouraged by the government due to its (sanitary) safety and adaptability, and e-commerce platforms do dominate the retailing market, helping the Chinese economy out of the economic slump caused by the pandemic. It is difficult to predict the exact future of the e-commerce market, e-commerce platforms, even the Chinese economy due to the ever-mutating coronavirus and ever-changing global context, and more importantly, how the Chinese government would regulate the e-commerce industry; however, it is reasonable to claim that e-commerce has penetrated into every aspect of life for Chinese consumers. E-commerce is expected to continuously improve, along with the support from the government, and continue to amaze people with its astounding sales numbers.

### REFERENCES

- [1] Schmuck, R., & Benke, M. (2020, November 19). An overview of innovation strategies and the case of Alibaba. *Procedia Manufacturing*. Retrieved April 29, 2022, from <https://www.sciencedirect.com/science/article/pii/S2351978920320333>
- [2] Apfelbaum, M. (1966), “Philadelphia’s Black Friday”, *American Philatelist*, Vol. 69 No. 4, p. 239.
- [3] SEOUL AND TAIPEI. (2011, August 20). The flight from marriage. *The Economist*. Retrieved April 29, 2022, from <https://www.economist.com/briefing/2011/08/20/th-e-flight-from-marriage>
- [4] Liu Yunkun. (n.d.). The transaction volume of Tmall Singles' Day reached 91.2 billion yuan in 7 hours and 22 minutes, more than the whole day of Singles' Day in 2015. *Tech.iFeng*. Retrieved April 29, 2022, from [https://tech.ifeng.com/a/20171111/44755945\\_0.shtm?\\_zbs\\_baidu\\_bk](https://tech.ifeng.com/a/20171111/44755945_0.shtm?_zbs_baidu_bk)
- [5] The "report card" of 2019 Singles' Day turnover is released -- 268.4 billion yuan!. (n.d.). Retrieved April 29, 2022, from <https://china.huanqiu.com/article/9CaKrnKnJpW>
- [6] Team, C. I. W. (2021, November 24). Double 11 (singles' day) shopping festival 2021: Alibaba Tmall GVM hit US\$84.54 billion. *China Internet Watch*. Retrieved April 29, 2022, from <https://www.chinainternetwatch.com/32640/double-eleven-2021/>
- [7] Cao, Y., Shan, J., Gong, Z., Kuang, J., & Gao, Y. (1AD, January 1). Status and challenges of Public Health Emergency Management in China related to COVID-19. *Frontiers*. Retrieved April 30, 2022, from <https://www.frontiersin.org/articles/10.3389/fpubh.2020.00250/full>
- [8] Reardon, T., Heiman, A., Lu, L., Nuthalapati, C. S. R. N. S. R., Vos, R., & Zilberman, D. (2021, April 16). “pivoting” by food industry firms to cope with Covid-19 in ... *Wiley Online Library* . Retrieved April 29, 2022, from <https://onlinelibrary.wiley.com/doi/10.1111/agec.12631>
- [9] Wang, C. (2021, November 21). China tells delivery firms to step up disinfection of packages. *South China Morning Post*. Retrieved April 29, 2022, from <https://www.scmp.com/news/china/science/article/3156836/coronavirus-china-tells-delivery-firms-step-disinfection>
- [10] Huld, A. (2022, April 26). Small businesses in China: New relief measures for service sector. *China Briefing News*. Retrieved April 30, 2022, from <https://www.china-briefing.com/news/small-businesses-in-china-new-relief-measures-for-service-sector/>
- [11] Agarwal, S., Liu, C., & Souleles, N. (2007). The reaction of consumer spending and debt to tax rebates -- evidence from Consumer Credit Data. <https://doi.org/10.3386/w13694>

- [12] Kemp, J., & Spearritt, M. (2021, September 16). China's labour market: Covid-19 and beyond: Bulletin – September Quarter 2021. Reserve Bank of Australia. Retrieved April 30, 2022, from <https://www.rba.gov.au/publications/bulletin/2021/sep/chinas-labour-market-covid-19-and-beyond.html>
- [13] ZX. (2018, September 5). China's Evergrande Tops World's most valuable real estate brand: Report. Xinhua. Retrieved April 30, 2022, from [http://www.xinhuanet.com/english/2018-09/05/c\\_137446988.htm](http://www.xinhuanet.com/english/2018-09/05/c_137446988.htm)
- [14] Fallahi, F., Pourtaghi, H., & Rodríguez, G. (2012, May 4). The unemployment rate, unemployment volatility, and crime. *International Journal of Social Economics*. Retrieved April 30, 2022, from <https://www.emerald.com/insight/content/doi/10.1108/03068291211224937/full/html>
- [15] Sun, L. (2021, December 23). China hands out tens of millions of yuan worth of vouchers to boost shopping. *South China Morning Post*. Retrieved April 30, 2022, from <https://www.scmp.com/economy/china-economy/article/3160853/chinas-flagging-consumer-spending-prompts-cities-hand-out>
- [16] Liu, Q. (2021, October 7). Stimulating consumption at low budget: Evidence from a large-scale policy experiment amid the COVID-19 pandemic. *Management Science*. Retrieved April 30, 2022, from <https://pubsonline.informs.org/doi/abs/10.1287/mnsc.2021.4119>
- [17] Times, G. (2021, August 27). 1.01 billion Chinese people are netizens, fueling China's online economy: Report. *Global Times*. Retrieved April 30, 2022, from <https://www.globaltimes.cn/page/202108/1232635.shtml>
- [18] Alice. (2014, October 1). China Online Shopping Transaction Overview. *China Internet Watch*. Retrieved April 30, 2022, from <https://www.chinainternetwatch.com/5977/china-online-shopping-transaction-situation/>
- [19] Bohi, D. R. (2011). Analyzing demand behavior: A study of energy elasticities. *Resources for the Future*.
- [20] Lin, C. (2021, February 1). In the face of Lockdown, China's E-Commerce Giants deliver. *Harvard Business Review*. Retrieved April 30, 2022, from <https://hbr.org/2020/04/in-the-face-of-lockdown-chinas-e-commerce-giants-deliver>
- [21] Horwitz, J. (2020, March 23). How Alibaba's Freshippo adapted to keep delivering in virus-hit China. *Reuters*. Retrieved April 30, 2022, from <https://www.reuters.com/article/ctech-us-health-coronavirus-alibaba-fres-idCAKBN21A0W0-OCATC>
- [22] Ulph, D., & Vulkan, N. (2000, February). Electronic commerce and competitive first-degree price ... *ResearchGate*. Retrieved April 29, 2022, from [https://www.researchgate.net/publication/2421241\\_Electronic\\_Commerce\\_and\\_Competitive\\_First-Degree\\_Price\\_Discrimination\\_Working\\_Paper](https://www.researchgate.net/publication/2421241_Electronic_Commerce_and_Competitive_First-Degree_Price_Discrimination_Working_Paper)
- [23] CIW Team. (2019, January 14). How Chinese consumers respond to price discrimination. *China Internet Watch*. Retrieved April 30, 2022, from <https://www.chinainternetwatch.com/27905/price-discrimination-research/>
- [24] Kannan, P. K., & Kopalle, P. K. (2014, December 23). Dynamic pricing on the internet: Importance and implications for consumer behavior. *Taylor & Francis*. Retrieved April 30, 2022, from <https://www.tandfonline.com/doi/abs/10.1080/10864415.2001.11044211>
- [25] Cheng, K. (2020, December 31). China's e-commerce platforms Alibaba, jd.com, Vipshop fined over pricing complaints. *Pandaily*. Retrieved April 30, 2022, from <https://pandaily.com/chinas-e-commerce-platforms-alibaba-jd-com-vipshop-fined-over-pricing-complaints/>
- [26] Katz, E. (1957). The two-step flow of communication: An up-to-date report on an hypothesis. *Public Opinion Quarterly*, 21(1, Anniversary Issue Devoted to Twenty Years of Public Opinion Research), 61. <https://doi.org/10.1086/266687>
- [27] Wu, W. (2020, October 23). Successful luxury celebrity endorsements: Wang Yibo, Yu Menglong. *Jing Daily*. Retrieved April 30, 2022, from <https://jingdaily.com/celebrity-endorsement-brands-china-approach-wang-yibo/>
- [28] Jia, P., Liu, L., Xie, X., Yuan, C., Chen, H., Guo, B., Zhou, J., & Yang, S. (2021). Changes in dietary patterns among youths in China during COVID-19 epidemic: The covid-19 impact on Lifestyle Change Survey (COINLICS). *Appetite*, 158, 105015. <https://doi.org/10.1016/j.appet.2020.105015>
- [29] Bloomberg News. (2021, November 8). China Deems People Almost a Kilometer Apart as 'Close Contacts.' *Bloomberg.com*. Retrieved April 30, 2022, from <https://www.bloomberg.com/news/articles/2021->

11-08/people-you-don-t-know-and-can-t-see-are-close-contacts-in-china

- [30] Ma, Y. (2021, October 5). China: Change in online shopping frequency after COVID-19 2020. Statista. Retrieved April 30, 2022, from <https://www.statista.com/statistics/1199018/china-change-in-online-shopping-frequency-after-covid-19/>
- [31] Greenwald, M. (2020, December 11). Live streaming e-commerce is the rage in China. is the U.S. Next? Forbes. Retrieved April 30, 2022, from <https://www.forbes.com/sites/michellegreenwald/2020/12/10/live-streaming-e-commerce-is-the-rage-in-china-is-the-us-next/?sh=612799d66535>
- [32] Chin, B. (2021, December 22). Meet Viya, China's scandal-ridden 'live-streaming queen'. South China Morning Post. Retrieved April 30, 2022, from <https://www.scmp.com/magazines/style/celebrity/article/3160684/who-viya-chinas-live-streaming-queen-millennial>
- [33] Pan, Y. (2017, August 10). Tmall Global Launches Big Data Plan to ensure authenticity. Jing Daily. Retrieved April 30, 2022, from <https://jingdaily.com/tmall-global-big-data-plan-authenticity/>

**Open Access** This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

