



## Alibaba 11.11 Global Shopping Festival 2021 APAC Press Conference Key Takeaways October 27, 2021

### Alibaba 11.11 Global Shopping Festival Overview

Alibaba Group held its virtual Asia Pacific press briefing for the 13<sup>th</sup> 11.11 Global Shopping Festival (“11.11” or “Festival”) on October 27, attended by participants from around the region.

Representatives of Alibaba Group shared insights around the objectives and scale of this year's event, how the Alibaba ecosystem is supporting merchants in the celebrations, as well as key highlights of this year's Festival, which is set to be the Group's largest one yet.

In his opening address, **Chris Tung, Chief Marketing Officer of Alibaba Group**, shared the evolution of the Festival from its humble beginnings 13 years ago into an annual marquee shopping event and global phenomenon. This year, the Festival features more than 290,000 participating brands, the highest in the Festival's history.

This year, the Festival's focus on inclusivity and sustainability will make it an even more meaningful one for all, with the Festival aiming to play a vital and influential role in encouraging sustainable action and promoting inclusivity in society.

Tung used a metaphor to explain the shift: In the early stages of 11.11, Alibaba focused on its growth, the same way that parents would focus on a child's height and strength. But as a child becomes a teenager, the parents shift their focus to nurturing the child's sense of responsibility. Now that 11.11 has blossomed into a mature teenager, it is crucial for Alibaba to now focus on building up its value system, helping it find its ability to create value for the community and the society at large.

#### **New initiatives centering on sustainability and social good**

- **Going Green:**
  - **Green product vertical:** For the very first time, Tmall will be featuring a dedicated vertical to showcase energy-efficient and low-impact products, as well as issuing RMB100 million worth of “green” vouchers to incentivize shopping decisions that contribute to an environmentally-friendly lifestyle.
  - **Collaborations for lower-carbon footprints:** Alibaba will be cooperating with brand partners this year to develop new products with lower carbon footprints and create plastic-free, recyclable packaging.
  - **Package recycling:** Alibaba's logistics arm, Cainiao Network, has rolled out more than 60,000 package collection and recycling stations across China and implemented 10,000 Cainiao Post Stations where users can reuse parcel packaging.
  - Alibaba has been focused on green initiatives since the 618 Mid-Year Shopping Festival this year, and 11.11 is regarded not just as a consumer event, but also a huge opportunity to innovate in finding ways to reduce carbon footprint.

- **Creating social good through the “Goods for Good” program:**
  - Launched in 2006, Alibaba’s “Goods for Good” program raises funds for good causes by enabling customers to donate a portion of the sales profit from their purchases to their chosen charitable organization or project.
  - Over the past 15 years, the “Goods for Good” program has helped people more than 43 million times. Some of its noticeable projects include providing more than 3 million times of medical support, installing water purification systems in more than 200 rural schools, and providing nearly half a million free meals to elderly citizens living alone across the country.

**Liqing Zheng, Head of Marketing for this year’s Festival**, highlighted the importance of meeting the evolving needs of the more than 900 million-strong consumer base and the goal of creating more interactive and impactful retail experiences with each Festival. She also shed light on the preparations leading up to this year’s celebrations and Alibaba’s three key approaches to support customers even better:

**Three key directions for Alibaba’s 11.11 Global Shopping Festival 2021:**

- **Starting pre-sale orders earlier:** This year’s 11.11 will carry on last year’s arrangement of having two sales windows for consumers to enjoy double the fun. In addition, the pre-sale window this year opened four hours earlier, at 8pm BJT, instead of the traditional midnight so customers didn’t have to stay up as late to start shopping.
- **Introducing bigger discounts and deals:** This year’s Festival includes even more cross-store rebates to enable customers to enjoy deeper discounts while bundling purchases from multiple stores.
- **Debuting social sharing features:** Understanding that consumers want to share their 11.11 purchases as well as get inspirations from others on good deals, Alibaba has introduced a feature that allows them to share their shopping cart with their social networks. The feature became live on October 27.

**Enhancing retail experiences for young and old:**

- **Launching Taobao app “senior mode”:** As part of the focus this year on inclusivity, the Taobao app has launched a “senior mode” in October ahead of 11.11 for senior citizens shopping on the platform. Features include larger font and icons, simplified navigation and voice-assisted technology.
- **Curating products for Gen Z consumers:** With Gen Z shoppers becoming more and more active shoppers, Tmall is offering recommendations of trending products that appeal to them, such as Chinese heritage-themed goods, art toys and blind boxes.

**Anita Lv, General Manager of Tmall Global**, shared more on Tmall Global’s efforts in adopting cross-border digital infrastructure to overcome supply chain challenges, and how it is strengthening support for international brands and partners to help them meet the increasingly diversified demands for imported products by Chinese consumers.

- **Growing demand for cross-border shopping:** Due to travel limitations caused by the global pandemic, Chinese consumers are taking to cross-border e-commerce platforms like Tmall Global to purchase quality products from international brands from the comfort of their home.
  - An example of this trend is that the total amount of goods imported into China have grown by 25% YoY to RMB6.7 trillion from January to May 2021 alone.
- **More diversified shopping behavior:** There is a diversification of cross-border shopping into more niche brands and specialty categories.
  - For example, a French baby care brand on Tmall Global that offers a rinse-free baby shampoo to Chinese mothers had seen its sales increase 300% YoY in the first half of this year.

### **Advantages and innovative efforts by Tmall Global:**

- **Mature end-to-end fulfilment capabilities:** With a massive 20,000-square-meter bonded warehouse in China, Tmall Global possesses mature fulfilment capabilities covering the entire supply management and logistics chain, from cross-border to China domestic logistics.
- **Different solutions for different businesses:** For overseas brands that choose not to operate their own flagship stores, Tmall Global offers a full-service retail solution where it takes care of all retail operations for brands as they explore the China market.
- **“New Discovery” feature to better support overseas brands:** Tmall Global is building its own KOC (Key Opinion Consumer) capabilities to help Chinese consumers learn about new products from overseas brands through short video content in its “New Discovery” feature.

## **Highlights from Q&A Session with Chris Tung, CMO of Alibaba Group**

### **On the impact of the ongoing pandemic**

The pandemic has had an undeniable toll on the economy and our society. However, we've seen that it has also accelerated the digital transformation of our business partners and merchants across different industries, especially in e-commerce.

More importantly, we're also seeing a significant rise of cross-border transaction. Many Chinese consumers have taken to buying products overseas and we have seen a huge demand for quality products from international brands on our Tmall Global platform.

The pandemic has also resulted in challenges on the logistics and supply chain side which we've been trying to address through Alibaba's logistics arm, Cainiao Network. Cainiao has incorporated the latest technologies such as cloud-based systems and artificial intelligence to drive and support the whole logistics network with more transparency and efficiency. We're also using robots to manage warehouse operations and expedite last-mile deliveries, and these have collectively helped the cross-border logistics network tremendously in providing better and more accurate delivery services. Overall, we see digital infrastructure playing an important role in solving the supply chain crises globally.

### **On success metrics of 11.11 this year**

I believe the value that 11.11 offers is more than just the GMV figures. We are indeed optimistic about the Festival's overall results, but more importantly, we are committed to building the future for the economy and online consumption. 11.11 is about how to best leverage Alibaba's latest technology to support brands and merchants in driving sustainable and inclusive growth in more efficient ways. We want to leverage the best technology to shape the future.

We have also been shifting our focus from pure GMV growth to sustainable growth. For example, we are focusing on promoting the green agenda to tap on our green technology to achieve sustainable growth together with our brand partners. We want to leverage the influence and reach of 11.11 to not only sell products but emphasize the importance of shifting to more sustainable consumption lifestyles – this is a critical goal for us.

This year is our largest 11.11 festival to date – we will have more than 290,000 brands participating, with over 14 million deals for more than 900 million consumers in China. This is an opportunity for more consumers to be engaged with more brands all over the world.

### **On support for merchants this 11.11**

There are three main initiatives we're driving to support the merchants. Firstly, livestreaming is one that has been a very important growth driver to engage users and encourage more online transactions. It is a key marketing pillar to help brands better connect with their target audiences. We have been working with brands to upgrade their livestreaming capabilities to help them interact with customers directly and shorten the connection between them while offering a smarter selection of products.

Secondly, we have been ramping up our content marketing features on the Taobao platform this year.

This includes adopting a social media-like subscription content services such as short video clips designed for the merchants to introduce their brand and products to audiences in more unique and impactful ways.

Last but not least is our membership management capabilities. This year, we've been putting a lot of focus on customer relationship management to provide members with better deals, services and access to different content and programs. We have hundreds of brands on the platform that will be launching new membership programs to create more engagement opportunities with their brand members through these new platform features.

### **On platform connectivity and 11.11**

I believe connectivity and openness is key to ensuring the best shopping experience. As a consumer, I'd want to be able to browse freely from platform to platform and have an overall convenient online shopping experience. And as an Alibaba employee, this openness excites me even more.

We are excited to see merchants achieving more operational efficiencies through engaging in more promotional initiatives across platforms on their flagship stores on Tmall. We have also been seeing great progress in the last couple of months on various Alibaba platforms. For example, our business brands like Taobao Deals and Idle Fish are applying to open Mini-Programs on WeChat. Our platforms like Youku, Damai, Ele.me and Kaola have also activated WeChat Pay to process platform transactions. We have also been working with payment partners such as Union Pay to open up more payment options for customers for this first time during our 11.11 festival. We're truly seeing the benefits of these collaborations and openness and are excited to continue to move forward and achieve more of these in the future.

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