

We were pleased to see **customer loyalty** driving sales growth for brands during the first check-out period of the 2022 11.11 Global Shopping Festival (“11.11”). A **new** generation of merchants, **new** product categories and **new** technology-driven marketing solutions delivered incremental growth to merchants. Meanwhile, more merchants continue to participate in green logistics through our initiatives, which help to grow eco-friendly supply chains and drive more **green consumption**. Lastly, Taobao Live helped highlight agricultural goods to consumers across China, providing rural farmers with more inclusive economic development opportunities.



Digital commerce is a stabilizing mechanism and a growth engine for global trade. Digital commerce offers an unprecedented opportunity for global SMEs to tap into the vitality of China’s consumer sector and for Chinese SMEs to expand to new markets globally.

- Daniel Zhang, Chairman and Chief Executive Officer of Alibaba Group



We will continue to deliver more parcels during this year’s 11.11, not only with faster speed and sustainability in mind, but also directly to consumers’ doorstep worldwide. We are transitioning from merely having the elasticity to scale quickly to accommodate peak volume during 11.11 into truly providing quality logistics services for merchants and consumers.

- Wan Lin, Chief Executive Officer of Cainiao Network

Brand Loyalty Membership Program Now the Driving Force of Sales Growth

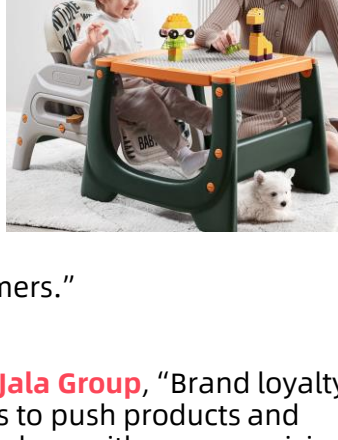
Our brand loyalty membership program has become a driver of reliable growth for merchants. **During the presale period of 11.11, brands on Tmall added more than 66 million new members.**

- On November 1, 82 brands including Nike, P&G, LINSY Home Furniture, The North Face and Babycare registered more than RMB100 million in member-generated GMV.
- On the same day, more than 4,000 brands saw their member-generated GMV more than double year-on-year.

As the consumer market becomes increasingly segmented, membership programs with high retention and strong loyalty are critical to merchants. For example, **Nike** launched an advanced membership program that customers experience using their virtual avatars. Engagement is done through 3D characters, interactive games and reward points. These interactive customer experiences help to strengthen brand recognition and sales among its loyal fans.

According to **The North Face**, Tmall has always led the evolution of e-commerce innovation and is strongly aligned with The North Face’s brand spirit of “Never Stop Exploring.” For this year’s 11.11, The North Face expects to grow its brand influence further, acquire more consumers with strong stickiness, and attract quality members through joint marketing efforts with Tmall.

Baby product brand **Babycare** has operated its brand loyalty membership program on Tmall since 2015. According to Babycare, “we have always believed in membership programs as a new strategic growth engine for our brand. So far, we have accumulated more than 10 million members. We believe our brand loyalty membership programs empower us better reach consumers.”



According to the skincare brand **Jala Group**, “Brand loyalty membership programs enable us to push products and marketing campaigns to our members with more precision, which can improve consumer repurchase rate and ticket size, while offering them a better customer experience.”

Toobao Live Is Top Destination for KOLs and Merchants to Host Livestreaming

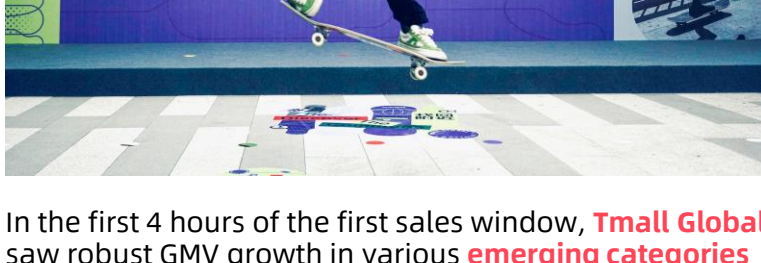
The first check-out window of this year’s 11.11 began at 8 pm Beijing time on October 31. **102 brands registered over RMB100 million in GMV each in the first hour. More than 40% are international brands**, reflecting the platform’s healthy performance.

- Many top KOLs and celebrities joined Taobao Live to host livestreaming sessions during 11.11, a strong testimonial of its unparalleled commerce infrastructure and holistic solutions to the ecosystem partners. During the first hour of the first check-out window, the number of views and total viewing hours recorded by Taobao Live increased by **600%** and **60%**, respectively, compared to last year.
- Premium beauty and cosmetics brands** livestreamed through their own Tmall stores and enjoyed outstanding performance. Within the first four hours of the first check-out period, the official livestreaming channels of Estée Lauder, La Mer, Lancôme and PROYA each generated more than RMB100 million in GMV. In the first hour, the GMV of the beauty lines of luxury brands including Valentino, Burberry and KENZO surpassed the entire first check-out window last year (November 1-3, 2021).

Emerging Consumption Trends Spotlight New Lifestyle

In addition to popular categories such as beauty, FMCG, consumer electronics and apparel, this year’s 11.11 also saw the emergence of new categories like collectible toys, pet products, jewelry, and outdoor recreational sports. Outdoor recreational activities are becoming a popular way of socializing in China.

- The overall performance of the **outdoor and recreational sports** category was robust during the first check-out period. GMV of categories related to emerging sports such as camping, skateboarding, and fishing in the first hour more than doubled year-over-year. In particular, the GMV of camping products surpassed that of the entire first day last year in the first 45 minutes.



In the first 4 hours of the first sales window, **Tmall Global** saw robust GMV growth in various **emerging categories** compared with the first 11 hours of last year’s first sales window. GMV generated by surf-skating boards and coffee machines grew by over 3,000% and 1,670%, respectively. GMV generated by vinyl record players grew by over 530% and GMV of cycling gear increased by more than 500%.



Many global sports and luxury brands have launched new products during this year’s 11.11. For example, **Vans** continued to collaborate with Leica and skateboard athlete Ray Barbee and other avant-garde partners to debut its Vault by Vans premium series on the brand’s Tmall flagship store. **The North Face** partnered with renowned American artist KAWS again to launch The North Face XX KAWS 2022 collaboration (the Fall edition). The exclusive new items were sold out on the first day of launch.

Building a Sustainable and Inclusive 11.11

A new campaign called “**One More Agricultural Product**” was launched during this year’s 11.11 to encourage livestreaming channels across the platform to showcase at least one agricultural product. As of November 2, Taobao Live hosted over 10,000 livestreaming sessions featuring rural products from farmers and giving them exposure to new potential customers.



Through **enhanced digital technology and smart devices**, Cainiao aims to deliver **more sustainable logistics services** this year. Thousands of merchants and 150,000 products have joined Cainiao’s sustainable supply chain.

- Cainiao teamed up with over ten brands including Yili and Unilever to explore low-carbon practices throughout their supply chain.
- Cainiao continued to promote its “recycling packages for free eggs” initiative to encourage broader consumer participation in green logistics. The recycled packages are offered to customers free of charge at Cainiao Post stations. During last year’s 11.11, Cainiao Post stations recycled a total number of 4 million packages.

