

Alibaba 11.11 festival revenue soars to over \$74bn

Alibaba Group Director and President Michael Evans has praised China's recovery from the Covid-19 pandemic, as the e-commerce monolith racked up an 'extraordinary' RMB498.2 billion/US\$74.1 billion in sales over its bumper Singles Day extravaganza (1-11 November).



Results for the annual e-commerce shopping bonanza, also known as 'Double Eleven', were revealed during the event's first live virtual webcast held today at 3:30pm GMT/10:30am EST.

At the most fundamental level, to produce that result over this 11-day period shows you how quickly and how well the Chinese economy has recovered from the pandemic and how strong and powerful the Chinese consumer is, commented Evans.

SPENDING BACK TO PRE-COVID LEVELS

He pointed to China's rebound from the impacts of the pandemic coupled with Alibaba's 800 million-plus consumer base as key to the result, declaring that Chinese customers are back purchasing at pre-Covid-19 levels.

If you look at what consumers are buying – food, luxury, auto(mobiles) – there has been a change primarily as a result of Covid, he continued.

Thirdly, this is an opportunity for big brands and small businesses so we've made a very big focus on that. Finally, for all brands a China strategy and a digital strategy is going to be absolutely critical to success in the future.

As reported, this year's event gave merchants the opportunity to 'double up' on their promotions with an extra sales window (1-3 November) prior to a pre-sales period (4-10) building up to the main event on 11 November.

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**Viewers watched revenue accrue in realtime as the countdown to the final total edged nearer.
Alibaba Group/Brandlive.**

This was the first time 11.11 has been extended beyond its traditional 24-hour sales window, unleashing pent-up consumer demand that has been stifled as a result of the pandemic.

Tmall Global supplied more than 2,600 new overseas brands to Chinese consumers for the first time, while Alibaba's cross-border e-commerce unit Kaola joined 11.11 for the first time, delivering products from 89 countries and regions.

On the first day of the festival it took Nike a mere one minute to generate RMB 100m/\$15m, with 100 brands hitting that milestone in a little shy of two hours, including Apple, L'Oréal and Estée Lauder. Seven hours into the event, Lancôme had generated more than \$151m.

TMall Global grew its general merchandise value (GMV) by more than 90% year-on-year on the first day of pre-sales and Net-a-Porter smashed its 2019 11.11 sales in seven minutes.

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Alibaba Xixi campus headquarters in Hangzhou, China. Source: Alibaba Group/Alizila.

The live programme, entitled 'Understanding 11.11: Alibaba's Mega Shopping Festival' was designed to assist established brands seeking to learn more about how to penetrate or succeed in China's consumer markets as well as small- and medium-sized brands thinking about entering China.

It was also aimed at helping investors better understand China's retail, technology and consumer landscape and industry experts and analysts keen to learn more about emerging retail and consumer trends.



Michael Evans, Director and President, Alibaba Group is asked for his reaction following the record sales haul over the 11-day event, the first time 11.11 had been extended beyond its traditional 24-hour window. Source: Alibaba Group/Brandlive.

We gave more time for consumers to shop but we also focused on the smaller businesses and brands to give them more time to profile their products and the combination of the two has recently shown itself to be exactly the right model to achieve this type of result, commented Evans.

Attendees heard from speakers such as fashion designer and Founder of DVF Diane von Furstenberg; Daya Fields, President of Pipette; Andy Mooney, CEO of Fender Guitars; Fabrice Megarbane, CEO and President of L'Oréal China; and NBA star and Uncle Bud's Brand Partner Earvin 'Magic' Johnson.



The Covid-19 pandemic has resulted in pent-up consumer demand. Source: Alibaba Group/Brandlive.

Additionally, viewers were able to witness an interview with popular Chinese KOL and livestreamer Maoer.

Streaming on Taobao Live, Maoer boasts more than 248,000 followers and has a sales target of RMB 8m this year.

Since launching in 2009, Alibaba's Singles' Day event has grown into the most important shopping day in China's e-commerce sales calendar, acting as an integral looking-glass into the state of consumer spending in China.

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CHINA: SHOPPING AS A SPORT

In the first year of 11.11, GMV reached \$7.6m. At last year's event, GMV was \$38.4bn.

In the short run, the Chinese economy has bounced back to pre-pandemic levels; if you look at Q3, GDP growth was +4.9% and ecommerce was about +17% year-on-year for the entire sector, commented Alibaba Group Executive Vice Chairman Joe Tsai.

China is already the largest retail economy in the world; it makes a lot of sense to be watching the largest shopping day in China in the largest consumption market in the world.

The other reason to pay attention to Singles' Day is businesses in China around the world, because of Covid, will have to deal with what happens when no one comes into your stores.

The answer to that is digitisation. I don't think things will exactly return back to normal for the bricks and mortar world. Covid has accelerated ecommerce and the need for businesses to digitise.

Getting into the e-commerce market in China is not as hard as you think as it's so well developed. China has developed a very good infrastructure that supports ecommerce but the one thing to do first is to focus on the Chinese consumer and what they are looking for and ways in which you can better engage them.

In China today, shopping is a sport and entertainment. It's not just about going on a website and scrolling through a product catalogue. You need to engage the consumer and give them an immersive experience.

US FIRMS TAKE BIG REVENUE SHARE

This year, Alibaba was at pains to stress a message of inclusion; that the sales figures were secondary to ensuring opportunities for global businesses – large and small.

More than 250,000 brands reaching around 800m consumers participated in this year's 11.11 festival, which at present is not a consumer-facing event in the US and Europe.

Notwithstanding this, US companies took a sizeable share of the total sales haul.

The US businesses did very well, explained Evans. As of 11pm China time with one hour to go – as the data is lagging a little bit – US businesses have contributed more than \$5 billion, which means it is the single largest contributor of any country globally outside China.

To put this in context, the big businesses – Apple, Estée Lauder and Nike – have done extremely well, but one of our big focuses this year was small businesses. We wanted to show that with technology and



**Joe Tsai, Executive Vice Chairman,
Alibaba Group. Source:
alibabagroup.com.**



**Michael Evans, Director and
President, Alibaba Group.**

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focus, the China market is open to everybody.

Source: alibabagroup.com.

As reported, Alibaba **has taken a 6.1% stake in Dufry Group** following a rights issuance as both parties seek to scale up their influence and operations across China in a **recently announced joint venture**.

TRB BUSINESS