

The 2022 11.11 Guide for Overseas Brands



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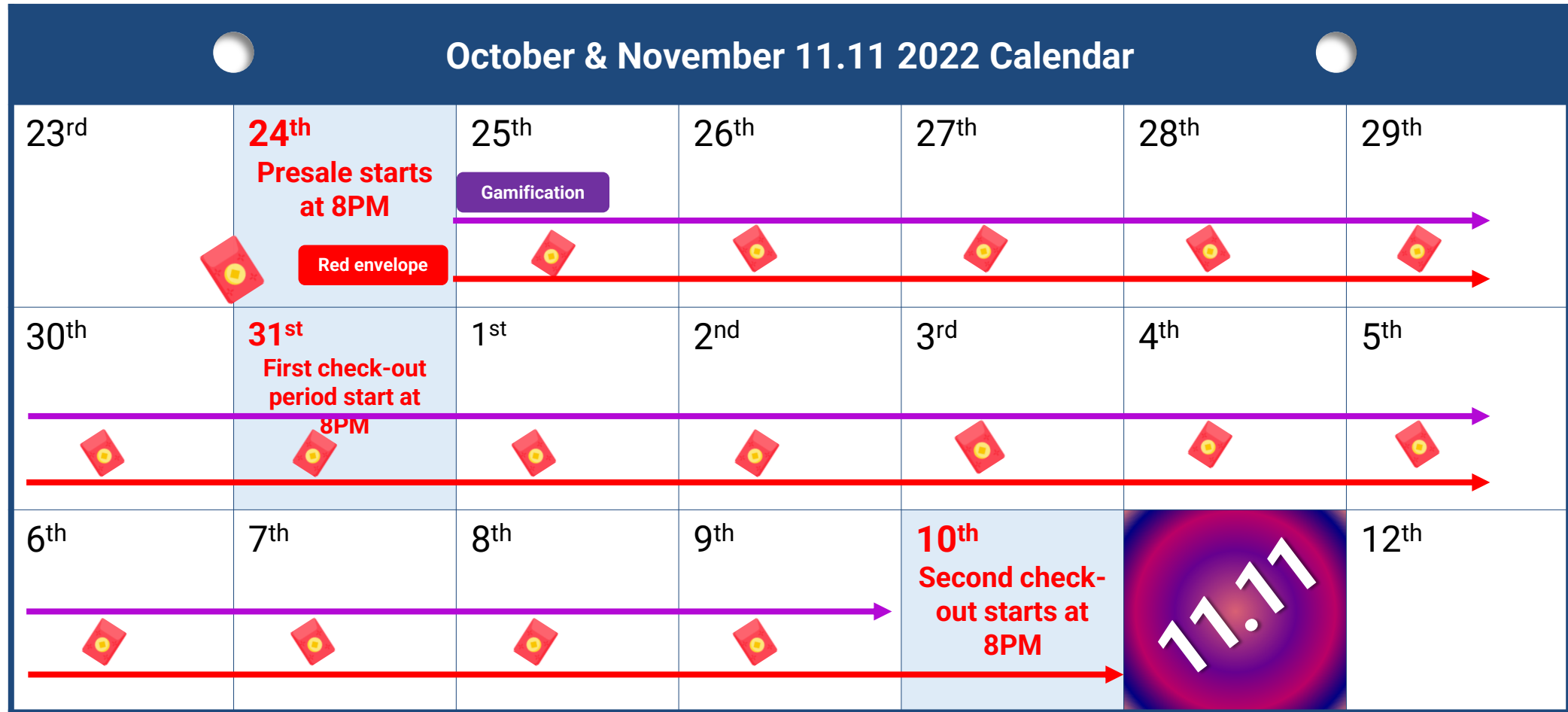
How to leverage 11.11 as a growth engine

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**What's happening
in this**

11.11

Alibaba 2022 11.11 Calendar



11.11 is not just about promotion but a consumer engagement event

Tmall and Taobao remain the preferred platforms for brands in this year's 11.11 festival while social E-commerce platforms are gaining in popularity thanks to their marketing potential

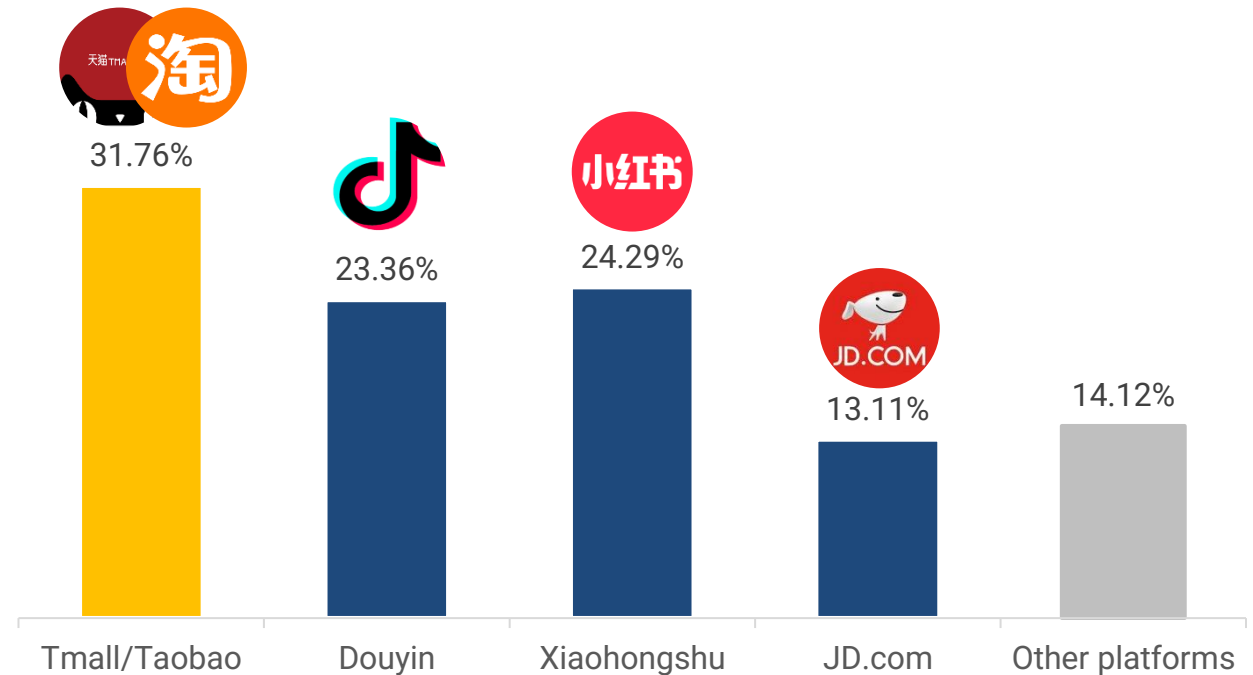
Taobao and Tmall leading the market

Alibaba's EC platforms are still **the go-to platforms** for brands and merchants to transform consumer awareness into customer loyalty. Given the platforms' top consumer mindshare and comprehensive infrastructure, it helps brands and merchants to build for long-term sustainable success.

Social commerce platforms on the rise joining the party

China's competitive environment pushes brands to **multiply their marketing and distribution channels**. Social media platforms that are offering an e-commerce portal such as **Xiaohongshu and Douyin** are answering this diversification needs.

Preferred platforms for brands to launch their 11.11 promotions (2022)

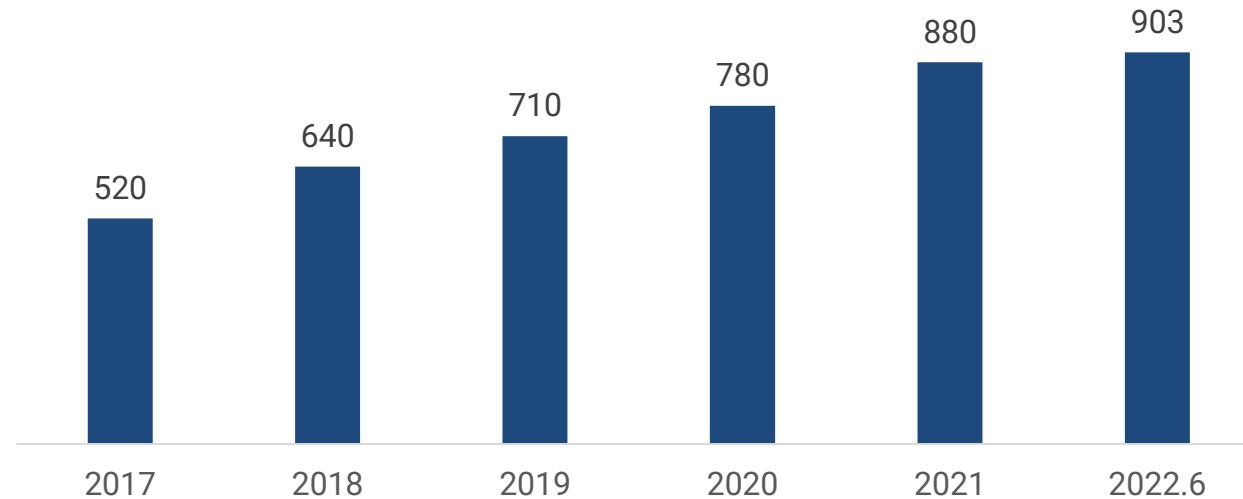


Source: PJ Daren survey of 107 FMCG companies

Team up with platforms with strong customer loyalty to win 11.11

The Alibaba ecosystem has over 1 billion Chinese consumers with diversified needs. The overall usage time and frequency of Tmall and Taobao shopping also show an upward trend.

Taobao and Tmall active consumers evolution
(Million)



*"Consumers with the highest spending power demonstrated strong loyalty to our platforms. In the twelve months ending June 30th, 2022, more than 123 million high spending annual active consumers each spent over RMB10,000 on Taobao and Tmall, representing a **retention rate of approximately 98%** compared to the prior twelve-month period."*

Source: Alibaba, 2022

Tmall is the go-to platform for new products debut

Tmall features more than 290,000 brands with 17 million products in 2022 11.11 Global Shopping Festival.

New brands and limited editions for Chinese consumers

More than 1600 brands will participate for the first time in this year's 11.11 through Tmall Global, the cross-border e-commerce platform of Alibaba. **Overseas brands will offer 1,000 limited editions** to Chinese consumers. SPO (Shop Premium Outlets), the leading outlets group in America launched on Tmall Global anticipation of 11.11. SPO has set up a studio at Woodbury Commons and hosting livestreaming sessions for 30 days from 11.11 to Black Friday.

Over 200 brands from the five major luxury groups - **LVMH, Kering, Chanel, Hermès and Richemont** offering bags, clothing, jewellery, beauty, wine and more are participating in this 11.11

Over 10 luxury brands are participating for the first time in this year's 11.11, including **LVMH Group's Bvlgari and Berluti, Moncler, Brunello Cucinelli, Akhah, Messika, Bogner, Amiri, Jil Sander**



Luxury brands debut on Tmall's 11.11

Source: Alibaba, Weibo 2022

Brands create differentiation by co-developing unique products with TMIC

The Tmall Innovation Center (TMIC) introduces new solutions for product debut during the 11.11, with precise forecast on consumption trends to make new product incubation more time- and cost- efficient.

Emerging brands

Last year, over 800 emerging brands on Taobao and Tmall recorded GMV double YoY. Taobao and Tmall platforms help brands with good quality products to **find their right consumers**.



To date, **TMIC has worked with over 2,000 brands** around the globe. In the year ended March 31, 2022, TMIC helped brand partners incubate nearly **4,500 new products**. By collaborating with TMIC, the incubation cycle was reduced from **18 months to 6 months on average**.

New Products

Alibaba will help brands develop and debut new products that can become leading drivers for their businesses. During this year's 6.18, new products drove over 30% of sales for Alibaba. For this year's 11.11, the company is expected to help brands and merchants to capture more growth opportunities with new products.



TMALL INNOVATION CENTER

Source: Alibaba, 2022

Source: 36Kr(2021)

Tactics for brands to get better results on Tmall and Taobao

Efficient and diversified marketing tools and loyalty programs can help brands stand out within China's competitive market

Marketing tools

Taobao and Tmall have launched various measures to help merchants cultivate traffic and to equip them with tools to reduce costs in preparation for this year's 11.11, including:

- Exclusive traffic for small and medium-sized merchants, helping them gain exposure to relevant potential customers through small-volume exclusive packages and marketing experience coupons.
- Exposure support through the "Just For You" product recommendation section, search results, keywords and other public channels.

Loyalty program

Loyalty membership programs have become a focus of brands on Tmall, as membership allows brands to interact most directly with customers and, for some, ensure a higher degree of certainty over sales during 11.11. **During the presale period, brands on Tmall gained in excess of 66 million new members.**

More than 40 brands on Tmall have loyalty membership programs that surpass ten million members, and **600 brands** have loyalty membership programs with over one million members. Among these companies, Nike launched a membership scheme with innovative features to engage members, and Unilever launched "U Fun Town" to interact with members on Tmall.

Taobao Live has strong consumer mindshare and drives sustainable business growth.



The data of first presale livestreaming in 4 hours

破千万直播间

130个

Livestreaming channels recorded more than RMB10 million in GMV

130

新主播

同比增长684%

Pre-sale GMV volumes generated by new hosts

684% YoY ↑

直播机构

同比增长165%

GMV generated by influencers from MCN

165% YoY ↑

Brands are tapping into virtual idols to reach new consumers

Alibaba Group's hyper-realistic computer-generated influencers Ayayi and Noah are becoming brand ambassadors to help retailers build brand profiles and amass following among digitally-native consumers.

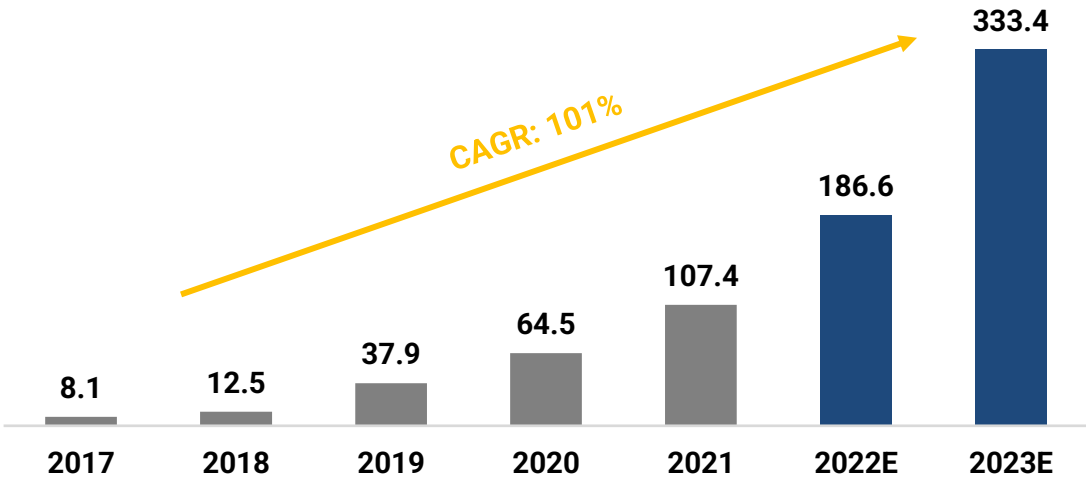


Alibaba has invested in metahumans Noah (left) and Ayayi (right) for them to serve as ambassadors for various brands. They boast 295,000 and 793,000 followers on Weibo respectively.

Source: Alibaba, Weibo 2022

Virtual influencers have been increasingly popular among Chinese consumers. For brands, they represent an **alternative than having a regular celebrity endorse their products with low risk**. Compared with human KOLs, virtual idols can “go” anywhere anytime and enable brands with more flexibility. Hence, **the size of the economy driven by virtual idols has grown substantially** in recent years in China.

China's virtual idol driven industry market size
(RMB billions)



Source: Iimedia, 2022

Engagement games are making a tradition for 11.11 2022

Tmall has leveraged gamification to strengthen consumer engagement during past 11.11. Through the special team-up mechanism, potential consumers will be invited by their friends and families to participate in the festival.

Meow Tree challenge

Team-up phase: From October 25 to October 27

PK phase: From October 28 to November 9

Game rule: The Meow Tree challenge pits two teams against each other, with the one that grows their “Meow Tree” the most wins a red envelope on 11.11. Trees can be levelled up by inviting new members to the team.

Gamification strategy: The Meow Tree challenge introduced **social connectors**, which build connections with participants and potential customers through a **team-up and invite mechanisms**. And the challenge offers a red envelope as a reward, strengthening the public propagation of the game.



King of Price

Time: From October 25 to November 9

Game rule: Participants select a combination of goods to enable their sum-up price to be equal to the target price from each level, and participants will receive a red envelope at each level as a reward.

Gamification strategy: The gamification strategy of King of Price creates a **buzz around debates** of participants trying to guess the prices of different products. And the spread of the discussions will further strengthen consumer engagement of 11.11.



Source: Tmall, 2022

Source: Tmall, 2022

A greener consumer experience

This year will see more initiatives aimed at building a greener 11.11 community and increasing awareness of low-carbon programs to a wider range of consumers.

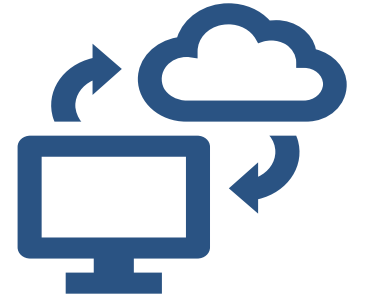


Low-carbon label

Tmall has ramped up efforts to label low-carbon products covering extended shopping categories such as apparel, food and cosmetics apart from energy-efficient electronic goods to drive sustainable consumption. The new product label aims to **help consumers better identify low-carbon products on the platform**, check the impact of their purchases on the environment and encourage more sustainable choices.

Energy expert

Tmall, together with Alibaba Cloud, the digital technology and intellectual backbone of Alibaba Group, has leveraged the cloud unit's carbon management platform, Energy Expert, to **provide online carbon footprint modelling**, calculating and certification for the above mentioned 40-plus brands for them to **identify low-carbon products and conduct informed sustainability practices**.



Green logistics recycling project

Joining with thousands of merchants, the logistics company Cainiao will help **reduce carbon emissions from delivery and packaging**, in addition to stepping up its parcel box recycling efforts across around 100,000 Cainiao Post stations offline.

How Tmall turns green in this year's 11.11

In this 11.11, Tmall emphasise more on green and low-carbon lifestyle echoing Alibaba's carbon neutrality pledge. Tmall has collaborated with 40-plus brands to initiate a green campaign to promote low-carbon products through various initiatives.

Life is love action

Brands such as Stella McCartney, Procter & Gamble, Haier, ThinkPad and Yili, have co-branded with Tmall to make innovative and sustainable shopping bags as gifts for consumers with an aim to encourage consumption of sustainable products. **The crossover bag is made from 6 recycled and traceable PET plastic bottles.**

"Do one more thing" charity

In this 11.11, Tmall has collaborated with brands including Starbucks, Nike and Guerlain to launch special green digital collections. These digital collections are used to **support the brands' recycling welfare programs** like Nike's "The rebirth of old shoes."—the recycling of old shoes will be processed with NikeGrind technology and recycled into new materials to construct a new ballpark.



Source: Alibaba, Weibo 2022

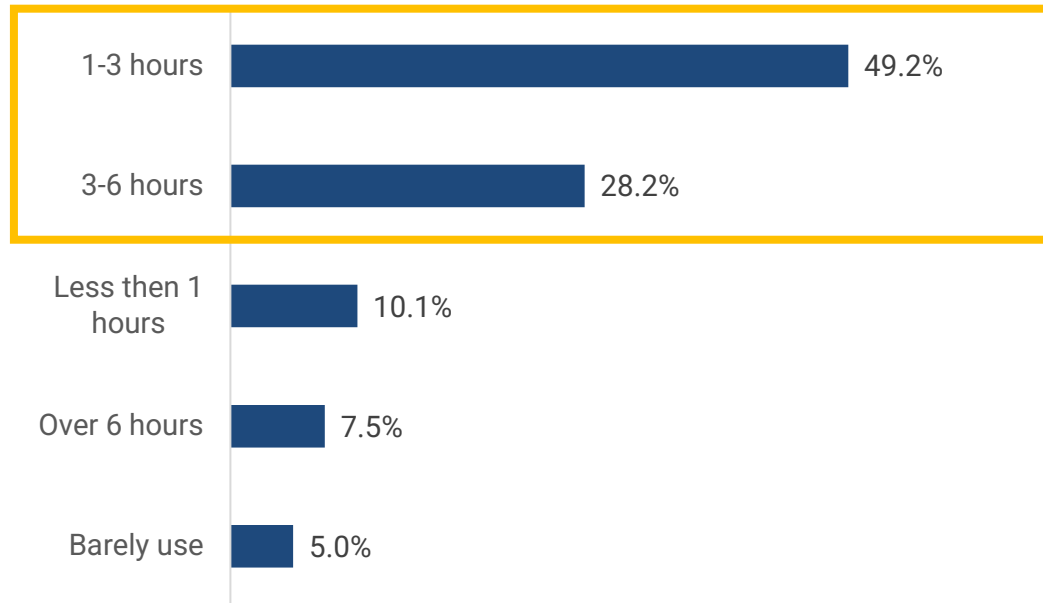


Where are the emerging opportunities

The Chinese silver generation can not be overlooked

Every year, 8-10 million Chinese people turn 60 years old. By the end of 2025, there will be around **300 million** Chinese senior citizens, accounting for **one-fifth of the total population**.

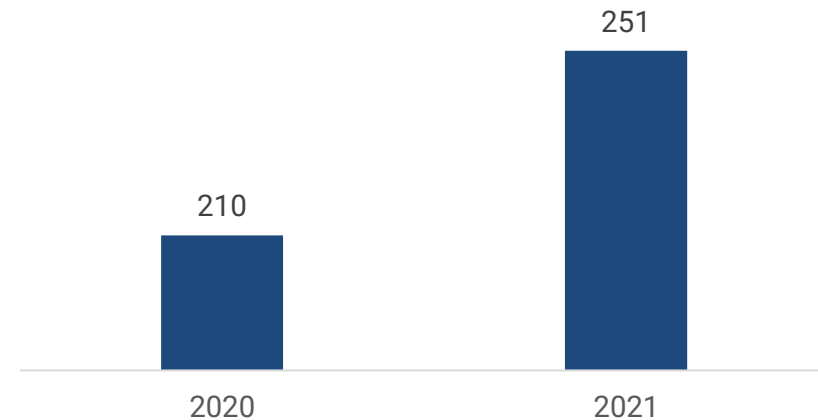
Silver generation's daily average screen time on mobile devices in China
(2022)



Source: Economic Daily, 2022

The pandemic has made elder consumers much more comfortable online and they are now a stable part of China's e-commerce consumer base. Among Chinese people aged over 50 years old, **68% shop online**.

Evolution of silver generation online active users after the pandemic
(2021, Million)



Source: Quest Mobile, 2021

52.1% of middle-aged and elderly internet users buy daily necessities online alone. From 2020 to 2021, the numbers of the ageing population's monthly active users and the average screen time on mobile devices increased by **19.3%** and **6.3%** respectively.

During the 2020 11.11, online spending of silver generation increased by 300% compared to 2019, and many seniors made their **first online shopping experience** during the 2020 11.11.

Source: People's better life, 2022

Elderly are eager to use consumer electronics

11.5% of Chinese netizens were over 60 in December 2021, with internet penetration at 43%, brands should create apps and electronics catered to this often-overlooked consumer base.

More than 10 Alibaba apps have completed a makeover to add age-friendly features to help elderly users read, use and shop more easily. Taobao app upgraded its “senior mode” features ahead of 11.11 by creating a dedicated customer service team for older users and adding the **grocery shopping function**. The newly added medicine purchase function will also offer free consultations with pharmacists.

Tmall has partnered with the China Association of Gerontology and Geriatrics to launch the Yellow Handrail Program . Working with 20 brands, the program gives out and installs handrails for older people to support them at home.

YoY increase in sales of electronics among Chinese female elderly consumers 2021 on Tmall Global



Eye massagers, 990%



Anti-mite vacuum cleaners, 713%



Window cleaning robots, 328%

Sources Hyliink, Alimma, Alibaba, 2022

The pet economy thrives as pets become family

At a 20% penetration rate, pet ownership in China is still yet to boom compared to countries like the US and Australia, which are at 70% and 62% respectively.

- Sales of **imported functional pet food** increased by more than **100%** from 2020 to 2021 on Tmall Global.
- Tmall **pet toys** pre-sales grew by **2,000%** from 11.11 2021 to 11.11 2022

Best selling smart pet items on Tmall (2022)



Smart Cat Litter Basin, from Catlink



Cat and Dog Dryer, from Homerun



Smart Pet Feeder, from Petkit

Sources Alibaba, 2022

Cultural and creative industries are increasingly popular among gen Z

Museum, cultural and creative sectors booming

Cultural and creative products have become one of the biggest dark horses during 11.11, 2021 and is sought after by Gen Z. During 11.11 2021, nearly 100 museums such as the Palace Museum, the National Museum of China, Suzhou Museum, **opened Tmall flagship stores and launched limited new products**. On the first day of 11.11, **the sales of museum's cultural and creative products surged by more than 400% year-on-year**. Blind boxes, ornaments, IP collaboration have become the most popular strategies.

Source: Hylink & Alimama, 2021



Designer toys are in a golden age

In the past three years, the year-on-year growth rate of Tmall designer toys has been more than 50%. 10 brands generated more than 10 million RMB and 2 brands exceeded 50 million. In 2022 11.11, **GMV for the toys category this year surpassed last year's first hour GMV in less than half the time**. GMV of emerging category designer toys grew almost six-fold YoY on the first day of presale, with GMV of homegrown mechas increasing more than 450%.

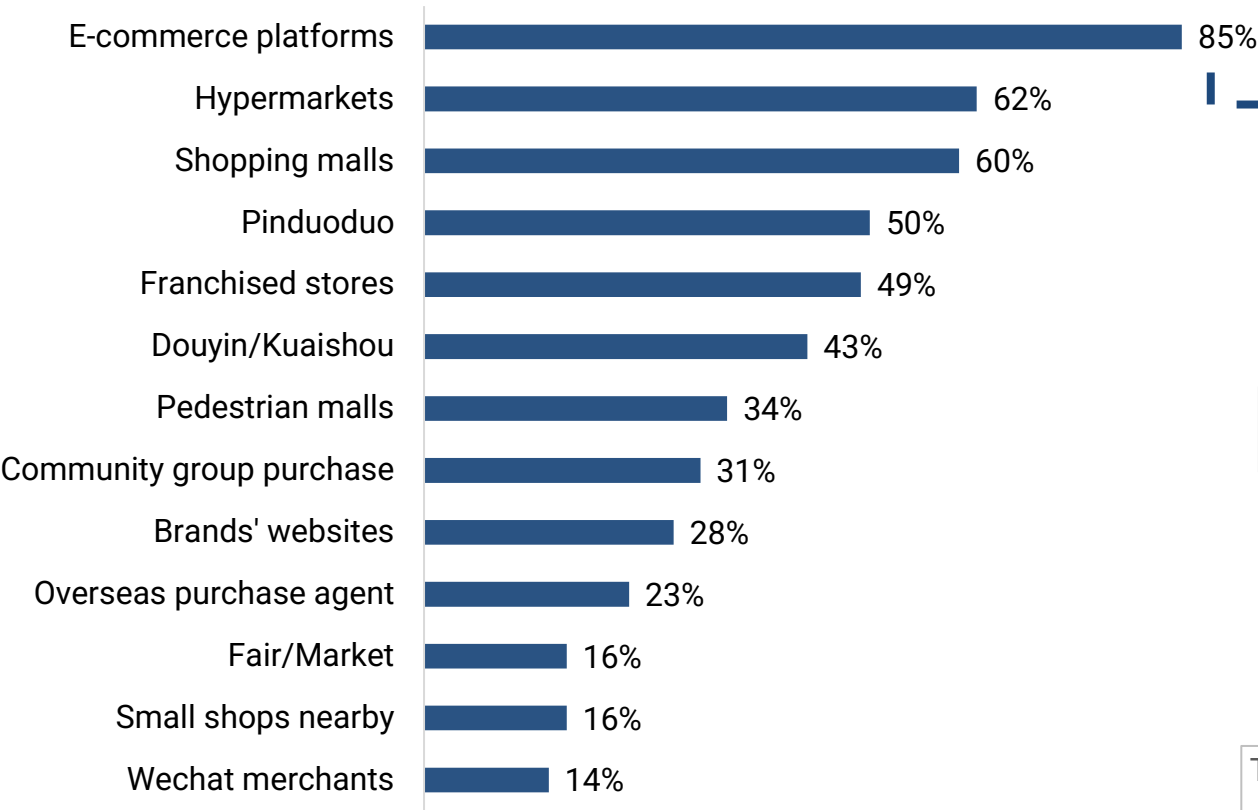
Source: Hylink & Alimama, 2021



Low-tier city consumers cannot be overlooked

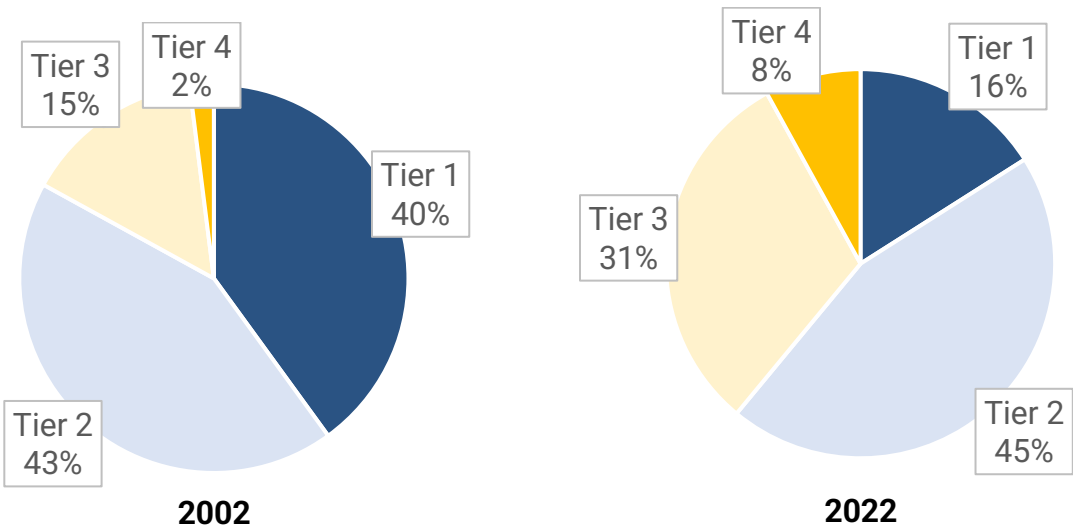
Lower-tier cities have become one of the main drivers of China’s economic growth as they keep developing and household incomes in these areas keep increasing.

Consumption channel preferences of lower-tier city consumers (2021)



E-commerce platforms being the preferred consumption channel in lower-tier cities, internet shopping festivals like the 11.11 become essential events to leverage to reach those consumers.

Distribution of the Chinese middle class by city tier



Source: Accenture, Survey on 6000 lower-tier city consumers aged 18-60, 2021
Q: Which consumption channel would you prefer in the future? (Multiple Choice)
Pinduoduo is considered separate from other e-commerce platforms as it is primarily a group-buying platform.

Source: Mckinsey, 2022

Taobao Deals helps brands reach lower-tier cities' consumers

Merchants and brands can leverage diverse APPs in Alibaba's ecosystem to reach out to and engage with consumers in less-developed markets. Among them, Taobao Deals is a platform enabling manufacturers to directly sell to consumers.

During the fiscal year ended March 2022, annual active consumers on Taobao Deals reached a milestone of **over 300 million**. More than 20% of these annual active consumers using Taobao Deals **had not shopped on Taobao or Tmall this fiscal year**. Taobao Deals is very efficient engine to acquire consumers from low-tier cities and **bridge the consumers to Alibaba's EC ecosystem**.

Taobao Deals kicked start the 11.11 campaign earlier on October, connecting manufacturers with the consumers looking for value-for-money products.



For this year's 11.11, Taobao Deals is working with more than 1,800 industrial clusters, featuring competitively priced daily products that are directly supplied by more than 10,000 manufacturers.



Taobao Deals is promoting two easy-to-use features – finding “Price King” for 50% discount and one million free orders.



Taobao Deals launched a **new logistic support platform to enable factories with two-days delivery capabilities**. The updated service help factories to provide better consumers experience and win the consumers during the **11.11 festival**.

Source: Alibaba, 2022



How to leverage

11.11

as a **growth engine**

11.11 is not just a sales festival, but an e-commerce trend-setting event

The shopping festival magnifies existing e-commerce trends, these are some of the trends that came into the spotlight this year and last year



The Pet Economy

During 11.11 of 2021, the sales of pet smart products on Tmall **increased by 990% year-on-year.**



The Silver Techies

During 11.11 2021, mobile phones ranked first within silver generation's shopping list, **iPhone being the most popular product.**



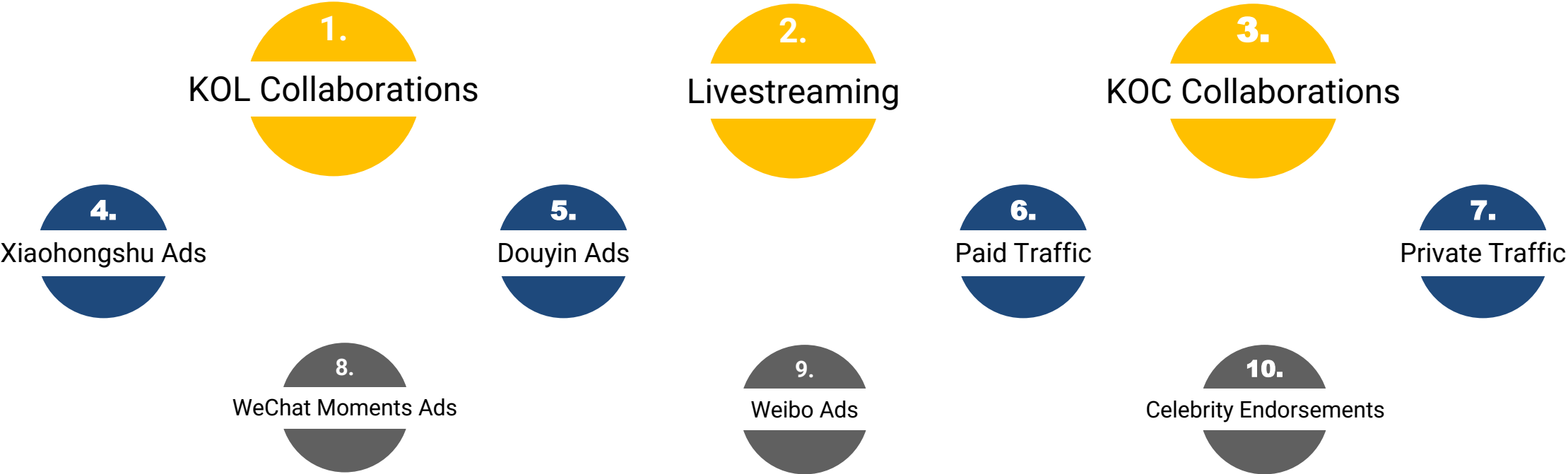
The He Economy

The number of men's skincare brands on Taobao and Tmall increased by more than 10% YoY from 2019 to 2021.

Consumers value KOL, livestream and KOC promotion tactics

KOLs, Livestreams and KOCs are more effective than celebrity endorsements and Xiaohongshu and Douyin have risen over Weibo for ad platforms in the eyes of Chinese consumers.

Top 11.11 Campaign Promotional tactics ranked by Chinese female consumers

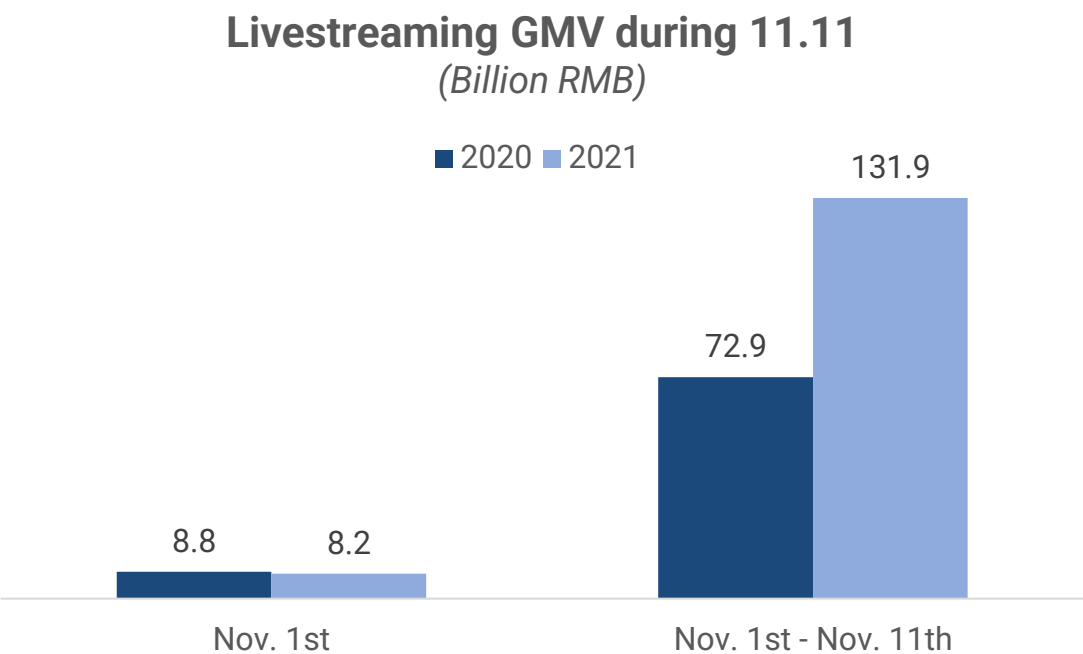
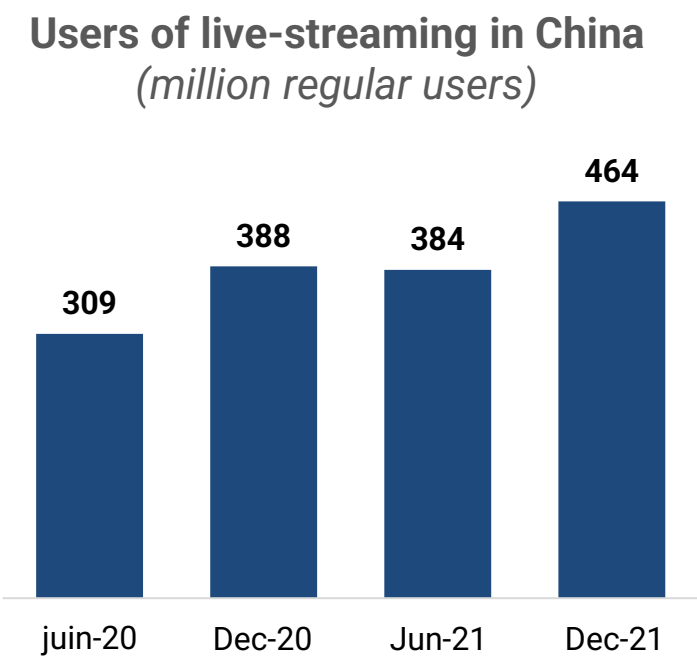


Source: PJ Daren survey of 107 FMCG companies, 2022

Livestreaming wins big for sellers

Livestreaming has become a major sales channel for brands in China. During the 2021 11.11 shopping festival, livestreams on various platforms generated about 131.9 billion RMB in total sales.

In the first hour of 2022's 11.11 pre-sales, Taobao Live recorded a **684% growth in sale volume** generated by **new livestreaming hosts** compared to 2021.



Source: limedia, 2022

All-encompassing livestreaming tools to drive growth for brands

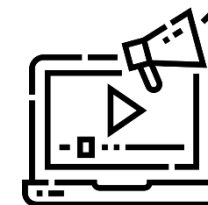
Brands could either work with KOLs or conduct livestream sessions by themselves to promote products, acquire new consumers, and cultivate customer loyalty. The combination of different livestreams session will help brands to achieve immediate market exposure, as well as long-term growth engine.

On Taobao Live:

- Over **500,000 new hosts** joined over the past 12 months, including KOLs who used to stream exclusively on Douyin.
- During the first four hours of this year's 11.11 presale, 130 livestreaming channels generated a presale GMV of more than RMB10 million.
- New livestream hosts are a significant growth driver. During the first four hours of the presale, the presale GMV generated by new hosts grew by a remarkable 684% YoY.
- Several top brands held product launches via livestreaming, turning Taobao Live into an incubator for top-selling new products.



KOL livestreaming



Brand livestreaming

Share of livestreams on Taobao Live

40% livestreams

60% livestreams

Target audience

New customers based on the KOL's fan base

Consumers interested in the brands or products

Main objective

Leveraging the KOL's fanbase to acquire new customers

Acquire new consumers and cultivate customer loyalty

How brands can maximize Tmall and Taobao results

China's competitive landscape requires brands to have a proactive approach to stand out with their operation and marketing strategy or risk being outshined by the competition.



Move fast: Customer needs are rapidly changing. Emerging niche trends are booming in China, such as male beauty, the pet economy, and outdoor sports. Brands need to move fast to catch opportunities and acquire customers. To meet those needs, brands need to make the customer experience the starting point for brand strategies and respond quickly to new product innovations, launches, marketing campaigns, and consumer operations.

Know your consumers: With a better understanding of target consumers, brands could prioritize their products and marketing strategies. Brands should know whether to target general or specific consumers, like who they are, why they buy, and what they need. Setting pricing and promotion policies and engaging with consumers could be very different since China's consumers are diversified.



Be smart with marketing tools: Choose the marketing tools that fit your brand – between KOLs, KOCs and livestreaming to show the product's features. The key is using the proper marketing tools to engage with your consumers and finally accumulate these consumers as the brands' long-term assets.

Build up a loyalty membership programs for long term growth: Having clear customer operations strategies is essential. Integrating online and offline membership systems and operating consumers from different channels will be more efficient for the brands. Also, building brands' loyalty membership programs will be the growth engine for brands' future development.





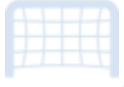
About us



Our mission is to guide businesses to holistic growth in China

Through our market research and strategy consulting, we equip businesses with the knowledge and guidance to achieve growth in China and beyond

The values we embrace



Our clients' goals are our goals

We see ourselves as an extension of the client's business in China or their target country, hence, we advise them as if we were in their shoes and investing along with them.



Embrace change enthusiastically

Similar to how markets are constantly changing, our mindset is also always evolving. We value routine only when it helps us improve and we value change because it helps to keep pace with our time.



Intellectual humility gives clarity

Only through the lenses of humility can knowledge be seen clearly. At daxue consulting, we are humble toward science and the truth. We interpret data in a way that lets it speak for itself, even if contradicts our hypothesis.



Freedom enriches creativity & responsibility

Freedom to manage and envision her or his mission increases the sense of responsibility to that mission.

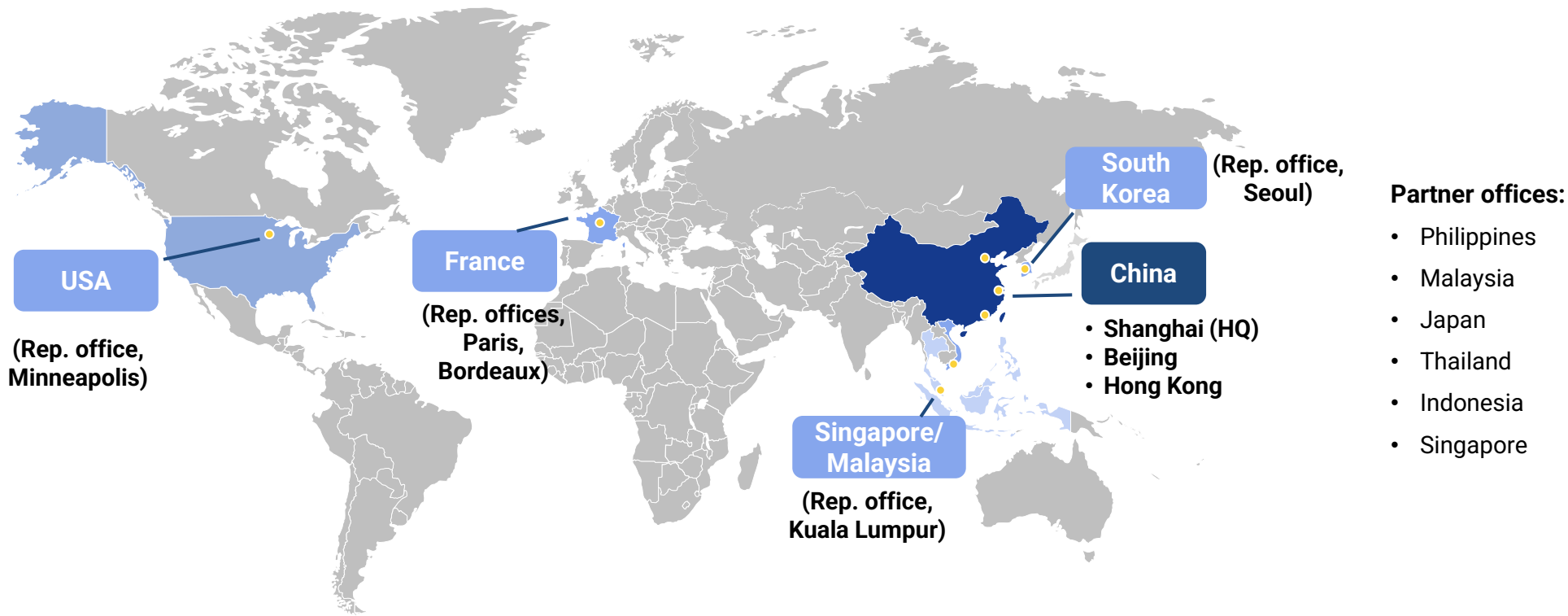


Knowledge is meant to be shared

While our projects team dives deep to provide catered research to clients, the media team shares insights publicly. At the same time, we foster a culture of sharing knowledge in our team, each individual works to increase their own knowledge and freely shares ideas each other.

Our APAC network

A research and consulting firm headquartered in China, with an Asia-focus and a presence on two continents.



Our history



Our approach to methodology-based consulting

An agile and data-driven approach towards solving complex research questions

RESEARCH

as the base for

CONSULTING



IN-HOUSE ORGANIZED

We do not outsource



TRADITIONAL METHODOLOGIES

Interviews, cold calls, focus groups, surveys, and more



SOFTWARE AND TOOLS

Third-party software and in-house built scrapping tools



ACCESS COUNTRY-WIDE

Able to run research across all layers of population



DATA INTEGRITY

Data-driven and cross-checking from many angles



RESEARCH-DRIVEN

Consulting backed up by massive research



AGILE

From market discovery to entry, we keep pace with market changes



COLLABORATIVE

We encourage frequent meetings and workshops with our clients



TRANSPARENT

Full insights into our work with frequent intermediate updates



INDUSTRY PARTNER NETWORK

Built-up over 350+ projects and 100+ podcasts guests



CROSS-CULTURAL UNDERSTANDING

Team from multiple continents educated in diverse countries

Our services & methodologies

A few of our many methods which make up our four pillars of services to guide brands to growth in China

Management Consulting



Market Entry Strategy



Scaling-up Plan



Market Sizing

Market Research



Consumer Surveys

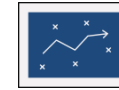


Focus Groups



Sensory Research

Marketing Consulting



Persona Definition

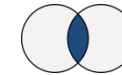


Social Listening



Brand Positioning

Branding



Co-Branding Strategy



Brand Naming



Packaging

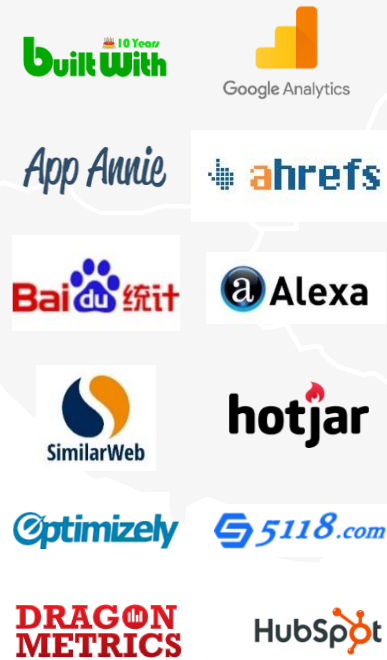
We use modern tools & software to stay ahead

A selection of tools leveraged by us for our clients

Search engine & e-commerce analytics 搜索引擎&电商分析



Website / app traffic comparison 网站/应用流量比较



Data mining / survey analysis 数据挖掘&问卷分析



Social listening 社媒聆听



Diary study & community research 日记&社群调研



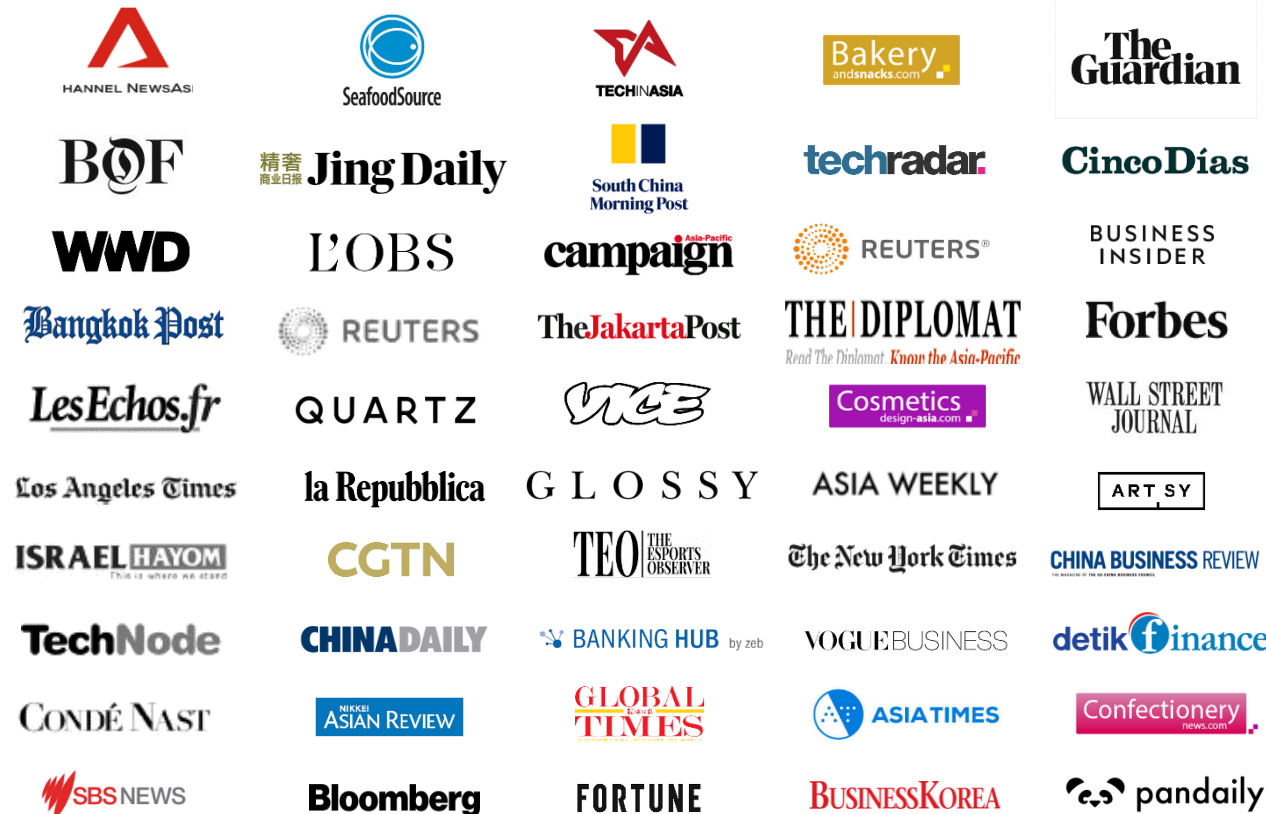
An experienced organization with the Asian market

Regularly featured and quoted in publications all over the world

The New York Times BUSINESS INSIDER WALL STREET JOURNAL
VOGUEBUSINESS **Forbes** ASIA WEEKLY FT FINANCIAL TIMES



TV INTERVIEWS ON PRIME TIME TELEVISION IN SINGAPORE



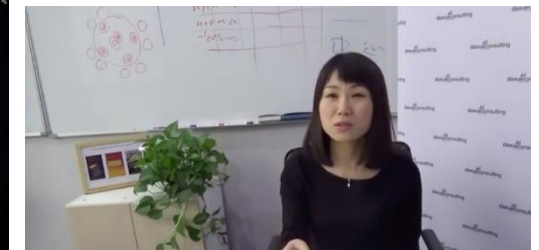
WORKSHOP ON CHINA'S FOOD IMPORTS



LECTURING AT PEKING UNIVERSITY MBA.



DAXUE ON THOUGHTFUL CHINA



FREQUENT SPEAKERS ON BUSINESS TOPICS



400+ clients for the past 10 years

Examples of references



Our testimonials

Comments from our clients



E-commerce Manager
@ **L'Oréal**

"I come back to you to thank you and your team for the work done on the project, it was a real pleasure to work together ☺ The brand was very satisfied with the insights, especially with the richness brought by the local Chinese specificities."



VP of Innovation @ **prestige**
skincare brand - US

*"Thank you very much for your time and performance yesterday. **The team in New York and all of us appreciated a lot your presentation and the quality of the consulting from Daxue Consulting.**"*



JAPAC Revenue Strategy
Manager @ **Twitter**

*"Thanks so much for your hard work over the last several months and the multitude of presentations that you have done to [our] stakeholders. **I highly appreciate the quality of work and also the patience with which you have answered the questions.***

Overall the work has been very well received and has been very educational for our teams in Singapore, New York and San Francisco. We will be using a lot of this information as we make critical investment decisions into China over the next several months.

*Please do pass on our thanks to the entire Daxue team - hope you do take a moment with the entire team to celebrate the success and outcome of this project! **Also, I would be happy for you to use my reference for any future clients.**"*



Director Ecommerce
Marketing EMEA @ **Ubisoft**

*"Thank you for your answer. I've been through the presentation and **I'm very impressed by all the useful detailed information** I've found. Thank you so much!"*



STAY UPDATED ON CHINA MARKET INSIGHTS



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<https://www.linkedin.com/company/daxue-consulting>



Newsletter

<https://daxueconsulting.com/newsletter/>



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Press release

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