

- Alibaba Group's 11.11 Global Shopping Festival is the world's largest online shopping event by number of merchants and consumers.
- The presales data and the first sales window of this year's 11.11 Global Shopping Festival indicate strong consumption rebound and higher-than-ever demand in China.
- Following the impact of COVID-19 on the global retail sector, the 11.11 Global Shopping Festival aims to serve as a catalyst for international businesses, helping them meet Chinese consumers' rising demand for brands.

# WHAT'S NEW THIS YEAR?

#### EXTENDED FESTIVAL TO ALLOW MORE NEW BRANDS AND SMES TO PARTICIPATE

- The 2020 11.11 Shopping Festival has two sales windows: November 1-3 and the typical 24 hours over the course of November 11. The presales period will also span across two phases: from October 21 to October 31 and from November 4 to November 10.
- This year, we have strengthened our focus on SMEs exemplified by our first-ever 11.11 "<u>Go Global</u> <u>Pitch Fest</u>" to make it even easier for small businesses to join the event. By creating a second sales window, more merchants representing new exciting brands and small businesses will have the opportunity to participate in the extended festival.

#### LAUNCH PAD FOR NEW BRANDS AND NEW PRODUCTS

- More than 250,000 brands will participate in this year's 11.11, which is expected to attract about 800 million consumers.
- Over 2 million new products will be introduced, which is double the amount compared to last year.
- To meet Chinese consumers' increasing demand for international products, Alibaba's cross-border marketplace Tmall Global will bring more than 26,000 imported brands from 84 countries and regions to Chinese consumers, 1.4x the number of imported brands from last year. 2,600 new brands and 1.2 million new products from international markets will be available for Chinese consumers on Tmall Global.
- Nearly 200 luxury brands, such as Chanel and Dior, are participating in this year's 11.11, doubling the brands from last year's festival. Many top luxury brands will also join in for the first time, including Prada, Cartier, Montblanc, Piaget, Balenciaga, Vacheron Constantin and Chloé.

#### LIVESTREAMING AS THE NEW NORMAL FOR BRAND ENGAGEMENT

- Livestreaming is one of the most effective and interactive ways to engage with consumers to market products and drive sales. There will be more than 400 company executives and 300 celebrities conducting livestreams this 11.11.
- During the first presale period, the number of daily livestreaming sessions increased over 50% comparing to 2019. In the first 10 minutes of presales, transactions generated from Taobao Live exceeded the entire first day of presales last year.
- Luxury brand Cartier hosted its first jewelry show on Taobao Live, unveiling more than 400 timepieces and jewelry items, including a necklace valued at RMB190 million (USD28.3 million). Cartier's livestream attracted 770,000 viewers in just two hours.
- Alibaba's cross-border e-commerce platform, Kaola, featured 300 livestreaming sessions for its global VIP members seeking products with prices comparable to duty-free stores.
- During this year's 11.11, global music superstar Taylor Swift, basketball legend Magic Johnson and supermodel Miranda Kerr have all taken part in Tmall Global's "Walk of Fame" influencer event to connect and engage with Chinese consumers through interactive livestreaming sessions
- Alibaba's DAMO Academy and AliExpress facilitated the translation of multiple languages in real-time over livestream, supporting the translation of Chinese into English, Russian and Spanish.

#### FASTER AND GREENER LOGISTICS

- Alibaba's logistics arm Cainiao will charter more than 700 flights during 11.11 and more than 50% of this year's cross-border parcels are expected to be delivered twice as fast as their usual speed.
- Sustainability is a key theme for this year's 11.11. Almost 100% of the packaging shipped from Cainiao warehouses is biodegradable, and nearly 50% of the paper packaging in its warehouses is tape-free.
- Cainiao is encouraging consumers to recycle their own packaging as well, having set up approximately 80,000 recycling stations across China. Consumers can also redeem "green energy" points on the Cainiao app's mini program "Cainiao Ocean."
- Alibaba's online grocery service, Tmall Supermarket, is also promoting the cause by using four million reusable boxes for its orders this year.

## STRONG RECORDS OF THE FIRST SALES WINDOW OF 11.11

- The results of the presales and first sales window of this year's 11.11 Global Shopping Festival indicate that consumer spending continues to experience a strong rebound in China and that the demand for imported goods is higher than ever.
- Over 100 brands, including Nike, Adidas, Apple, L'Oréal, Estée Lauder and Lancôme, achieved RMB100 million in gross merchandise volume (GMV) just 111 minutes into the first sales period.
- Beauty products always a popular category during the 11.11 festival generated more than RMB10 billion in GMV and exceeded 150% YoY growth in the first hour of sales compared to the first hour of November 11 of last year Estée Lauder's Tmall flagship store was the first to surpass RMB1 billion in sales.
- 16 brands selling 3C (computers, communications and consumer electronics) products saw sales hit RMB100 million during the first hour of activity on November 1.
- Over 1,800 emerging brands surpassed their previous year's total GMV on November 1 alone. Among them, 94 brands have already achieved 10x of each of its respective total GMV last year.

On November 1, luxury brand Moose Knuckles saw its GMV exceed last year's full-day of 11.11 sales just 10 minutes after shopping started, Net-a-Porter within 12 minutes, Diane von Furstenberg in 23 minutes, Coach in 30 minutes and MCM in just an hour. Balenciaga beat its full-day sales record from the 6.18 Mid-Year Shopping Festival just 1 minute into shopping. Kenzo did the same in 3 minutes, and Chloé in 10 minutes.

## **11.11 GO GLOBAL PITCH FEST BRANDS**

- This year, Alibaba launched its first-ever 11.11 "Go Global Pitch Fest" an initiative designed to help American SMEs expand globally.
- Winning brands were selected to launch on Tmall Global Alibaba's cross-border marketplace to sell to China – and will be highlighted during this year's 11.11 festival. Read more <u>here</u> and watch this <u>video</u> to learn about how these Pitch Fest brands are preparing for 11.11.
- Uncle Bud's, one of Alibaba's <u>US Pitch Fest</u> brand winners, is bringing its hemp and CBD products to Chinese consumers through their newly opened Tmall Global flagship store. Their brand ambassador Earvin "Magic" Johnson conducted a <u>livestreaming session</u> on Tmall Global on November 7 along with many other international celebrities and brands. Other Pitch Fest brands, including C.O. Bigelow, Pipette and Lab to Beauty, are also launching on Tmall Global in time for 11.11.

## **VIRTUAL 11.11 PROGRAM**

- To help international audiences better understand consumer trends and the next wave of groundbreaking retail innovation, and to demonstrate how international brands are entering and succeeding in the Chinese market, Alibaba is hosting a live virtual event "Understanding 11.11: Alibaba's Mega Shopping Festival".
- To register for our live broadcast program, please <u>click here</u>. The 45-minute program will air at 10:30 a.m. ET (7:30 a.m. PT) on November 11. The broadcast will feature:
  - Interviews with Alibaba Executive Vice Chairman Joseph Tsai and President Michael Evans
  - Founders and CEOs of iconic global brands such as DVF, Fender and BISSELL talking about what it takes to succeed in the Chinese market
  - American small businesses that participated in 11.11 for the first time this year and the lessons they learned along the way
  - One of China's hottest livestreamers on how and why livestreaming, a powerful marketing and brand-building tool, has taken the e-commerce market by storm in China
  - LIVE results from 11.11 and exclusive behind-the-scenes footage that shows how Alibaba pulls off the world's largest shopping festival

## **MILESTONES OF 11.11 GLOBAL SHOPPING FESTIVAL**

- 2019
- More than 200,000 brands from 78 countries and regions participated in 11.11.
- 1 million new products launched for 11.11.

	<ul> <li>Cainiao Network processed 1.3 billion delivery orders.</li> <li>Top five countries selling to China through our cross-border platforms by GMV: Japan, United States, South Korea, Australia, Germany.</li> <li>299 brands surpassed RMB100 million (US\$14.3 million) and 15 of those brands surpassed RMB1 billion (US\$143.0 million) in GMV; top brands included: Apple, Bose, Estée Lauder, Gap, H&amp;M, L'Oréal, Levi's, MUJI, Nestlé, Nike, Philips, The North Face, Under Armour, Uniqlo.</li> <li>The number of orders set a new world record with 544,000 transactions per second which was 1,360 times of that of the first 11.11 held in 2009.</li> <li>Tmall Collection was streamed live across 18 platforms, allowing consumers to buy the products and fashions featured on the show in real-time and attracting a total of 87.8 million views.</li> <li>While continuing to serve more than 200 countries and regions, AliExpress enabled local merchants from Russia, Spain, Italy and Turkey to participate in 11.11 for the first time.</li> </ul>
2018	<ul> <li>All businesses and 180,000 brands from the Alibaba ecosystem participated in 11.11 this year. Among which, there were 237 brands with sales exceeding RMB 100 million, including leading international brands Apple, Dyson, Kindle, Estée Lauder, L'Oréal, Nestlé, Gap, Nike and Adidas.</li> <li>The total number of logistics orders was 1.042 billion.</li> <li>Over 40% of consumers made purchases from international brands.</li> <li>For the first time, Lazada participated in 11.11 as part of the Alibaba ecosystem, bringing the festival to consumers in Singapore, Malaysia, Thailand, Indonesia, the Philippines and Vietnam.</li> </ul>
2017	<ul> <li>"New Retail" was integrated into the Tmall 11.11 Global Shopping Festival for the first time.</li> <li>One million merchants participated, creating online-to-offline experiences in more than 100,000 smart stores and pop-up stores in over 50 physical shopping malls.</li> <li>The Festival also integrated several services built on Alibaba's AI technologies – such as Luban (AI visual designer), Alimebot (AI shop assistant and customer service agent).</li> <li>Cainiao warehouse robots made that year's 11.11 one of the most significant examples of human-machine collaboration.</li> </ul>
2016	<ul> <li>Tapping into Chinese consumers' interest in livestreaming, Alibaba held its first "See Now, Buy Now" fashion show to showcase global fashion brands and create a platform to engage with the Chinese millennials. More than 60 brands presented more than 1,000 fashionable new market-smashing products to 11.11.</li> <li>GMV in overseas transactions reached RMB 1.1 billion, bringing the "Global Buy, Global Sell" concept to life.</li> <li>Using the power of Alibaba Cloud, up to 175,000 orders per second and 120,000 transactions per second were processed at the peak.</li> </ul>

2015	<ul> <li>Tmall 11.11 was officially designated as the Tmall 11.11 Global Shopping Festival and the first-ever count down Gala was held in Beijing.</li> </ul>
	<ul> <li>Shoppers were able to interact with the entire Gala through their smart phones –</li> </ul>
	effectively combining retail with entertainment for the first time.
2014	• The first 11.11 since Alibaba debuted on the NYSE marked an "All-in Mobile"
	strategy.
	<ul> <li>This year, mobile GMV made up 42.6% of total GMV.</li> </ul>
	<ul> <li>AliExpress participated in 11.11 for the first time.</li> </ul>
2013	This year marked the launch of a new system for Tmall's supply chain, ensuring
	direct access to fresh imported goods for consumers and fundamentally changing
	the inventory management models of suppliers.
2012	<ul> <li>Taobao Mall was officially rebranded as Tmall.</li> </ul>
	<ul> <li>The first Tmall 11.11 featured a "presale" allowing consumers to place orders in</li> </ul>
	the weeks running up to the Festival.
2011	<ul> <li>2,200 stores participated in the Festival.</li> </ul>
	<ul> <li>The total number of transactions processed on Alipay reached 100 million.</li> </ul>
2010	<ul> <li>Taobao Mall launched the new www.tmall.com domain in Beijing.</li> </ul>
	<ul> <li>28 brands surpassed RMB 1 million in their GMVs.</li> </ul>
2009	Taobao Mall held the first-ever 11.11, offering discounts of at least 50% and free
	nationwide shipping with 27 brands participating.

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