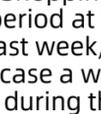


Alibaba Group

2022 11.11 Global Shopping Festival

News Flash

October 31



GLOBAL SHOPPING FESTIVAL 2022

Alibaba's 11.11 Global Shopping Festival 2022 will kick off the first check-out period at 8pm Beijing time on October 31. Over the past week, we worked closely with our merchants to showcase a wide variety of new products to consumers during the presale period. The emergence of many new consumption categories, including pet products, novel gadgets, and sports and outdoor equipment, was exciting to see.

Building brand loyalty is a key focus this year. Through enhanced shopping experiences powered by new technologies and the development of brand-centric and platform-based loyalty membership programs, merchants can transform customer loyalty into sustainable long-term growth. Also, brands are debuting a wide range of new products during 11.11 to meet the latest consumption trends. Lastly, we are making sure to leverage 11.11 as an occasion to contribute a positive impact to our community.



11.11 Global Shopping Festival was started with the aim of delivering happiness to consumers, which remains our primary motivation to this day. We are committed to creating user-centric long-term value and helping merchants harness greater certainty in their business growth on our platform.

- **Trudy Dai, President of Core Domestic E-commerce, Alibaba Group**



11.11 is the most powerful engine for our merchants' customer growth every year. Transforming consumer awareness into customer loyalty is key to generating the best return on investment.

- **Chui Xue, President of Industry Development and Operation Center of Taobao and Tmall, Alibaba Group**

Bain & Co Report: Strong Customer Loyalty is a Source of Reliable Growth for Merchants



In its latest report titled *China's Singles Day 2022: Loyalty's a Better Goal than RMB 1 Trillion Sales*, consultancy firm Bain & Co said that among the e-commerce platforms, **Alibaba stands out for making strong progress in shifting the focus from gross merchandise volume (GMV) to customer loyalty.** "This progress reflects Alibaba's investment in a smooth and consistent customer experience, from presale service to fulfillment to returns and other post-sales services," said the report. The customer-centric approach enables merchants to operate in a positive cycle of customer value creation."

Membership programs empower brands to serve their customers better and build up loyalty. They are the foundation needed to drive reliable growth for brands during 11.11. There are already 42 brands on Tmall with more than 10 million members in their loyalty membership programs, and close to 600 brands have more than one million members in their loyalty membership programs.

A Wide Range of New Products Drive Exponential Growth for Emerging Sectors

In an increasingly segmented consumer market, new products launched during the 11.11 Global Shopping Festival have fueled the exponential growth of multiple emerging sectors.

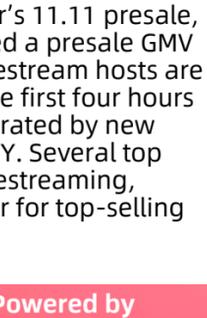
- During the first hour of this year's presale¹ period, more than 3,000 brands **doubled** their GMV² compared to last year.
- The **pet economy** is continuing to take shape, supported by the unique "dual membership" of pets and their owners. Pet-related GMV generated during the first hour of the presale period surpassed the total GMV generated during the entire first day of last year's presale period. The livestreaming channels of 14 pet stores saw GMV exceed RMB one million.
- **Outdoor recreational activities** are gaining popularity in China. On the first day of presale, orders of skateboards and rollerblades recorded a more than 10-fold year-on-year growth. Categories such as winter sports, hiking, and camping continued to proliferate.
- **Collectible toys** showed robust performance. 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%. Outdoor recreational activities for children have also gained popularity, with children's bicycles, skateboards, and backpacks becoming top sellers.
- The **beauty category** enjoyed sales that exceeded expectations across the board, whether international, Chinese domestic, or emerging brands. In the first four hours of the presale, 52 beauty products registered more than RMB100 million in sales, and four brands recorded sales exceeding RMB1 billion.

¹ The presale period of the 11.11 Global Shopping Festival 2022 started at 8pm Beijing time on October 24. In 2021, the presale started at 8pm Beijing time on October 20.

² Refers to estimated GMV; customers will settle their remaining payments from 8pm Beijing time on October 31

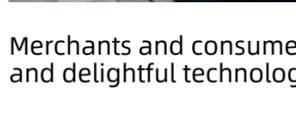
Bringing New Brands to Chinese Consumers with Diversified Offerings

Shop Premium Outlets (SPO), the leading outlets group in America, has joined Tmall Global. For the first time, SPO will set up a pop-up studio in the Woodbury Common Premium Outlet, a long-time favorite destination for Chinese consumers visiting New York, to host a series of livestreaming events. "We're excited to power these livestream shopping events with our innovative tech and offer a new avenue to sell on-sale premium and luxury brands to shoppers in China," said SPO's CEO Neel Grover.



More than 200 luxury brands are participating in this year's 11.11, including LVMH, Richemont, Kering, Chanel and Hermès. They will debut more than 100,000 new products in categories including bags and suitcases, jewelry, beauty, beverages and more. In addition, customers visiting the brands' Tmall Luxury Pavilion flagship stores will be able to enjoy interactive experiences such as 3D, augmented reality (AR) and extended reality (XR) in addition to new premium services like one-on-one video customer services, premium packaging and customized engraving.

All-encompassing Livestreaming Tools to Drive Growth for Merchants



11.11 will continue to deploy a diverse range of new technologies such as **XR** on Taobao Live to create immersive content-driven experiences for shoppers to help drive growth for merchants.

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.

Interactive Consumer Engagement Powered by Innovative Technology



Merchants and consumers can benefit from diverse and delightful technology-powered experiences.

Brands participating in 11.11 have been exploring **virtual idols** as a new way to engage young customers. Hyper-realistic digital influencers AYAYI and Noah have partnered with more than 30 luxury brands, including Louis Vuitton, Burberry and Prada, in the brands' marketing campaigns. In October, AYAYI curated and hosted a metaverse-themed digital art exhibition in Shanghai, allowing the audience to experience this novel and mesmerizing digital art medium.

During 11.11, Cainiao Post stations boosted the use of its Xiaomanlv fleet by doubling the number of **automated guided vehicles (AGVs)** to more than 700 compared to last year, covering over 400 university campuses, making it one of the world's largest commercial AGV fleet.

The **XR Laboratory** of the Alibaba DAMO Academy has worked with AliFish, the IP trading and innovation platform under Alibaba Pictures, to create a virtual shopping avenue, offering customers an immersive experience in which they enter a 3D online space to check out the 3D displays of their favorite brands. Brands such as Sanrio, Universal Studio and Kakao Friends are set to open next-generation flagship stores in the 3D digital space.

Bringing Warmth to the Elderly

This year's 11.11, Alibaba is bringing warmth to the silver generation by upgrading features to help senior consumers navigate the Alibaba Ecosystem. More than **10 Alibaba apps** have completed a makeover to add **age-friendly features** to help elderly users read, use and shop more easily.

- The Taobao app has **upgraded its "senior mode"** features ahead of 11.11 by creating a dedicated customer service team for the elderly and adding grocery and pharmacy functions. The newly added pharmacy 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 keep them safe at home.
- As instructions for imported supplements are often in a foreign language, Tmall Global expanded partnerships to **19 healthcare brands to provide digital and paper-based Chinese instructions** to make it easier for the elderly to follow. Cainiao's digital label matches the products and added instructions with complete accuracy.

