



Record-breaking Singles Day 2017 highlights new ecommerce tactics from China

Prepared by:
Rob Davinson

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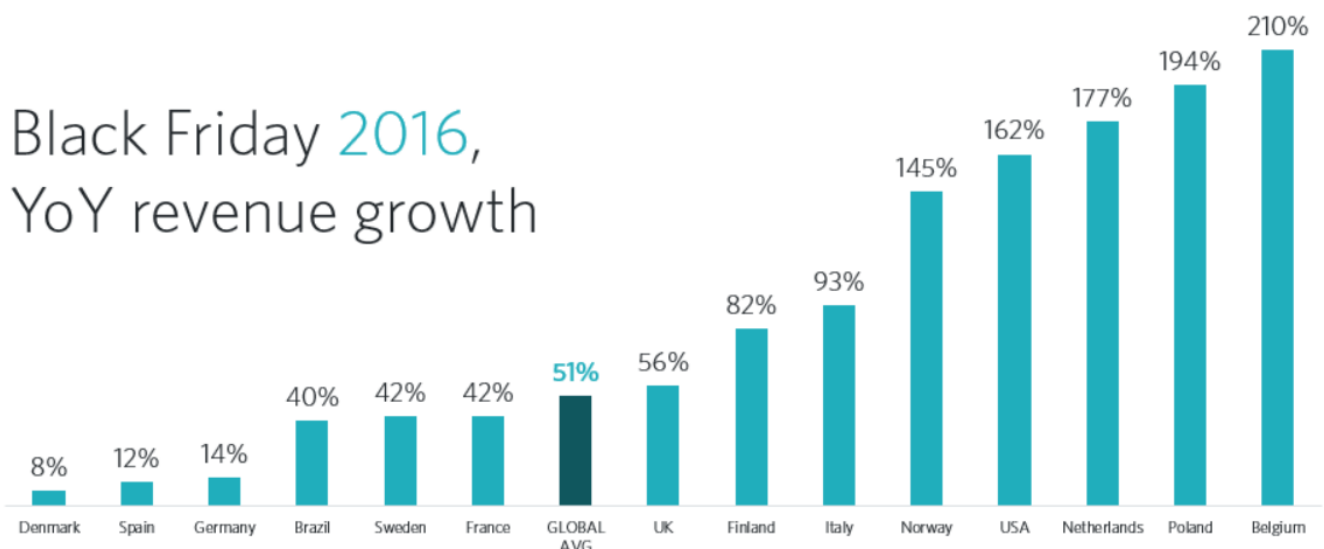
Singles Day 2017

Singles Day is the largest online event in the global retailing calendar. But it remains a slightly mysterious phenomenon outside of China. With performance from this year's event now being digested what can the West learn from this shopping juggernaut?

Black Friday

Black Friday represents a unique opportunity to throw a spotlight on the value of affiliate marketing on a global scale.

Awin saw huge growth on the day last year across all of its regional territories, emphasising just how eagerly the event has been adopted around the world by markets outside of the US (where it originated), as well as also demonstrating how effective affiliates were in delivering advertisers' messaging to those consumers:



However, despite Black Friday's clear success in being adopted by these other regions, there is another major retail event that towers far above it in terms of virtually every other meaningful metric: Singles Day.

The Chinese shopping phenomenon has taken off in recent years to such an extent that some of the numbers that we saw in the aftermath of this year's edition seemed scarcely believable.

Alibaba, the Chinese ecommerce giant, recorded sales amounting to a record \$25bn from its customer base. More than 777m parcels were shipped by retailers to customers who bought something on the day. Almost 1.5bn payments were processed through Alipay, the payment processing arm of Alibaba.

It's a far cry from the humble origins of the event as an anti-Valentine's Day celebration devised by male Chinese students at Nanping University to celebrate their singleton status. Originally referred to as Bachelors' Day due to the gender imbalance brought about by the state's one-child policy, the event gave young, single men an opportunity to treat themselves to a gift.

Since Alibaba picked up the event in 2009 its reach and range has broadened to include shoppers of all genders and relationship status and is now far and away the world's biggest shopping event.

Despite that, it is still very much a domestic-dominated phenomenon as far as the makeup of shoppers is concerned, and it is yet to be adopted by shoppers worldwide in the same manner as Black Friday.

Its monumental growth over the last few years is tied indelibly to the growing power of the Chinese consumer. As Joe Tsai, chairman of Alibaba [claimed recently](#), "What's behind all this [growth] is the power of the Chinese consumer, there's a middle class of over 300m and every year their disposable income increases."

Given most activity occurs within China's borders there have been some uniquely fascinating marketing developments which are distinctly different to those we've seen deployed traditionally in other parts of the world, and which perhaps intimate possible tactics that could be adopted by advertisers and publishers elsewhere soon.

Online to offline gap bridged through retail pop-ups & 'smart stores'

Bridging the gap between online and offline has proven a difficult hurdle to overcome for most retailers so far but this year saw Alibaba tackle the issue in an [innovative new way](#) through a series of pop-ups dotted around China's biggest cities.

With an estimated 82% of all retail sales in China still occurring offline there is a huge incentive for the company to successfully tie these two experiences together. Alibaba opened 60 of these stores for Singles Day 2017 where a 'magic mirror' screen allowed shoppers to try items of clothing on virtually and then purchase them via the shoppers' smartphones there and then.

In addition to these temporary pop-ups Alibaba has invested in 100,000 'smart stores' across the country where a digital screen called a 'cloud shelf' can scan tags on in-store products to bring up additional information such as stock availability and reviews of that product from Tmall, Alibaba's B2C shopping site where customers can also then immediately purchase the product from.

Shopping basket limits ensure smooth processing and fuels innovation

There have been several high-profile [website casualties](#) over the years on Black Friday as the event has expanded in popularity and retailer servers have struggled to cope with the deluge of activity that they see during a period of bottle-necked demand.

With Singles Day dwarfing Black Friday in terms of customers, some Chinese ecommerce platforms have anticipated and pre-empted this problem by [limiting shoppers on the day](#) to a set number of items that they can put into their basket at any one time.

The tactic is designed to speed up transactions and simplify the processing of online sales and has generally been successful with Alibaba even managing to process over 300,000 orders in the first hour of Singles Day 2017 alone.

Some savvy opportunists have used this limitation as a chance to sell virtual shopping basket space to those wanting to exceed their personal limit, allowing shoppers to buy additional space for their shopping spree.

Ecommerce loans fund shopping sprees, advance deposits swell buying power

One of the more interesting and potentially controversial tactics that businesses in China have used to incite greater spending from consumers there has been in the form of [easy credit extensions and loans](#) being made available to shoppers as the big day approached.

Although consumer borrowing in China tends to be at a relatively low rate compared to other nations, there has been a sharp rise in the trend recently with Alipay launching a special Singles Day credit limit extension to allow customers to buy more during the event.

For those consumers with no need for credit extensions they can make their money go further by depositing their funds with an online store in advance of the sale. These '[swelling deposits](#)' can then be exchanged for a voucher on the day which by that time has accrued more value with some even growing by as much as ten times the value of the original deposit.

'Retailtainment' rules on day of spectacle and games

'Retailtainment', the combination of shopping and entertainment experiences as a means of attracting consumer attention, is by no means a new concept, or one that is exclusive to China, but Alibaba's Singles Day event is the current apotheosis of this modern phenomenon and has elevated it to new, spectacular levels.

Pictures from the opulent four-hour countdown festival featured Alibaba founder Jack Ma alongside a mix of Asian and Western superstars and celebrities such as Pharrell Williams, Nicole Kidman and Maria Sharapova and dominated media coverage of the event.

Produced by the Emmy Award-winning producer of the Oscars, the televised event was fully interactive with viewers invited to engage through a series of online games where they could direct the action on stage or win digital cash prizes.

This television spectacular was the most prominent of a series of initiatives launched as part of this year's Singles Day that attempted to 'gamify' the shopping experience and, in an era where retailers' ability and appetite for consistently making huge discounts on their stock are waning, the prospect of instead inciting consumer interest through '[retailtainment](#)' tactics has an obvious appeal.

Whilst the mix of brands joining the Singles Day bandwagon took on a decidedly more international hue this year, with the likes of Nike, Adidas, Uniqlo and Nestle all participating in 2017, the consumer base remains primarily Chinese.

However, to sustain the incredible growth rates it has so far demonstrated, the next steps of the event's evolution will inevitably involve it breaking out of China and engaging more customers from around the world.

Alibaba CEO Daniel Zhang recently stated, "We want to make Singles' Day a more global event [and] we could take the gala overseas very soon." With Jack Ma having set a target of deriving 50% of the company's revenue outside China from its current share of around 10%, 2018's edition could see the first concerted attempt at this.

We'll be looking at some of the patterns and trends we've identified from Singles Day 2017 based on the performance Awin tracked across its own global network in Part 2 of this Singles Day series.