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Exclusive: Alibaba CMO on see-now, buy-now, Singles Day, luxury, China and New Retail

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Tmall Collection 2017 Global Fashion Show, Oct. 20. Image courtesy of Alibaba

By MICKEY ALAM KHAN

In anticipation of the Oct. 31 broadcast of the second "See Now, Buy Now" Global Fashion Show on **Tmall**, Alibaba chief marketing officer Chris Tung talks about the event's focus on retail as entertainment ahead of the 11.11 Singles Day, now known as the Global Shopping Festival that last year pulled in \$17.8 billion in gross merchandise volume.

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The show which will be aired at 9 a.m. Eastern Time was originally taped Oct. 20 featuring fashion from LVMH's Guerlain and Rimowa, Este Lauder's MAC and SMCP's Sandro, Maje and Claudie Pierlot, as well as Furla, TAG Heuer, Polo Ralph Lauren and a host of mainstream apparel labels. In this exclusive Q&A, Mr. Tung also discussed the evolving nature of Chinese consumption across all channels, the growth of luxury sales and the future of retail.

"The real reason to pay attention to 11.11 for those outside of China is that it gives you a glimpse into the future of retail," Mr. Tung said.

"We will be unveiling new innovations that change the retail game not just in the online world, but also how we are helping physical retailers enhance their operations and the experience for consumers through digital technology," he said.

The Oct. 31 "See Now, Buy Now" show will be aired on seven media platforms, including terrestrial television station Beijing TV, smart TV platform CIBN, online video platform Youku, social media platform Weibo, news aggregator Toutiao (Today's Headline), and the Taobao and Tmall shopping applications. Viewers will be able to buy on the spot.

Here is the entire interview with Mr. Tung:

What was the genesis of the "See Now, Buy Now" Global Fashion Show?

Many of the world's fashion capitals host seasonal runway shows during which brands showcase the collections they'll be releasing up to six months in the future.

Retailers and media attend and consumers can see the fashion being unveiled, but they don't have an opportunity to participate in real time, nor can they buy what they see with any immediacy.

We knew there was rapidly growing interest from Chinese consumers in video livestreaming.

So, **Alibaba** created the first "See Now, Buy Now" online fashion show in 2016 to showcase global fashion brands and create an occasion for brands to engage with consumers.

Where is the show being hosted and how will it be broadcast and streamed?

The show was taped live in Shanghai and will be broadcast across seven media platforms on Oct. 31.

We've got Beijing TV as a terrestrial channel, the CIBN smart TV platform, online video site Youku, the Weibo social-media platform, news aggregator Toutiao and the Taobao and Tmall shopping apps.

We expect a total audience of 100 million.

Why choose Oct. 31 for the show and broadcast?

This is a great way to kick off the 11.11 holiday shopping season, which really is a season, not just a one-day sale.

Consumers look forward to this time of year and expect to be surprised and delighted by the latest innovations that make shopping more entertaining and seamless. This is one of the new ways we help brands engage consumers in the lead up to 11.11.

How did you select the brands for the show?

We wanted to partner with brands that would have unique presentations and offer special and exclusive or limited-edition products and promotions during the event.

Besides some of the most desirable brands from around the world, this year's show also features up-and-coming Chinese brands and designers.

We wanted to strike a balance because we know young Chinese consumers want to engage with both local and international brands.



Guerlain fragrance at the Tmall Collection 2017 Global Fashion Show, Oct. 20. Image courtesy of Alibaba

You have mainstream brands as well as luxury marketers LVMH, Rimowa, Guerlain and Furla. How did you get them to take part?

As part of the Alibaba ecosystem, we have our Luxury Pavilion (LP), an invitation-only, exclusive luxury platform only that is accessible to a selection of customers and brands.

LP meets the luxury industry demand to maintain exclusivity in an online environment, providing customers a one-of-a-kind and highly personalized experience. This reinforces Alibaba's position as a partner of choice for global luxury brands that want to engage China's fast-growing luxury consumer.

Ultimately, LP and our data-driven approach work well for luxury brands whose future is with younger, digitally native consumers.

How will consumers be able to buy items they see in the show?

The show will be broadcast across seven online and offline media outlets in China this year, including Alibaba's own video platform Youku, terrestrial TV station Beijing TV, smart TV platform CIBN, social media platform Weibo, news aggregator Toutiao and the Taobao and Tmall shopping apps.

Each format offers a different way to make real-time purchases, whether through the apps, links to product pages for

Weibo users or, in the case of TV, an interactive webpage that will bring up product information when viewers shake their mobile phones.

Alibaba's Singles Day is the single-biggest ecommerce sales day worldwide and also the number-one manufactured retail event. Why has it resonated with consumers and grown every year?

The first Single's Day sale took place on Nov. 11, 2009. We started with only 27 merchants to raise awareness about online shopping in China.

On 11.11 in 2009, we generated \$8.6 million in sales. Over the past eight years, the event has grown into the world's largest online shopping day and a 20-plus-day festival.

In 2016, with \$17.8 billion in gross merchandise volume, that was more than 18 times the size of Amazon Prime Day and six times the size of Black Friday.

11.11 is actually more of a season than a single-day event.

What you see over the years is our commitment to making this festival more and more engaging and inclusive.

Sure, consumers get great deals on products and brands from around the world on 11.11. But it's also a fun festive season they look forward to celebrating with family and friends.

We've used 11.11 to introduce retail innovation VR, AR, games, a live countdown gala that ends when the sale starts, and technology to help merchants digitize their offline stores. Consumers know they will be delighted and surprised by 11.11, which is why it continues to resonate.

What is the significance of Nov. 11? Why that day?

Singles Day was founded by Chinese university students to celebrate single people as an anti-Valentine's Day.

The date, 11.11, is symbolic because the four "1"s resemble "single sticks."

We took this holiday and used it as an opportunity for young, single people to celebrate their independence by treating themselves to special purchases.

The holiday has evolved and is no longer known as Singles Day, but rather as the 11.11 Global Shopping Festival as it's celebrated by all Chinese consumers.



Chris Tung is chief marketing officer of Alibaba. Image courtesy of Alibaba

How can luxury brands benefit from participating in Singles Day?

We are a third-party platform, rather than a wholesale buyer and retail distributor, which is the model used by other companies. That means we can provide deep consumer insights and targeting capabilities, enabling brands to reach today's customers with unparalleled precision and create insights to identify tomorrow's customers in China's dynamic luxury market.

With LP and the Alibaba platform approach, brands have full control of their marketing/sales strategy, making it truly comprehensive and adaptable.

For 11.11, specifically, luxury brands have an unparalleled opportunity to connect with young and affluent Chinese consumers in a way that's deeper and more engaging than just being transactional. We're talking about the entertainment factor as the great differentiator.

Alibaba is also dedicated to New Retail, eliminating the distinctions between online commerce and physical retail.

With our technology and data-driven consumer insights, luxury brands can engage their customers through every touch point of their experience, both online and in physical stores.

Luxury brands not only understand and more deeply engage today's customer through our platforms, but they can also identify with a high degree of accuracy who their future clients will be.

Not only are typical Chinese luxury shoppers younger than E.U. and U.S. counterparts, but they are also more educated, have a cosmopolitan approach and are extremely opinionated in their demand for quality and genuine products.

The 11.11 Global Shopping Festival is reaching this type of consumer, and LP is at the forefront of customer knowledge and engagement.

What are Alibaba's goals for the luxury market at home in China and overseas, especially Europe and North

America?

We're often asked whether Alibaba wants to compete for the U.S. or European consumer. The answer is no.

Alibaba offers a third-party platform for luxury brands to sell to China's consumers.

Our work in the U.S. and Europe is focused on helping brands and retailers sell to the more than 500 million consumers in China shopping on our marketplaces.

In China, there's a fascination with foreign brands, particularly in the luxury space and partially because there haven't been as many domestic brands that have been developed.

We want to be the gateway to China and bring U.S. and European luxury brands to the Chinese consumer who seeks them.



LVMH's Rimova luggage showcased at the Tmall Collection 2017 Global Fashion Show Oct. 20. Image courtesy of Alibaba

What are the expectations for this year's global fashion show and for Singles Day?

More than 140,000 brands will participate in 11.11 this year, offering promotions for more than 15 million product listings.

More than 60,000 international brands will be available to the more than half-a-billion Chinese consumers visiting Alibaba's platforms.

Everyone is always very interested in our total sales over the 24-hour period, which was \$17.8 billion last year.

We have lined up 3 million delivery personnel to handle all the packages that will be generated during 11.11 this year.

It's by far the biggest one-day sale in the world, more than 2.5 times the size of Black Friday and Cyber Monday combined.

But the real reason to pay attention to 11.11 for those outside of China is that it gives you a glimpse into the future of retail.

We will be unveiling new innovations that change the retail game not just in the online world, but also how we are helping physical retailers enhance their operations and the experience for consumers through digital technology.

The fashion show is just one example of that and I expect it to be a big success and very entertaining for shoppers.

The brands that participated took advantage of the opportunity to interact with consumers and make a lasting impression through not just fashion, but also through performance.

For example, Adidas used 3D mapping technology to project images onto the models as they cruised down the runway and China's Hollywood star Fan Bingbing made an appearance with a limited-edition hand-painted Rimowa by her side.

I think fans will enjoy the show and engaging with the brands that participated.