

RETAIL

How can luxury brands capture the Singles' Day opportunity?

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Michael Kors' Singles' Day campaign from 2017. Image credit: Michael Kors

By SARAH JONES

Now in its 10th year, Singles' Day has established itself as the largest global shopping holiday of the year, with sales eclipsing Black Friday.

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Celebrated every year on Nov. 11, retail giant Alibaba turned Singles' Day from a holiday for unmarried individuals into a discount-driven ecommerce extravaganza in 2009. In more recent years, Singles' Day has evolved into a more global, omnichannel affair, opening up opportunities for luxury brands to cater to consumers beyond China.

"Conceived 10 years ago by Alibaba's CEO Daniel Zhang, 11.11 went from an \$8 million sale with 27 merchants trying to sell winter coats at the beginning of the colder months in 2009 to a \$25 billion day for 60,000 brands last year," said Brion Tingler, an [Alibaba](#) spokesperson.

"Today, Alibaba's 11.11 Global Shopping Festival is the world's largest 24-hour shopping event," he said. "It has become a showcase for New Retail, the broader the Alibaba ecosystem and the biggest opportunity for brand building and consumer engagement the world has ever seen."

Staying single

Marking the 10th anniversary of Singles' Day, Alibaba is focusing on its "New Retail" strategy that blends online and offline. As part of this approach, 200,000 smart stores enhanced with technology will help to drive traffic to both ecommerce sites and physical stores.

Celebrities and entertainment are also a central part of Alibaba's efforts for Singles' Day. On Oct. 20, the retail group hosted a see-now, buy-now fashion show, during which consumers could tune in to a live-stream and buy the fashion they saw immediately.

The first shopping festival in 2009 saw total sales of \$7.8 million. A decade in, 2017's Singles' Day amassed \$25.3 billion.

Reflecting the growing global presence for Singles' Day, Alibaba-owned marketplace Lazada will be taking 11.11 festivities to Singapore, Malaysia, Thailand, Indonesia, the Philippines and Vietnam.

Beyond Alibaba, other ecommerce companies in China, including VIP.com, have leaned in to Singles' Day. Last year, JD.com's sales on the day totaled \$19.1 billion, and the company saw about \$866 million in sales within the first hour of its festivities this year, which kicked off Nov. 1.

As Alibaba and JD.com prep for the influx of orders, they are leaning on automation to help them with fulfillment. Alibaba-owned Cainiao recently opened the largest automated warehouse in China, whose robots allow 50 percent more orders to be delivered in a given time compared to traditional fulfillment centers.

Inside Alibaba's automated warehouse

Aside from robots, Cainiao is monitoring warehouse activities via cameras, allowing it to detect logistical kinks and alert workers so that changes can be made in real-time.

Catering to Chinese consumers abroad, Tmall World and AliExpress have planned for cross-border delivery by chartering flights and organizing shipping containers.

Since 2013, Dealmoon has been working to bring Singles' Day outside of China. The deal site notes that 70 percent of the 17.6 million Chinese-American millennial luxury buyers will make a purchase on the shopping holiday.

Dealmoon has seen triple-digit growth in its Singles' Day sales. Many of the brands that partner with Dealmoon for the event experience server malfunctions and sold-out inventory due to high demand.



Launched in 2009, Dealmoon is in English and Mandarin. Image credit: Dealmoon

One of the top products from last year's Singles' Day was Crme de la Mer.

More than 1,000 brands will be sold during Singles' Day this year. While the site started promoting offers Nov. 4, it is keeping the brand deals secret until Nov. 11.

"Chinese-American millennials love brands like Chanel, Dior, YSL, La Mer, Este Lauder, Herms, Gucci and Burberry," said Jennifer Wang, cofounder and CMO of Dealmoon, in a statement. "Product sold on our platform on Singles' Day is growing by triple digits yearly.

"These brands, and others, are looking to create their highest sales of the year by being listed on Dealmoon and exposing their products to this brand-conscious shopper," she said.

Chinese commerce

As luxury brands look to attract high-spending Chinese millennials, a streamlined, mobile-first shopping experience and product recommendations should be two top priorities.

Dealmoon has integrated cultural preferences, such as user reviews, luxe packaging and smaller size availability, into its ecommerce platform to draw in Chinese affluents. In a presentation titled "Selling Out Before Your Official Product Launch How Digital Drives the Passion and Buying Frenzy of Online Luxury Consumers" at Luxury Interactive on Oct. 15, a Dealmoon executive explained the specific shopping needs of the ultra-influential Chinese consumer, a segment that is currently driving much of luxury's growth ([see story](#)).

China's spectacular growth in luxury consumption recently is primarily driven by Chinese women buying ready-to-wear fashion, jewelry and cosmetics, according to Bain & Company.

Per Bain's "2017 China Luxury Market Study," China's luxury consumption is outstanding and outpaces much of the world. In addition to the value of Chinese consumers traveling outside of Asia, Bain's report also notes that Chinese

domestic spending has outpaced overseas purchases in the last year ([see story](#)).

"Chinese consumers are the highest spending and fastest growing cohort for luxury consumption worldwide," Alibaba's Mr. Tingler said. "Today, Alibaba's more than 600 million consumers, strong partnerships with global luxury maisons and dedicated-to-luxury Tmall Luxury Pavilion make it the premier gateway to reach the China's highest spending shoppers.

"Brands seeking to engage the coveted Chinese luxury consumer have great opportunities during 11.11," he said. "Our New Retail activations such such as those in high-end shopping districts across China empower both digital and physical experiences for consumers.

"Brands like Burberry, Stella McCartney and La Perla also participated in the Tmall collection see-now, buy-now fashion show, where they had the chance to put their best foot forward with China's digitally savvy consumers."

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