



Lessons from 618 in China

Connecting platforms and partners to culture

Updated: June 30th 2023

Better decisions, faster.



Brands and platforms aggressively compete for share in 618

A soft 618

In China, June 18th signifies the culmination of the [second-largest online shopping event](#) in China: 618. Started in 2010 as a response to Alibaba's Double 11 / Singles Day by eCommerce rival JD.com, it provides [insights for global brands](#) looking for growth through eCommerce.

Consumers in recent years have coalesced around [several key shopping periods](#). It is enabling growth from single-platform single-day promotions to multi-platform festivals that span up to several weeks.

618 totaled [798bn Yuan](#) (USD 110bn) in gross merchant value in 2023 across all eCommerce platforms versus an estimated [1trn Yuan](#) (USD 138bn) for Double 11 in late 2022.

Sales have been [soft this year](#), falling below expectations with yr. on yr. growth of 5.8%. 618's scale means [lower demand has reduced the prices of some goods worldwide](#). However, international brands are seeing strong growth, [doubling vs. 2022](#).

Slower sector growth means platforms increasingly compete for share. Discounts and subsidies played a huge role this year. [JD.com and Alibaba spent RMB 10 billion](#) (\$1.48 billion) to win back market share from discount marketplaces such as Pinduoduo, which processed [1.1bn 618 orders](#), four times the volume of 2022.



Livestream commerce continues to accelerate. The number of influencers creating daily content tripled over 2022, and overall [viewing time on Taobao doubled](#) year-on-year. [Lionel Messi's appearance on Taobao](#) drew 2.5m viewers. Vertical integration progressed as short-form video platform Douyin launched a self-operated [beauty store in their app](#).

Innovation Lessons

The enormous scale of online shopping events in China makes them high-stakes, as brands have short windows to hit targets. This drives innovation across the value chain as brands and platforms compete for share and salience.

A [new product traceability solution](#) piloted by Alibaba's AntChain in supply chain management enables consumers and retailers to check Nike shoes' product origin and status with an NFC chip with blockchain authentication.

This [reduces fraud, supports consumer confidence](#) but also enables value to be created in second-hand and reseller markets. There remain many [practical use cases for Web3](#) technologies beyond the recent crypto-hype.

Maturing logistics networks now mean that [95 percent of districts](#) in China are eligible for next-day delivery—JD logistics pre-emptively ships products to 300 cities to enable [delivery in minutes](#).

Marketing innovation is driven by these back-end advances as brands compete to crystallize a competitive advantage.

AI technologies are being [utilized at scale](#) across search, content marketing, packaging, and virtual experiences. Alibaba's language model is called '[Tongyi Qianwen](#)' - (truth from a thousand questions), reflecting the potential of AI to deliver optimal answers and experiences to highly specific, diverse, and complex consumer needs.



Shopping festivals such as 618 sell not just goods. Service sectors such as tourism are finding success.

'[Scripted Homicide](#)' combines tourist [excursion and murder mystery](#) building on a recent GenZ cultural phenomenon called [Jubensha](#). It connects linear TV, eCommerce, and live experiences.

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Looking forward to Prime Day

Amazon's Prime Day event in 2023 will take place [July 11-12th](#). It is Amazon's largest worldwide shopping event, but not the only one. In 2022 the eCommerce giant introduced a second event in October to kick-start the Q4 sales season.

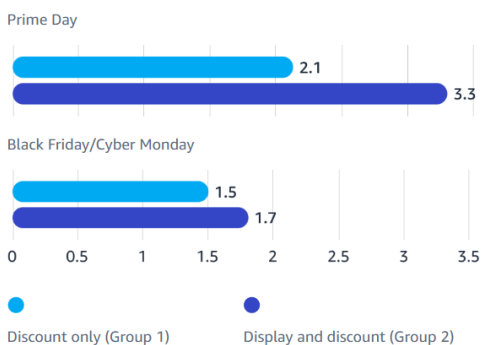
It is smaller in scale than its Chinese equivalents. Prime Day 2022 achieved sales of around [USD 12bn](#). Albeit over less time and on one platform. Will we see more platforms join in the future?

Amazon Prime Day provides a different vector of growth beyond demand-led day-to-day activity. Providing one of the most significant opportunities of the year to grow market share and find new customers. Amazon claims that [82% of shoppers will likely learn about new brands](#) during the event.

Advertising in this period also has specific effects as consumers look for deals.

- 75% of shoppers are likely or highly likely to purchase a product during Prime Day that they [discovered during the lead-up](#) to Prime Day.
- There is an average [216% increase in awareness](#) for brands that advertise during any phase of Prime Day season.
- Advertisers combining sponsored ads, display ads, and Streaming TV Ads experienced a [19.4% sales uplift](#).

New-to-brand (NTB) customers by promotion type



- Brands that offered discounts and used display advertising [had 57% more new-to-brand customers](#) than brands that only offered discounts— a more significant differential than seen around Black Friday.

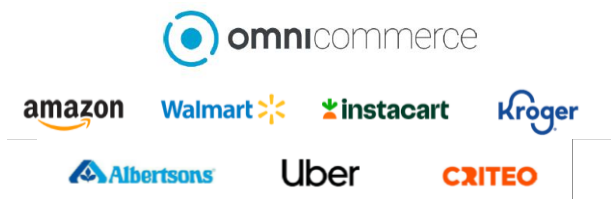
For more information, OMG has created a '[Prime Day Primer](#)' detailing business cases and best practices to maximize Amazon platform opportunities.

Omni Commerce

E-commerce shopping events are a significant driver of growth worldwide. Data from China illustrates that there is plenty of headroom in global markets. A 618 scale event ([as % GDP](#)) in OECD markets would drive USD >270bn in gross merchant value.

It is, therefore, critical to connect media and marketing to commerce and sales through process, platform, and partnership innovation to maximize growth opportunities.

OMG recently announced [numerous innovations](#) to drive capability in commerce and AI.



[Omni Commerce](#) brings a wide variety of commerce tools onto the Omni platform. Alongside several new data partnerships with;

- [Uber](#), to meld rider data with Omni's insights.
- [Snowflake/Albertsons/NBCU](#), to enable cross-channel planning and attribution.
- [Infosum/Criteo](#), enabling commerce segments to be activated across >1500 publishers.

The biggest lesson from China's online shopping events is that there is enormous potential for brands, media, technology, and culture to drive growth when they are effectively aligned.

New commerce capabilities in Omni, now aligned with best-in-class investment planning, audience insight, media strategy, creativity, measurement, and operational execution, will be a powerful lever to drive growth in an ever more competitive commerce environment.



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