



Double 11/Singles' Day 2023

Lessons from the world's largest e-commerce shopping event

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Better decisions, faster.



China's Singles' Day/Double 11 shopping festival

Value-conscious consumers

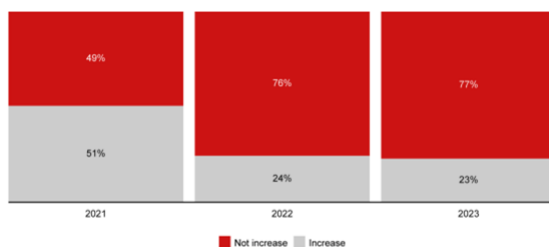
Initial estimates from Syntun state that 11.11 sales grew by 2.08 % vs. 2022, delivering a gross merchant value (GMV) of 1.14 trillion yuan (USD 156bn). 11.11 remains the world's largest online shopping event by some margin, and China takes the next spot as the 618-event delivered around USD 110bn in GMV this June.

In contrast, in June, Amazon's Prime Day event delivered almost USD 13bn in sales, while in 2022 Black Friday/Cyber Week, total online sales in the US were USD 35.3bn.

Despite China's full reopening from Covid restrictions earlier this year, macroeconomic headwinds have made consumers more value-conscious.

Rational consumption focusing on price-to-performance ratios is becoming the dominant trend. Instead of 'revenge consumption' post-pandemic, we see 'reverse consumption.'

Spending intentions of Singles Day participants



Note: Singles Day participants for each year defined as those who took part in the previous year and plan to do so again that year
Sources: Bain/Yokuna consumer survey, 2021 (n=2,977); Bain consumer survey, 2022 (n=3,000); Bain consumer survey, 2023 (n=3,000)

According to a survey from Bain, 77% planned to either decrease or maintain their spending during this year's shopping event. This cautious attitude was also observed before last year's Singles' Day, which can be attributed to wear out as the event has been large scale for many years and replicated across the calendar.

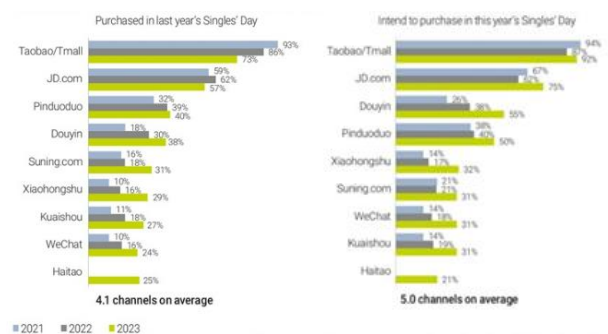
Many major commerce platforms stopped reporting total sales in 2022, possibly a sign of slowing growth.

- Alibaba revealed that 402 brands surpassed RMB 100 million in GMV during Double 11, with 243 being domestic brands
- Live streaming continues to play a significant role in e-commerce sales as JD.com reported that their livestream viewership topped 380 million people

Price wars and discounting strategies

Many companies are turning to aggressive pricing strategies to stay competitive in the saturated C-commerce industry, leading their communications further up the funnel through commitments to significant discounts.

- JD.com led with a "10-billion-yuan Discount" campaign
- Alibaba guaranteed the lowest prices of the year on 80m products
- The lifestyle platform Xiaohongshu is seeking commerce share with subsidies and traffic support, growing >1000% in the past 18 months
- Popular live streamers such as Li Jiaqi have also been seen demanding the lowest-price guarantees from merchants



The commerce giants are fighting back against the growth in sales coming from new competitors, such as ByteDance-owned Douyin and Pinduoduo. Growth from these new platforms has been driven by a focus on year-round low prices and livestreaming to drive purchases.

In response, major platforms shifted towards "immediate discounts" and "direct price cuts." Tmall and Tao Bao are hosting "Everyday Low Price" sub-events to lure in merchants.

Alibaba, JD.com, and Pinduoduo partner with video platform Bilibili to better connect commerce to influential content creators. Bilibili will provide traffic subsidies to sellers and encourage more content creators to participate in e-commerce livestreaming events.

Singles' Day is also becoming a key driver of growth for Chinese commerce brands in the US and Europe. JD.com's European commerce brand, Ochama, saw order volumes increase 362% yoy.

AI Innovation

One area where e-commerce companies continue to innovate is using AI technologies, which are widely utilized across commerce applications. Generative AI is being used for content creation, such as a [branded float parade](#) on Tmall.

Chinese platforms are amongst the few worldwide able to create bespoke large language models. Alibaba has [stated that AI](#) focuses on making future use cases and dealing with immediate consumer needs. This year's trend of rational consumption means a deep focus on discounts and custom value propositions.

Alibaba Group-owned [Taobao Wenwen](#) is a commerce-focused chatbot built on the holding company's Large Language Model [Tongyi Qianwen](#). Based on their needs, personalized product suggestions are generated in written and video formats. Any available discounts are automatically added, guaranteeing the best price possible.

The platform has also created 10 AI tools for merchants to support workflows such as copy and image creation or customer service. They have been used [1.5bn times by merchants this season](#).

These tools allow for personalized product recommendations and enhanced customer service, creating a more seamless and enjoyable shopping experience for consumers and greater returns for merchants.

It is also designed to serve a broader strategic purpose: to [integrate the whole consumer journey](#). It acts as a personalized search engine and source of recommendations or reviews, cutting out competitors like Baidu or Douyin to claim more of the commerce value chain.

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¥0.01 1人付款

【度晓晓甄选】人生重启
¥0.01 0人付款

New sectors are also being explored. The [XiaoXiao General Store](#) on Taobao sells AI products from 0.01yuan [virtual emotions to digital humans](#) for over 300,000 yuan (USD41,000).

Delivering profitable growth

OMD China worked closely with Tmall to offer our clients, including Burberry, Timberland, Lindt, and Frontline. Enabling access to dedicated pages showcasing all their brands and products in one place, giving them greater visibility and exposure to potential customers.



Through this partnership, we provide enhanced promotional opportunities and special gifts to maximize our client's success on the platform.

While shopping festivals like 11.11 drive short-term sales, brand profitability can decline. Aiming for "profitable growth" will be essential. Despite economic headwinds and regulatory hurdles, there remains tremendous opportunity for growth and innovation within the industry.

As we advance, e-commerce players should focus on developing more sustainable business models, prioritizing customer satisfaction and retention rather than relying on discounts and subsidies. [Leveraging advanced technologies](#) such as AI-powered content creation and shopping assistants can help companies differentiate themselves from competitors and create unique customer experiences.

Ultimately, by adapting to the changing landscape and staying attuned to evolving consumer preferences, e-commerce companies can position themselves for continued success in China's dynamic and fast-paced global digital marketplace.



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