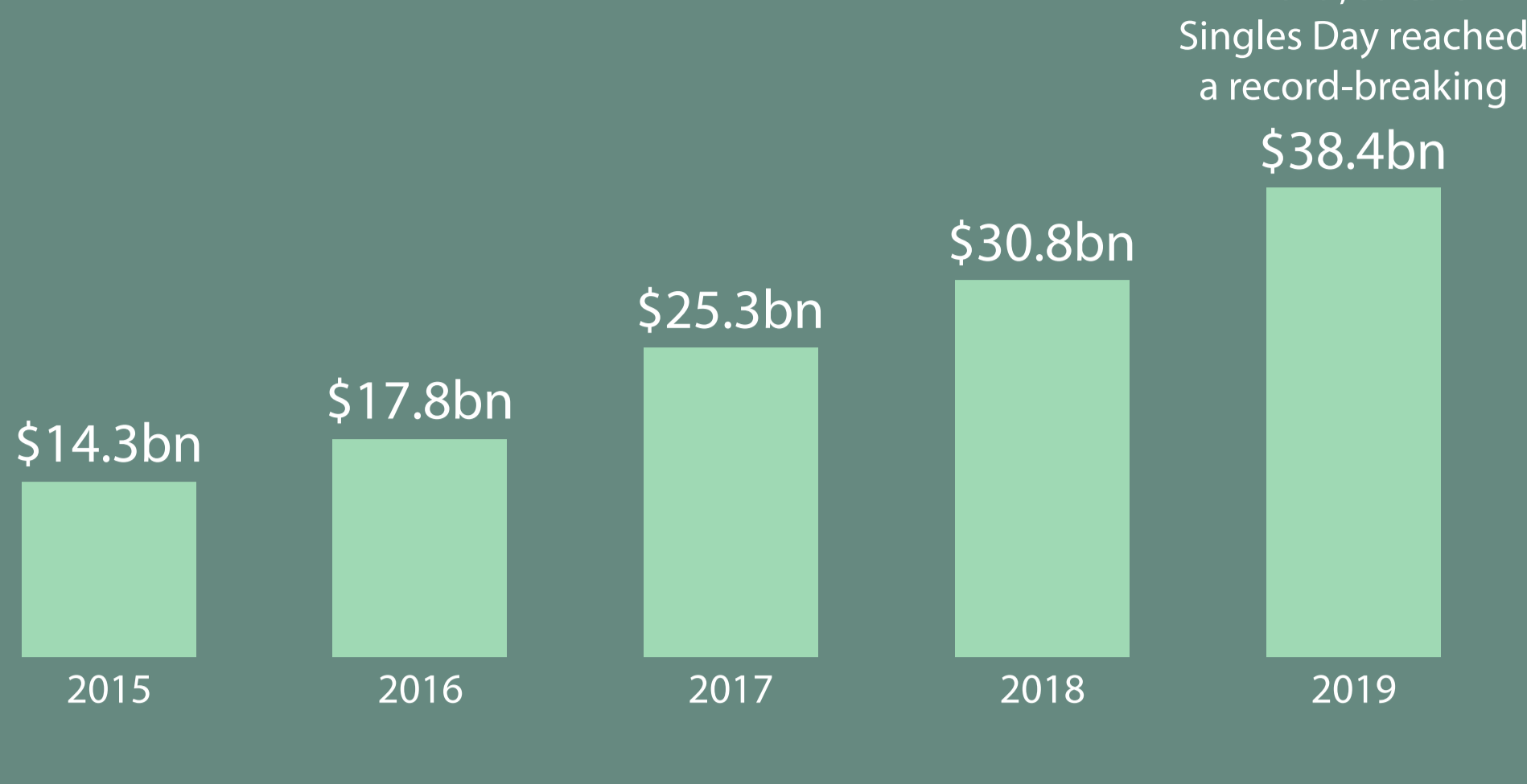




Singles Day: China's biggest e-commerce phenomenon

Singles Day originated in 1993 in China in response to Valentine's Day and as a celebration of being single. It is also known as the 'Double 11' shopping festival, and takes place on 11th November – a date chosen for its likeness to 'bare sticks', Chinese slang for bachelors.



Source: Alibaba, Statista, data accurate as at 24 May 2020

Alibaba Group, the Chinese e-commerce giant, first turned the informal celebration into a shopping event in 2009. It has since become the world's largest online sales event: Alibaba generated \$38.4bn in sales in 2019, over four times last year's figure for Cyber Monday (\$9.4bn)¹ – another global shopping holiday, but more widely participated in by US consumers.

One of Alibaba's main competitors, Tencent-backed JD.com, reported sales of \$29.17bn for 2019's Singles Day²; however, unlike Alibaba, this JD.com's revenue was generated over 11 days.

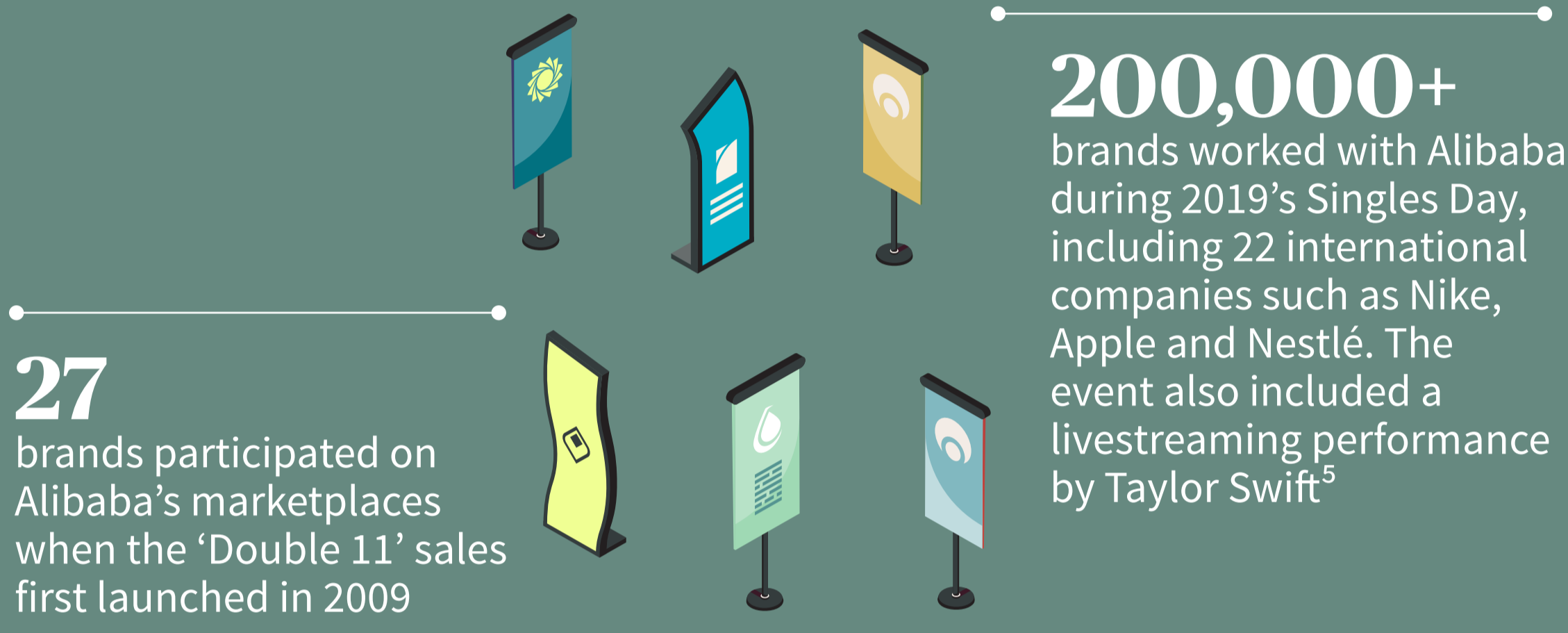
A global phenomenon

China's claim to the world's biggest online shopping day should not come as a huge surprise. The country remains ahead in its trajectory towards a cashless world, which has led to its rapid expansion in mobile payments.

The emergence of mobile payments technology has seen innovative apps come to the fore, such as Alipay (created by Alibaba in 2004) and WeChat Pay (Tencent Holdings) – platforms through which Chinese consumers have generally found it much easier to make payments, compared to cash and card.



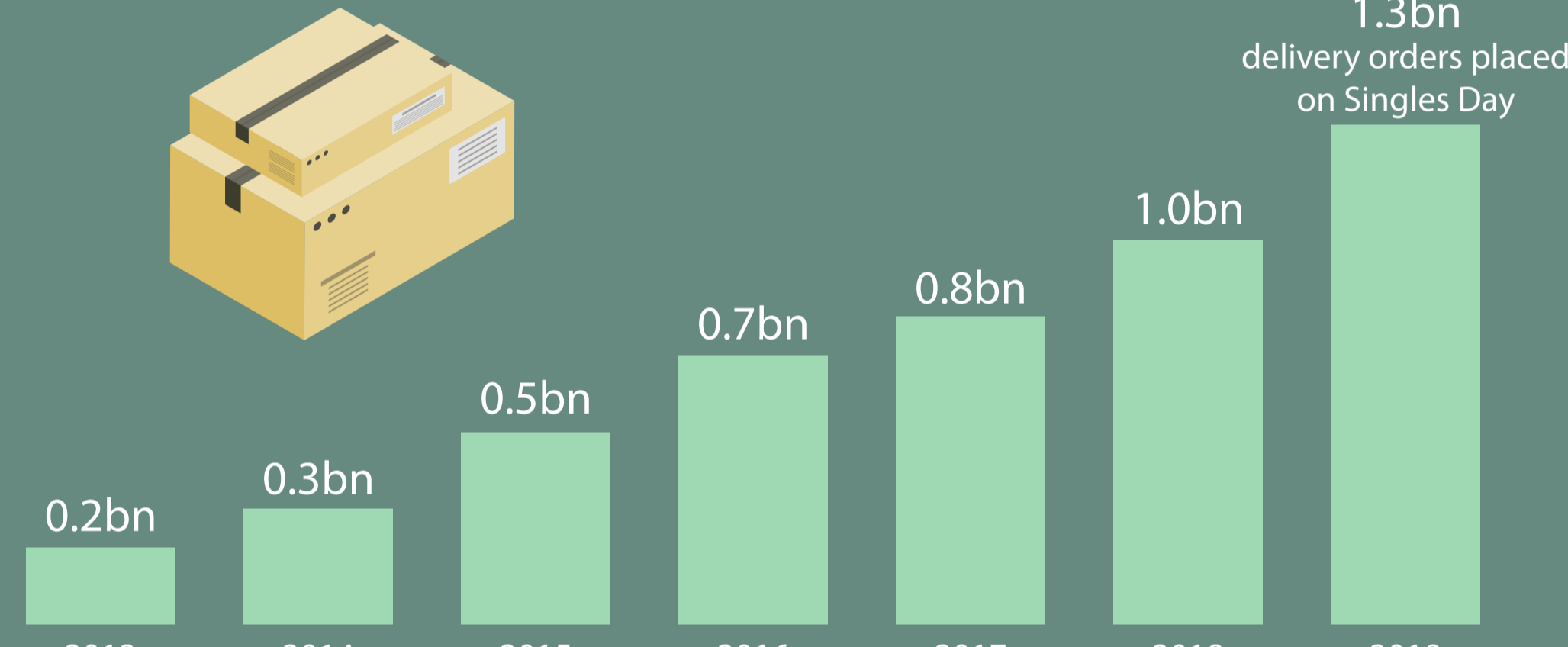
A greater choice of products for consumers



Fast and efficient delivery

It took just 68 seconds for Singles Day sales to hit the \$1bn mark in 2019⁶, eclipsing the 85-second record from 2018.⁷

With the rapid rise in demand on 11/11, the pressure then turns to the delivery companies, which need to keep pace with consumers' increasing expectations of 'same-day' or 'next-day' delivery.



Source: Alibaba, Alizia. Please note that numbers have been rounded to the nearest hundred million.

A staggering 1.3bn delivery orders were placed during Singles Day last year, with around 544,000 orders per second during peak shopping hours. Despite the dramatic increase in orders, delivery times have improved over the years: according to Alibaba's Cainiao Network, it took around nine days to deliver 1bn orders in 2013, compared to two and a half days in 2018.⁸

Ever-connected consumers driving e-commerce growth and online shopping holiday demand

Online shopping festivals are not limited to China of course, with e-commerce and mobile payments also growing strongly in the US and Europe.



Amazon launched Prime Day in 2015 to offer one-day-only deals to their Prime customers.

Small and mid-sized businesses that sell on Amazon made more than \$3.5bn on Amazon Prime Day in 2020, a 60% increase from 2019 sales.¹⁰

Singles Day has proved to be immensely successful, demonstrating the growing popularity of e-commerce in China.

2019 Singles Day saw Alibaba sell \$38bn of goods, hitting the \$1bn mark in sales in just 68 seconds.

Cyber Monday evolved as the digital equivalent of US shopping bonanza 'Black Friday' around the US Thanksgiving holiday, as retailers encouraged people to shop online.

In 2019, during the peak hour of shopping between 11pm and midnight (Eastern Time), US consumers spent \$11mn on average every minute.¹



"Online shopping holidays like Singles Day are perfectly suited to today's connected consumer – smartphones offer shoppers immediate access to a huge choice of deals with increasingly quick delivery times. Companies need to keep pace with the high volume of sales this can create and increase their digital presence to cater to consumers' holiday shopping behaviour."

Jeremy Gleeson, CFA
Digital Economy Portfolio Manager
AXA Investment Managers

Sources:

- *All data mentioned in this infographic can be found on Alibaba's website (accurate in 2020), unless otherwise stated
- (1) Adobe Digital Insights: November 2019
- (2) Alibaba, JD.com post record Singles Day sales, Yahoo Finance, 12 November 2019
- (3) China Internet Network Information Center, as at 30 June 2019
- (4) Alibaba's Singles Day goes global with record \$38 Billion in Sales, Bloomberg, 11 November 2019
- (5) Alibaba hits \$30 Billion in Singles Day sales – and brings Taylor Swift to Shanghai, Forbes, 11 November 2019
- (6) China's love of e-commerce powers Alibaba's Singles Day, Reuters, 11 November 2019
- (7) Alibaba Singles Day frenzy surpasses records, BBC News, 11 November 2018
- (8) Alibaba, Cainiao Network, data accurate in 2018
- (9) Amazon Prime Day 2020 took place over two days from 13-14 October
- (10) Amazon says third-party sellers made more than \$3.5 billion from Prime Day, CNBC, 15 October 2020

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