

# Chinese ‘Single’s Day’ shopping going global

**LSE** [blogs.lse.ac.uk/polis/2014/11/14/chinese-singles-day-shopping-going-global/](https://blogs.lse.ac.uk/polis/2014/11/14/chinese-singles-day-shopping-going-global/)

2014-11-14

*This article is by Polis intern and LSE MSc student Wei He.*

When UK Prime Minister David Cameron visited China in April and posted a selfie of himself and Jack Ma, few in the west have heard of the colourful Chinese man or his e-commerce empire Alibaba Group.

However, a few months later, the relatively unknown (at least in the west) Chinese company shocked the world capital market by coining the largest IPO in the United States of all time.

Now the “next big thing” is to look at how Alibaba performed in its landmark Nov 11 annual promotion, an important event in the retail calendar in China.

When written numerically, the date Nov 11, four “1”s, is reminiscent of “bare branches,” the Chinese expression for bachelors and spinsters.

The screenshot shows the Alibaba.com website interface. At the top, there is a navigation bar with the Alibaba.com logo, "Sign In | Join Free | My Alibaba", and links for "For Buyers", "For Suppliers", "Help", and "Safe". Below the navigation bar is a banner for "How I Morphed into a Web-Scaling Entrepreneur" with a "See The New Buying Guide" button. The main content area features a search bar with "Products" and "What are you looking for" fields, a "Search" button, and a "CATEGORIES" list including Apparel, Textiles & Accessories, Auto & Transportation, Electronics, and Machinery, Hardware & Tools. A large advertisement for "One-stop truck supplies" is prominent, along with an "AliSourcePro" advertisement for OEM/ODM & multi-category sourcing.

## China Shopping Frenzy

Turning an obscure holiday when Chinese youngsters celebrated their single status to the world’s largest online shopping frenzy, Alibaba succeeded in fostering a sense of consumerism, which was aligned with the central government’s goal of recalibrating the investment-led Chinese economy toward domestic consumption.

Just as people wonder how the Chinese shopping gala manages to attract consumer eyeballs following a \$5.7 billion transaction record last year, founder Jack Ma apparently didn’t let down his avid investors.

The world’s biggest e-commerce firm pulled in a record \$9.3 billion in sales on Tuesday, up 58 per cent from last year and almost tripling that of its Thanksgiving’s Day promotion in the United States.

## Across The Globe

Alibaba made this year’s event into a cross-border affair by tapping into both merchants and consumers from around the globe. Through its international online marketplaces, AliExpress and Tmall Global, shoppers worldwide can get connected with Chinese merchants for a wide array of products with discounts up to 50 per cent, while Chinese consumers can buy directly from foreign brands that have limited retail presence in China.

This is heartening news to me and the vast number of Chinese students overseas, who frantically take to our keyboards to secure these bargains.

More importantly, the once light-hearted holiday for Chinese singles has successfully unleashed a feverish shopping spree for the wider population.

### **Not So Sleepy Tiger**

“It doesn’t matter what I buy, as long as I buy something made in and sent directly from China,” said a UK-based Chinese web blogger “Sleepy Tiger”, who spent over 5,000 yuan (roughly 600 pounds) and was still busy adding items to his shopping cart.

China should not shy away from presenting itself as a forerunner on the e-commerce front. For instance, Alibaba is long labeled as the “Chinese version of Amazon”, but its mission and goals are more ambitious.

Apart from Tmall, Alibaba also runs an eBay-like customer-to-customer site called Taobao. Its indigenous payment system, Alipay, is being accepted by hundreds of international online shopping avenues, where Chinese consumers can make renminbi-denominated transactions to avoid exchange rate losses, and enjoy fast-tracked tax refunds by opting for the Alipay channel.

### **Alibaba Plus Apple?**

In the run-up to this year’s discount campaign, CEO Joe Tsai also disclosed that Alibaba was mulling to team up with Apple’s payment system to provide a more convenient online transaction platform for Chinese iPhone users.

All these developments have helped catapult China into the forefront of the e-commerce arena, overtaking the US as the top online shopping country in 2014, according to research by consultancy Bain & Co.

Additionally, pioneering innovation by the likes of Alibaba has acted as an effective catalyst for loosening China’s restricted financial market. Chinese insurance regulators, in a rare move, have given the green light for the creation of the country’s first online insurance company, led by China’s two Internet giants Tencent and Alibaba. To quote Ma, “big data” technologies employed by internet firms enabled them to make insurance policies more “transparent and accessible” to ordinary people, and push regulators to revise and update certain laws and regulations for the once-elusive insurance sector.

### **Worldwide Warehouses**

Perhaps another enterprising endeavor by the company is building a global logistic system with worldwide warehouses and supply chains. Alibaba’s China Smart Logistics will work with logistics partners all over the world to ensure quick customs clearance and timely delivery of goods on days such as November 11.

Smooth and fast delivery, not just on a promotion day, is perhaps the biggest selling-point for China’s e-commerce vendors. In Shanghai, you can order books online at bedtime, and expect it to be delivered to you by the next afternoon. In contrast, you probably could not pin your hopes on the three-day delivery timeframe here in London.

But is it all too soon to be so optimistic about China’s e-commerce renaissance?

### **Disappointed Discovery**

Well, only a selected number of countries and regions can enjoy prompt and low-cost shipping. For instance, one of my Chinese flat mates was disappointed to discover that the United Kingdom isn’t included as a free-shipping destination. Ever seeking value, she is busy asking friends in Madrid if parcels could be sent over to their addresses, since Spain has been newly added to the list.

And the likes of Alibaba still have a long way to go before becoming household names for consumers overseas. A Bloomberg survey suggested at least two out of three interviewees haven't heard of Alibaba. After all, they have tons of alternative virtual shopping malls that issue year-long discount codes. So perhaps they don't really need a Nov 11 singles day promotion. They have it every day.

*This article is by Polis intern Wei He.*

- Copyright © 2014 London School of Economics and Political Science