

# Alibaba Is Counting on Lazada and New Technologies to Grow Singles' Day

Alibaba sales on this year's Singles' Day could grow 15% to RMB193.4 billion

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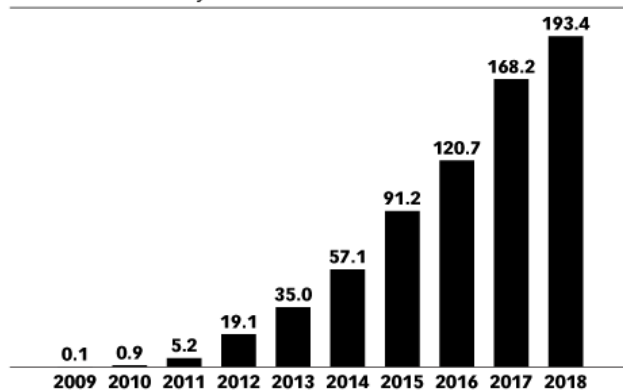
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Alibaba's Singles' Day, China's massive ecommerce festival held annually on Nov. 11, has **grown to surpass pretty much every other online shopping event in the world.**

During last year's Singles' Day, Alibaba sold RMB168.2 billion (\$24.88 billion) worth of goods and services worldwide, 90% of which came from mobile. In addition, 812 million orders were delivered by its logistics arm Cainiao. According to projections by research and consultancy Askci, sales could reach RMB193.4 billion (\$29.61 billion) this year.

**Alibaba\* 11/11 Shopping Festival\*\* Retail Ecommerce Sales Worldwide, 2009-2018**

billions of Chinese yuan renminbi



Note: \*total sales processed via digital payment service Alipay; \*\*a digital shopping promotional event that occurs on Nov 11 of every year, also known as Singles Day

Source: Askci as cited in press release, Oct 30, 2018

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Alibaba's ambitions are even bigger for this year's Singles' Day, its 10th anniversary.

For starters, the ecommerce giant is leaning on Lazada, its Southeast Asia-based subsidiary, to further global expansion. Alibaba acquired a majority stake in Lazada back in 2016 and has been increasing its holdings in the online retailer ever since.

Lazada is already popular in six countries in the region: Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. We forecast that these six countries will generate combined revenues of \$24.27 billion in retail ecommerce sales this year.

However, Alibaba faces a number of challenges in reaching these different markets, including language differences.

To help minimize the language barrier between cross-border buyers and sellers, Alibaba is using AI-supported translation technology within its chat tools on multinational sites AliExpress and Lazada.

While the one-day shopping extravaganza has a growing international presence, much of Alibaba's attention will still be focused on the domestic market. The ecommerce giant has built a tradition of launching innovative retail technology in China on Singles' Day, such as

augmented reality (AR) and virtual reality (VR) shopping experiences and live streaming commerce.

Online-to-offline (O2O) will be a big part of this year's event in China. Online food delivery service Ele.me, omnichannel supermarket Hema Fresh and Starbucks, which will have its coffee and food delivered around the clock in 12 cities, will join in on the festivities.

Alibaba is also partnering with brands to set up connected pop-up stores equipped with such gizmos as smart AR mirrors and smart speakers, which can be linked to consumers' existing Tmall or Taobao accounts by scanning a QR-code. Purchases can be completed using Alipay, Alibaba's digital payment service.

Consumers shopping at brick-and-mortars will also receive coupons for those stores' online products available on Tmall, Alibaba's ecommerce platform. It's all part of what Alibaba envisions as its "new retail" concept, the seamless end-to-end integration of online and offline shopping powered by data and technology.

In a recent survey by retail software solution provider JDA, nearly all (98%) of digital buyers in China polled planned to shop on Singles' Day. More than half planned to buy between one and five items, while about one-third expected to purchase anywhere between six and 10 items.