Retail

E-commerce

Australian brands woo shoppers at China's Singles' Day sales

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As Alibaba Group's Singles' Day shopping event comes to a close with likely moderate sales growth, it seems that Chinese consumers still love Australian products, with categories such as supplements, infant formula and all-natural skincare as popular as ever.

COVID-19 restrictions and a slowing Chinese economy have hit consumer sentiment, and a more toned down festival this year – with no celebrity gala bash to close the day – means shoppers may have reined in their spending too.

A crackdown on popular <u>livestreaming</u> celebrity sellers by authorities

[https://www.reuters.com/business/retail-consumer/singles-day-without-livestream-superhosts-leaves-alibaba-quandary-2022-10-24/] came just as the world's biggest online shopping event got into full swing, according to multiple media outlets.

The shopping festival, which was created by the Chinese e-commerce giant 14 years ago, has grown into the world's most successful retail marketing campaign. It was designed

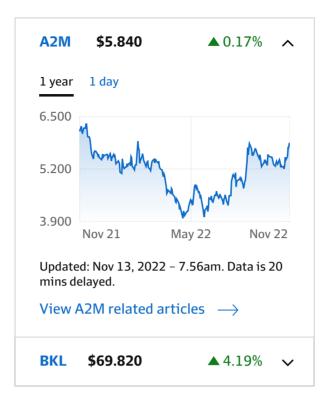


Jessica Bragdon, co-founder of Koala Eco plant-based cleaning products, expects to have a bumper Singles' Day sale.

initially to encourage single people to treat themselves by going shopping on "11/11" (November 11), which is considered a lucky date in China.

This year there are 17 million products available, and more than 290,000 brands participating, but analysts are estimating that sales could be flat to moderately up compared with last year.

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Alibaba racked up gross merchandise volume (GMV) of 540.3 billion yuan (\$114 billion) a year ago on its Singles' Day event. This 8.5 per cent sales growth was its slowest ever, and well down on the strong double-digit growth seen in 2020, according to Reuters.

Australian products have always been popular in China due to their clean and green image. Australia is regularly among the top 10 countries selling to China on the cross-border e-commerce platform Tmall Global. Brands such as Aesop, Bellamy's, Devondale and Maxigenes goat milk powder were all top 10 selling Aussie brands at Singles' Day last year.

While the event is normally a showcase for over-the-top consumerism, Pier Smulders, Alibaba general manager for Australia and New Zealand, said this year there were more initiatives aimed at building a greener 11/11 community.

"In accordance with newly released guidelines for low-carbon products by Alibaba Group, at this year's 11/11 Tmall has ramped up efforts to label low-carbon products, covering extended shopping categories such as apparel, food and cosmetics to drive sustainable consumption," he said.

Mr Smulders said Alibaba was focusing on immersive technology and the metaverse this year, along with livestreaming. Over 70 brands will bring close to 700 products to the XR (extended reality)-powered marketplace, which appears as

a busy shopping street for users' avatars to walk along, and consumers can also browse in virtual stores.

Australian plant-based products group Koala Eco launched in China in April, making this year its first 11/11.

"We have approached it with a mix of excitement and discovery. We have used a combination of Tmall, Ministore onsite marketing, livestreaming and a high tempo of social media activity to achieve what we are expecting to be very impressive sales results," said co-founder Jessica Bragdon.

More than 2700 Australian brands are listed on Alibaba's China retail marketplaces.

Highest traffic

Singles' Day, which used to run 24 hours only, has grown and launched "check-out windows" from October 31, where shoppers place deposits to secure goods later at a discounted price.

Blackmores Group CEO Alastair Symington told *AFR Weekend* that as the largest retail market in the world, China was key.

"Major e-commerce shopping events such as the annual 11/11 Shopping Festival are substantial growth drivers for Australian businesses in China, with a variety of e-commerce platforms providing access to a wide range of customers across the region," he said.

"In fact, it offers the highest traffic in the whole year which has a significant impact on our flagship stores and brand exposure in the region."

At this year's event Blackmores launched it PAW (Pure Animal Wellbeing pet supplements), seeking to connect with over 150 million Chinese pet owners, and introduced Blackmores Vision Care + Energy product to the Chinese market.

The a2 Milk Company [https://www.afr.com/companies/retail/a2-milk-us-formula-approval-is-a-win-but-china-is-crucial-20221104-p5bvpc] declined to comment since CEO David Bortolussi plans to provide an update at next week's AGM. However, at last year's Singles' Day, it sold 1.32 million tins of English label formula – a moderate increase on the year before – and gained 71,000 new users across its Tmall Flagship Store and JD.com.



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<u>Carrie LaFrenz</u> has more than 10 years' experience as a business journalist having previously covered healthcare, retail/consumer goods, industrials and agribusiness. She is based in our Sydney newsroom. *Connect with Carrie on Twitter. Email Carrie at carrie.lafrenz@afr.com*