Ogilvy

2022
Singles' Day Insights

A Deep Dive Into Omnichannel Customer Value Management

This year's Singles' Day festival didn't look drastically different from the last couple of years: hours of livestreaming content across platforms; two waves of pre-sales, albeit slightly shorter than in 2021; a plethora of promotional packages and exclusive benefits. What was different though was consumer sentiment, with more cost-conscious shoppers due to the current uncertain economic backdrop.

It's clear now that Singles' Day is no longer about setting new GMV records or topping category rankings. Brands are focusing on new metrics such as customer lifecycle value, and view the festival as one step in the long game that is enhancing customer loyalty.

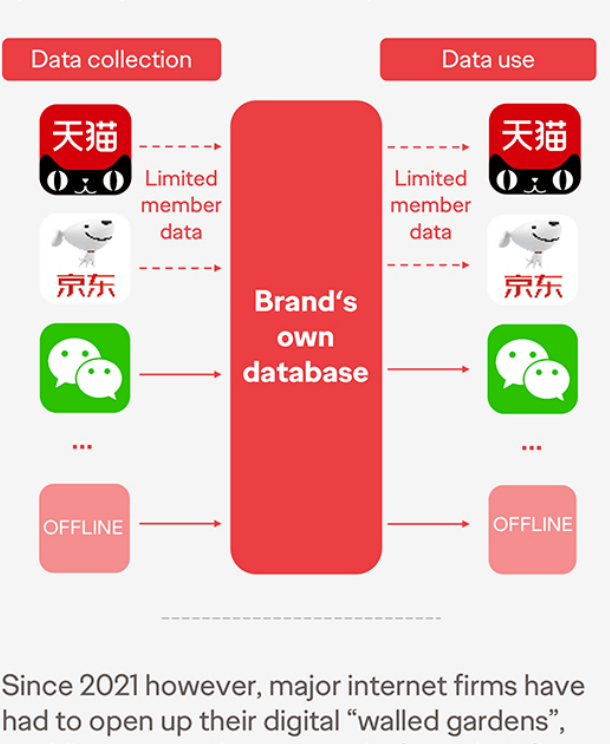
Facing consumers holding on to their wallets way tighter than before, increasingly intricate platform mechanisms and rising expectations for seamless omnichannel experiences, how should brands leverage Singles' Day for optimal business results? Let's look at 4 key trends and observations from this year's event.

#1

Cross-Platform Exchange

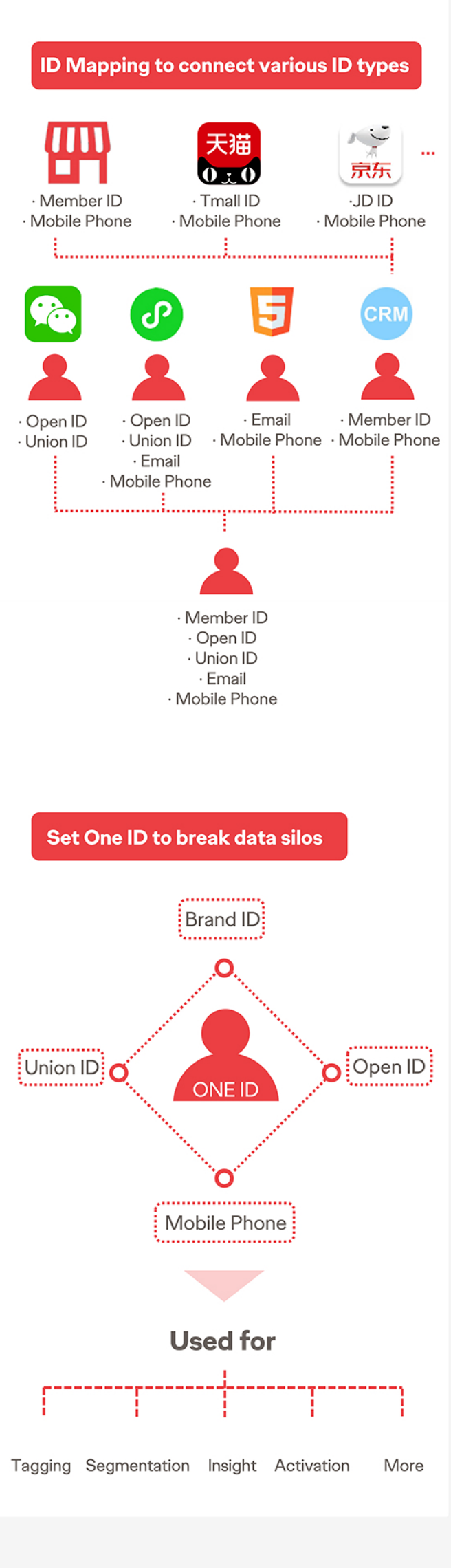
How deeper cross-platform connections enable member data sharing

Back in 2016 when Alibaba first touted the term "omnichannel marketing", brands had limited power and control over their data across platforms due to technical and platform restrictions, preventing them from achieving optimal operational efficiency.

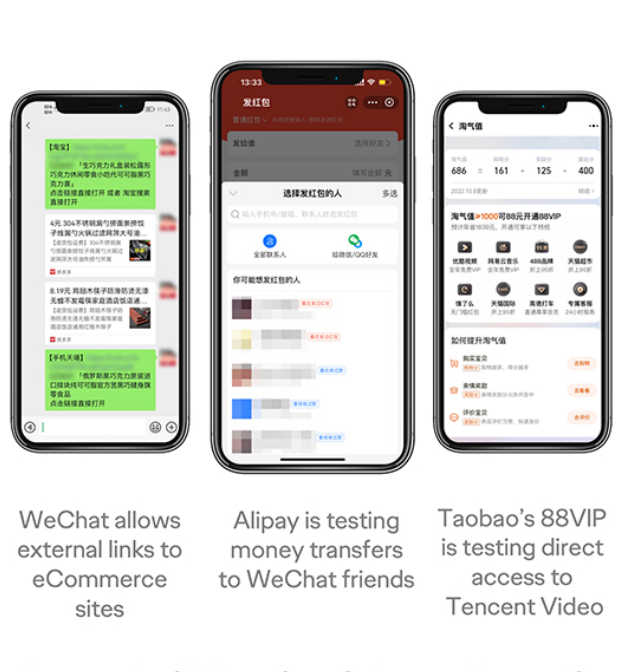

Data collection
Data use
天猫
京东
Limited member data
Limited member data
Brand's own database
...
OFFLINE
OFFLINE

Since 2021 however, major internet firms have had to open up their digital "walled gardens", enabling a smoother cross-platform data flow and single customer ID mapping, which is an essential resource for brands looking to better engage and retain their users.

UNIFIED MEMBER DATA FROM DIFFERENT TOUCHPOINTS


ID Mapping to connect various ID types
· Member ID
· Mobile Phone
天猫
· Tmall ID
· Mobile Phone
京东
· JD ID
· Mobile Phone
...
· Open ID
· Union ID
· Open ID
· Union ID
· Email
· Mobile Phone
· Email
· Mobile Phone
CRM
· Member ID
· Mobile Phone
· Member ID
· Open ID
· Union ID
· Email
· Mobile Phone
Set One ID to break data silos
Brand ID
Union ID
ONE ID
Open ID
Mobile Phone
Used for
Tagging
Segmentation
Insight
Activation
More

CHANGES BROUGHT BY OPENING UP THE WALLED GARDENS



WeChat allows external links to eCommerce sites

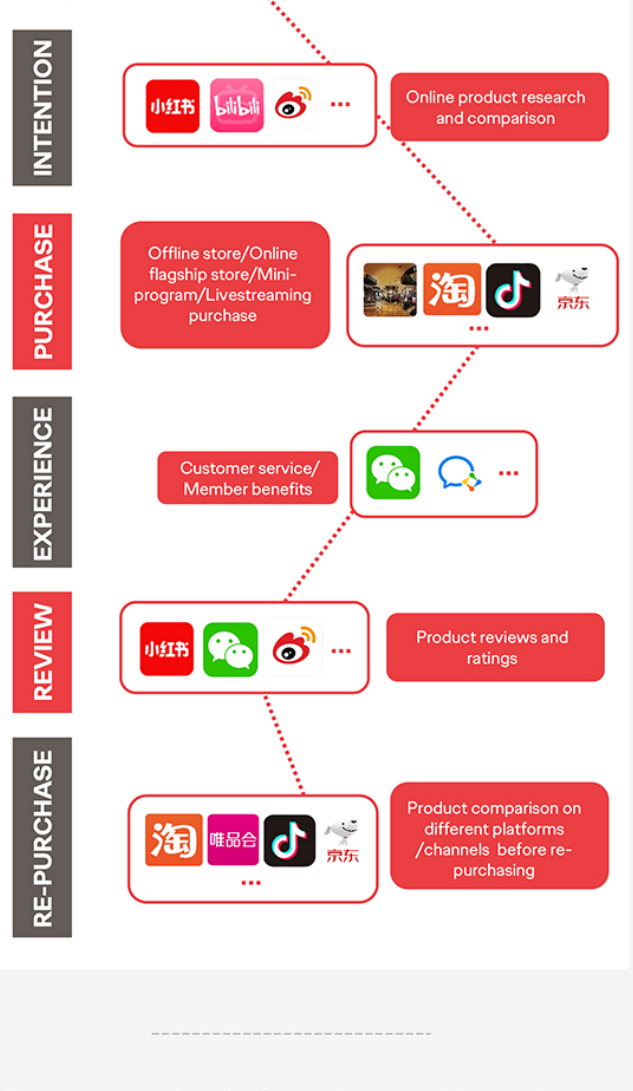
Alipay is testing money transfers to WeChat friends

Taobao's 88VIP is testing direct access to Tencent Video

To reap the full benefits of the opening up of those different platforms, brands need to clearly define their strategic objectives and rethink their customer experience strategy based on where they want to direct shoppers at different stages of their journey.

Brands now have access to a much larger pool of consumers across different platforms; but that also means that they need to refine their marketing tactics to cater to diversified, specific needs.

MEMBER LIFECYCLE TOUCHPOINTS

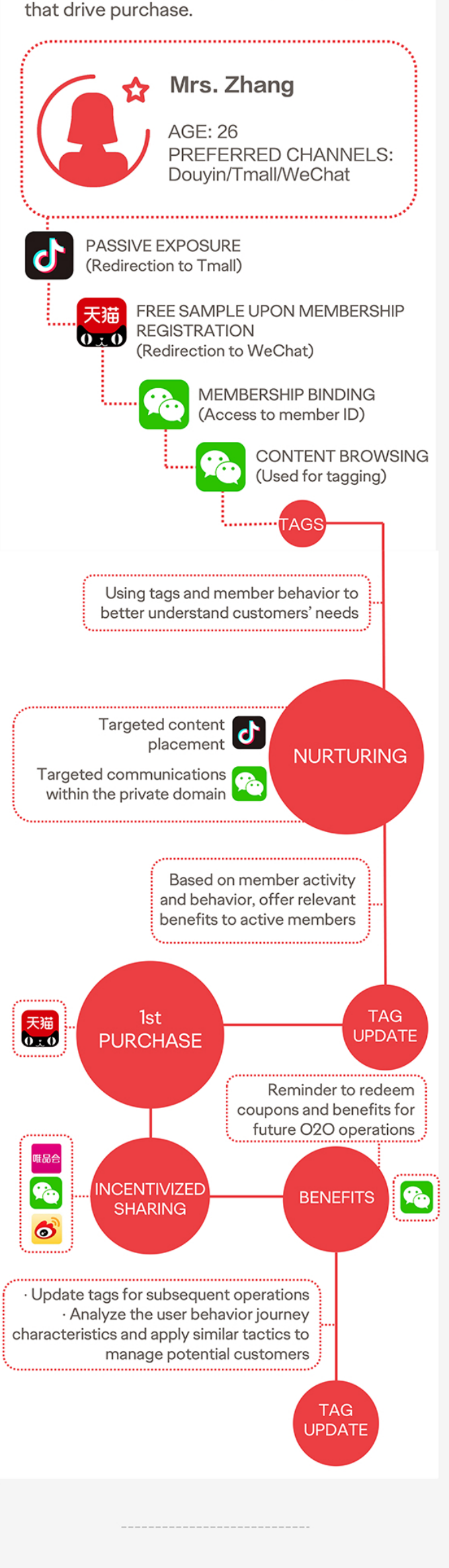

AWARENESS
Offline + Online exposure via video and social media platforms
INTENTION
小红书
Online product research and comparison
PURCHASE
Offline store/Online flagship store/Mini-program/Livestreaming purchase
淘
京东
EXPERIENCE
Customer service/ Member benefits
REVIEW
小红书
Product reviews and ratings
RE-PURCHASE
淘
唯品会
京东
Product comparison on different platforms /channels before re-purchasing

Thanks to multi-platform data tracking and matching, it is possible to analyze the different browsing pathways of consumers across different platforms, and gather insight into how and when they switch from one channel to another. With this data in hand, brands can go one step further and interact with consumers where they are and meet their needs in a more accurate manner, then lead consumers to the next predicted and pre-planned touchpoints to better achieve business objectives.

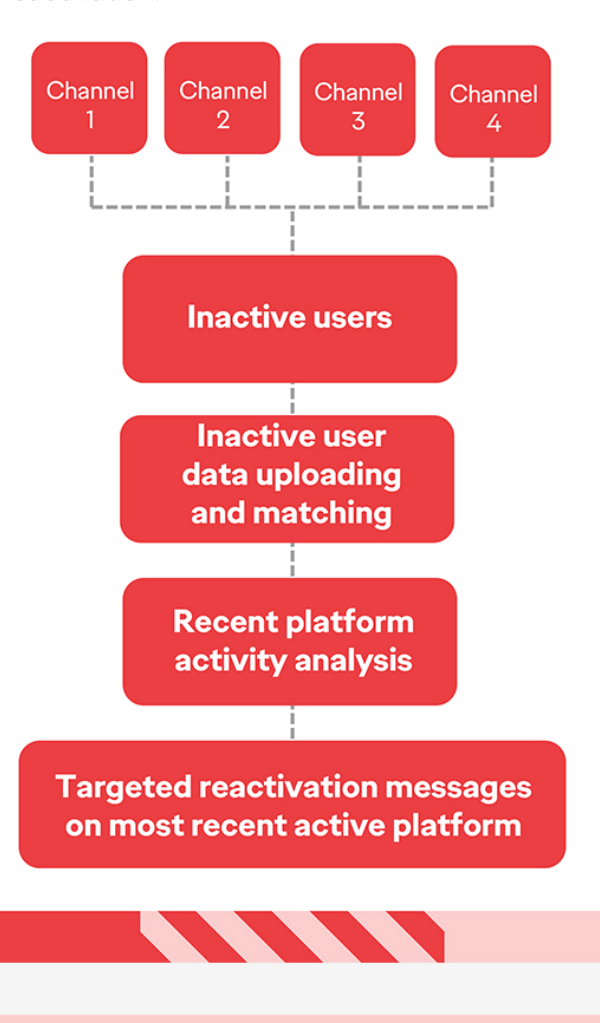
For active users, brands can design relevant platform activities based on integrated data and insights of the consumers across different platforms to meet different needs and realize conversion.

NEW CONSUMER JOURNEY EXAMPLE

The key is to start communicating with members before they have a clear intention to purchase, leveraging data from their browsing journey, pace and interactions on different platforms to develop campaigns that drive purchase.


Mrs. Zhang
AGE: 26
PREFERRED CHANNELS: Douyin/Tmall/WeChat
PASSIVE EXPOSURE (Redirection to Tmall)
天猫
FREE SAMPLE UPON MEMBERSHIP REGISTRATION (Redirection to WeChat)
MEMBERSHIP BINDING (Access to member ID)
CONTENT BROWSING (Used for tagging)
TAGS
Using tags and member behavior to better understand customers' needs
Targeted content placement
Targeted communications within the private domain
NURTURING
Based on member activity and behavior, offer relevant benefits to active members
天猫
1st PURCHASE
TAG UPDATE
Reminder to redeem coupons and benefits for future O2O operations
唯品会
INCENTIVIZED SHARING
BENEFITS
· Update tags for subsequent operations
· Analyze the user behavior journey characteristics and apply similar tactics to manage potential customers
TAG UPDATE

As for inactive users, one approach is to pull a list from the brand's own database, then leverage eCommerce platform solutions to identify where those users are most active and target them on such platforms to realize reactivation.


Channel 1
Channel 2
Channel 3
Channel 4
Inactive users
Inactive user data uploading and matching
Recent platform activity analysis
Targeted reactivation messages on most recent active platform

#2

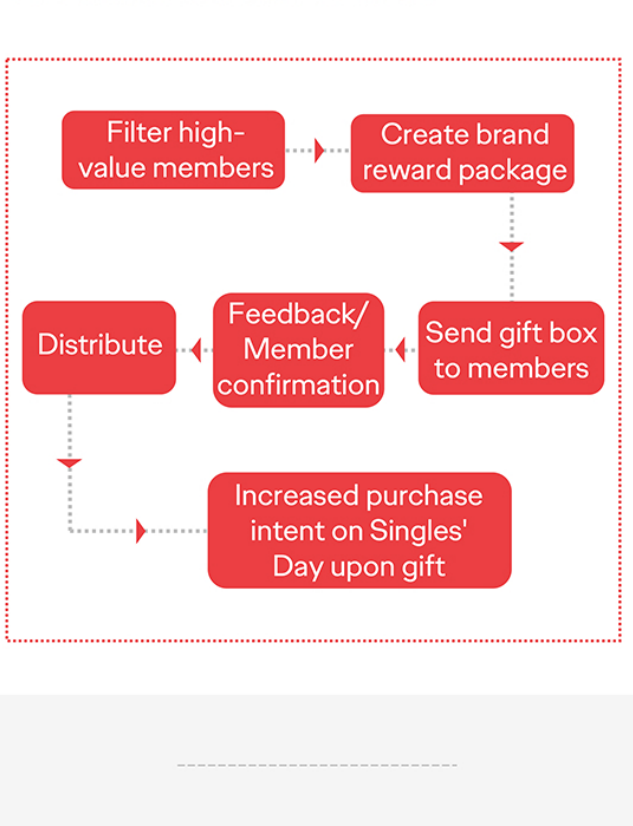
Content Innovations

Empathy-infused communications and creative interaction methods

With multiple shopping festivals taking place every year, they do not have the same buzz among consumers as they once did. Furthermore, low-price deals on eCommerce livestream and heavy discounts do not have the same appeal among cost-conscious consumers in the current economic climate. As a result, brands cannot expect to cultivate consumer loyalty using sales-driven tactics. Consumers care about brands that care for them. And as such, this year we observed brands shifting their attention from promotional communication to personalized communication and content.

For this year's Singles' Day shopping festival, Ogilvy helped a skincare and beauty client to strengthen its relationship with a small proportion of its high value loyal members. Instead of focusing their Singles' Day communication messaging on massive discounts and promotion, the brand distributed gift boxes with new product samples, behind-the-scenes R&D stories, and exclusive privileges to its loyal members during the days leading up to the festival. And during the actual festival, they leveraged the gift boxes to trigger more personalized communication with this loyal group. By moving beyond discount-focused promotional messaging to asking members' feedback on how they liked the new products or reminding them to avail the coupons in the gift box, the brand was able to pique customers' motivation to repurchase and improve sales performance.

PRE SINGLES' DAY ENGAGEMENT FLOW


Filter high-value members
Create brand reward package
Send gift box to members
Feedback/ Member confirmation
Distribute
Increased purchase intent on Singles' Day upon gift

As retailers are looking to venture in the metaverse, this year we have seen more and more brands create their own virtual universes, one-stop digital destinations filled with interactive elements in a bid to appeal to the younger generation. These virtual brand "interactive towns" offer an enriched experience for existing members and loyalty customers and foster stronger connections between brand enthusiasts. They can also be important sources of consumer behavior and preference data, which can in turn be translated into more precise, personalized approaches to product seeding or brand-related educational content.

欢迎进入啡次元
请选择您的形象
小资白领
确认

#3

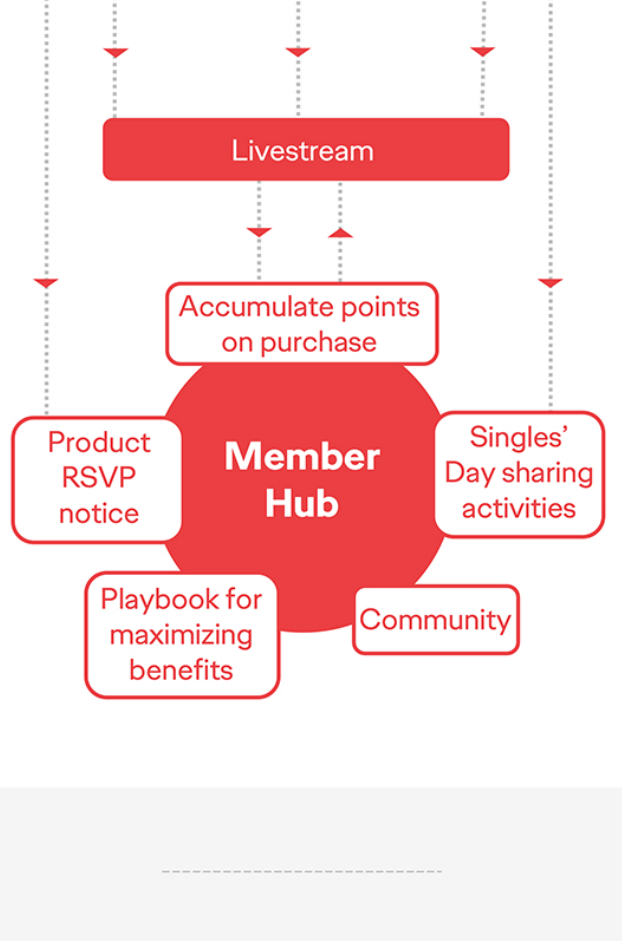
Livestreamers Upping Their Game

How top anchors upgraded their strategies to improve fan retention

With eCommerce livestreaming profit returns reaching their peak, livestreamers have begun adopting new techniques to retain and grow participants:

TOP TMALL LIVESTREAMERS EXPAND THEIR REACH ON OTHER CHANNELS

By branching out to different social platforms, this year livestreamers have enriched their viewers' shopping experience using relevant content and target audience interactions as two main levers. On one hand, consumers are getting the most bang for their buck during the festival as the price negotiations with brands are now transparent to the viewers and brands are also visible in a more vivid manner on screen. On the other hand, on content seeding platforms such as Xiaohongshu, target consumer groups were guided to a private domain through light interactions such as RSVP function and wishlist sharing. The content of the livestreaming was released in the private domain in advance. Then reminder messages were sent through richer touchpoints in the private domain to ensure higher participation.

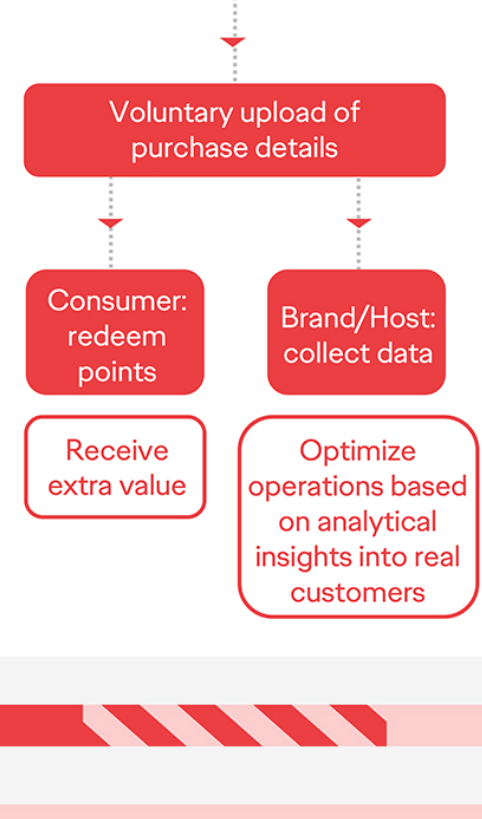

小红书
bilibili
Livestream
Accumulate points on purchase
Product RSVP notice
Member Hub
Singles' Day sharing activities
Playbook for maximizing benefits
Community

DOUYIN LIVESTREAMERS MAKE THEIR ENTRANCE ON TMALL TO GROW THEIR VIEWERSHIP

This year, some of the top Douyin livestreamers have stepped onto Tmall to explore new growth opportunities. Still, the underlying retention mechanism for existing customers remains centered on reward points and early RSVP.

By encouraging customers to upload their livestream purchase information online in exchange of reward points, brands have access to — otherwise unavailable — detailed customer data. The whole mechanism around accumulating reward points also enables more interactive, immersive gameplay, which contributes to improving the livestreaming experience and in turn, loyalty to certain livestreamers.

This practice is particularly interesting for B2B brands who want to obtain consumer data.


Unknown consumer
Voluntary upload of purchase details
Consumer: redeem points
Brand/Host: collect data
Receive extra value
Optimize operations based on analytical insights into real customers

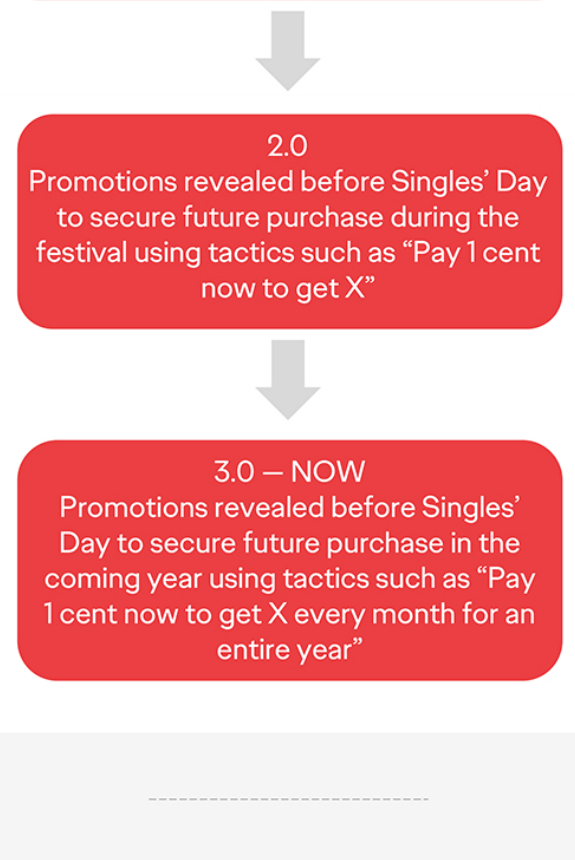
#4

Lifecycle Value Enhancement

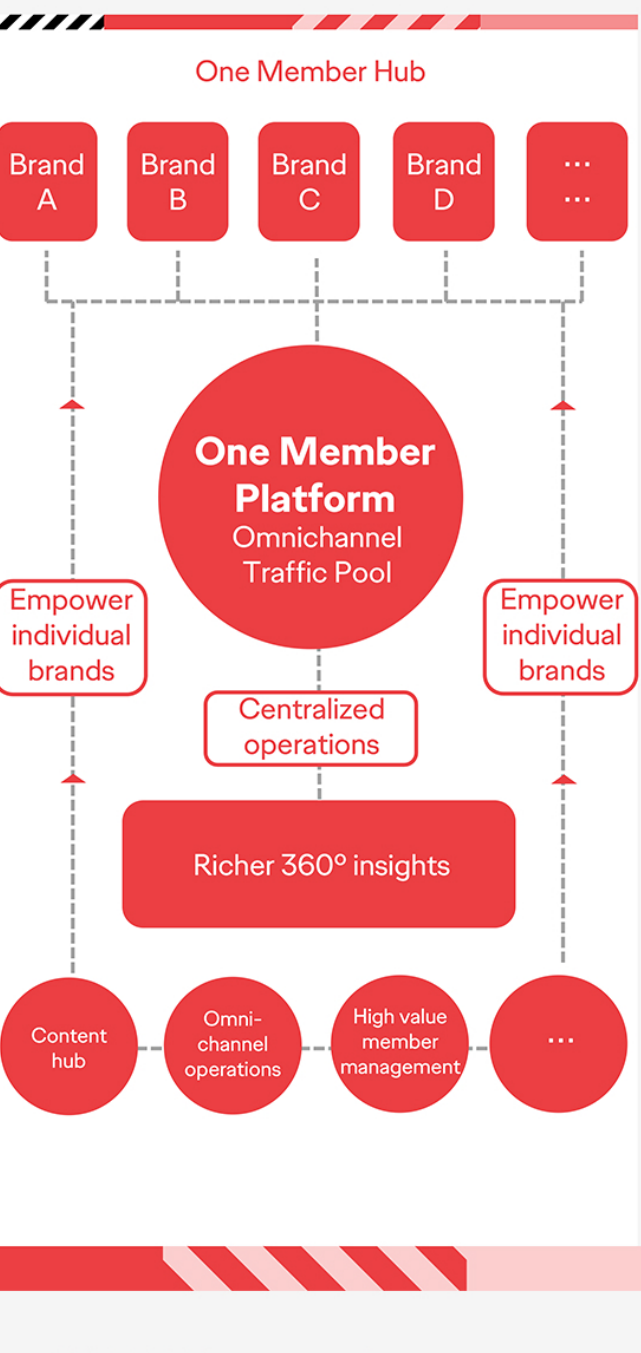
Prioritizing loyalty over GMV

As traffic from shopping festivals gradually fades over time, brands must shift from the individual campaign focused strategy to customer lifecycle management and incorporate these sales events into the overall consumer lifecycle, whilst creating attractive communication opportunities by differentiating the goals of different segments in those promotional activities to improve customer loyalty and reduce the number of "one-off" customers only attracted to large discounts.

OVER THE YEARS: MORE BENEFITS, EARLIER ON


1.0
Communications during the Singles' Day festival period
2.0
Promotions revealed before Singles' Day to secure future purchase during the festival using tactics such as "Pay 1 cent now to get X"
3.0 — NOW
Promotions revealed before Singles' Day to secure future purchase in the coming year using tactics such as "Pay 1 cent now to get X every month for an entire year"

At the same time, more and more corporations are changing their operation strategies from single brand CRM to consolidate all brands under a unified member system, capturing and creating new user scenarios, adjusting promotional strategies and benefits to relevant customer segments. On one hand, this allows brands to understand consumer needs from multiple dimensions for more relevant communication. On the other hand, consolidation of member data from multiple brands lowers the cost of customer acquisition, helping brands to further enhance the total lifecycle value of a single consumer and achieve total customer loyalty.


One Member Hub
Brand A
Brand B
Brand C
Brand D
...
One Member Platform
Omnichannel Traffic Pool
Empower individual brands
Empower individual brands
Centralized operations
Richer 360° insights
Content hub
Omni-channel operations
High value member management
...

Conclusion:

Singles' Day, 618, 520, Double 12...China's shopping festivals are unlike anything in the world. And although GMV growth has been on the decline recently, these promotion-driven events still carry strategic importance for brands, providing them with much-needed boost in the short-term to meet their annual targets whilst offering multiple opportunities throughout the year to engage with consumers. Having said that, economic pressures at a macro-level, combined with the ever-changing platform landscape, rise of new technology and tools, and overflow of available data have led to changes in consumer behavior, with a growing proportion of shoppers feeling overwhelmed and fatigued.

Despite this evolution, we believe that consumer demand is still very much present, and that new opportunities await. What's needed is a mindset shift. In a volatile market environment and at a time when competition for traffic in today's saturated eCommerce space is increasingly fierce, brands should view these shopping festivals as milestones in the overall customer lifecycle journey only. The rationale behind finetuning their omnichannel marketing strategy should not simply be about improving targeting and segmentation; rather, marketers need to focus their efforts on better identifying member needs and member value, and use these insights to deliver better experiences that allow consumers to build an emotional connection with the brand to realize what we call total loyalty.