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Inside Social Commerce – the New Breed of Influencer Marketing in China By Jon Cheng, MBA Candidate 2021 | 19 November 2019

What would Kim Kardashian have to do with mahjong on the most active e-commerce platforms in China?

Some theorize that the celebrity's <u>selling power</u>, with 150M followers on Instagram, boded well on a <u>livestream channel</u> run by popular Chinese celebrity, Viya, on Taobao, China's e-commerce platform.

Indeed, Viya's influence on China's consumer is well-studied – at her peak in October, she sold nearly \$50 million worth of goods in a single day. So after a quick product demo, Kardashian sold 150,000 bottles of perfume in mere seconds.

Kardashian's appearance on the channel – and appeal to mahjong, a popular Chinese boardgame -- is part of the larger effort to <u>ramp up sales</u> of her signature line of fragrances, KKW, for "Single's Day," China's largest shopping day of the year. Last year, Single's Day generated more than \$30 billion in revenues for Alibaba's two online platforms, which includes Taobao. This year, that number has crossed a record high of <u>\$38 billion</u> – more than five times the online sales for Black Friday last year, in the United States.

Tellingly, despite China's <u>slowing economy</u>, and fears of repercussions from the US-China trade war, sales through China's 'social commerce' – a fusion of social media and online shopping – is more robust than ever. Through this ecosystem, e-payments, livestreaming, and e-commerce are integrated, allowing influencers to drive consumption.

Kardashian is one of Alibaba's 500 recruits from ten countries. And soon, she'll be one of many more. The retailer has <u>announced plans</u> to recruit and train 2,000 influencers to sell international goods to Chinese consumers, and celebrities are buying-in. Taylor Swift headlined the countdown for Single's Day this year, on Nov 11, while Rihanna is marketing her brand, Fenty Beauty, through another one of Alibaba's platforms.

