



Cainiao Gears Up for 11.11 Shopping Festival with New Logistics Tech

The largest robotic warehouse with 700 AGVs stands out, showcasing smarter operation

Hangzhou, China, October 30, 2018 – In preparation for this year’s 11.11 Global Shopping Festival, Cainiao Smart Logistics Network (“Cainiao”) has upgraded its technology, bolstering its already market-leading cross-border and “New Logistics” capabilities.

Alibaba’s logistics unit is technologically equipped to handle even more than the 812 million orders during last year’s 11.11. In China, Cainiao has just opened a new robotic warehouse ([video](#)), expanded its Internet of Things (IoT) systems and built out its platform’s last-mile reach. For cross-border deliveries, containers and charter planes are ready to speed orders across the world. Overall, Cainiao’s network is stronger than it has ever been, linking 30 million square meters of warehousing worldwide and involving more than three million logistics personnel.

Cainiao’s constant improvements in efficiency and technology have steadily cut delivery times, year after year, even as the number of 11.11 order has surged. While nobody knows how many orders the festival will generate this year, Cainiao Vice President Ben Wang said the logistics company needs to keep upgrading systems, anticipating growth and seeking higher efficiency, because of customer expectations.

“It was only five years ago that parcel orders surpassed 100 million for the first time. Back then it took nine days to deliver the first 100 million parcels,” said Wang. “Last year, it took less than three days (2.8 days) to deliver the same number of parcels. Consumers increasingly want faster, better delivery, so that’s what we’re doing. This year, we’re striving to achieve a new high, leveraging the beauty of scale and technology.”

Technology Upgrade with IoT, Robotics and Big Data

While improvements in technology – particularly IoT and robotics – are evident across the entire delivery process, Cainiao’s new smart warehouse stands out. With 700 automated guided vehicles, or AGVs, the new warehouse is located in Cainiao’s first IoT Future Park, in the city of Wuxi in Jiangsu Province, and is the largest robotic smart warehouse in China.

The IoT technology in the warehouse can automatically direct AGVs to drive, load and unload. The system will plan the best routing for the AGVs to avoid collision and intelligently distribute parcels. 50% more orders can be fulfilled by the entire warehouse than that of a traditional one within the same time period.

Another noteworthy IoT advance this year is Cainiao’s “Sky Eye Program,” a cloud-based video-monitoring system that will be used by logistics partners Deppon, ZTO Express, YTO Express, STO Express, Best Express and Yunda Express for this year’s 11.11.

Sky Eye taps the cameras in logistics stations across the country and, using a combination of Computer Vision Technology and Cainiao’s algorithm, upgrades them into smart IoT devices to help delivery firms identify idle resources and abnormalities in the logistics process, send status updates to human

operators in real-time and smooth out kinks in the system. According to Deppon, Sky Eye helped it improve efficiency by 15% during trials.

Cainiao is also helping with big data analysis for 15 major national express courier companies in preparation for 11.11. The data is used to effectively deploy manpower and transportation for 200,000 delivery stations, to maximize utilization and avoid bottlenecks, as well as managing inventories held locally.

From Cross-border to Last-Mile

Just as technology has improved significantly from last year, so has the capacity for cross-border logistics. To help international brands facilitate faster deliveries, Cainiao and its partners have prepared bonded warehouses covering over 1 million square meters nationwide, up more than 80% from last year. They'll be used to store right goods at the closest warehouse to consumers in advance of 11.11, which will substantially cut the delivery time.

For AliExpress and Tmall World customers overseas, Cainiao has arranged 51 chartered flights to take goods to West Europe, Russia and Southeast Asia. As well, around 1,000 containers will take goods via sea freight to Southeast Asia and other destinations.

Preparations this year also reflect the changing demands of logistics in the "New Retail" era. It will be the first time goods ordered during 11.11 are delivered directly from stores to customers during the Festival, itself, sometimes within minutes. Short-distance delivery services will be available in over 280 cities.

"Cainiao is the logistics backbone of Alibaba's New Retail strategy," Wang said. "We are providing an online and offline, cross-platform supply-chain solution to merchants and enabling them to cut inventory costs, while increasing operating efficiency, especially around 11.11 – the busiest season of the year. Ultimately, consumers will enjoy a brand-new shopping experience, as delivery service will always be on-demand."

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About Cainiao Network

Cainiao Network is dedicated to meeting Alibaba Group's logistics vision of fulfilling consumer orders within 24 hours in China and within 72 hours anywhere else in the world. It adopts a platform approach to establish a nationwide fulfilment network that leverages the capacities and capabilities of logistics partners to offer domestic and international one-stop-shop logistics services and supply chain management solutions, fulfilling various logistics needs of merchants and consumers at scale. Cainiao Network is a business of Alibaba Group.

Media Contact

Cathy Yan
Alibaba Group
+852 9012 5806
cathy.yan@alibaba-inc.com