

Jessica's Secret surfs the digital wave



Beam Suntory's home page, story, product list and livestream, featuring Suntory brands and Bowmore as seen on Jessica Secret's app

As the digital frontier of retail continues to expand, Jessica's Secret has firmly positioned itself at the vanguard of travel retail's digital transformation. Mirko Wang, CEO of Jessica's Secret, has a clear vision on navigating the surge in online duty free shopping, especially when it comes to the evolving preferences of Chinese travelers. His insights reflect a strategic commitment to enhance the travelers journey through technological innovation and user-centric features.

"From my perspective, online duty free shopping has always been a trend in the Chinese travel retail market," he says. "Especially during the past few years of the epidemic, Chinese travelers have become more accustomed to using e-commerce to solve shopping problems, searching for which products are available at their destination before setting off."



Mirko Wang, CEO, Jessica's Secret

True connectivity

The foundation of Jessica's Secret's approach is to seamlessly connect users with a world of retail opportunities while offering unique functionalities designed to simplify and enrich the user experience. "Jessica's Secret has always been positioned as a bridge between the travel retail industry and travelers. There's a direct jump function in the app which travelers can use to go directly to the website of the retailer or brand. This function helps to lead traffic to the retailer or brand sites from our app," he notes.

The commitment to fostering an intuitive shopping experience extends to Jessica's Secret's strategic use of data to inform purchase decisions. "Jessica's Secret helps and guides travelers to make purchasing decisions in the form of a price indicator calculated by utilizing powerful price database resources from all the retailers," says Wang. "In addition, some retailers and airports have launched coupons on Jessica's Secret aimed at attracting more travelers shopping there."

According to Wang, the platform has always served both the travel retail industry and travelers, particularly in the Chinese market. "Jessica's Secret has always been positioned as a bridge between the travel retail industry and travelers," he says.



Jessica Secret aligns its offerings with its core user base, emphasizing a tailored experience that resonates with its demographic profile of female millennials

Expanding influence

In response to the dynamic growth of China's travel retail market, Jessica's Secret is implementing strategic initiatives to amplify its market presence and enhance performance. Wang details the company's approach to engaging a growing user base and maximizing the utility of its platform for both travelers and retail partners.

Jessica's Secret has now launched a member reward program, which is divided into four levels based on the member participation. "The purpose is to encourage travelers to use the app and its coupons more frequently while shopping," Wang says. This tiered rewards system is part of the company's broader strategy to incentivize usage and increase engagement.

Wang says the innovative business model is designed to benefit the Jessica's Secret community. "In the process of cooperating with retailers and brands, Jessica's Secret may earn promotional fees or commissions. But earning these profits is not our purpose. We hope users can get more benefits, so we give these commissions to users in the form of points to the greatest extent, so as to increase our share of the coupon market," he states.

While Wang says gauging the app's tourism market share is difficult to estimate, those who use it are exactly the right people for travel retail brands and stores to reach. "It's probably around 10 to 20%," he says. "But users of Jessica's Secret are all precise consumers, 100% of which are tourists who have purchase need. Depending on the coverage of coupons and the tacit cooperation with local retailers and brands, we will have a relatively large impact." This insight reflects the strategic importance of targeted partnerships and the effective distribution of benefits to sustain and grow the platform's influence across key travel retail markets.

Fostering collaboration

Jessica's Secret's approach to collaboration with brands and retailers exemplifies a dynamic synergy aimed at enhancing the user experience while boosting the visibility of its partners. The company's promotional strategies emphasize the importance of cooperative relationships in the travel retail landscape. "We have many ways to cooperate with retailers, such as charging commissions and advertising fees which we give back to users, as mentioned. In addition, we also provide retailers with a lot of free advertising spots, like a banner on the homepage, for example," Wang explains.

Wang believes travel retailers are an important link in motivating tourists to shop. Therefore, Jessica's Secret will not block communication between retailers and users if retailers have not paid promotion fees. Instead, retailers are welcomed to display promotional activities on the app for free. This inclusive approach to collaboration invites a broad spectrum of retailers to engage with Jessica's Secret users, ensuring a rich and diverse shopping experience.

"Now we have cooperation with many retailers, and we welcome more retailers to contact us for cooperative promotion to Chinese tourists," says Wang. By fostering these collaborative efforts, Jessica's Secret not only enhances the promotional landscape for brands and retailers but also positions itself as a pivotal platform in connecting the travel retail industry with a highly engaged travelers base.

The secret formula

Jessica's Secret leverages a multi-faceted strategy to attract and retain a robust user base, a critical⁴

factor in its success within the fiercely competitive domains of price comparison and travel retail. Wang details the strategic pillars supporting the app's continuous growth and user satisfaction.

"We achieve attraction and retention in two ways: first, we provide travelers with more valuable functions; second, we collect and calculate various preferential and promotional information for travelers," Wang says. This dual approach ensures that Jessica's Secret remains not just relevant but indispensable to its users by offering unique functionalities and up-to-date promotional content.

Wang highlights the app's innovative price indicator as a key feature, "Jessica's Secret now provides travelers with many interesting functions, such as the price indicator. Each score is calculated according to a grading algorithm mode on a scale of 0.1 to 10; 0.1 would be the highest price among all the data we collected worldwide, 10 means the lowest price. This feature helps travelers quickly discover which products are worth buying from this retailer."

Jessica's Secret also provides travelers with the ability to scan barcodes, quickly finding global price information. Soon, the app will include a "Gift with Purchase" feature, and a comparison of payment method exchange rates.

Privacy matters

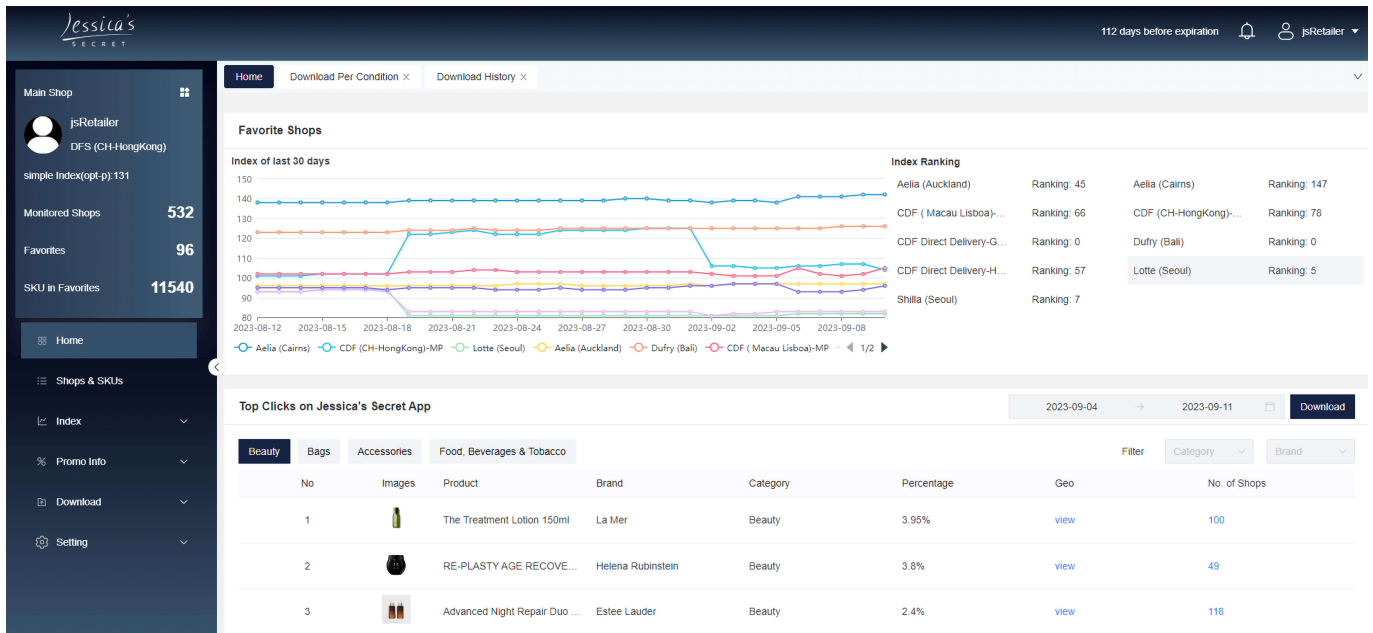
Jessica's Secret adheres to rigorous data privacy and security protocols, with a dedication to safeguarding user information. "In recent years, China has continuously promulgated new personal information protection laws and policies, including information collection methods, collection purposes, usage methods, storage times, etc., to protect the legitimate rights and interests of Chinese travelers. Jessica's Secret has been audited by China's network information security department and has reached relevant standards," Wang explains.

"In terms of actual operations, we have strengthened the creation of a network security environment to prevent outsiders from intruding into our systems and stealing data," he adds. "We have also signed information confidentiality agreements with our employees, etc., and have made improvements in all aspects."

User experience

Wang describes how a typical Jessica's Secret app user experience works, "Half a month before traveling to a certain destination, travelers begin to frequently use Jessica's Secret to find price information and discounts, sometimes completing product reservations during this process owing to a promotion offered by the retailer," he says. During the journey, the app will push the duty free shops' coupons information to users, and encourage them to visit the store.

Not only are travelers using Jessica's Secret app, but some retailers are also cleverly using it to achieve higher sales conversions. "One traveler told me that when she was buying a necklace at an airport, the salesperson took out Jessica's Secret app and showed her the real-time price of this necklace in Hong Kong, Japan, and Taiwan, and the price she offered was the most competitive. So the traveler made the purchase decision immediately," Wang recounts.



The company provides an AI Tracking price analysis system for many top-renowned brands and retailers

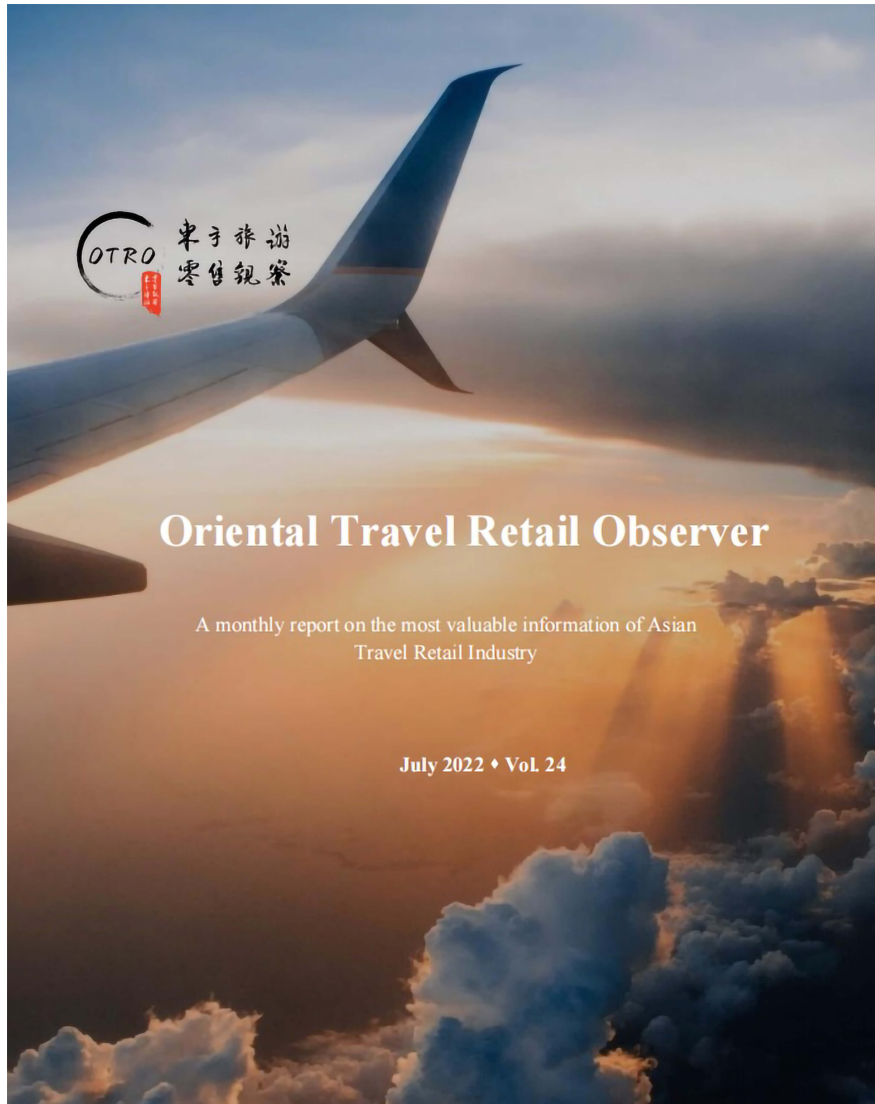
Innovative services

In response to global changes and emerging trends within the travel retail industry, Jessica's Secret has undergone significant transformation and expansion. "Before the pandemic, my company mainly provided service to customers. After the pandemic, we have evolved into a comprehensive big data company serving business and customer," he states.

The introduction of innovative tools and services has enabled the company's evolution, "We provide an AI Tracking price analysis system for many top-renowned brands and retailers. Almost all the leading brands and retailers in the industry are already using our price analysis system," Wang says. This tool represents a cornerstone of Jessica's Secret's value proposition, offering detailed insights into pricing strategies across the travel retail channel.

As part of a partnership, Jessica's Secret regularly creates and releases the OTRO (Oriental Travel Retail Observer) report, further demonstrating the company's commitment to delivering actionable intelligence to its partners. "We create a monthly report called OTRO, with multiple leading brands and retailers subscribing. We have served many big brands for more than four years," Wang notes, highlighting the company's role as a thought leader and information hub in the travel retail space.

Including design and IT, this is just one of the ways Jessica's Secret caters to the nuanced needs of its business partners. "Jessica's Secret IT department provides IT services to King Power and CDFG, including the development and operation service of Chinese e-commerce website and membership mini-programs," Wang states. These services, combined with Jessica's Secret's in-depth market research capabilities and cost-effective design solutions, solidify its competitive edge and position as a comprehensive service provider in the travel retail industry.



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