

Coty and Ant Group form strategic partnership to bring digital platforms to TR industry



Coty has announced the official signing of the Global Travel Retail Joint Business Partnership with Ant Group to enhance the cooperation in digitalization. The agreement makes Coty the first beauty company to reach the strategic partnership in travel retail to support digital platforms like Alipay and other digital payment methods at a global level through Alipay+, a suite of global cross-border mobile payments and marketing solutions operated by Ant Group.

Based on the partnership, Coty will continue expanding the travel retail business through the digital operation powered by Alipay+, by creating comprehensive and diversified brand campaigns via Alipay and other payment platforms, and offering more customized consumer experience with higher quality and efficiency. This strategic partnership will extend from China to a wider area of APAC, and furtherly to Coty's global travel retail market.

"In the past year, Coty's travel retail business saw an outstanding performance. The traffic and sales of brick & mortar retail stores in Hainan saw strong growth with the help of digital operation, and the duty-free business in China achieved a triple-digit growth," reads the Coty press release.

It continues: "Digital operation is a clear strategic focus for Coty Travel Retail to innovate online and offline shopping experiences with traveler - centric approach. Alipay, as a leading digital open platform leveraged by over 80 million businesses serving more than 1 billion consumers, is a valuable partner of Coty to co-create the future of beauty by innovative marketing capabilities and digital payment solutions. Since 2021, Coty has partnered with Alipay together on a series of travel retail activations, including Lancaster Super Brand Day, fragrance annual award, and had 'Travel Around World' campaign debut in June."

"The cooperation with Ant Group in digitalization will help us serve our customers better," said Caroline Andreotti, Executive Vice President of Coty's Global Travel Retail Business, at the signing ceremony. "In the future, Coty and Ant will continue to work together to explore more possibilities of digital channels to improve consumer experience. We will also aim to deliver better services and products to more consumers around the world on their travel journey, and let them enjoy a better, more convenient and sustainable future."

With the signing of this agreement, Coty will go forward with Ant Group to boost the development of digital service as well as the travel retail business, and will continue to develop more in-depth cooperation in an all-round way, across precision marketing, omni channel activations, and digital payment solution.

Coty's travel retail department is bringing the global iconic brands and tourists' most favorable regional brands to travel retail channels, covering prestige and consumer brands, to build a matrix that include three product categories - fragrance, makeup, and skincare. At the present, the brands that Coty's travel retail department is operating in Asia Pacific market include: 2-axis beauty brands (covering makeup and fragrance) -- Gucci beauty and Burberry beauty; the fragrance category -- Chloe, Tiffany, Miu Miu, Marc Jacobs, Calvin Klein; and the skincare category, of which, Lancaster, founded in Monaco in 1946, is a representative among the iconic high-end skincare brands.

The skincare category, in particular, has grown exponentially in Asia and represents a huge growth opportunity for Coty Travel Retail. By launching Lancaster with an Asia-focused product line-up, Coty targets to become an even stronger global player in skincare. It features new merchandising designs and offer the Asian consumers effective, sophisticated, safe, and sustainable personal care products customized to fit their regional needs. The key markets for this new product line-up are China, Korea, Thailand, and India focusing on the key markets for the category in the travel retail industry and a strategic vector of growth for the company .

Till now, Lancaster has set up four brick & mortar retail stores in Hainan and launched an official mini program on the Alipay platform, injecting a booster into the skincare business expansion of Coty in APAC.

With innovative technologies and solutions, Alipay+ brings an easy way to capture digital-first customers and makes it more convenient for merchants to serve hundreds of millions of users of leading digital payment service providers. Especially, through a one-stop integration and simple technical adaption, merchants can access all existing and later-onboarded digital payment methods brought by Alipay+. Moreover, Alipay+ can help merchants further extend the reach of potential users through its rich marketing campaign solutions.

Facing the impact and challenge caused by the COVID-19, Alipay+ has been working with brands since 2020, to find a way out for the travel retail industry in the post-pandemic era. With the comprehensive understanding of brand business, Alipay+ is making efforts to empower digital operation and transformation of business partners, and to improve consumers' shopping experience with its payment and marketing solutions.