

Alibaba Group and Dufry strengthen joint venture



President of Alibaba B2CBusiness Group, Liu Peng (left) and Dufry CEO Xavier Rossinyol

At a meeting held at Dufry's headquarters in Basel, Switzerland, Liu Peng, President Alibaba B2C Business Group, and Xavier Rossinyol, CEO of Dufry, reinforced the strategic joint venture between the companies, which aims to develop growth opportunities in the duty free and duty paid business in China. It also aims to support Dufry's digital development.

In attendance at the meeting was also Li Lei, Director, Head of European Business Development Alibaba B2C Business Group; Nicolas Cano, Head of Business Development Tmall Luxury; Luis Marin, Dufry Global Chief Corporate Officer; Andrea Belardini, Dufry Chief Commercial Officer, and Chris Wang, Vice- President Transformation APAC at Dufry.

As a first result of the strategic joint venture established in October 2020, Dufry with Alibaba and Hainan Development Company HDH successfully opened the Global Duty Free Plaza (GDF Plaza) at the Mova Mall complex in Hainan's capital city Haikou in January 2021. Across 38,920 square meters of retail space customers are offered an attractive selection of internationally renowned brands and local premium labels covering all core categories such as perfume and cosmetics, food and confectionery, wine & spirits, as well as sunglasses and top luxury and life-style brands. The collaboration also included the implementation of the related online channels.

In digital collaboration, Alibaba has designed and developed a new digital user experience interface tailored to Chinese consumers. The new mini-app for Dufry, which provides the functionality of an e-commerce platform, allows Dufry to engage with Chinese travelers through key Chinese digital ecosystems such as Alipay and to connect them to its preorder system Reserve & Collect, as well as its customer loyalty platform Red By Dufry.

The app, which has just been launched at Dufry's operations in Macau, will be available in Hong Kong before Chinese New Year 2023, and will be deployed across other Dufry locations with high levels of Chinese travelers going forward.

The mini-app is an ideal tool to accelerate e-commerce traffic generation and increase Dufry's perception within the Chinese traveler community as well as offering Dufry's brand partners an additional media channel to target travelers effectively.

Building on the successful delivery of these specific initiatives, Alibaba and Dufry agreed to explore further opportunities to develop consumer facing digital solutions to enhance the connectivity with travelers pre, during and post trip, as well to enhance data driven personalized targeting.

"Dufry is very satisfied with the development and the achievements of the joint venture. I would like to thank Alibaba and its management team for their considerable support in developing these important digital platforms, and we are looking forward to continuing to identify new collaboration opportunities," said Rossinyol.

Liu Peng said, "I am really glad to meet the Dufry team face to face again after 2 years, to discuss the strategy of our joint venture. Currently, China's duty-free market is growing fast with huge potential.

Long queues of customers can be seen frequently in duty-free shops in China. Dufy and Alibaba shall continue to strengthen our partnership to develop the China duty free market. As a strategic partner of Dufry's global digitalization strategy, I am looking forward to supporting this initiative through more and more innovative cooperation on the digital front."