

More Australian businesses adopting Alipay to attract Chinese tourists



Mobile payment options have become key for Australian businesses like Heinemann Australia to target Chinese consumers



Richard Goodman, Heinemann Australia's managing director sees Alipay as an easy and efficient mobile payment method that helps to enhance Chinese travelers' overall shopping experience at their stores

Over 20,000 Australian businesses are expected to roll out Alipay at their stores, in the second quarter of this year.

This is part of Australian business bank Tyro's efforts to introduce the hugely-popular Chinese mobile payment platform to its eligible merchants.

Speaking to Asia Duty Free magazine exclusively, Tyro's CEO Robbie Cooke shared that integrating Alipay to its existing businesses will reap significant benefits to the Australian tourism industry.

He said: "Alipay covers 70% of China's outbound tourists and by offering more payment methods, this will improve the Australian tourism industry and economy by encouraging more spending by Chinese visitors."

In addition, this integration is also an opportunity for [Tyro's customers](#) to leverage the partnership to reach out to the Chinese market, if that fits with their expansion strategy.

This partnership with Tyro is a win-win solution for Alipay as well. George Lawson, Alipay's ANZ Country Manager highlighted that their key focus in Australia is to engage the Chinese customers more effectively, by allowing them to use a payment method that is familiar to them.

According to Lawson, tens of thousands of merchants in Australia have already implemented Alipay. These include leading national retailers such as Chemist Warehouse, JR/Duty Free and Vodafone.

Chinese tourists fuel demand for mobile payments

In the recent years, the Chinese tourism dollar has become increasingly important for Australian businesses. Last year, China overtook New Zealand to become Australia's largest inbound visitor market for the first time. The latest data from the Australian Bureau of Statistics shows there were 1.39 million Chinese visitors in the year ending February 2018, a significant increase of 13.2% compared to the previous year. Since 2011, Chinese tourists are also Australia's biggest spenders, with visitors spending a record \$10.4 billion in the year ending December 2017.

And this trend shows no signs of slowing down.

The Australian Bureau of Statistics predicts that Chinese tourist numbers are expected to hit 3.9 million by 2026 - 2027. A whitepaper released by Nielsen and Alipay last year showed that over 90% Chinese tourists would use mobile payments overseas, if they had the option. Additionally, more than 90% of Chinese tourists indicated they would increase their spending if Alipay was an accepted payment method.

Mobile payments indispensable for retail and hospitality industry

Cooke observed that there was a huge demand for businesses requiring Alipay, especially so in the retail and hospitality sector.

"Based on credit card usage for existing Tyro merchants, there is a concentration of Chinese card usage in both retail and hospitality. Not surprisingly, since our Alipay launch was announced we have received a lot of interest from both of these industries," he shared.

"By enabling our merchants to seamlessly integrate with Alipay, they can better serve Chinese tourists and give customers more choice in how they want to pay, as well as have the potential to increase their revenue and attract new customers."

Tyro had observed these market changes and also took customers' feedback into consideration before introducing Alipay to its merchants.

"Chinese visitors will generally stop shopping when they run out of cash and they are reluctant to use credit cards as they do not know how much they are being charged in their own currency," said Cooke.

"There has been a shift from cash to both debit and the new alternative payment segments, such as Alipay. Alipay as a payment method is very common in China, and the population is very comfortable and familiar with it when it comes to digital payments."

Attracting Chinese consumers with mobile app promotions

For Australian businesses, another advantage of using Alipay is its in-app marketing functionality to offer coupons and special promotions to attract more Chinese customers.

Heinemann Australia is one such business benefitting from the use of Alipay in their stores. The duty-free retailer, which counts the Chinese market as one of its top 5 nationalities, was Tyro's first merchant to implement Alipay in its new stores at Gold Coast International Airport.

According to Richard Goodman, Managing Director of Heinemann Australia, implementing Alipay at Heinemann Australia's stores has many advantages.

"Introducing Alipay has allowed us to leverage on new markets we were formally unable to communicate with, and certainly not at this type of scale. The easy and efficient mobile payment method of Alipay makes us even more attractive to Chinese travelers, enhancing their overall shopping experience," said Goodman.

"Apart from having Alipay as a payment option in a number of outlets, we also partner with them in rolling out storewide promotions for the benefit of the Chinese passengers, giving us an opportunity to reach out to the shopper via Alipay before they enter the stores."