Alibaba Cross-Platform Partnership Case Studies

Below are examples of how leading international and domestic companies are tapping into the Alibaba Operating System. See how they're using the company's market expertise, powerful data-analytics tools and insights to expand their customer base, tailor products for specific customers' needs, optimize supply chain and enhance efficiency.

1. Food industry

One of the early successes of Alibaba brand partnerships is Nestlé. While strengthening its core B2C business through its Tmall flagship store, Tmall Supermarket and Rural Taobao, Nestlé has recently expanded into new Alibaba channels, such as Lingshoutong, FRESHIPPO (previously known as Hema) and RT-Mart. In addition, Nestlé is collaborating with Alibaba on a number of projects based on market insights and consumer behavior. In 2018, Nestlé signed a strategic partnership with Cainiao, the logistic arm of Alibaba Group, which enabled Nestlé to consolidate four distributors serving Alibaba-related business into one and introducing the "One Set" inventory system to fulfil online orders. As a result, Nestlé fully leverages Cainiao's intelligence to sort products and manage inventories according to consumers' preferences in different regions, reducing the proportion of cross-region parcels and speeding up deliveries.

At the same time, Nestlé's strategic partnership with Cainiao meant 2018 was a year of sharply improved efficiency, faster delivery and even better customer experience for the Swiss company, as well as a giant step toward integrating its offline channels, Rural Taobao and Linshoutong, into a single, streamlined platform.

Wyeth, Nestlé's infant-nutrition brand, has worked with Alibaba to open over 10,000 smart stores in 200 Chinese cities to provide seamless online and offline service to Chinese consumers. Online deliveries can be made in as fast as 15 minutes, with a smart algorithm ensuring goods are ready for shipment to consumers from nearby offline stores.

Starbucks

In August 2018, Alibaba and Starbucks formed a deep, strategic New Retail partnership that enabled a seamless *Starbucks Experience* and transformed the coffee industry in China. Starbucks collaborates across key businesses within the Alibaba ecosystem, including China's leading on-demand food delivery platform, Ele.me, FRESHIPPO supermarket, Tmall, Taobao and Alipay, to significantly elevate the *Starbucks Experience* for Chinese customers.

A key element of the partnership leveraged Ele.me's on-demand platform to pilot delivery services in Beijing and Shanghai in September 2018. The Starbucks delivery

program is today available across 2,000 stores in 30 cities. Starbucks also partnered with FRESHIPPO store to create "Star Kitchens" specifically designed for Starbucks delivery order fulfilment, further expanding delivery capabilities, while preserving the highest levels of the in-store customer experience.

In December 2018, Starbucks launched its first virtual store in China powered by technology from Alibaba Group, providing a unified, one-stop digital experience across the Starbucks app and mobile apps within the Alibaba ecosystem. The first-of-its-kind virtual store leverages an online management hub developed specifically for Starbucks by Alibaba. It provides consumers integrated access to Starbucks' digital offerings, including "Starbucks Delivers," "Say it with Starbucks" social gifting and merchandise available from Starbucks' Tmall flagship store.

2. Beauty products

L'Oréal
Believing that beauty is a perfect match with digital, L'Oréal has been a pioneer on Tmall since 2010 and has so far launched 24 brands on the brand-oriented platform. L'Oréal Group, the number-one beauty group worldwide and in China, has continuously deepened its use of the Alibaba's ecosystem to meet and create new aspirations from consumers.

In New Retail, L'Oréal Group was an early adopter of merging online and offline during the 2018 11.11 Global Shopping Festival. Lancôme, Maybelline, Kiehl's and Biotherm's pop-up stores created a "retailtainment" experience for consumers with AR/AI virtual mirrors and digital vending machines with Alibaba. Even on normal days, consumers enjoy one-on-one online beauty advisor consultation from L'Oréal Pairs and Maybelline via DingTalk, and Kérastase allows online booking at 135 salons offline in 17 cities.

In June 2018, L'Oréal Group and Tmall signed an agreement on "green parcels." Ten L'Oréal Group brands used packages made from and packed with paper-based renewable and recyclable filing materials, shipping around two million green parcels to consumers during last year's 11.11 Global Shopping Festival. Lancôme was the best-selling beauty products at the festival, with L'Oréal Paris the number-three best-selling beauty brand.

The focus of L'Oréal's partnership with Alibaba is consumer-centricity. With male grooming as a pilot project, L'Oréal Group extended its partnership with the Tmall Innovation Center, enabling L'Oréal to activate data-based consumer insights to drive innovation in products, marketing and retail.

3. FMCG

P&G

The omnichannel partnership between P&G and Alibaba Group covers Tmall, Tmall Supermarket, LST, Tmall Global, Lazada, AliExpress and Cainiao.

In the New Retail space, collaboration between P&G and Alibaba Group ranges from developing new technology, integrating online and offline interactive marketing activities, to giving out preferential trial samples and setting up celebrity pop-up stores.

P&G also works with Tmall Innovation Center to develop new products tailored for the China market, e.g. the fragrance shampoo series. The product only took nine months to develop from concept to launch – less than half of the normal product-development cycle. Product design was refined at an early stage using consumer insights and feedback, largely reducing market risk.

Working with Cainiao, P&G has been able to address last-mile delivery pain. Alibaba's big data analytics generate accurate forecasts on order amounts and regional distribution. That enables the use of smart inventory and sorting, shortening delivery times. Cainiao also offers smart services, such as order combination, pre-packaging and flexible delivery times to enhance operating efficiency for P&G.

4. Consumer electronics

Haier
Our New Retail model has helped Haier integrate its online and offline sales channels and enhance operating efficiency. Haier's New Retail stores offer a fully digitized experience from transaction to product review. By scanning a product's QR code, customers are able to view product reviews and place orders, shortening the decision-making time at purchase.

Offline added-value services, meanwhile, help draw traffic to physical stores, converging the online and offline consumer pool and information. During last year's Global Shopping Festival, Haier offered a brand-new series of water heaters online. They quickly became one of the most-popular products in the RMB5,000 product category in the marketplace. Haier generated total sales exceeding RMB100 million during last year's 11.11, alone, as a result of a seamless online and offline integration. Its New Retail model offered customers special deals online and triggered immediate packaging and rapid delivery. Customers also enjoyed localized after-sales service, as well as product exchange and refund in offline stores.

5. Furniture

Easyhome
Supported by Alibaba Group's New Retail solutions, all 41 Easyhome stores across 27 cities in China participated in last year's Global Shopping Festival, leading to total sales of RMB12 billion.

Alibaba's precise digital consumer intelligence identified 20 million potential customers for Easyhome and reached more than three million of them, with one quarter of these converted to members.

At the same time, Easyhome launched offline discounts to attract customers to visit their stores. In early 2018, Alibaba Group announced a RMB5.453 billion strategic investment in Easyhome and launched a full-blown digitization of the furniture retailer.

The first digitized Easyhome store was opened in October 2018, enabling digital operations from customer targeting and profiling, to manufacturing, delivery and installation.

Within the next year or two, all 260 Easyhome stores in China will accept digital payment.

###