CAlibaba Group | 🖉 FRESHIPPO

## ALIBABA GROUP OVERVIEW

Alibaba Group is the world's largest online and mobile commerce company. We operate online marketplaces that connect buyers and sellers, and through our ecosystem, offer a range of enabling services such as logistics, cloud computing, payments, marketing services and digital media and entertainment.

Alibaba is building the future infrastructure of commerce to help merchants, brands and small businesses around the world reach and engage consumers. Our vision for the future of retail is "<u>New Retail</u>" – the seamless integration of online and offline achieved by digitizing the entire retail value chain.

With more than 600 million mobile monthly active users (as of September 2018), we serve as the "Gateway to China" for international brands and merchants of all sizes to tap into the massive China market. Our long-term strategic goal is to serve two billion consumers around the world and support ten million businesses to operate profitably on our platforms.

## **FRESHIPPO OVERVIEW**

Founded in March 2015, Freshippo (known as Hema in Chinese) is <u>the most sophisticated</u> <u>example of New Retail</u> to date – which is not only successful in its own right, but serves as a testbed for innovations that can be leveraged by other retailers.

The supermarket chain offers a retail experience that seamlessly integrates online and offline grocery shopping putting the consumer experience at the center:

- **In-store experience**: The in-store experience is designed around the reasons people want to go to the grocery store, and to make the experience appealing.
  - Fresh food: Hand-selecting seafood and other fresh foods is important to Chinese consumers and this is at the heart of the experience. Fresh food is clearly marked with the day of the week it arrived in store.
  - <u>Product traceability:</u> Consumers can scan each product for <u>traceability</u> <u>information</u>, ingredients and preparation suggestions.
  - <u>In-store dining</u>: Consumers can have their seafood prepared for them and dine in the restaurant. At Freshippo's <u>robot concept restaurants</u>, table bookings and orders are made through the app and robot waiters serve.
  - <u>Convenient checkout:</u> Shoppers scan the products and use the app or <u>facial</u> <u>recognition</u> to pay at cashierless checkout machines.

- **30-minute online delivery**: Freshippo stores are both grocery stores and fulfillment centers which makes fast delivery possible.
  - Freshippo stores are neighborhood stores, meant to serve those who live within a three-kilometer radius. The inventory on the Freshippo app reflects the inventory available in the local store.
  - Freshippo staff fill online orders by picking the product from the store shelf, scanning it, packing it in a reusable shopping bag, and hooking it to a conveyor belt system which takes it to the adjacent delivery center.
  - Delivery personnel pack up the orders and send them out for delivery.
- Test-bed for innovation
  - The technology developed for Freshippo has already been adopted by more than 30 retailers in China.
  - <u>RT-Mart</u>, China's leading hypermarket chain, is implementing Freshippo technology across all its stores.

## **FRESHIPPO BY THE NUMBERS**

- First store: Opened in Shanghai in January 2016
- Total number of stores: 100+ as of December 2018
- Cities: 19 cities in China
- **Global product offering**: Freshippo offers fresh products from more than 100 countries and regions. More than 40% of its products are products from overseas.
- **High online penetration:** On average, online orders account for more than 60% of total store sales for stores in operation for 18 months or longer.
- Visit NRF **Booth** #1331 to learn more about Freshippo
- Read more on our corporate news site Alizila at https://www.alizila.com/nrf-2019/
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