



## **ALIBABA GROUP OVERVIEW**

Alibaba Group is the world's largest retail 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 "New Retail" – the seamless integration of online and offline achieved by digitizing the entire retail value chain.

With more than 846 million mobile monthly active users (as of March 2020), we serve as the "Gateway to China" for global 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 the most sophisticated example of New Retail 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.



WATCH: How Alibaba got consumers to love grocery shopping with Freshippo



WATCH: Take a tour of Freshippo's store formats

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

- **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 fulfill online orders by picking the products 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.
  - o Delivery personnel pack up the orders and send them out for delivery.
- **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.
  - Product traceability: Consumers can scan each product for traceability information, ingredients and preparation suggestions.
  - In-store dining: 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.
  - Convenient checkout: Shoppers scan the products and use the app to pay at cashier-less checkout machines.

## FRESHIPPO BY THE NUMBERS

- **First store:** Opened in Shanghai in January 2016
- Total number of stores: 207 (as of March 2020)
- Cities: 20+ cities in China
- **High online penetration:** About 60% of Freshippo's gross merchandise value (GMV) came from online purchases (for the quarter ended March 31, 2020)
- **Global product offering**: About 40% of Freshippo's products are imported products from overseas.
  - Read more about Freshippo on our corporate news site Alizila.
  - Follow us on Twitter or LinkedIn at @AlibabaGroup