



GLOBAL SHOPPING
FESTIVAL 2019

INTIME RETAIL

OVERVIEW

Intime Retail is a leading department store chain and mall operator in China with over 65 stores in 35 cities. Together with Freshippo (also known as Hema), its Intime Department Store represents how the future of commerce will be a seamless integration of online and offline shopping experiences through digitization, and serves as a testbed for the further realization of Alibaba's New Retail vision.

History: Starting with a department store in 1998 in Hangzhou, Intime grew to become a domestic retail market leader and was listed on the Hong Kong Stock Exchange in 2007. Intime was privatized in 2017 following its decision to partner with Alibaba and adopt its transformative New Retail vision to create a brick-and-mortar commerce model for the future.

New Retail Business Model: While the traditional physical retail business model typically expands by building more stores in more locations to reach more customers, Alibaba's New Retail approach has enabled Intime to focus on growing through productivity and efficiency gains with a digital-first strategy instead.

Digitized Operations: Intime was the first department store chain to implement Alipay in 2013, and the first physical retail business to adopt a 100% cloud-hosted operating model in China. This digital-first approach permeates the day-to-day operations of each Intime store from membership to payments and logistics.

Business Objectives: With the integrated online-and-offline retail model, the company aims to eventually achieve a 1:1 sales parity across both channels and demonstrate how merchants and brands can succeed in the digital era by combining the best experiences into a groundbreaking approach to retail.

2019 HIGHLIGHTS

Partnership examples with leading brands: Intime partnered with the popular cosmetic brand Shu Uemura during Tmall's 6.18 Mid-Year Shopping Festival, a total of 1,000 limited edition lipsticks were sold out through Intime's Miaojie app on that very same day. With SK-II, another leading cosmetics brand, Intime's ability to provide insights on shoppers enabled SK-II to match products to prospective customer profiles, attracting more than 4 times the usual number of customers to their stores.

Intime Retail and 11.11 Global Shopping Festival: During the pre-sale period in last year's 11.11 campaign, sales at 59 Intime stores increased by 37%. This year, Intime is planning to engage shoppers even further across online and offline domains with an interactive fashion show during 11.11.

KEY FEATURES

Miaojie app: Even before a shopper steps into an Intime outlet, they are able to access a wealth of information through Intime's proprietary Miaojie app from available parking spaces to brands carried in store to information on whether items are in stock at any particular store. The app also serves as an in-store shopping assistant, enabling shoppers to review details of a product while being able to touch and feel the items in-person.

Membership Program: Intime's membership program is integrated with the Taobao and Tmall platforms, enabling seamless access to the hundreds of millions of e-commerce shoppers in Alibaba's ecosystem. Together with Intime's catchment of shoppers in the vicinity of its stores, the retailer has over 10 million digital members as of September this year.

Cloud-based Point-of-Sale (POS) machines: The traditional transaction process is transformed with Intime's completely cloud-based unified payment approach across 17,000 POS touchpoints, cutting the average duration of a transaction from around two to three minutes to under 58 seconds.

Magic Mirror: Leveraging Alibaba's innovative Augmented Reality (AR) technology, shoppers at Intime can try on a wide range of makeup products virtually and with minimal hassle, even if a particular item is not available in the store. Intime is also able to glean additional consumer insights based on shoppers' feedback while using the Magic Mirror, which helps brands determine follow-up marketing techniques.

Automatic Vending Machine: Developed jointly with cosmetic brands, the vending machine concept is proving a draw to the younger generation of consumers. Apart from dispensing product samples, shoppers can scan a QR code to visit the brand's Tmall store to complete the purchase and collect the product from the machine, representing yet another online and offline convergence under Alibaba's New Retail vision.

Fulfilment Centers: Adopting the landmark fulfilment model by Freshippo (also known as Hema), each Intime stores will eventually serve as a fulfilment center, delivering orders made via the Miaojie app or in-store to shoppers within a 10 km radius of an outlet within two hours and next day delivery for shoppers within a 10 to 30 km radius via a solution enabled by Alibaba's Cainiao. Exemplifying the tech-first approach adopted by the retailer, Intime also deploys logistics robots powered by Cainiao's technology.

Digital Warehouses: Taking the fulfilment model a step further, Intime is also building 10 digital warehouses across China acting as centralized conduits for smart inventory, packaging and delivery to shoppers. These digital warehouses will be stocked based on predictions surfaced by data intelligence trends.

Offline Retail Experiences: The Beijing Intime branch created the world's first smart nursing room, providing comfortable sofas, cribs, heating appliances and a Tmall vending machine with baby formula, diapers and other maternity essentials. Some Intime stores have Tmall Service Centers, where consumers can book appointments through their phones to get services while they shop in the mall, such as tailoring, handbag cleaning and watch repair. The West Lake Intime Shopping Mall in Hangzhou also pioneered a smart public toilet, where shoppers can purchase various sanitary products from vending machines and access Magic Mirrors while waiting.