

SOUTH 
THE HEART OF NEW ZEALAND

**CHRISTCHURCH
AIRPORT** 
bringing the world South

Introducing

 **Alibaba Group**
阿里巴巴集团



Why are we doing this?

**Growing economic outputs
for the South Island from
the Chinese tourism market.**

What are we doing?

Christchurch International Airport (CIAL) has identified an opportunity to increase the economic outcomes for New Zealand from Chinese visitors.

Partnering with the Alibaba group of companies, we intend to achieve significant goals through the delivery and ongoing management of this project, being:

1. Increased spend in New Zealand from Chinese visitors, both pre-booked travel and in-country spend on experiences, goods and services;
2. Increased holiday visitors to the South Island from China, with a specific focus of growing geographic dispersal throughout the island (i.e. not just the hero tourism destinations) and increasing the spread throughout the year;
3. Providing an opportunity for New Zealand businesses to develop micro-exporting opportunities into China.

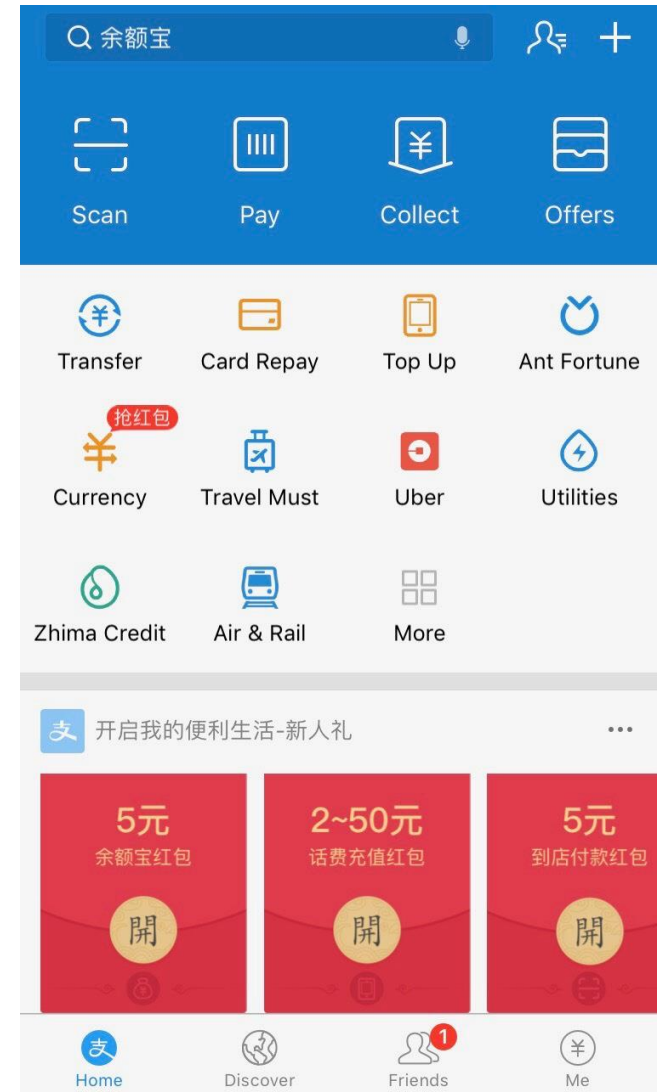


What is Alipay?

Alipay is much more than just a way to pay for goods and services via a mobile phone.

It's a complete ecosystem...

- Payments – offline and online
- Peer-to-peer payments
- Full suite of financial services products (savings, investments etc)
- Business reviews
- Promotional offers
- Virtual wallet



What is Alipay?



97,000,000,000 Mobile Transactions
520,000,000 Users
16,000,000 Merchants in China
Used during 120m overseas trips in
2016.

*Why is this important for
New Zealand?*

An almost 60/40 move to FIT.

More Chinese guests are planning and booking their holidays themselves.

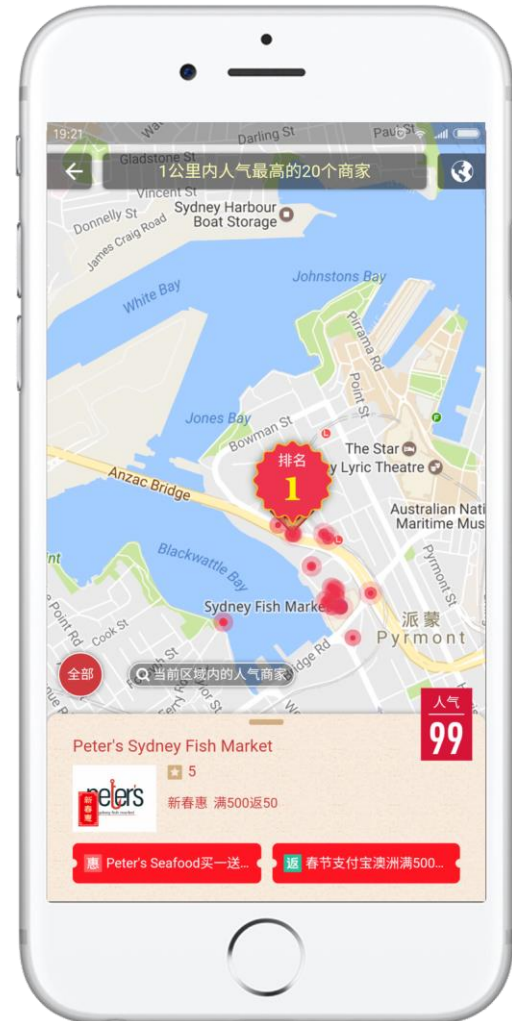
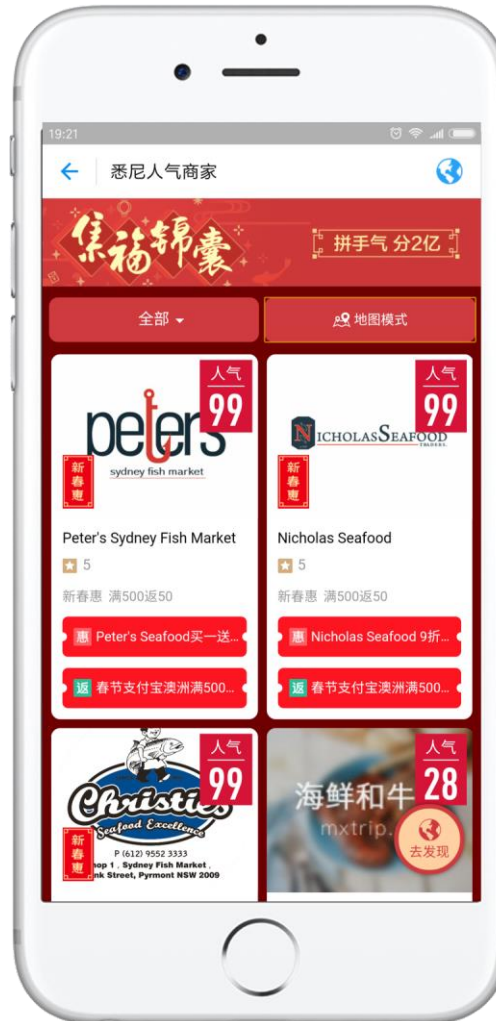
They are deciding where to go and what to experience themselves.

Alipay gives New Zealand businesses an invaluable tool to attract these valuable Chinese guests.

How it works.

On arrival in location

Put your business in front of Chinese guests before or when they arrive near your location. Customers can be targeted based on location and over 5,000 shopper characteristic tags.



Coupons to encourage purchase

Put offers in front of potential customers to encourage them to visit your business, or at the time of purchase (pictured) to encourage repeat purchase.



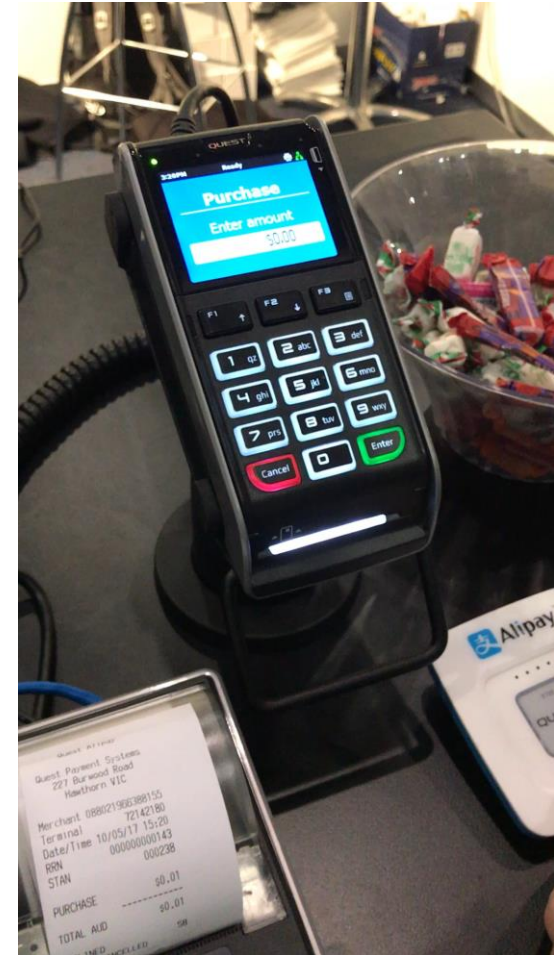
The in-store process



QR code at POS

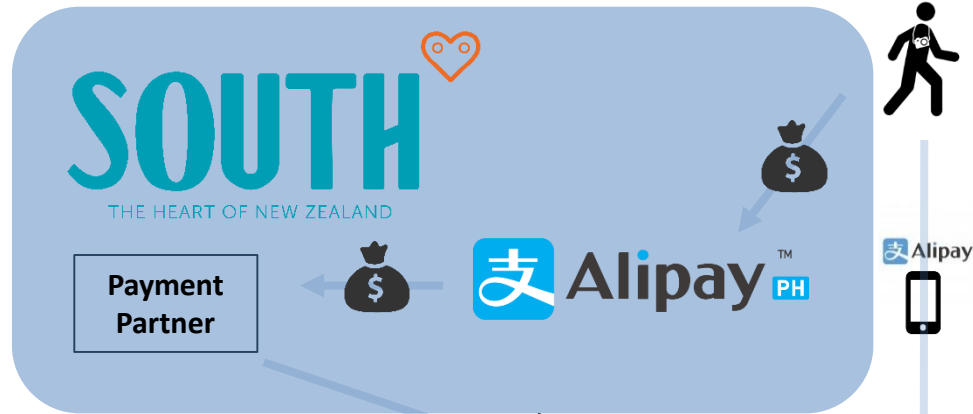


QR or barcode scanner



Terminal integration (coming soon)

How it works



A customer visits a store and purchases goods or services. The customer has Alipay on their phone and uses the app to pay for the goods.

The PP remits to the merchant, less a 1.5% merchant fee.

The customer either enjoys the service, takes the goods with them, or arranges for them to be delivered to China.



Set-up process



- At its most basic, set-up involves simply a QR code at POS and nothing more.
- However, full POS and back-end accounting integration is possible.
- Merchants will have two contracts:
 1. A marketing agreement with South, represented by CIAL, which covers your participation in the programme and specifics of your marketing representation on Alipay.
 2. A merchant acceptance contract with our payment partner. This covers the process for accepting Alipay, technology, support and remittance.
- Merchant receives real-time confirmation of transaction, via email / app / direct integration;
- Funds are settled in T +2 days;
- Funds are settled in NZD;
- The merchant fee is deducted before settlement.

How are we making it easy?



- **Merchant Fee – 1.5%**
- This covers all fees, set-up, in-store training, and there are no ongoing monthly charges.
- The merchant fee also covers the basic marketing package, including:
 - Set-up of merchant page on Alipay – effectively your mini-website within the app;
 - Set-up of merchant vouchers (special offers) which Alipay users see when viewing your business;
 - Marketing of the South network and its merchants within the Alipay ecosystem.

Beyond Alipay.

Beyond Alipay



- Fliggy (formerly Alitrips) is an OTA (online travel agency) with over 100m members and 10m daily visits.
- Focus on international travel, with a slightly younger, FIT audience.
- We are developing a South store on Fliggy to allow tourism operators to sell directly to the rapidly growing Chinese FIT market. This gives operators:
 - ✓ Greater exposure direct to Chinese FIT travellers, as part of a dedicated South site;
 - ✓ Complete control over product pricing and inventory;
 - ✓ Reduced commission;
 - ✓ The ability to generate greater pre-travel sales;

Beyond Alipay



天猫 TMALL.COM

- Tmall is a B2C e-commerce platform, featuring 70k international and Chinese brands.
- It has over 180m monthly customers and accounts for almost 50% of the online B2C market in China.
- Building a store within Tmall Global allows South partners to:
 - ✓ Access Chinese consumers in a way they would unlikely be able to do themselves, leveraging the data capabilities of the wider South programme;
 - ✓ Leverage on the South brand being built across the wider Alibaba network;
 - ✓ Sell goods to Chinese traveller / existing customers once they have returned home;
 - ✓ Achieve early scale in the Chinese domestic market they would be unlikely to achieve themselves.

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