

Global Blue and Alipay launch 'real-time refunds' for Chinese

In a major step forward, Global Blue and Alipay report that they successfully launched real-time VAT refunds for Alipay customers last month.



Both companies have been working on providing this service for some time now with the aim of providing global Chinese shoppers in particular with better service and greater flexibility. As such, this new service now refunds VAT amounts directly into their personal Alipay accounts immediately following electronic approvals at Global Blue's counters in airports.

Global Blue reports that this new technology has now been successfully installed at its refund points in Milan Malpensa, Munich and Helsinki airports, with a further 'European roll-out' planned by the summer of this year.

In a statement, Global Blue said: "Chinese travellers are the number one globe shopper group in Europe and have a strong preference for claiming VAT refunds in the airport, with over 70% currently choosing a cash or credit card payment at airport refund points.



A REAL STEP FORWA RD

"Global Blue and Alipay have been working together since 2014 across nine European countries, providing tax refunds to Chinese

Refunds are instantly notified to the traveller by Alipay, providing a major reassurance factor, according to Global Blue.

travellers' Alipay accounts five to 10 working days after validation of their Tax Free Forms, but this is the first time it will offer real-time digital refunds."

In addition to being instantly reassured that they have their refund, this new service also improves the overall experience for this important customer group.

The companies said: "At this stage, a Chinese traveller simply needs to present the refund operator with a QR code generated by the Alipay app on their smartphone.

HOW IT WORKS AND WHAT IT MEANS

"The operator scans the code, confirms the refund amount and approves the payment to the customer's Alipay account. The shopper then receives a real-time notification from Alipay, confirming the refund has been deposited to their Alipay account successfully."

Tomas Mostany, Global Blue SVP Product TFS, commented: "Global Blue is committed to offering a wide range of refund options to globe shoppers and this new service will provide even greater choice to Chinese globe shoppers.

"With over 450m registered users, Alipay is an increasingly important payment channel outside China and we are confident the service will prove popular with Chinese shoppers, whose use of smartphones when shopping abroad is growing rapidly."

Global Blue currently operates in 51 countries, employing 1,800 people worldwide and between April 2015 to March 2016 the company 'powered' 30m tax free shopping and 12m dynamic currency conversion transactions covering a total of €21bn (\$22.5bn) worth of sales in store.

ASIAN TAX FREE MARKET BACK IN GROWTH

Meanwhile, Global Blue reports that the Asian Tax Free Shopping (TFS market) has grown for the first time since February 2016, posting a +2% sales-in-store increase during December. The company reports that the number of transactions continues to grow across the region, up +7% month to date, as increased numbers of Chinese shoppers from tier-two cities choose to travel throughout the region.

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However this increase has had a relatively soft impact on total sales in store due to low average spend growth of -5%. The growth experienced across the region was driven by a strong month for Japanese TFS sales.

During December, total sales increased by +8% month to date as Chinese shoppers returned to Japan in large numbers, driven by increased domestic consumer confidence and the softening of the Japanese Yen.



How Global Blue saw the market performance back in December 2016

Global Blue adds: Total transactions were up by +23% month to date during December, driving significant growth in Japan, despite challenging average spend growth of -12%, highlighting the trend of increasing numbers of lower-value Chinese globe shoppers choosing to visit Japan.

While Japan was the main driver of growth, December saw other Asian markets stabilise, with Singapore posting improved sales in store performance of -2%, against -5% in November. [The] South Korean performance remained flat at -11% for December (vs -11% for November).