

Asia (ex-China) Retail & E-commerce

Biweekly Updates

1 May – 15 May 2017



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Asia Distribution & Retail

Japan *p2*

- Statistics: CPI up 0.2% yoy in March 2017
- Statistics: Consumer confidence index down 0.7 point mom in April 2017
- Supermarkets: Aeon aims 500 grocery stores in Vietnam
- Apparel: Uniqlo to step up expansion in Europe
- Apparel and footwear: Asics to open new concept flagship store in the U.K.

South Korea *p3*

- Statistics: CPI up 1.9% yoy in April 2017
- Shopping malls: Lotte upgrades premium outlet in Incheon to target families and kids
- Hypermarket: E-mart to shutter business in China
- Beauty and personal care: Laneige opens first concept flagship store in Beijing

Taiwan *p3*

- Statistics: CPI up 0.1% yoy in April 2017

Thailand *p4*

- Statistics: CPI up 0.4% yoy in April 2017
- E-commerce: Thai online shoppers to hit 14 million by 2021
- E-commerce: Zalora Vietnam comes under Thai Robins brand

Malaysia *p4*

- E-commerce: Lazada Malaysia allows shoppers to pay offline at 7-Eleven stores

Singapore *p5*

- Statistics: Retail sales up 2.1% yoy in March 2017
- E-commerce: Groupon Singapore to come under Fave
- E-commerce: Designer product retailer Naiise launches online store in Malaysia
- Apparel and footwear: Decathlon opens largest Singapore store

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Japan

Statistics: CPI up 0.2% yoy in March 2017

Japan's consumer price index added 0.2% yoy in March 2017. By category, prices of seven out of 10 major components indicated growth, including education (up 1% yoy), culture & recreation (up 0.7% yoy), clothes & footwear (up 0.6% yoy), food (up 0.5% yoy), medical care (up 0.5% yoy), miscellaneous (up 0.4% yoy) and transportation & communication (up 0.2% yoy). By contrast, prices of fuel, light & water charges, furniture & household utensils and housing fell 0.8% yoy, 0.8% yoy and 0.2% yoy respectively in March 2017¹.

Statistics: Consumer confidence index down 0.7 point mom in April 2017

Japan's consumer confidence index moved down by 0.7 point mom in April 2017. By category, consumer confidence related to willingness to buy durable goods, overall livelihood and income growth fell 1.6 points mom, 1.2 points mom and 0.8 point mom respectively in April 2017, while consumer confidence concerning employment went up 0.8 point mom in the same month².

Supermarkets: Aeon aims 500 grocery stores in Vietnam

Japan's retail giant Aeon plans to boost the number of its grocery stores in Vietnam almost ninefold to 500 in Vietnam by 2025. The move is part of the retailer's strategy to

open small-size stores in emerging Asian markets, including Cambodia and Myanmar. Aeon has also paired up with two local chains for the expansion, namely Hanoi-based supermarket chain Fivimart and Ho Chi Minh City-based Citimart, which have been held 30% and 49% respectively by Aeon since early 2015³.

Apparel: Uniqlo to step up expansion in Europe

Uniqlo plans to accelerate its store expansion in Europe, aiming to boost its sales and brand awareness in the region. The brand will increase its store count in Europe to 100, a double from some 50 stores in France, Russia and other European countries. Apart from adding more stores in France's major cities, it will also open its debut stores in Italy and Spain. Uniqlo hopes that through the expansion in Europe, the brand will be less dependent on China for sales⁴.

Apparel and footwear: Asics to open new concept flagship store in the U.K.

Asics, a Japanese sportswear brand, will launch a flagship store with new retail concept on London's Regent Street in 2017. It will be the brand's first of its kind concept store in the U.K, showcasing all of Asics performance and lifestyle brands under one roof. Covering two stories, the new flagship store will house Asics' full range plus the Asics Tiger, Haglofs and Onitsuka Tiger collections⁵.

South Korea

Statistics: CPI up 1.9% yoy in April 2017

South Korea's consumer price index advanced 1.9% yoy in April 2017. The growth was mainly driven an increase in prices of most of the expenditure categories in April 2017, including transport (up 5.4% yoy), food & non-alcoholic beverages (up 2.6% yoy), miscellaneous goods & services (up 2.5% yoy), restaurants & hotels (up 2.2% yoy), recreation & culture (up 1.9% yoy), alcoholic beverages & tobacco (up 1.5% yoy), housing, water, electricity, gas and other fuels (up 1.1% yoy), furnishings, household equipment & routine maintenance (up 0.9% yoy), healthcare (up 0.7% yoy) and clothes & footwear (up 0.2% yoy)⁶.

Shopping malls: Lotte upgrades premium outlet in Incheon to target families and kids

South Korea's retail giant Lotte has added a new Fashion & Kids Mall building to its Lotte Premium Outlets in Incheon, catering to families with children. More than a shopping mall for bargain hunting, the new mall building also serves as amusement part providing outdoor activities for families. It houses cafes with ball pits and slides, job experience zones where kids can pretend to be doctors and firefighters, and a mega Toys"R"Us store. Lotte expects the new mall building will drive a 20% growth in the number of visitors⁷.

Hypermarket: E-mart to shutter business in China

E-mart, South Korean discount store operator, will cease its operation in China. The company admits that the recent diplomatic dispute over the location of the THADD missile defence system has been the last straw to its business in China, where E-mart has been striving to be profitable for 20 years. The company expects a complete closure of its Chinese branches by the end of 2017⁸.

Beauty and personal care: Laneige opens first concept flagship store in Beijing

Laneige, a cosmetic brand under South Korean cosmetic giant AmorePacific, has opened its first brand image concept flagship store at Beijing's APM shopping mall. Covering a floor area of 139 sqm, the new flagship store comprises an exclusive beauty class area, engaging with the brand's member with regular activities, including brand introductions, new product launches, and popular makeup tutorials. The store will also house exclusive limited products with unique package designs, aiming to optimize the shopping experience for high-end consumers⁹.

Taiwan

Statistics: CPI up 0.1% yoy in April 2017

Taiwan's consumer price index added 0.1% yoy in April 2017. By category, prices of both transportation & communication and miscellaneous increased by 2.3% yoy in April 2017, followed by healthcare (up 1.4% yoy), housing (up 1% yoy) and education &

entertainment (up 0.2% yoy). By contrast, prices of food and clothing decreased by 2.4% yoy and 0.6% yoy respectively in April 2017¹⁰.

Thailand

Statistics: CPI up 0.4% yoy in April 2017

Thailand's consumer price index rose 0.4% yoy in April 2017. By category, prices of transportation & communication advanced 3.1% yoy in April 2017, followed by recreation & education (up 0.6% yoy), medical & personal care (up 0.4% yoy), tobacco & alcoholic beverages (up 0.1% yoy) and raw food & energy (up 0.1% yoy). By contrast, prices of housing & furnishing and food & non-alcoholic beverages declined by 1.2% yoy and 0.3% yoy respectively in April 2017¹¹.

E-commerce: Thai online shoppers to hit 14 million by 2021

The number of online shoppers in Thailand is projected to hit 13.9 million in 2021, an increase of 15% from the expected 12.1 million in 2017. Online spending per capita is projected to expected to reach US\$382 per annum, 57% more than the expected spending of US\$243 per shoppers in 2017. Currently, 4.4 million online consumers in Thailand are aged 25-34, subsequently followed by 3.9 million online users aged 16-24¹².

E-commerce: Zalora Vietnam comes under Thai Robins brand

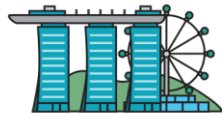
Zalora Vietnam, which was acquired by Thai major retailer Central Group in 2016, has merged with Central's fashion brand Robins to become Robins.vn. The merger is expected to make Robins.vn the largest fashion e-commerce website in Vietnam. Previously, Zalora Vietnam housed over 700 local and international fashion brands on its website¹³.

Malaysia

E-commerce: Lazada Malaysia allows shoppers to pay offline at 7-Eleven stores

Lazada Malaysia, a major online shopping website in Malaysia, has launched offline payment services in Malaysia in collaboration with local 7-Eleven chain and in-store payment service provider MOLPay Malaysia. The new service enables Lazada Malaysia 'shoppers to make payment and pick up their online purchases at any of the 7-Eleven stores in Malaysia, providing greater payment flexibility for local shoppers. 7-Eleven is now the largest convenience store chain in Malaysia, boasting over 2,150 stores nationwide¹⁴.

Singapore



Statistics: Retail sales up 2.1% yoy in March 2017

Singapore's retail sales grew 2.1% yoy in March 2017. The growth was due largely to an increase in retail sales of petrol service stations (up 11.3% yoy), watch & jewellery (7.8% yoy), motor vehicles (up 6.9% yoy), medical goods & toiletries (up 4.9% yoy), optical goods & books (up 4.2% yoy), recreational goods (up 3.2% yoy) and furniture & household equipment (up 2.4% yoy) in March 2017. However, retail sales of food retailers, mini-marts & convenience stores, department stores and supermarkets dropped 7.9% yoy, 5% yoy, 3.6% yoy and 2.1% yoy respectively in March 2017¹⁵.

E-commerce: Groupon Singapore to come under Fave

Discount website Groupon Singapore, which was acquired by Southeast Asian O2O commerce service provider Fave in March 2017¹⁶, will be soon be renamed and come under the Fave banner. Apart from Groupon Singapore, Fave has also taken over Groupon sites in Indonesia and Malaysia, boosting its user base to over 7 million subscribers in Southeast Asia. Fave has already become one of the top F&B apps in Southeast Asia, with its ecosystem covering more than 2,500 outlets and offering seamless mobile-first experience for consumers to find, share and support local restaurants, cafes, salons, spas, gyms and other businesses¹⁷.

E-commerce: Designer product retailer Naiise launches online store in Malaysia

Naiise, a Singapore-based retailer for designer products, will launch a new shopping website in Malaysia, bringing 300 brands for Malaysian online shoppers, with half of them from local artists and designers. Products offered by the new website include souvenirs, food, home and fashion items. Established in Singapore in 2013, Naiise now operates seven stores in Singapore¹⁸.

Apparel and footwear: Decathlon opens largest Singapore store

Decathlon, the largest sport goods retailer in France, has recently opened its largest store in Singapore at FairPrice Hub, Joo Koon. Covering a retail space of 4,000 sqm, the mega store comprises a new e-commerce hub, aiming to provide a multi-channel sales experience for its customers. The retailer will launch its new shopping website in June 2017. Upon the online launch, customers can order items online and choose to have their online purchases delivered home within the same day or pick items up at any of the three Decathlon's stores in Singapore¹⁹.

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