

Asia (ex-China) Retail & E-commerce

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Asia at a Glance



E-commerce: Samsung, SK Planet enter e-commerce partnership for Southeast Asia market

Samsung Electronics Southeast Asia and Oceania, a regional subsidiary of South Korean tech giant Samsung Group, has signed a MOU with South Korean e-commerce company SK Planet on an e-commerce partnership for the Southeast Asian region. The collaboration allows Samsung to ramp up its brand presence and product penetration in Southeast Asia through entering SK Planet's online marketplaces in the region, namely 11street Malaysia, 11 street Thailand and Elevenia in Indonesia. For SK Planet, the tie-up with Samsung will help enrich the product mix of its online marketplaces and enhance its consumers' online shopping experience¹.

Beauty and personal care: Japan's Do-Best seeks Southeast Asian expansion

Japan's cosmetics brand Do-Best is seeking to expand in Southeast Asian markets, including the Philippines and Indonesia. Well-known for its high-quality yet low-priced beauty products, the brand targets the fast-growing Asian markets where young consumers eager for low-cost beauty products. Founded 45 years ago, Do-Best has high proliferation in 100 Yen shops and similar stores across Japan. It also exports to Singapore, Hong Kong, Thailand and Taiwan².

Home products: IKEA goes green in Southeast Asia with store solar system

Swedish home furnishing giant IKEA has adopted green practices with the installation of solar power systems at key stores in Southeast Asia. Following the successful rollout of its solar panels in Bangkok and Kuala Lumpur, the retailer is set to install the system in its Tampines stores in Singapore. IKEA noted that its solar system in Southeast Asia is expected to generate 1.3 million kWh of energy annually and save the company US\$2.4 million in energy costs over the next ten years³.

Japan



Shopping malls: Ginza Six to open in April 2017

Ginza Six, the largest shopping mall in Tokyo's Ginza district, is scheduled to officially open its door to the public on 20 April 2017. The mega mall will have a total floor area of some 150,000 sqm across 19 floors. Its commercial offering will take up the second of six basement levels through to the sixth level above ground, as well as part of the 13th floor. Targeting foreign tourists in Japan, the mall will set up a tourist information centre on the ground floor which will also house a Lawson convenience store selling souvenirs. A tourist bus terminal will also be set up outside the mall⁴.

Convenience stores: 7-Eleven expands to Vietnam

Japan's largest convenience store operator 7-Eleven has started recruiting staff for store expansion to Vietnam. The retailer said earlier that its first store in Vietnam will be opened in spring 2017, yet without disclosing the date of opening or the number of outlets planned for the city. Backed by Japan's retail giant Seven & I Holdings, 7-Eleven currently boasts over 60,000 stores across 17 countries and territories, including five Southeast Asian markets namely Thailand, Malaysia, the Philippines, Singapore and Indonesia⁵.

E-commerce: Rakuten expands in-store payment service in Japan

Japan's largest e-commerce player Rakuten has expanded its in-store payment system Rakuten Pay to support 14 major digital money brands and Android Pay in Japan. Rakuten Pay now accepts payments from Rakuten's digital payment service Rakuten Edy and nine e-money brands affiliated to local transport organizations, including Suica, PASMO, and nanaco, the e-money brands from local retail giant AEON Group, along with QUICPay+TM and iD*1. As Rakuten Edy is compatible with Android Pay, Rakuten Pay also supports Android Pay. Rakuten also plans to make the service compatible with NFV payment services such as Visa payWave, Mastercard Contactless, and J/Speedy, enabling affiliated stores to process payments made by foreign tourists in Japan⁶.

E-commerce: Tech player Liquid launches biometric payment service in Indonesia

Japan's tech company Liquid has rolled out a biometric payment service in Indonesia. The company has trialed the new payment service at local conglomerate Salim Group, offering the service to some 500,000 employees of Salim. After registering their fingerprints and deposit money in advance, users can complete payments within three seconds via the system's fingerprint readers. Liquid will start registering users' fingerprints in February 2017 and start installing fingerprint readers later in 2017 at stores run by Salim. Currently, Liquid provides fingerprint payment services to tens of thousands of users in Japan and plans to expand the business in Indonesia⁷.

Apparel: Issey Miyake makes debut in Italy

Japan's fashion house Issey Miyake has opened its first store in Italy at Bagutta 12, Milan. The debut store covers a retail space of 800 sqm and houses all labels of Issey Miyake, namely Issey Miyake, Issey Miyake Men, Pleats Please, Homme Plissé, Bao Bao and 132 5 Issey Miyake⁸.

Apparel and footwear: Japanese fashion retailers are shutting stores in China, with Itokin first, Honeys and Asahi next

A number of Japanese fashion retailers have suffered major setback in China for continued sales decline and higher labor costs in recent years. Japan's major fashion retailer Itokin, which once operated up to 300 stores in China, shut down all of outlets in China in 2016. Its peer Honeys is also withdrawing from China by gradually closing up its stores

in the country, with plans to cut its store networks from 600 to 430 by Spring 2017. Japan's footwear brand Asahi has also decided to relocate its production bases in China to Japan within five years, blaming the rocketing labor costs in China, where the minimum wage has surged about sevenfold over the past ten years⁹.

Apparel and footwear: Mizuno to unveil new sneaker label Mizuno 1906

Japan's active wear brand Mizuno will introduce a premium sneaker line named Mizuno 1906 in spring-summer 2017. Developed by the group's Italian branch, the new shoe collection features three unisex models - Wave Sirius, Naos and Etamin with about forty versions. The new collection will initially be available in France and Italy, targeting the upscale market with retail price ranging from 170 euros to 230 euros¹⁰.

Home products: IKEA to go online in Japan

IKEA Japan will set up an online store offering nearly all collections of local store items, making a full-fledged expansion into the online market. The online store is slated to launch in late April 2017. It plans to offer 9,000-odd products, excluding food and plants. The products order online will initially be shipped from the country's nine IKEA stores. When the online stock expands at the later stage, there will be direct shipping from warehouses. IKEA Japan aims to have its online sales take up half of its revenue in 10 years. Its sales declined 2% to 76.7 billion yen for the year ended August 2016¹¹.

South Korea

Statistics: Major retailers see strong sales growth in January 2017

Major retailers in South Korea recorded notable sales growth in January 2017, owing to the stellar performance by convenience stores and supermarket chains, according to South Korea's Ministry of Trade, Industry and Energy. Sales by convenience stores and supermarkets jumped 15.5% yoy and 11.3% yoy respectively in January 2017, followed by department stores with sales up 4.6% yoy. Combined sales for department stores, large outlets and online malls advanced 8.3% yoy in January 2017, ending a decline for three straight months. The robust sales growth was fueled particularly by strong demand and brisk sales during the Lunar New year in late January 2017¹².

Statistics: Consumer sentiment index up 1.1 points mom in February 2017

South Korea's consumer sentiment index added 1.1 points mom to 94.4 in February 2017. The growth was due chiefly to a rise in consumer sentiment related to current domestic economic conditions (up 4 points mom), prospective domestic economic conditions (up 3 points mom), prospective living standards (up 2 points mom) and current living standards (up 1 point mom). Nevertheless, consumer sentiment regarding prospective household income fell 1 point mom while sentiment as to prospective household spending remained unchanged¹³.

Apparel: Kolon Sport sets up JV in China with China's Anta Sports

South Korean outdoor brand Kolon Sport has announced to form a joint venture (JV) company with Anko, a wholly-owned subsidiary of China's active wear brand Anta Sports in China. The JV will be the exclusive distributor of certain products that carry Kolon Sport's intellectual property and trademark in China. According to the announcement, Anko and the Kolon group of companies will each own 50% of the equity in the new company¹⁴.

Taiwan

Statistics: Retail sales up 3.9% yoy in January 2017

Taiwan's retail sales increased by 3.9% yoy in January 2017. By category, retail sales of fuel products and general merchandise advanced 25.9% yoy and 10% yoy respectively in January 2017, followed by medicine & cosmetics items (up 7.4% yoy), fabric & apparel items (up 6.7% yoy) and food, beverages & tobacco items (up 1% yoy). By contrast, retail sales of information communications equipment & electrical household appliance and motor vehicles shrank 3.8% yoy and 1.3% yoy respectively in January 2017¹⁵.

Thailand

Statistics: CPI adds 1.55% yoy in January 2017

Thailand's consumer price index advanced 1.55% yoy in January 2017. By category, prices of tobacco & alcoholic beverages surged 12.97% yoy in January 2017, followed by transport & communication (up 4.76% yoy), food & non-alcoholic beverages (up 1.53% yoy), recreation & reading (up 0.5% yoy), medical & personal care (up 0.32% yoy) and apparel & footwear (up 0.22% yoy). By contrast, prices of housing & furnishing moved down by 1.26% yoy in January 2017¹⁶.

E-commerce: South Korea's 11street expands to Thailand

11street, a South Korean-based online marketplace under digital and mobile service provider SK Planet, has launched in Thailand. 11street Thailand is the first South Korean-owned e-commerce marketplace in Thailand, which is the fourth overseas market for SK Planet following Turkey, Indonesia and Malaysia. 11street hopes the launch in Thailand will stimulate South Korean manufacturers and ICT companies to establish their presence in Southeast Asian markets¹⁷.

Apparel: Canterbury New Zealand opens first Thai store in Bangkok

Canterbury New Zealand, an active wear brand from New Zealand, has opened its first

store in Thailand at the Phayathai Building in Bangkok. The 70 sqm- debut store houses 120 products in four major sportswear categories, men's training, women's training, on-field accessories and a British-Irish line. As the exclusive distributor for Canterbury in Thailand, Silver Fern Holdings has adopted a three-year expansion plan, which includes opening of standalone stores in major tourist cities such as Chiang Mai, Hua Hin and Phuket, along with shop-in-shop outlets at major shopping malls in Bangkok. The company also aims to increase annual sales of Canterbury products in Thailand from the 15 million baht [US\$1.7 million] expected for 2017 to about 60 million baht in three years¹⁸.

Malaysia

Statistics: CPI up 3.2% yoy in January 2017

Malaysia's consumer price index rose 3.2% yoy in January 2017. By category, prices of transport and food & non-alcoholic beverage grew 8.3% yoy and 4% yoy respectively in January 2017, followed by recreation services & culture (up 3.2% yoy), healthcare (up 2.5% yoy), restaurant & hotels (up 2.1% yoy), education (up 2% yoy), housing, water, electricity, gas & other fuels (up 1.9% yoy), furnishings, household equipment & routine household maintenance (up 1.5% yoy) and miscellaneous goods & services (up 1.4% yoy). By contrast, prices of clothing & footwear and communication slid 0.7% yoy and 0.2% yoy respectively in January 2017¹⁹.

Convenience stores: MyNews.com, EasyParcel pair up to launch last-mile delivery service PGEON

My News.com, a Malaysian chain convenience store owned by local retail and print media company Bison Consolidated, has partnered with Malaysia's major logistics service provider EasyParcel to launch a new last-mile delivery service PGEON. The move enables online shoppers to collect their parcels at any of the 320 MyNews.com convenience outlets in Malaysia. Bison Consolidated also plans to add 70 more My News.com outlets in Malaysia, with parcels pick-up and drop-off service as one of the service offering of its outlets²⁰.

Singapore

Statistics: Retail sales up 0.4% yoy in December 2016

Singapore's retail sales advanced 0.4% yoy in December 2016. By category, retail sales of medical goods & toiletries rose 9.9% yoy in December 2016, followed by recreational goods (up 3.2% yoy), furniture & household equipment (up 2.1% yoy), mini-marts & convenience stores (up 1.3% yoy), motor vehicles (up 0.9% yoy), optical goods & books (up 0.9% yoy) and supermarkets (up 0.8% yoy). By contrast, retail sales of computer & telecommunications equipment fell 9% yoy, followed by petrol service stations (down 2.2% yoy), food & beverages (down 2.1% yoy), wearing apparel & footwear (down 1.8% yoy), watches & jewellery (down 0.7% yoy) and department store (down 0.3% yoy)²¹.

Statistics: CPI up 0.6% yoy in January 2017

Singapore's consumer price index added 0.6% yoy in January 2017. By category, prices of education, transport, healthcare and household durables & services grew 3.5% yoy, 2.8% yoy, 2.5% yoy and 2.1% yoy respectively in January 2017, followed by food (up 1.9% yoy), recreation & culture (up 0.5% yoy) and communication (up 0.4% yoy). By contrast, prices of housing & utilities and clothing & footwear fell 3.2% and 1.5% respectively in January 2017, while prices of miscellaneous goods & services stayed unchanged²².

E-commerce: Singapore online grocery sales to triple by 2020

Singapore's online grocery market is expected to rise from the current S\$130 million (US\$91 million) to S\$500 million (US\$350 million) by 2020, more than triple in size over the next three years, according to global grocery research agency IGD. The grocery expert estimated online grocery sales to account for 1.2% share of the total grocery sales in Singapore as of the end of 2016. IGD also further forecast online sales to account for 4% of Singapore's grocery market by 2020, coupled with a CAGR of 39%. The rise of the online grocery market in Singapore reflects the country's rapidly changing consumer habits as well as increased investment in digital channel from retailers and suppliers²³.

Apparel: Australia's Lorna Jane reaches Singapore

Lorna Jane, an active wear brand based in Brisbane, has opened its first store in Singapore on Ann Siang Hill in Central Business District. Prior to the opening of the debut store, Lorna Jane's products were offered online in Singapore via fashion e-commerce platform Zalora. Established in 1989, Lorna Jane has established its presence in Australia, the U.S., Asia, China, Europe, the U.K., the Middle East and Africa. The brand is estimated to be worth US\$500 million as of 2016²⁴.

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