

Asia (ex-China) Retail & E-commerce

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Asia at a Glance



E-commerce: Alibaba spends US\$1 billion to raise stake in Lazada

China's e-commerce giant Alibaba has injected an additional US\$1 billion in Southeast Asian major e-commerce platform Lazada, raising its stake in Lazada from 51% to approximately 83%. The move is part of Alibaba's effort to boost its overseas sales as Lazada provides access to the Southeast Asian market. Together with the US\$1 billion initial investment in Lazada made in April 2016, Alibaba has so far invested over US\$2 billion in Lazada¹.

E-commerce: Reebonz to raise up to US\$150 million

Reebonz, Southeast Asia's largest online luxury retailer, has planned to raise up to US\$150 million to boost its marketplace business and finance its expansion in China, Japan and South Korea. In addition to its existing backers including Vertex Ventures, GGV Capital and Intel Capital, Reebonz has been working with investment banks including Credit Suisse Group AG and Goldman Sachs Group Inc. since May 2017 to look for potential investors. In late 2015, Reebonz was valued at some US\$300 million, making it the most valuable luxury e-commerce retailer in Southeast Asia².

E-commerce: Alibaba to launch new sales channels in key Asian markets

Alibaba, China's largest e-commerce player, will roll out new sales channels in Singapore,

Malaysia, Hong Kong and Taiwan, aiming to attract new users in the key Asian markets. The new service, traded under Tmall World banner, will enable overseas Chinese users to shop from Alibaba's Tmall. To appeal to each local market's needs, Alibaba will also provide end-to-end solutions covering logistics, payment and localization support³.

Japan



Statistics: CPI up 0.4% yoy in May 2017

Japan's consumer price index added 0.4% yoy in May 2017. By category, prices of eight out of 10 major expenditure groups indicated growth in May 2017, including fuel, light and water charges (up 2.2% yoy), food (up 0.8% yoy), education (up 0.6% yoy), culture & recreation (up 0.6% yoy), medical care (up 0.3% yoy), transportation & communication (up 0.3% yoy), clothes & footwear (up 0.1% yoy) and miscellaneous (up 0.1% yoy). By contrast, prices of furniture & household utensils and housing decreased by 1.1% yoy and 0.2% yoy respectively in May 2017⁴.

E-commerce: Aeon to launch English version shopping website in Vietnam

Japan retail giant Aeon will launch an English version of its shopping website AeonEshop.com in Vietnam to better serve local customers. Since tapping Viet e-commerce market in January 2017 with the shopping website, Aeon has quickly caught the attention of customers thanks to its high quality Japanese goods. Meanwhile, the

shopping site is also making its inroad into the northern provinces of Vietnam like Hanoi, Vinh Phuc, Bac Ninh, Hung Yen and Hai Phong to meet increasing consumers' demand for Japanese goods⁵.

Apparel: Uniqlo ready to enter Vietnam

Uniqlo, Japan's largest fast fashion brand, has recently held a recruitment event in Vietnam, planning to launch in the country. Local online news agency Zing reported that Uniqlo will open its debut store in Vietnam in Ho Chi Minh City in 3Q17. Although Uniqlo has not commented on its pending launch in Vietnam, the fact that the company appears to have set up a representative office in the country is a clear indication that Vietnam is on its near-term agenda⁶.

Apparel and footwear: Ungrid to open first overseas store in Shanghai

Ungrid, a leisurewear brand owned Japan's major fashion company Mark Styler, will open its first international store in Raffles City, Shanghai, marking the brand's first overseas rollout. Founded in 2011, Ungrid mainly offers American-style leisure wear for women, with focus on the mass market. It currently owns around 30 boutiques in Japan⁷.

Beauty and personal care: Japan's beauty retailer Aube forays into Australia

Japan's beauty group Aube is set to enter Australia with its first store in Sydney. The debut store, located on the ground floor of the Sydney CBD on Market Street, will feature the latest Japanese hair products, equipment, treatment and the most advanced techniques. Currently, Aube operates 110 beauty hair

salons in Japan and eight locations abroad, including New York⁸.

Beauty and personal care: Shiseido's Nars arrives in Vietnam

Shiseido-owned makeup brand Nars has made foray into Vietnam, opening its first store in Ho Chi Minh City. The debut store, located in Ho Chi Minh City's largest shopping mall Vincom Center mall, houses the full range of Nars' newest and most popular items. The Vietnam launch is part of Nars' Asian retail rollout. Earlier in June 2017, the brand also tied up with Malaysia's travel retail firm Colours & Fragrances to open its first travel retail stand-alone boutique at Kuala Lumpur International Airport⁹.

Luxury: MCM launches made-to-order service at Tokyo pop-up store

Luxury leather goods brand MCM has launched made-to-order design service for the first time at its pop-up stores in the Isetan department store in Shinjuku, Tokyo. The new service enables customers to create customized items they designed via the brand's mobile app. Customers can add monogram as well as change the colour of the leather, handle or studs on MCM's most popular products¹⁰.

Home products: Japan's home décor brand Nitori to open first China flagship store in Shanghai

Nitori, a low-price home décor brand from Japan, will open a flagship store in Shanghai, the first of its kind in China. The store will cover a floor area of 8,000 sqm. The company also plans to expand its store network in

China to 100 stores by 2020. Since its first foray in China in 2004, Nitori has opened over 10 retail stores in China, covering Shanghai, Hangzhou and Ningbo¹¹.

South Korea

Statistics: Consumer confidence index adds 2 points mom in June 2017

South Korea's consumer confidence index gained 2 points mom to 111.1 in June 2017. The growth was mainly driven by a rise in consumer confidence regarding current domestic economic conditions (up 11 points mom), prospective household spending (up 3 points mom), current living standards (up 2 points mom), prospective household income (up 1 point mom) and prospective domestic economic conditions (up 1 point mom) in June 2017. Consumer confidence as to prospective living standards stayed unchanged from May 2017¹².

Department stores: Shinsegae opens online store on Tmall Global

Shinsegae Group, South Korea's major department store operator, has planned to step up its online activities in China through launching beauty and fashion shops at Tmall Global. The move comes after the complete withdrawal of Shinsegae's discount store Emart from China. The retailer plans to expand its product offering on Tmall Global to cover children's goods and home appliances starting 2Q17. It will also allow Chinese customers to pay with Alipay and ship goods via the Alibaba's logistics arm Cainiao¹³.

Duty-free shops: City Plus Korea to speed up expansion

South Korea's duty free chain store City Plus Korea, a subsidiary of South Korean solar energy technology company Top Sola Co. which tapped into duty-free retailing two years ago, will add more new stores in South Korea to boost its market share in the country. Operating under the City Duty Free banner, City Plus Korea will open a downtown duty-free shop in Seoul and two stores in Incheon Airport's Terminal 2. City Plus Korea now boasts five shops at Incheon Airport, taking up about 40% of its total duty-free revenue¹⁴.

E-commerce: South Korean takes lead in online grocery shopping

South Korea leads the world in online grocery shopping, according to an industry report by market research agency Kantar Worldpanel. The report reveals that 16.6% of fast-moving consumer goods (FMCG) sales in South Korea between June 2015 and June 2016 were carried out via online and mobile channels, outranking Japan, which came in second with 7.2%, followed by the U.K. with 6.9%, France with 5.3% and Taiwan with 5.2%. South Korea also took the top spot in terms of percentage of households shopping online for FMCG products at least once a year. The increasing number of single-person household is one of the major factors spurring the demand for online grocery shopping in South Korea¹⁵.

Taiwan

Statistics: Retail sales up 1% yoy in May 2017

Taiwan's retail sales added 1% yoy in May 2017. By category, retail sales of non-store retailing surged 11.5% yoy in May 2017, followed by pharmaceutical and cosmetics items (up 4.9% yoy), general merchandise (up 3.5% yoy) and fuel products (up 3.2% yoy). By contrast, retail sales of household supplies and telecommunication & home electronic appliance contracted 5.1% yoy and 4.8% yoy respectively in May 2017, while retail sales of motor vehicles remained unchanged¹⁶.

Statistics: Consumer confidence index down 0.35 point mom in June 2017

Taiwan's consumer confidence index moved down by 0.35 point mom in June 2017. By category, consumer confidence concerning stock market fell 2.5 points mom in June 2017, followed by domestic job market (down 1.3 points mom) and domestic household finance (down 0.5 point mom). By contrast, consumer confidence regarding domestic price level, property investment and domestic economic outlook increased by 1.45 points mom, 0.7 point mom and 0.05 point mom respectively in June 2017¹⁷.

Thailand

Hypermarkets: Dutch grocer Spar to launch 300 CVS in Thailand

Spar, a Dutch grocery retailer, has entered into partnership with DHL Supply Chain and the Bangkok Retail Company to open up to 300 convenience stores in Thailand by the end of 2020. Under the partnership, DHL Supply Chain will facilitate Spar's expansion plans with end-to-end transport, distribution and warehousing services across Thailand, while Bangkok Retail Company will support Spar with front-end store infrastructure¹⁸.

Duty-free shops: Lotte Duty Free enters Thailand

Lotte Duty Free, South Korea's largest duty free operator, has opened its debut store in Thailand in central Bangkok. The new launch marks Lotte's push to ramp up its overseas foothold. The debut store is the second branch Lotte has launched abroad in 2017, coming after the new one at Da Nang International Airport in Vietnam. Currently, Lotte Duty Free established its presence in overseas markets, covering the U.S., Japan, Indonesia and now Thailand¹⁹.

E-commerce: Thai consumer goods giant Saha Pat allies with Lazada for e-commerce growth

Saha Pathana, part of Thai largest consumer goods conglomerate Saha Group, will pair up with Lazada to meet growing demand for

online shopping. Saha Pathana believes the collaboration will help boost its online sales to 10% of the total over the next three years from the current 1%. It will distribute its products through Lazada website and network. In addition, Saha Pathana plans to invest some 1 billion baht (US\$29.5 million) to establish a new inventory warehouse, which is scheduled to be completed in 2018²⁰.

E-commerce: Chat app Line opens first indoor digital theme park in Bangkok

Instant messaging app Line has recently opened its first-ever indoor digital theme park named Line Village Bangkok in Thailand, looking to cash in on its popularity in the country, its second largest market after Japan. The theme park comprises a retail store selling Line dolls and similar accessories. It will expand to a three-story amusement complex with virtual reality rides later in 2017. Apart from Thailand, Line also launched retail stores in Japan, South Korea, China and Taiwan²¹.



Statistics: CPI up 3.9% yoy in May 2017

Malaysia's consumer price index advanced 3.9% yoy in May 2017. The growth is mainly due to an increase in consumer prices of transport (up 13.1% yoy), food & non-alcoholic beverages (up 4.4% yoy), recreation service & culture (up 2.9% yoy), health (up 2.9% yoy), restaurant & hotels (up 2.3% yoy), housing, water, electricity, gas & other fuels (up 2.2% yoy), furnishing, household equipment &

routine household maintenance (up 2.1% yoy) and alcoholic beverages & tobacco (up 0.2% yoy) in May 2017. By contrast, prices of education and clothing & footwear went down by 0.3% yoy and 0.2% yoy respectively in May 2017²².

Beauty and personal care: YSL Beauty opens largest flagship store in Malaysia

YSL Beauty has recently unveiled its first flagship store in Malaysia in the Pavilion Kuala Lumpur. Covering more than 1,057 sqft, the mega store is also the largest YSL Beauté boutique. It offers the full range of YSL Beauté products as well as gifting and engraving services to its patrons²³.



Statistics: CPI up 1.4% yoy in May 2017

Singapore's consumer price index increased by 1.4% yoy in May 2017. By category, prices of transport, education and healthcare grew 3.8% yoy, 3.2% yoy and 2.4% yoy respectively in May 2017, followed by clothing & footwear (up 1.9% yoy), food (up 1.5% yoy), communication (up 0.8% yoy), household durables & services (up 0.7% yoy) and housing & utilities (up 0.1% yoy). Nevertheless, prices of recreation & culture and miscellaneous goods & services slid 0.2% yoy and 0.1% yoy respectively in May 2017²⁴.

Duty-free shops: Duty Free Americans to launch at Singapore Changi Airport

Duty Free Americans (DFA) will set up its debut store at Singapore Changi Airport after winning a bid for one of the three specialty store concessions in Terminal 2. DFA will run a 46 sqm specialty store in Departure/Transit Lounge South. The operation license will last for three years with effect from 29 November, 2017, while no renewal option is provided for this contract²⁵.

Luxury: Chanel sets up pop-up store in Singapore

Chanel, a French luxury fashion house, has set up a new standalone ephemeral store at the Shoppes at Marina Bay Sands (MBS), the first of its kind pop-up store in Singapore. The new pop-up store, with a floor area of 3,000 sqft, serves as a temporary replacement for MBS Chanel store, which is currently closed for makeover. It also aims to lure new customers with a hotel-esque retail experience and wider selection of products²⁶.

Endnotes

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