

China Retail & E-commerce

Weekly Updates

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E-commerce

JD.com, Netease, Shaohaihui to jointly build “smart home” park

On 21 December, JD.com, Netease, and Shaohaihui smart home ecosystem announced in Beijing to jointly build the first “INXpark” which focuses on smart living. Different smart living scenarios, supported by AI-enabled technologies and other advanced technologies such as unmanned vehicles, facial recognition payment, guide robots, etc., will be featured in different buildings inside “INXpark”. Consumers can make orders in “INXpark” and the orders will be sent instantly to the manufacturers; the manufacturers will then produce the products, arrange delivery and installation accordingly. The first “INXpark” is expected to open in Qingdao in 2018, servicing customers in Shanghai, Chongqing, Jinan, Hangzhou, Xian and Chengdu¹.

JD.com to open first JD Worldwide experiential store in Chongqing

JD.com announced that it will open its first JD Worldwide experiential store in Chongqing's Fortune Finance Plaza, which also signifies JD.com's breakthrough attempt to set up its first physical concept store for JD Worldwide. Thanks to the highly efficient services of JD logistics, the 6,300-sqm store will give local residents hands-on access to high-quality products from all over the world².

Experiential store of JD Crowdfunding opens

Led by JD Crowdfunding under JD Finance, JD.com's Innovation and Design Base was opened in Ningbo Hefeng Creative Plaza on

26 December. JD Crowdfunding's experiential store was also launched on the same day. A Brookstone store is co-located in the experiential store, showcasing the latest innovative products³.

WeChat Pay, Tencent Social Ads and Bestseller jointly debut facial-recognition payment

WeChat Pay, Tencent Social Ads and Bestseller Fashion Group cooperate to launch facial-recognition service in-store for the first time. The service is currently available in two stores – Jack & Jones (Shenzhen Nine Square Shopping Center branch), and Vero Moda (Guangzhou Baiyun Wanda Plaza branch) starting 25 December. Customers can create and activate their Bestseller membership account by registering their face via the facial recognition system in the smart fitting room. The membership account is also connected with customers' WeChat Pay. When a customer stands in front of the smart fitting room, Tencent Social Ads will show the recommended products on the screen. Customers can pay by WeChat Pay after finished shopping⁴.

WeChat launches “Official WeChat Store” service

Recently, WeChat launched “Official WeChat Store” service, allowing brands and retailers to display their products on a dedicated special page. Consumers can search the brand name using the search function and access the “Official WeChat Store” of the brand. When consumers click on the product, they will be directed to the official website of the brands; customers can then complete their purchase in the website. Currently, most “Official WeChat Stores” are launched by offline retail chains including Nike, Starbucks, Cartier, Gucci, Lancôme, Louis Vuitton, Montblanc, Swarovski, Tiffany and Zara⁵.

E-commerce logistics



JD.com signs agreement with CMST Development to promote open logistics system

JD Logistics signed a strategic cooperation agreement with CMST Development Co., Ltd., a China-based warehousing enterprise. Both parties will carry out in-depth cooperation on warehousing, transportation capacity, logistics technology and logistics product development so as to complement each other and share the logistics facilities resources, business resources and information system; as well as to promote a mutually beneficial relationship between logistics industry partners⁶.

Supermarkets and hypermarkets



First standalone supermarket of Rainbow's sp@ce opens in Shenzhen

The first standalone supermarket of Rainbow's sp@ce opened in Hongfa Century City on Shiyuan Street, Bao'an District in Shenzhen on 22 December. This is Rainbow's first standalone store operated outside of its own department stores and shopping malls. As of today, there are seven sp@ce supermarkets across China. Looking forward, Rainbow will speed up the pace of opening standalone supermarkets. In 2018, Rainbow plans to open not less than 15 stores in Guangdong province⁷.

Ole' supermarket's first "new retail" outlet opens in Beijing

Recently, Vanguard's Ole' supermarket opened its first "new retail" store in Hopson Mall, Beijing with a total area of 2,500 sqm. Unlike other stores, this new store of Ole' has incorporated the "supermarket + dining" concept. The store introduced dining area for on-site cooking of steak as well as coffee brewing, and opened up a "concept kitchen" for cooking and tasting lessons. Ole' said that each of Ole's new store will not completely copy the previous stores, and will choose to apply different themes and experiential elements based on the characteristics of the commercial districts around the store⁸.

JD.com's fresh food supermarket 7FRESH to open by end-2017

JD.com's fresh food supermarket 7FRESH will be launched in Dazhu Plaza in Yizhuang district in Beijing on 29 December. 7FRESH's business model is similar to Alibaba's Hema Xiangsheng. With a store size of 4,000 sqm, 7FRESH focuses mainly on fresh food, ready-to-cook packaged food and cooked food. It has a spacious catering area; customers can select fresh food in the store and have them cooked and consumed on the spot. Alternatively, customers can also purchase food on the 7FRESH app. Orders will be delivered to customers who live within 3-km of the store in 30 minutes. It is also reported that there will be many advanced technologies applied in-store, including interactive projector which can display product information, smart shopping cart, and conveyor belt. Of which, smart shopping cart can automatically follow customers, customers no longer need to drive the shopping cart; they can also enter the product they want and the cart can guide them to the right product shelves⁹.

Suning.com to open three new SU FRESH supermarkets

Suning.com will open three new SU FRESH supermarkets in Chengdu, Beijing and Nanjing on 29 December. Apart from these new supermarkets, three outlets have already been opened in Xuzhou, Nanjing and Chuzhou of Anhui. In addition to selling regular merchandise, SU FRESH supermarket also comprises a food and beverage area and an area that sells fresh flowers. The supermarket will integrate its online and offline channels. Consumers can place order on Suning.com APP, and enjoy delivery services within covered distance. It is reported that Suning unmanned store's face detection payment technology will also be promoted to all SU FRESH supermarkets in the near future. Suning.com plans to open 50 new supermarkets in 2018. The total number of supermarkets will add up to 306 stores by 2020, covering major cities in China¹⁰.

Convenience stores



HNA Holding's first unmanned convenience store opens in Haikou

Recently, CCOOP Group, a business division under HNA Holdings, opened its first unmanned convenience store in the HNA Building in Haikou, capital city of Hainan province. It is reported that the unmanned store uses RFID technology to perform smart checkout. The store sells a variety of snacks and beverages. Consumers can purchase food for take-out, or they can consume at the dining and bar area¹¹.

Department stores and shopping malls



Galleries Lafayette may set up international development department to accelerate expansion in China and Middle East

It is reported that the French Galleries Lafayette department store will set up an international development department to accelerate its expansion in China and the Middle East market. Earlier in August 2017, Galleries Lafayette signed a letter of intent with Shanghai Lujiazui Finance and Trade Zone Development Co., Ltd. to open a joint venture store with an area of about 23,100 sqm at L+ Mall in Shanghai Lujiazui Center. Expected to open by end of 2018, the store will be the first Galleries Lafayette department store in Shanghai¹².

Apparel



Trendy International Group of Ochirly goes for IPO

Trendy International Group Co., the parent company of China's womenswear brand Ochirly, formally announced its plan to go public. According to the IPO prospectus of Trendy International Group Co., the group will publicly issue no more than 127 million shares on the Shanghai Stock Exchange, hoping to raise 3.2 billion yuan for the expansion of its 356 new self-operated stores¹³.

Kids products



Tmall and Intime launch “injunior” kids products experiential store

After the launch of snack food store ONMINE and home product store HOUSE SELECTION, Tmall and Intime collaborated together again to launch “injunior” experiential store in Hangzhou Zhongda Intime City recently. With a store size of 280 sqm, “injunior” aims to offer products and services to children aged 0-8. “injunior” experiential store leverages Alibaba’s big data to choose suitable product offerings in-store, making reference to the historical consumer data of the city as well as the purchasing history and preferences of consumers living within a distance of 3-km from the store¹⁴.

Cosmetics



Giorgio Armani Beauty to open flagship store on Tmall

Giorgio Armani Beauty announced to launch an official flagship store on Tmall on 16 January 2018, making it the second brand under L'Oréal Group to enter Tmall after Helena Rubinstein. It is reported that four product lines of a total of 47 SKUs will be available on the Tmall flagship store, covering lip makeup, face makeup, fragrance, and skincare products with a price range from 310 to 3,200 yuan¹⁶.

Luxury sector



Prada launches e-commerce platform in China

Prada launched the first e-commerce platform in China on 19 December. The platform offers apparel, bags, accessories, footwear, fragrance and eyewear. According to the company, the platform is highly customized and localized, providing customized concierge services, etc. The platform is linked with Prada’s offline store and social media accounts. Payment can be completed by Alipay and WeChat Pay¹⁵.

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