

Brands Turn to Pop-ups Amid Volatile Hong Kong Retail Sales

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Source: Jing Daily



The Hong Kong luxury retail market bounced back recently thanks to a cheaper local currency. Data released by the Hong Kong Bureau of Statistics showed that retail sales in the market grew 14.3 percent in the first quarter of 2018. Retail accounts for 4.1 percent of local GDP, and luxury sales have been a real growth engine for the sector in Hong Kong. Yet the share of high-end luxury brands in retail has been shrinking.

In reaction to high rents and unpredictable demand of mainland visitors, many luxury brands are experimenting with pop-up shops they hope can deliver unique experiences to both Mainland Chinese tourists and local shoppers.

For instance, on April this year, Prada set up their 'Prada Silver Line' pop-up shop in the shape of a railway station. The pop-up shop debuted in Macau, and will travel to locations in Asia, Europe, and the United States in 2018.

Chinese e-commerce giants have also begun to treat Hong Kong as a laboratory for their experiments in offline commerce. Jack Ma remarked that Hong Kong is a strategic location for Alibaba, a stepping stone for taking Tmall global.

The rise of pop-up stores offers a natural window of opportunity for online retailers looking to expand into the bricks and mortar world, allowing them to secure coveted retail spaces with more reasonable rental rates.