Ecosystems are changing the game

Companies need to rethink the assumptions that have helped them grow in the past.

10 FACTORS INFLUENCE THE SPEED AND SHAPE OF ECOSYSTEMS

Ecosystems will take different forms in different places depending on these country and market characteristics.

Scale is key to leadership

Network of well-positioned stores still matters

Segmented customer propositions

Convenience is still king

Seamless omnichannel shopping experience

Innovate or die

Shareholders focus on short-term profit and earnings targets

Age of the population

Data and insights are the real competitive advantage

One-to-one personalization

Shoppers expect zero lag between inspiration and consumption

Enriched experiences

Merchandising, vendor management and operations

Analytics, technology and ecosystem partnerships

Continuously test and learn

Companies must focus on longer-term growth and earnings targets

What is unchanged

What is new

Online retail is growing at the rate of the rest of the world

Retail is growing at the rate of the rest of the world

More than half of all retail growth is expected to come from Asia in the next five years

Asia has the world's highest rate of Internet shopping and fastest growth in overall sales.

Asia's Ecosystems and the Future of Retail

The market is quickly changing, providing challenges and opportunities for incumbent retailers.

Go solo or join an ecosystem

Do not participate in an ecosystem, but instead build a differentiated omnichannel model.

Use an existing open platform and the ecosystem partner's capabilities.

Build a proprietary ecosystem

Create partnerships, alliances and joint ventures with external partners.

Become an open ecosystem

Provide access to your own capabilities, assets and infrastructure.

Sell

Maximize shareholder value by seeking to be acquired, potentially by an ecosystem player.

Age of the population

Smartphone penetration

Delivery costs

Data regulatory environment

Prevalence of legacy brick-and-mortar stores

Scale/maturity of brick-and-mortar retailers

Scale/maturity of online retailers

Analytics, technology and ecosystem partnerships

Continuous testing and learning

Companies must focus on longer-term growth and earnings targets

Asia is an ecosystem

Use an ecosystem as a way of growing your platform and accessing new opportunities.

Japan is an ecosystem

Bypass the traditional channel by working to be acquired, potentially by an ecosystem partner.

Five strategic options for retailers in Asia

Standing still is not an option as offline customers move online in record numbers.

Pay close attention to your current platform performance.

Create partnerships, alliances and joint ventures with external partners.

Build a proprietary ecosystem

Provide access to your own capabilities, assets and infrastructure.

Use an existing open platform and the ecosystem partner's capabilities.

New rules for successful ecosystems

Companies need to rethink the assumptions that have helped them grow in the past.

Build a subscriber base and drive traffic

Attract a broad set of retail brands and partners

Scale the platform

Create competitive advantages such as data and infrastructure

Scale to reinvent

WELL-DESIGNED ECOSYSTEMS ALLOW RETAILERS TO:

Retail is booming in Asia

Asia has the world's highest rate of Internet shopping and fastest growth in overall sales.