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New Asian platform allows for easier luxury goods consumption online

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BOB Chua, founder of BlinQ, with luxury goods. Image credit: BlinQ

By BRIELLE JAEKEL

Inspired by the growth of the luxury ecommerce market in Asia, a new platform to be launched will give luxury retailers and brands an avenue to reduce returns for online orders and make a stronger connection to users.

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BlinQ is an upcoming digital platform that will allow users to step inside its virtual changing area to try on products from different luxury brands through a heightened technology experience. With Asia being the most digitally connected market in the world, along with the region's significant growth in luxury consumption, BlinQ could open up a unique opportunity for brands.

"We believe BlinQ will fill a gap from several aspects: geographic - serving the up-and-coming affluent throughout Southeast Asia - 600 million people, who are the most connected globally," said Bob Chua, founder and CEO of BlinQ, Singapore. "[It will change] buyer behavior, meeting the new needs of how millennials consume fashion, which is now almost primarily via mobile, and not necessarily to buy outright, but also to rent, or to be curated like a Stitch Fix model.

"We will be the first on the region to offer such a full range service," he said. "Back-end logistics we will fulfill products from a centralized, fully automated distribution center, which will be able to handle numerous SKUs and provide the accuracy and throughput which will rival the global ecommerce giants, but catered specifically to the luxury market.

"We will be filing the disruption of retail currently being played out globally."

Virtually changing the game

BlinQ is meant to meet the needs of consumers in any way they would like to shop or interact with products. Users will be able to choose if they would like to rent, purchase or even pay later for luxury items featured on the site.

The retail platform will also curate trends and styles specific to users' needs and allow for individualized product testing through a digital portal.

Mr. Chua believes that his platform fits into a niche that has previously been untapped in the market but that offers significant potential.

The digital initiative could serve as a beneficial path for both luxury consumers and brands, but its effectiveness will lie within the experience, which the CEO states the company has invested heavily in.



Mr. Chua, founder and CEO of BlinQ. Image credit: BlinQ

BlinQ plans on fully automating the back-end process as well, with an autonomous warehousing system, hoping to intensify the speed and scale of the fulfillment process and go beyond customers' expectations.

The platform is seeking sponsorship from brands and retailers to feature other ecommerce sites within its virtual changing room.

Citing a recent McKinsey global fashion report, the BlinQ team is looking to tap into the \$300 billion personal luxury market as it likely grows to \$500 billion by the year 2020.

The 3.5 million high-net-worth individuals located in the Asia Pacific region makes the market increasingly important for the luxury sector, as the affluent group's appetite for high-end continues to grow. Countries of the Association of Southeast Asian Nations are becoming an increasingly important part of consumerism in the luxury market, and are expected to become the fourth largest economy by 2020 ([see story](#)).

The platform has succeeded in securing initial seed funding and will be entering its next round of fundraising soon.

China's uncertainty

If the luxury market and China's luxury consumption continue to rise, BlinQ could hold a significant place in the game.

However, the current political and financial climate has spiked fears in investors, leaving the future uncertain for the

luxury goods market.

Ongoing trade tensions between China and the United States and signs of a slowdown in Chinese spending are causing a slump in luxury stock prices.

The Savigny Luxury Index, which measures the share performance of 18 of the largest luxury companies including conglomerates LVMH, Richemont and Kering, declined 1 percent during December. Investors seem apprehensive as geopolitical and economic uncertainties continue to loom over the luxury business ([see story](#)).

China ecommerce continued its strong growth in 2018, remaining the top luxury market in the world. To keep pace with the rapid expansion, China has unveiled a new set of laws for 2019 designed to protect consumers and encourage transparency.

The new laws will impact large ecommerce platforms such as Tmall, as well as retailers and brands.

However, the greatest impact will be to the luxury market and the way it affects cross-border ecommerce, specifically, the small to midsize resellers known as "Daigou." The result could be short-term sales losses in the hundreds of millions of dollars ([see story](#)).

"We have invested heavily in technology, both from a platform point of view, as well as R&D into augmented reality," Mr. Chua said. "We will be the first to use AR to enable a user to virtually try on an outfit on their mobiles before purchasing.

"This enables us to drive sales upwards by at least 30 percent and decrease returns, which is estimated to be approximately 60 percent in some instances, which represents a huge problem and cost to brand owners," he said.

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