



Retail '24: The Great Step Forward?

July 2024



Agenda

- 1 Market update
- 2 The big themes
- 3 Q&A



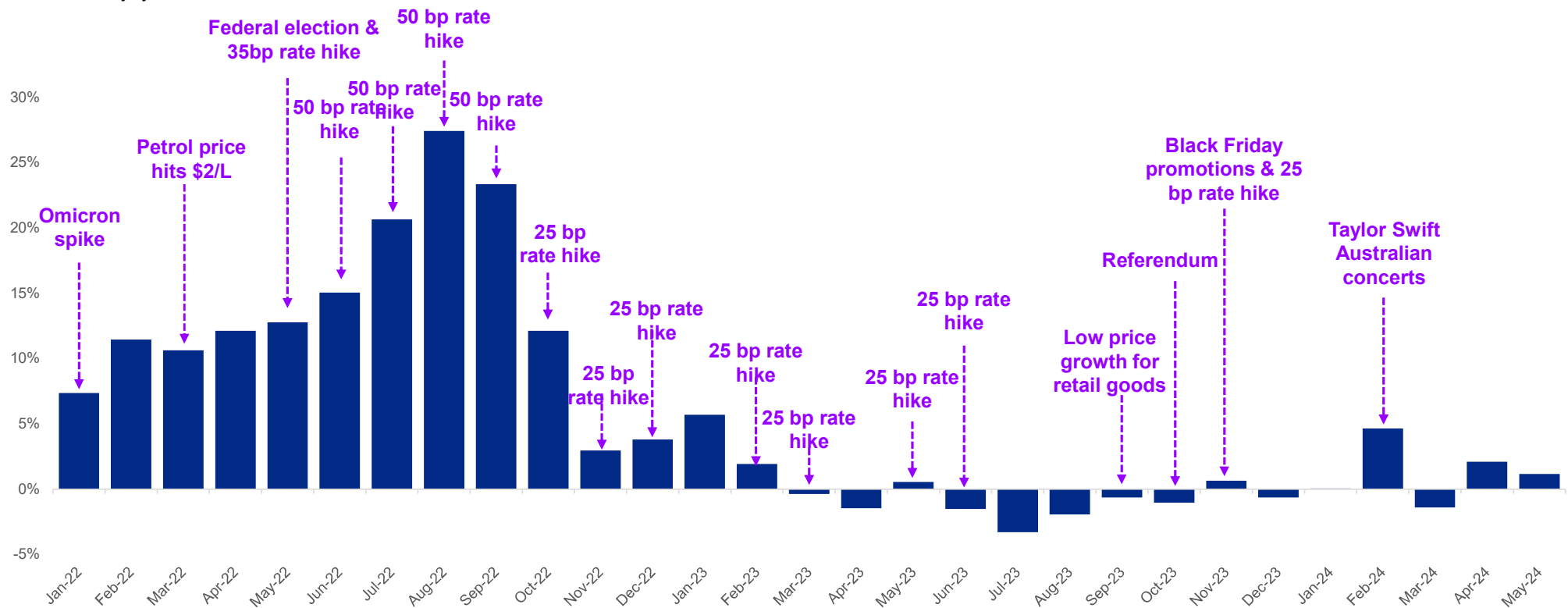
1. Market Update

A woman with dark hair, wearing a black sleeveless top, stands on a city escalator. She is looking down at a smartphone in her hands. The background is a blurred city street with other pedestrians and buildings. The entire image has a blue color overlay.

Rate hikes

Australian sales growth by month (non-food)

Growth rate yoy %, Jan-22 to Dec-23



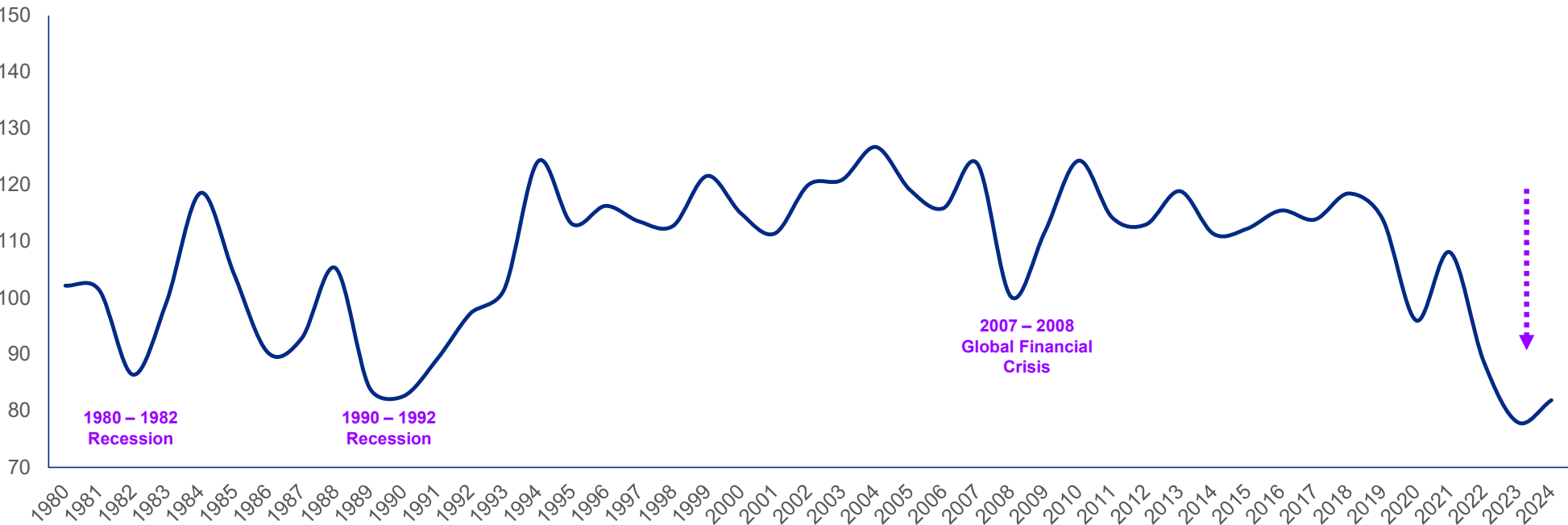
Source: Australian Bureau of Statistics, MST Marquee



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Consumer confidence lowest in 45 years

ANZ-Roy Morgan Consumer Confidence
Yearly average Consumer Confidence rate



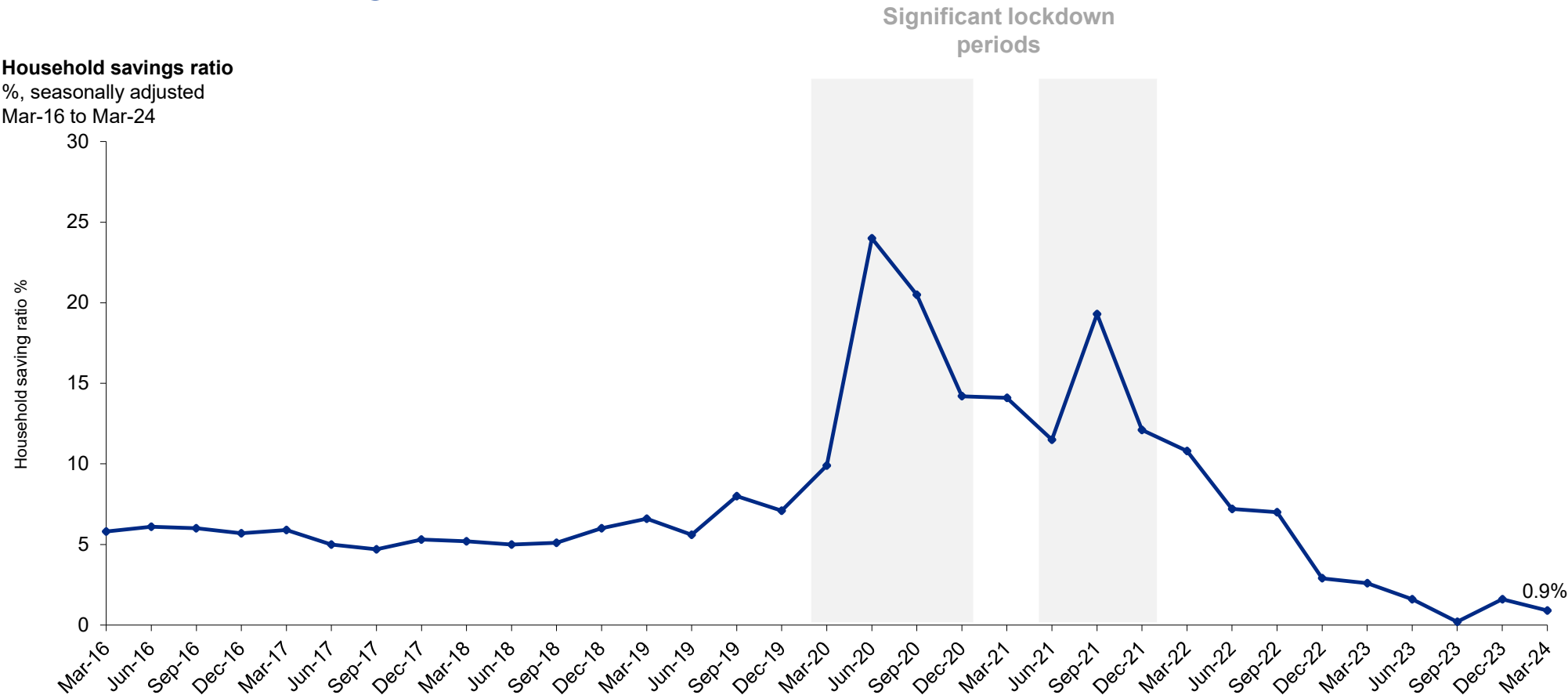
Source: ANZ/Roy Morgan



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Household savings rates

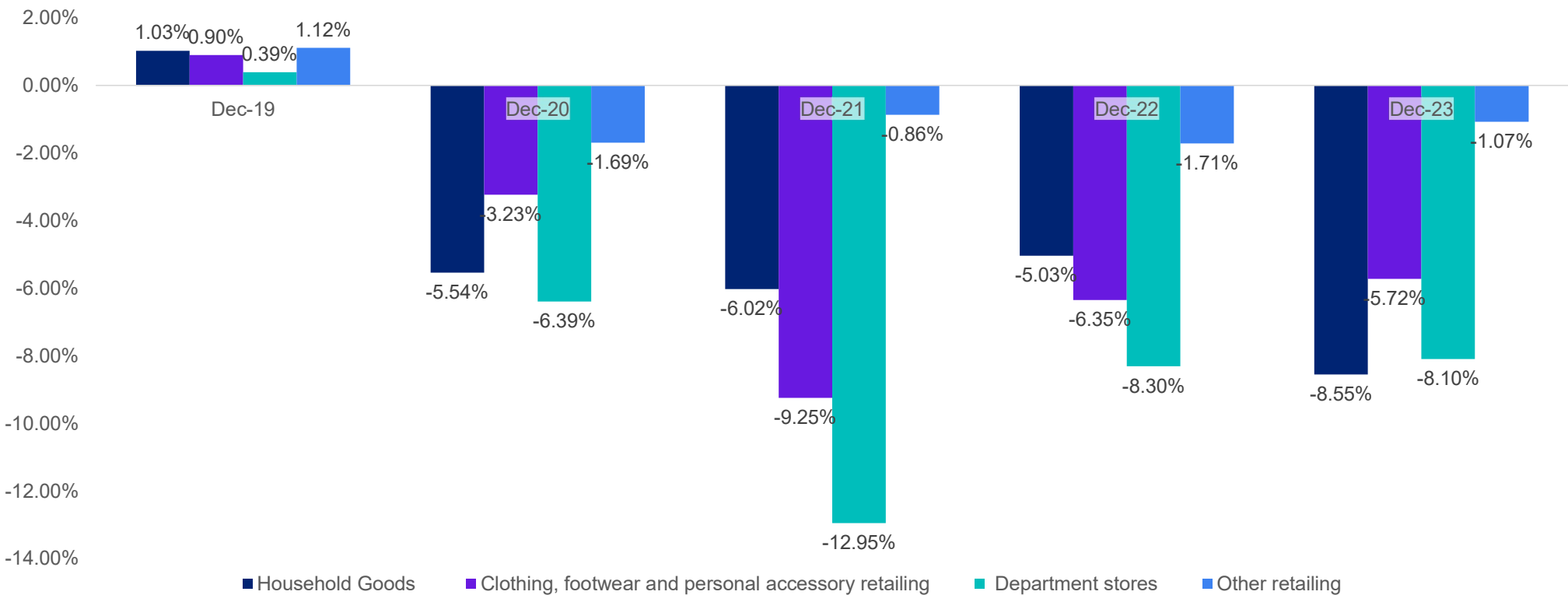
Household savings ratio
%, seasonally adjusted
Mar-16 to Mar-24



Source: Australian Bureau of Statistics, Australian National Accounts: National Income, Expenditure and Product, March 2024

Black Friday reshapes Xmas

Australia – non-food retail sales December
% difference from November Sales (seasonally adjusted)



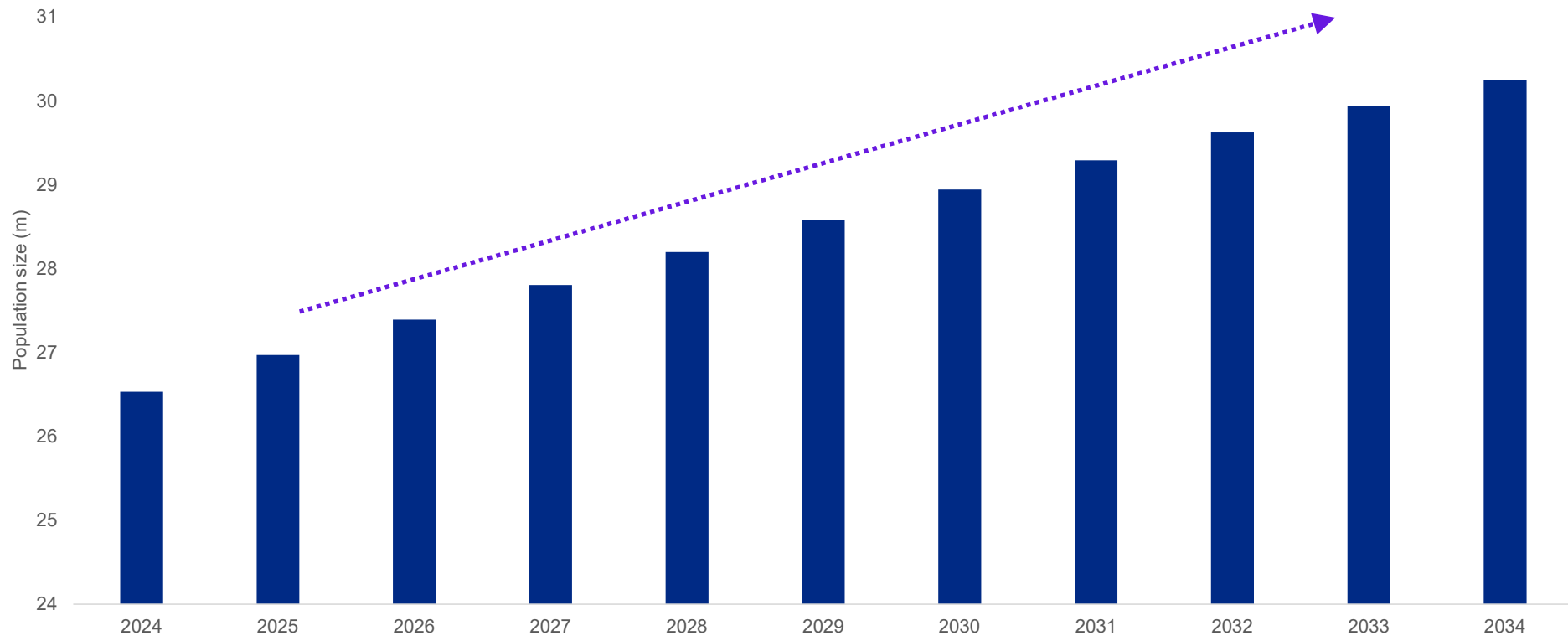
Source: Australian Bureau of Statistics,



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Population growth is the BIG tailwind

Projected population, Australia



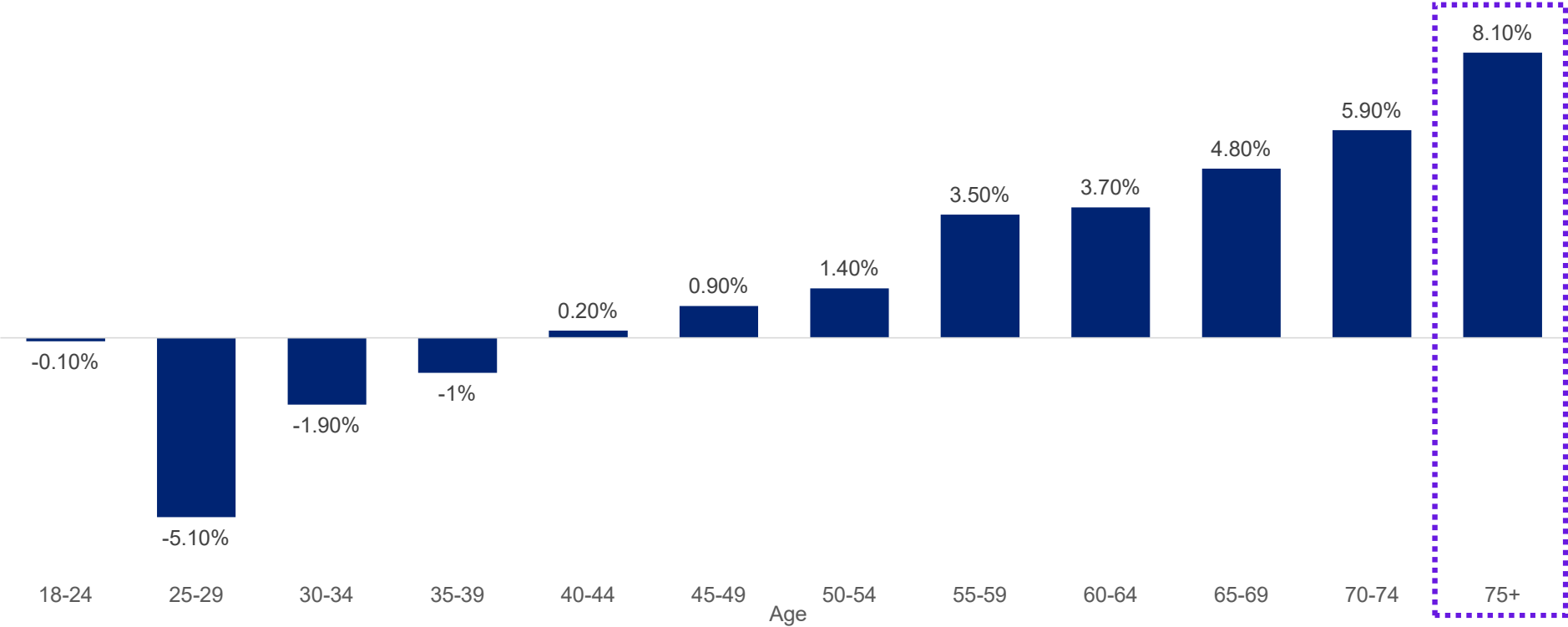
Source: Australian Bureau of Statistics



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Be where the Boomers are

Total spend per capita change
By age



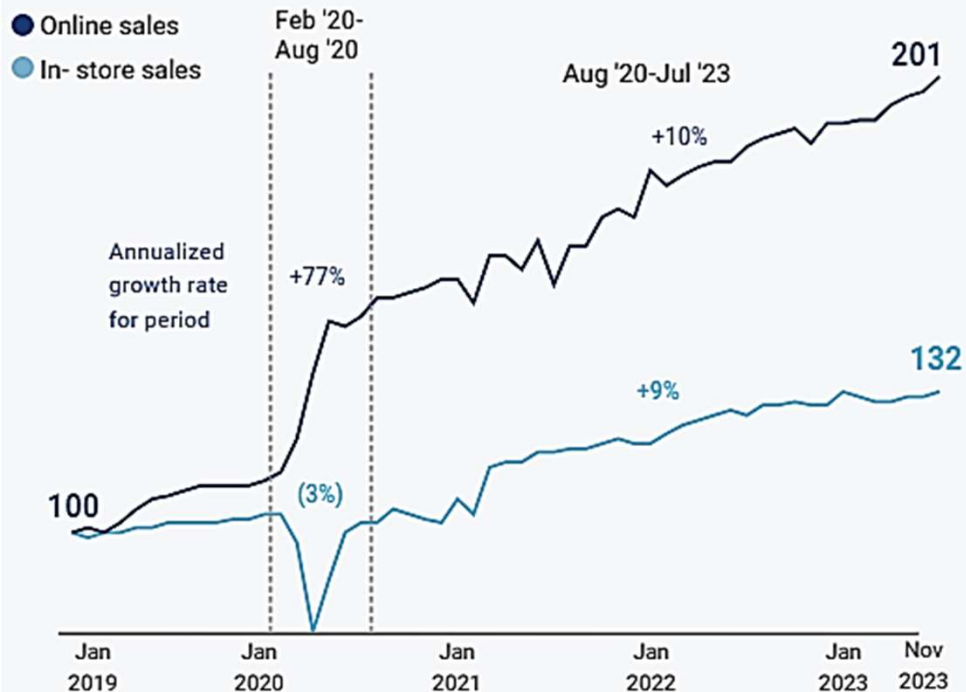
Source: CommBank IQ, Cost of Living Insights Report – November 2023



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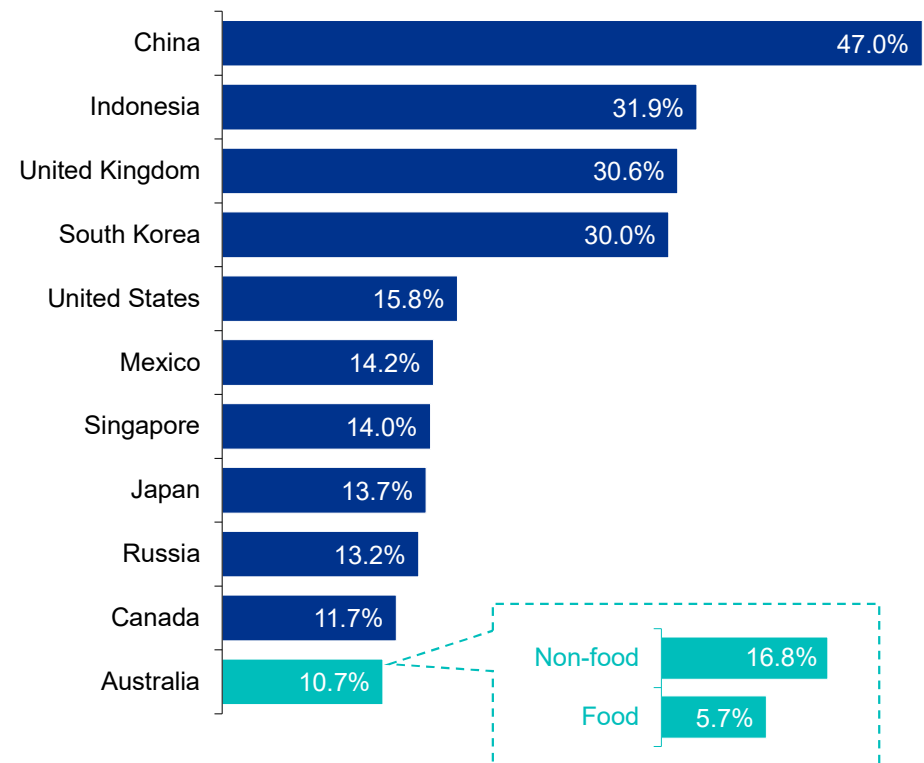
E-commerce: growth is slowing but here to stay

Index retail sales growth, January 2019 to November 2023



Source: Seizing the seamless opportunity by KPMG and NRF

Retail Ecommerce share of Total Retail Sales, 2023



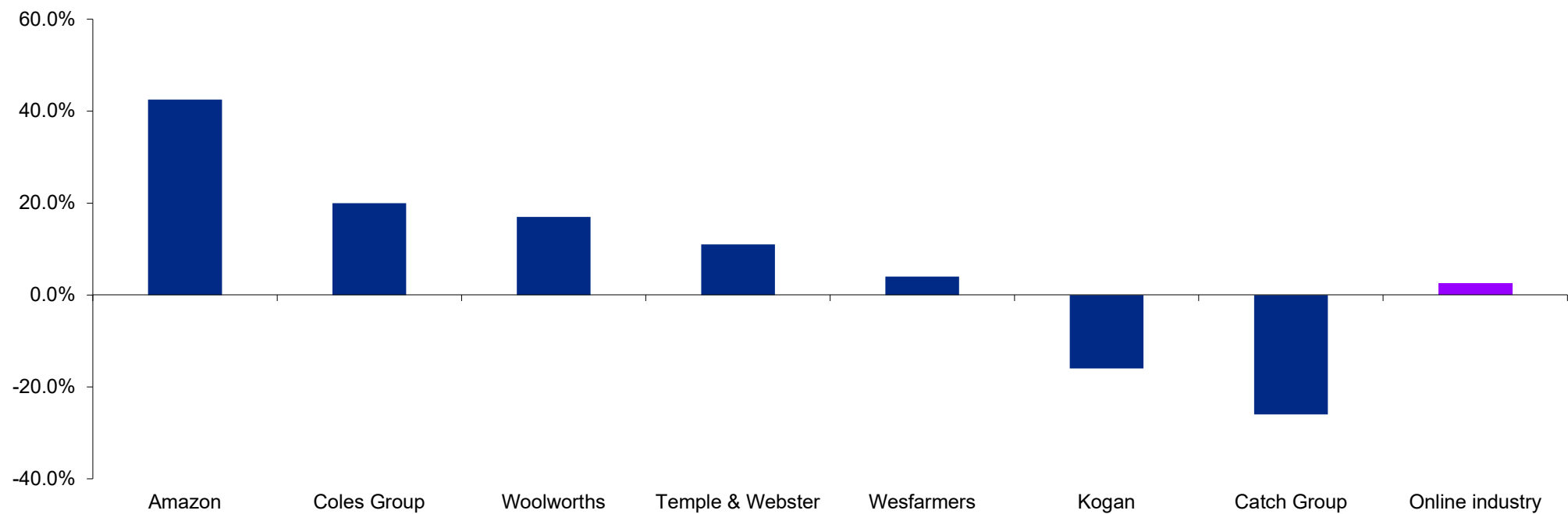
Source: ABS & Influencer Marketing Hub



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Amazon leads the pack

Australian Online Retailer Sales Growth for 2023
Growth year on year

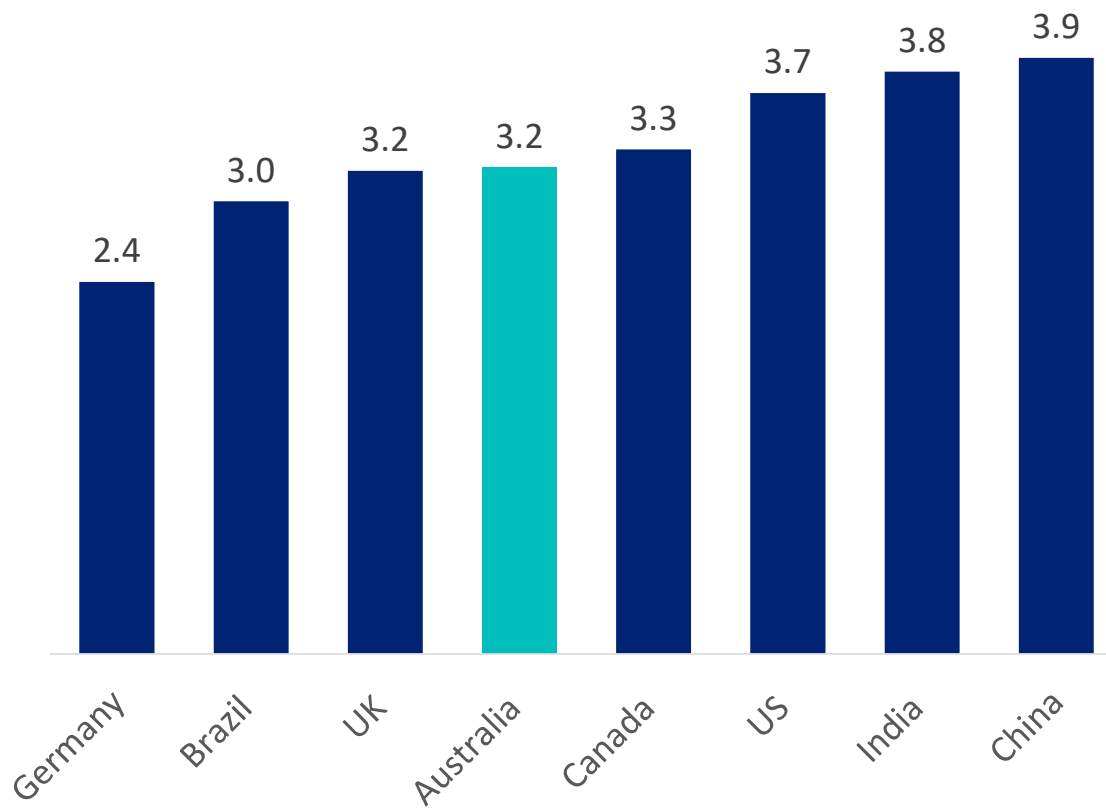


Source: MST Marquee



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KPMG 2024 Seamless Commerce research



Research focus points:



Insight driven strategies and actions



Innovative products and services



Experience centricity by design



Seamless interactions and commerce



Responsive operations and supply chain



Aligned and empowered workforce

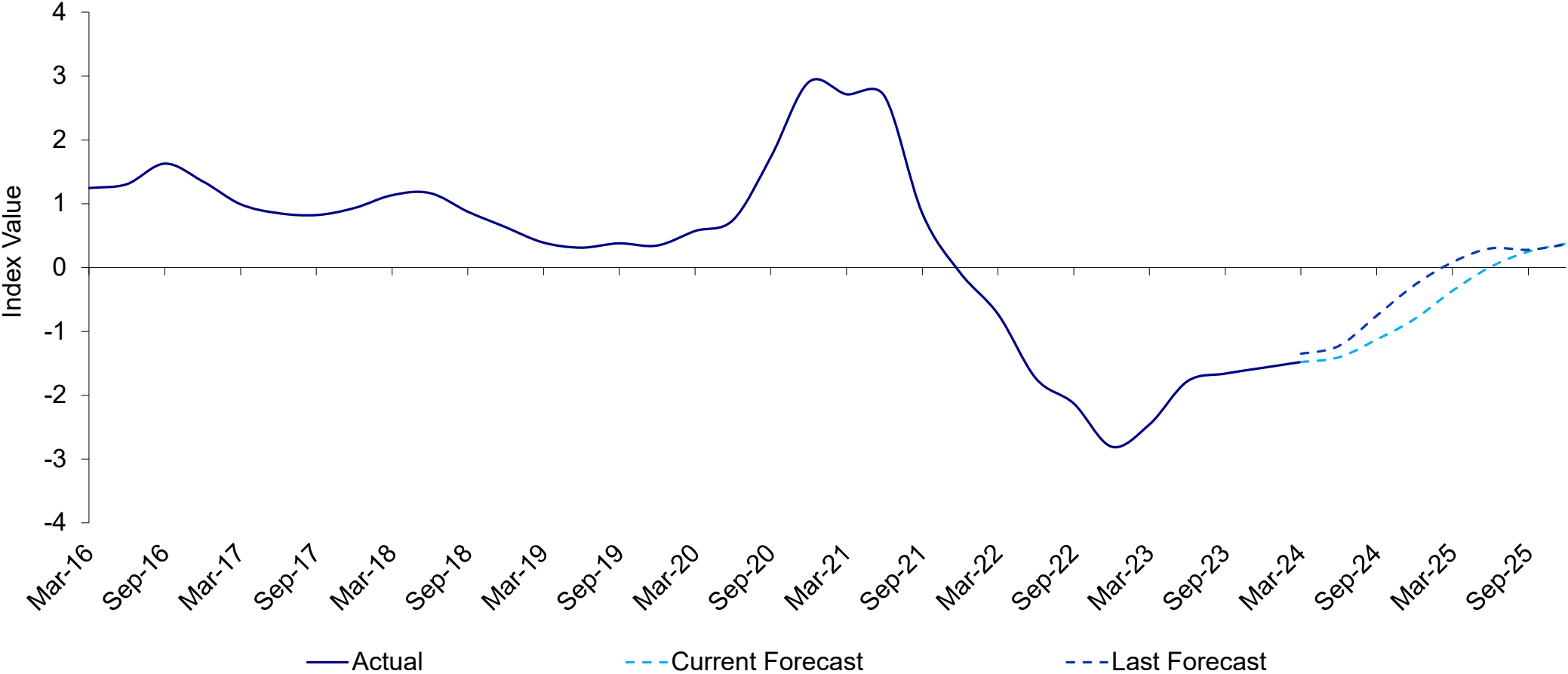


Digitally enabled technology architecture



Integrated partner and alliance ecosystem

KPMG Retail Health Index offers some hope.....



Source: BoE, ECB, FRB, RBA, Haver, KPMG

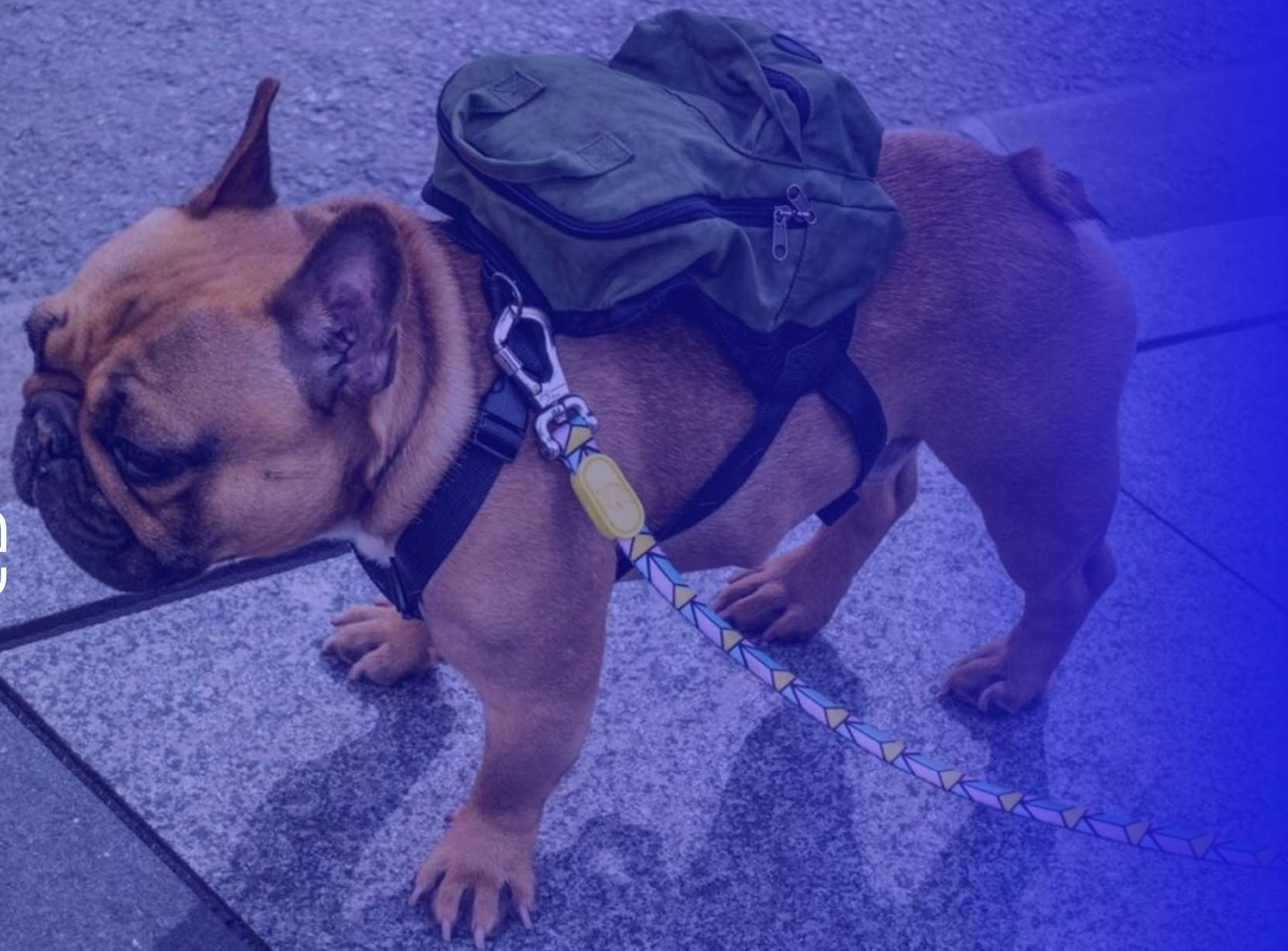


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2. The big themes



The consumer:
It's all about me
(& my dog)



#TikTokMadeMeBuyIt....

43%

of Gen Z consumers start
product searches on TikTok

70%

of Gen Z are happy to buy
on social

50%

of all US ecommerce sales
on mobile devices by 2027

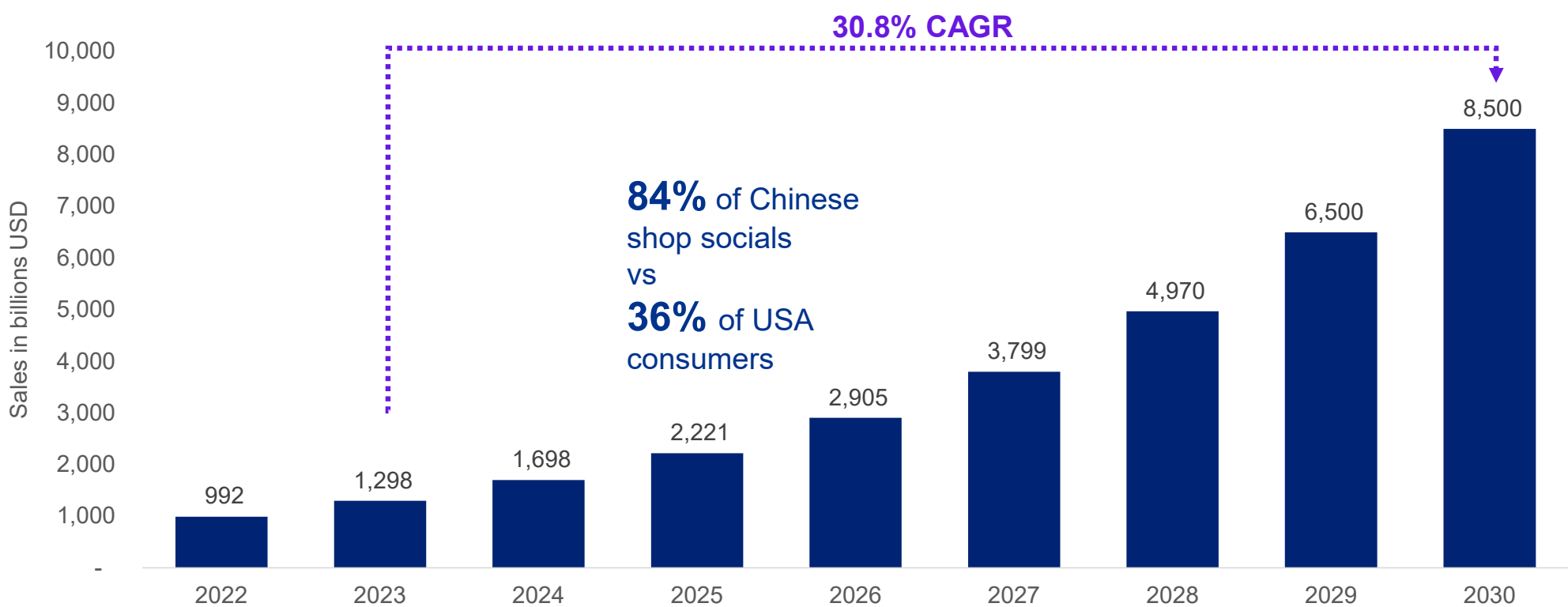
#stanleytumbler

1B views



Social commerce is the next BIG thing.

Value of social commerce sales worldwide
2022 - 2030



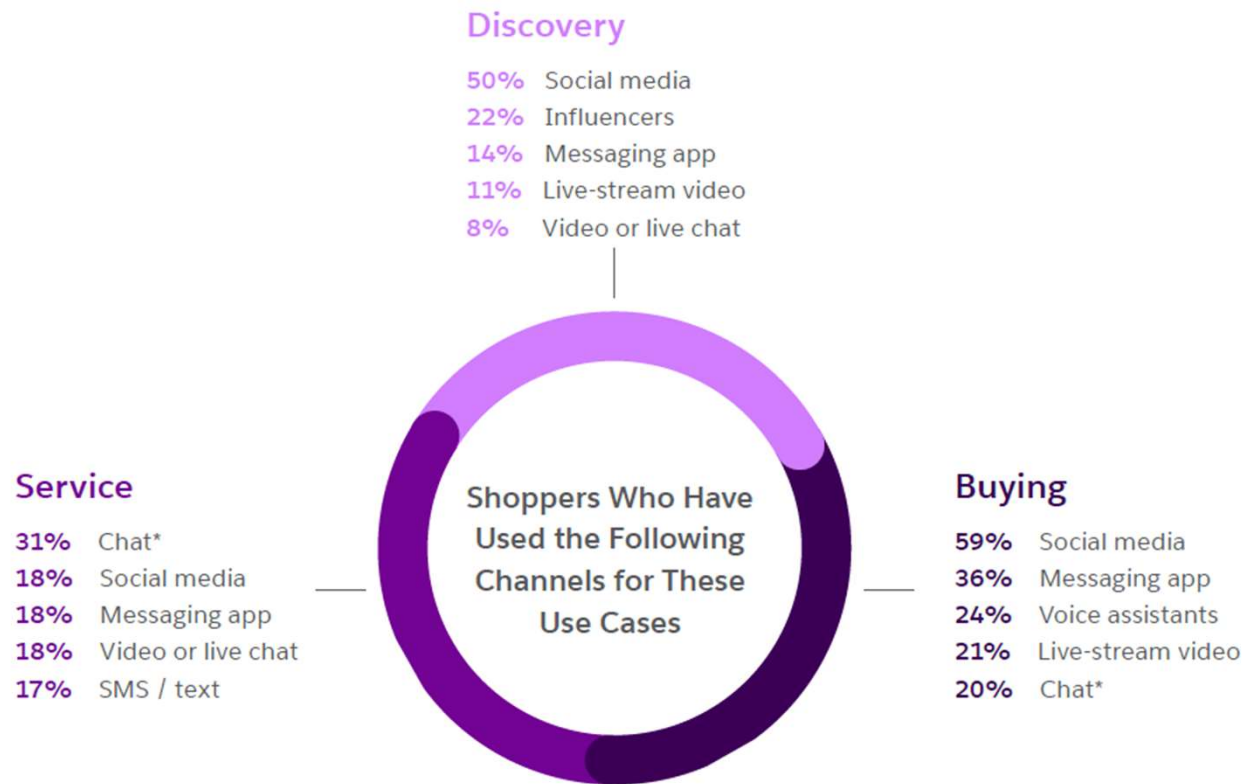
Source: Statista 2024



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Social on speed dial!

59% of consumers shopped on social media in 2023 (15% in 2021!)



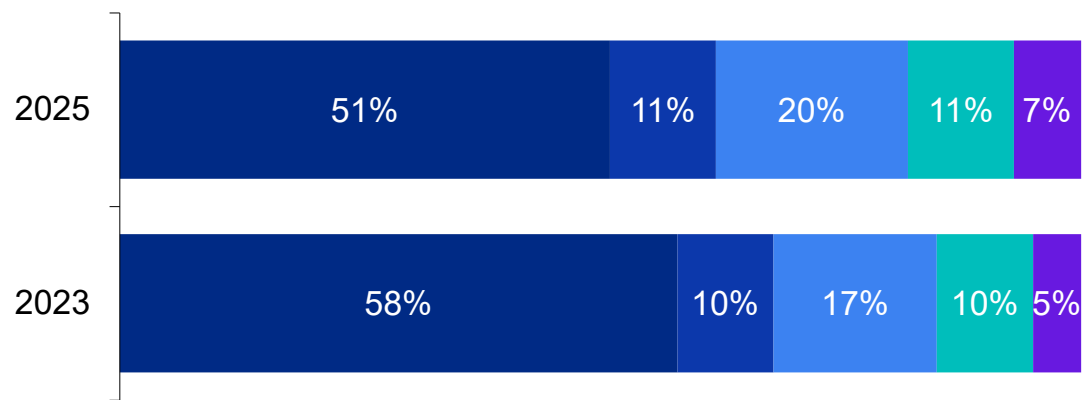
Source: Salesforce, Connected Shoppers Report, Fifth Edition



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Australia & NZ. Digital trend impacting stores

Where shopping transactions take place
Estimated volume of purchases across the following channels



**Physical store purchases
forecast to drop to 51%
by 2025.**

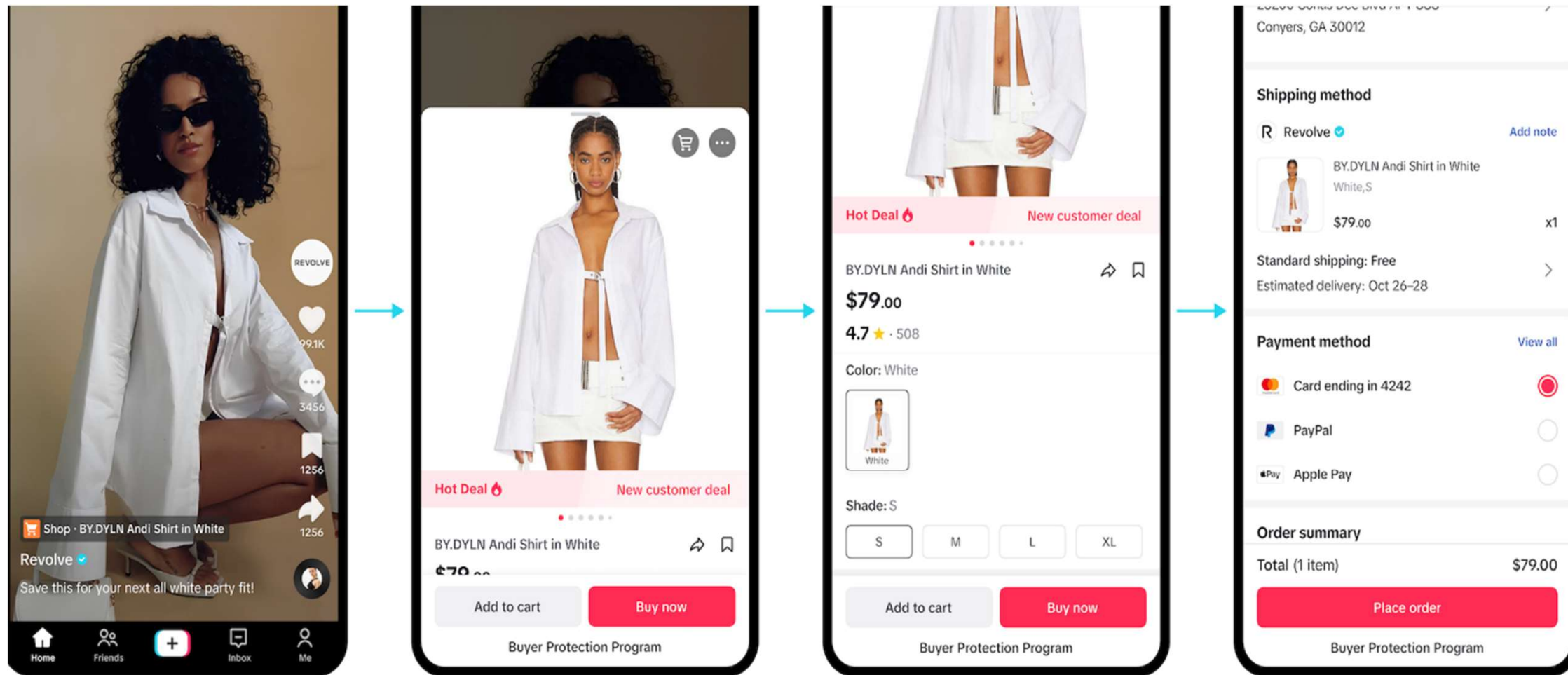
- A physical store
- A brand's website or shopping app
- A retailer's website or shopping app
- Online marketplace
- Newer digital channels and delivery apps

Source: Salesforce, Connected Shoppers Report, Fifth Edition



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TikTok Shop. 1.1bn US users since Sept 23.



#Aritzia. Socially Physical Retail Perfected?



USD2.2bn
sales (35% online)

117
stores

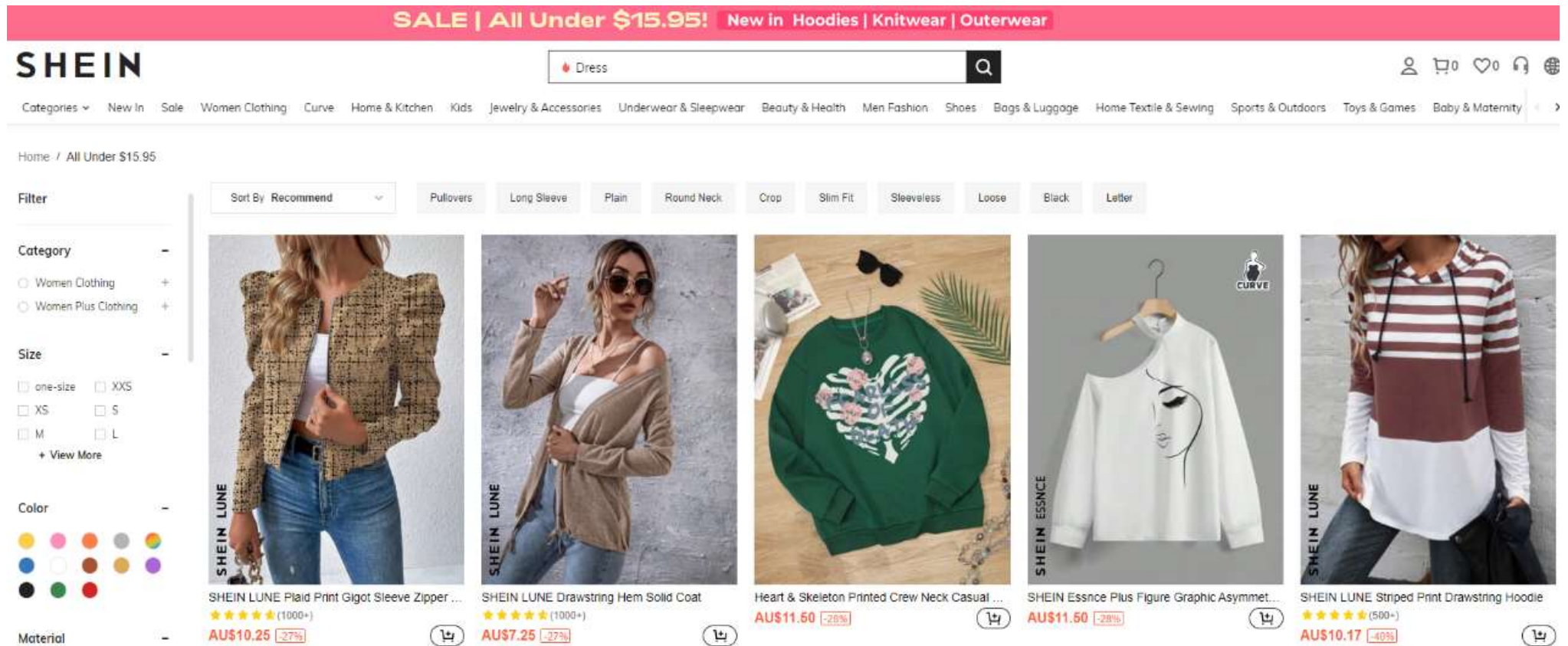
16%
EBITDA

c.1 bn videos
TikTok #Aritzia



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SHEIN (*Sheen*). Socially Digital Retail perfected?



Shein USD59bn by 2025

 **Vertically integrated** fast fashion retailer & marketplace

 **40% - 60%** cheaper than competitors

 **\$8** ave. product price

 **6,000** Chinese factories

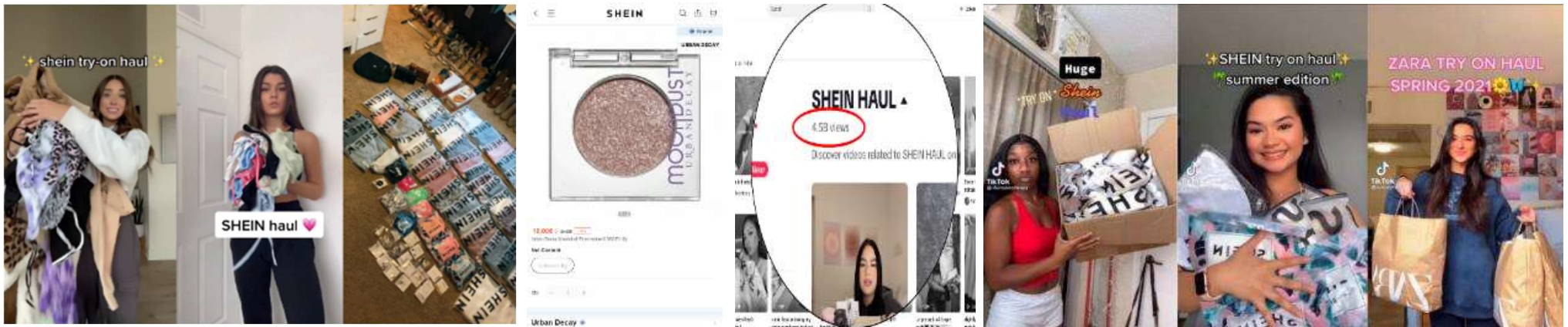
 **600,000** listed skus

 **2,000 new skus** per day

 **30m+ followers** on socials

 **15bn+ views**

 **\$USD59bn** forecast annual sales by **2025**



Temu. The marketplace disruptor?

Free shipping on all orders
Exclusive offer

Free returns
Within 90 days

Get the Temu App

Best Sellers 5-Star Rated Summer Sale New Arrivals Categories

womens dresses

Sign in / Register
Orders & Account

Support EN

Best Sellers Overall Within last 30 days Within last 7 days

Filter by category Recommended

Strong suction power
Powerfully cleans the
interior surfaces of the car

Summer
to Fall 74% off discount

Car Mounted Vacuum Cleaner, Super St...

AU\$17.98 70.84 100K+ sold just bought (65,045)

Special sale | 04:47:25

1pc LED Motion Sensor Cabinet Light, ...

AU\$5.84 52.00 100K+ sold just bought (45,971)

Solar Firework Lights

1 Pack Solar Firework Light Outdoor, IP...

AU\$7.99 23.56 100K+ sold Almost sold out just bought (82,482)

TIMESS

Summer
to Fall 79% off discount

3 In 1 Fast Charging Station, Folding Wi...

AU\$32.48 100K+ sold just bought (33,661)
Direct from TIMESS

Summer
to Fall 39% off discount

1pc Soft and Comfortable Memory Foa...

AU\$4.38 7.20 100K+ sold just bought (66,656)

without comforter or pillow core

Summer
to Fall 87% off discount

3pcs Multicolor Plush Duvet Cover Set -...

AU\$31.48 100K+ sold

T&G

Summer
to Fall 82% off discount

Portable Outdoor Wireless Bass Speake...

AU\$17.95 100K+ sold

TOPK

Summer
to Fall 29% off discount

TOPK D38-C Car Phone Holder Mount, ...

AU\$15.48 21.95 100K+ sold

Lightning Deal
Ends in 02:04:47:25

5/10/12 Pairs Comfy Ankle Socks, Solid ...

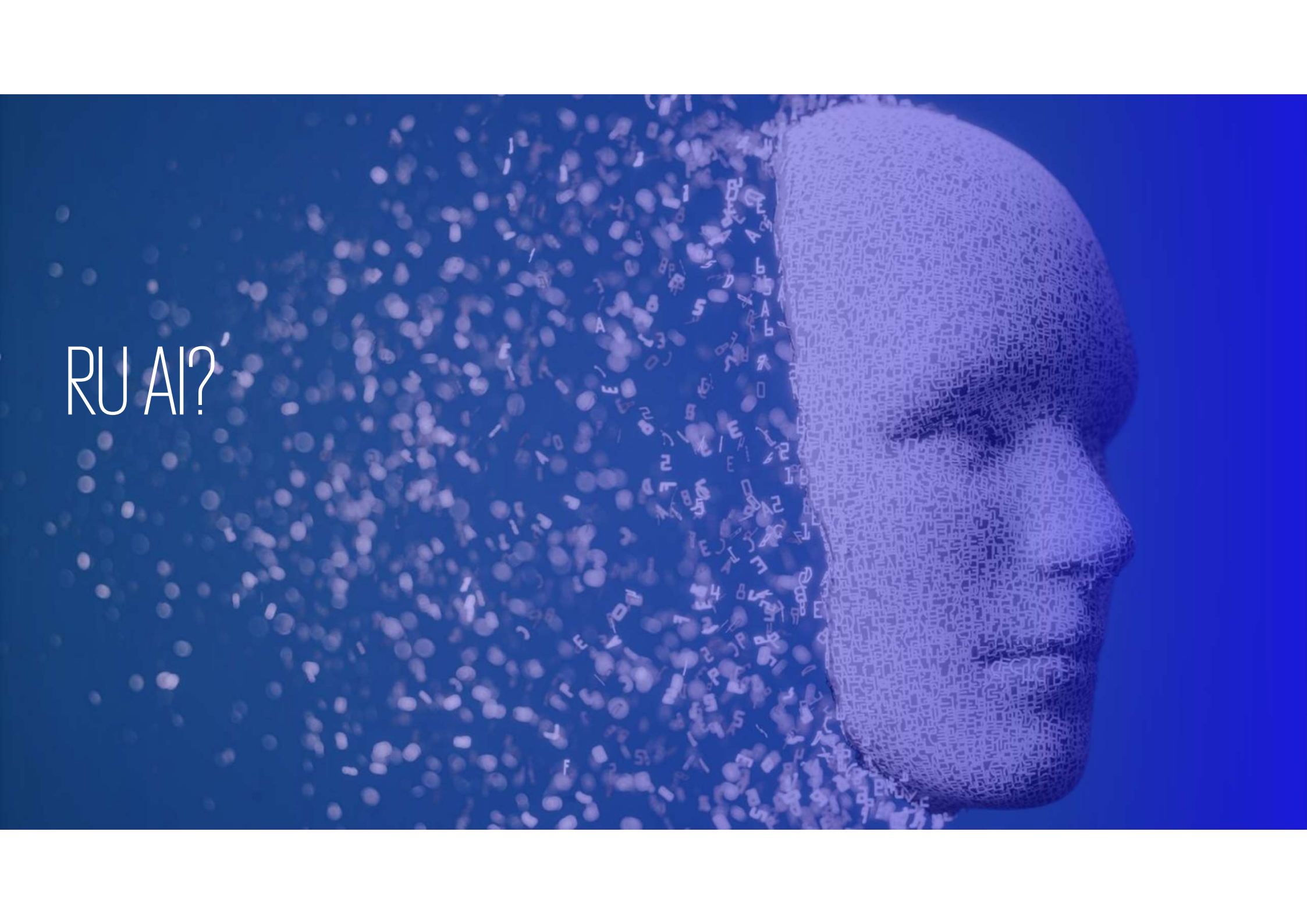
AU\$2.96 33.05 100K+ sold 91%

Summer
to Fall 74% off discount

1pc Quilted Waterproof Mattress Prote...

AU\$22.98 99.95 100K+ sold

RU AI?



AI by the numbers

Spending by
2027 on
Generative AI

\$143B

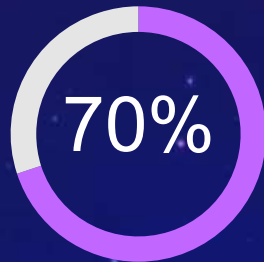
Where for C&R?:

66% Customer analysis & personalisation

64% Trend/predictive analysis for inventory management

62% Content generation (marketing & product)

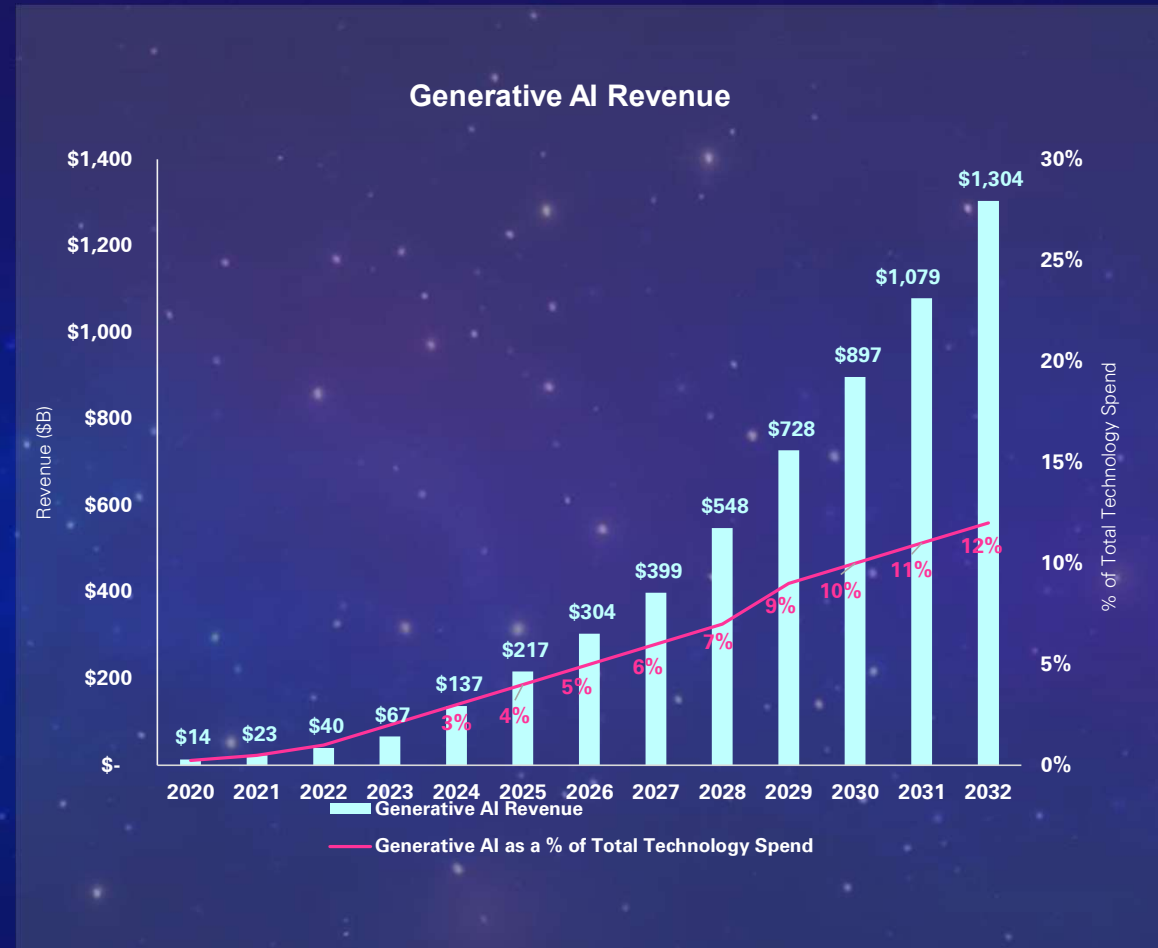
Source: KPMG



C&R Execs say Gen AI will transform **marketing** and **sales**

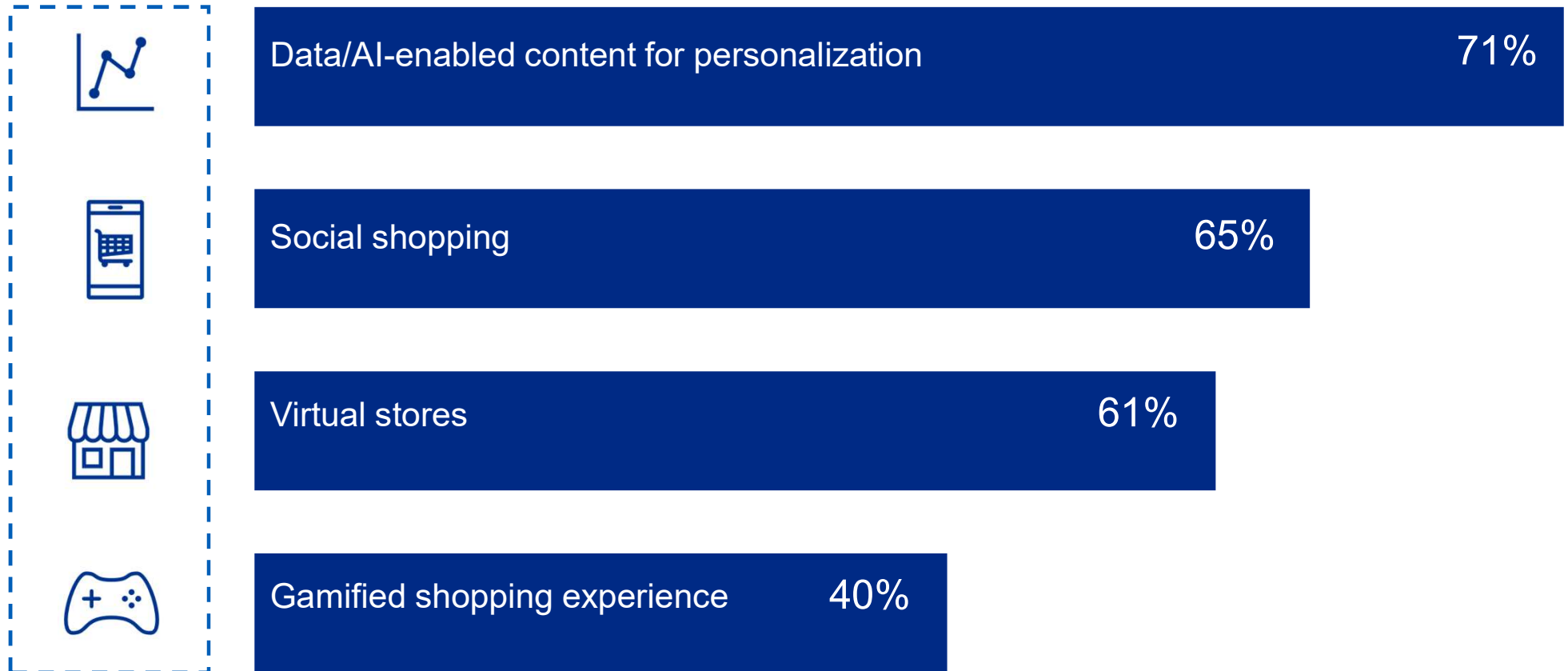
Top barriers?

- 1** Lack of skilled talent 
- 2** Costs / lack of investment 
- 3** Lack of clear business case 



Source: Bloomberg, Generative AI to Become a \$1.3 Trillion Market by 2032, Research Finds, 2023

Where is the retail investment going?



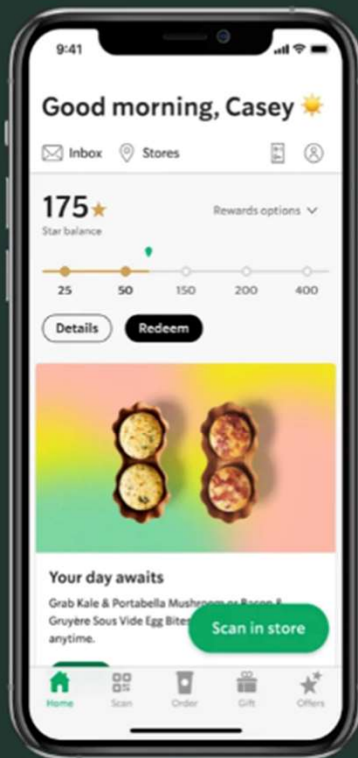
Source: Insider Intelligence/Emarketer + Coresight US Research Aug 2023



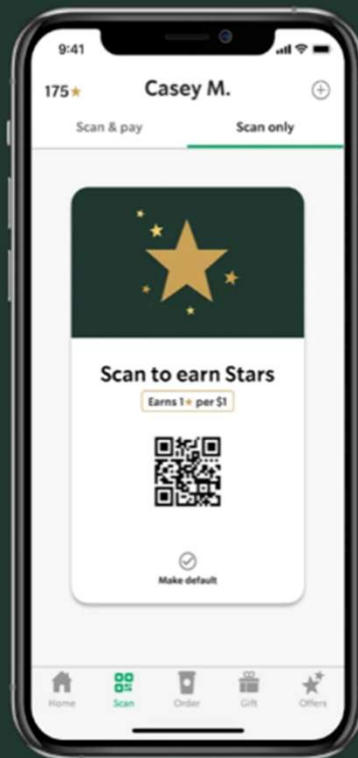
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Starbucks Deep Brew. Customer insights & personalisation

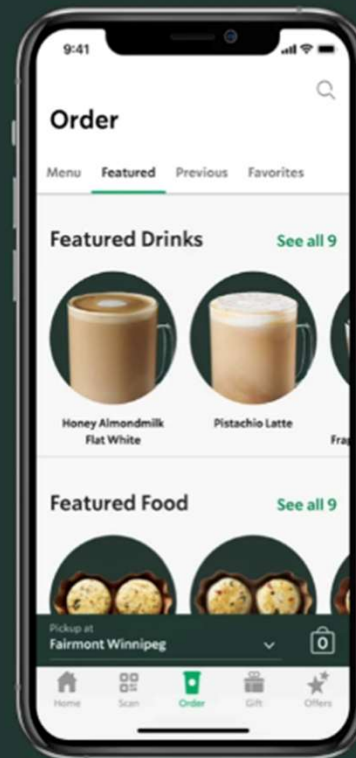
COLLECT STARS AND EARN REWARDS



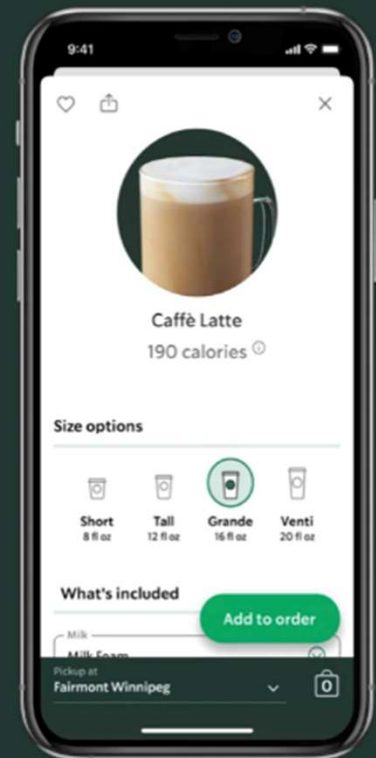
PAY IN STORE



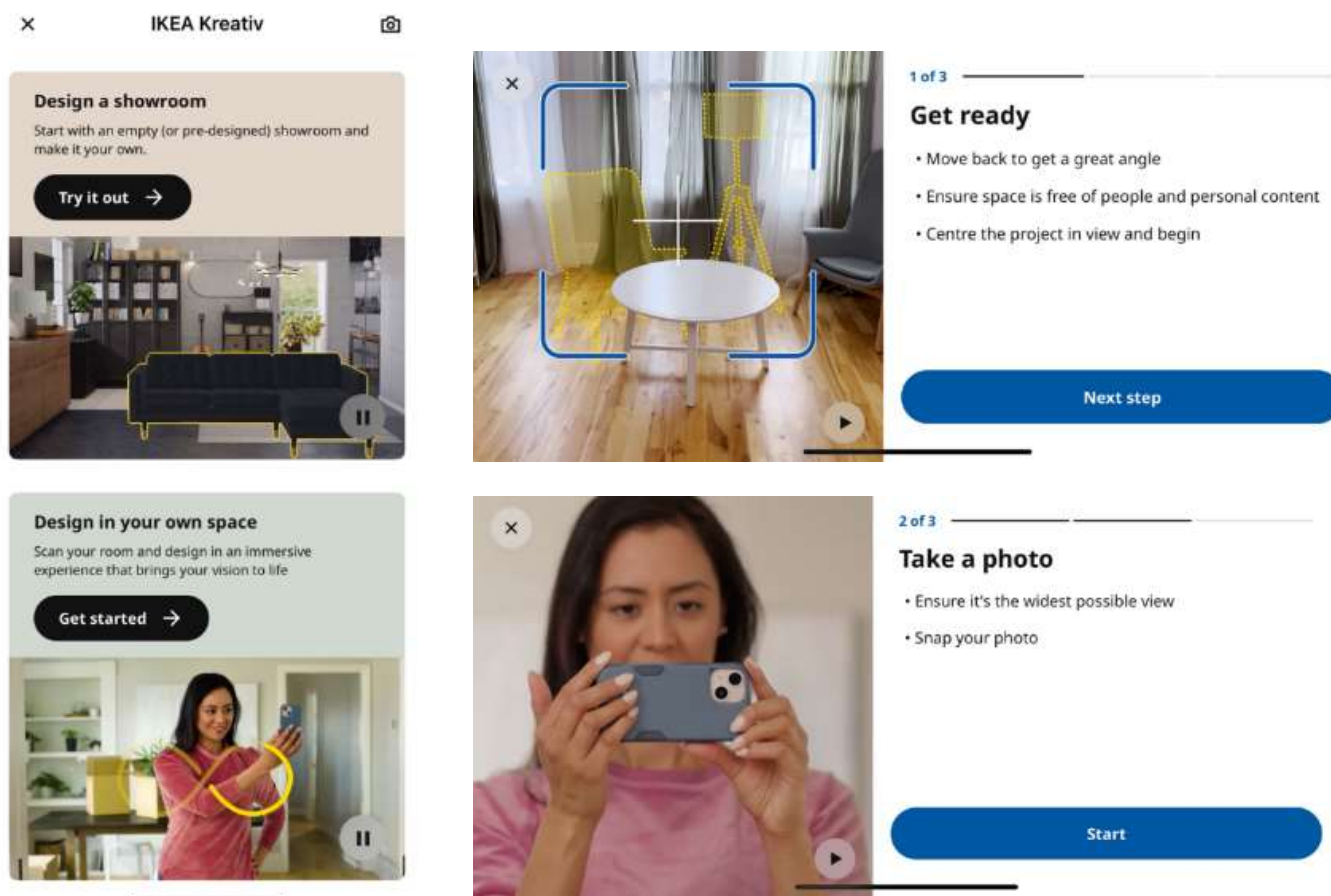
ORDER AHEAD



CUSTOMIZE YOUR ORDER



Ikea Kreativ: redesign your home in minutes



Retail. Automation & AI use cases

Marketing



Customer Service



Supply Chain



Inventory



Buying & Forecasting



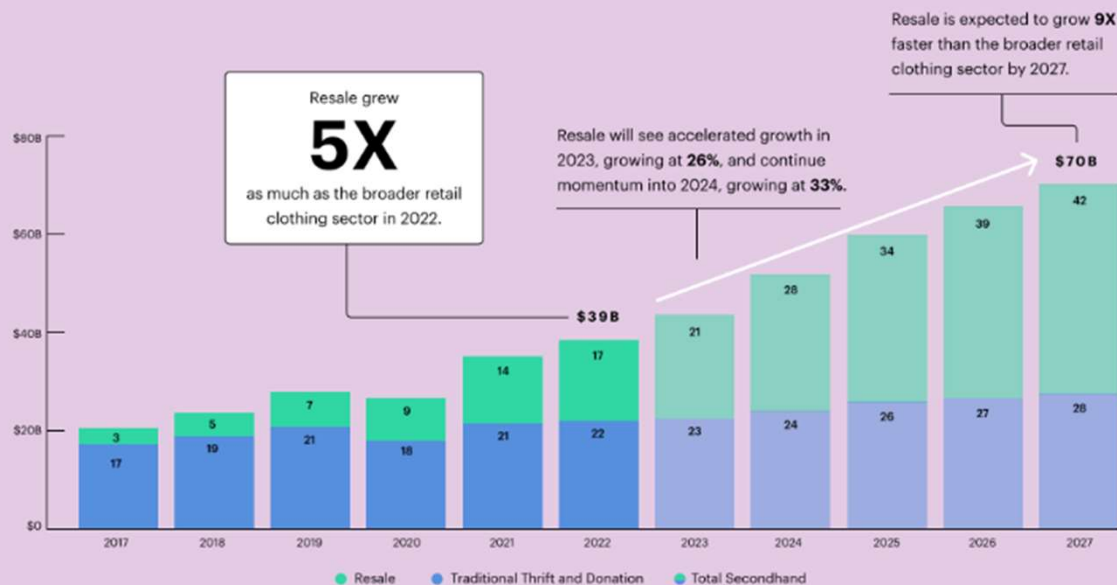
ESG gets real.



Brand owned marketplaces growing 5x

U.S. Secondhand Market Expected To Reach \$70 Billion by 2027

The U.S. secondhand market maintains a strong growth trajectory, demonstrating its staying power.



5X

Resale growth – just as much as the broader retail clothing sector in 2020

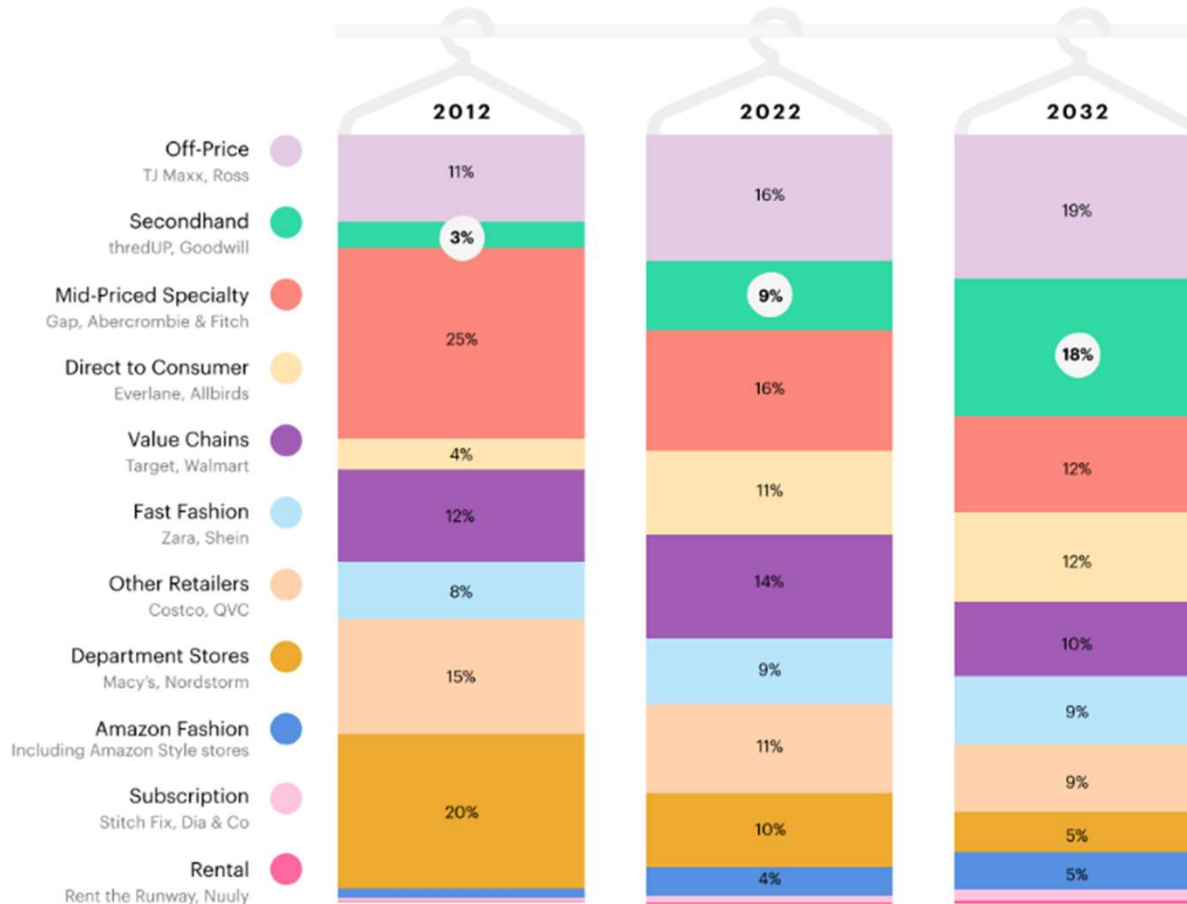


Resale will see accelerated growth in 2023, growing at 26%



Resale is expected to grow 9X faster than the broader retail clothing sector by 2027

US second hand market = \$90bn by 2032



Resale is driving secondhand's growth, expected to be a \$57B market in the next 10 years.

2 in 5 items
in Gen Z's closet are
secondhand.²

Fast fashion market share is expected to remain flat over the next 10 years.

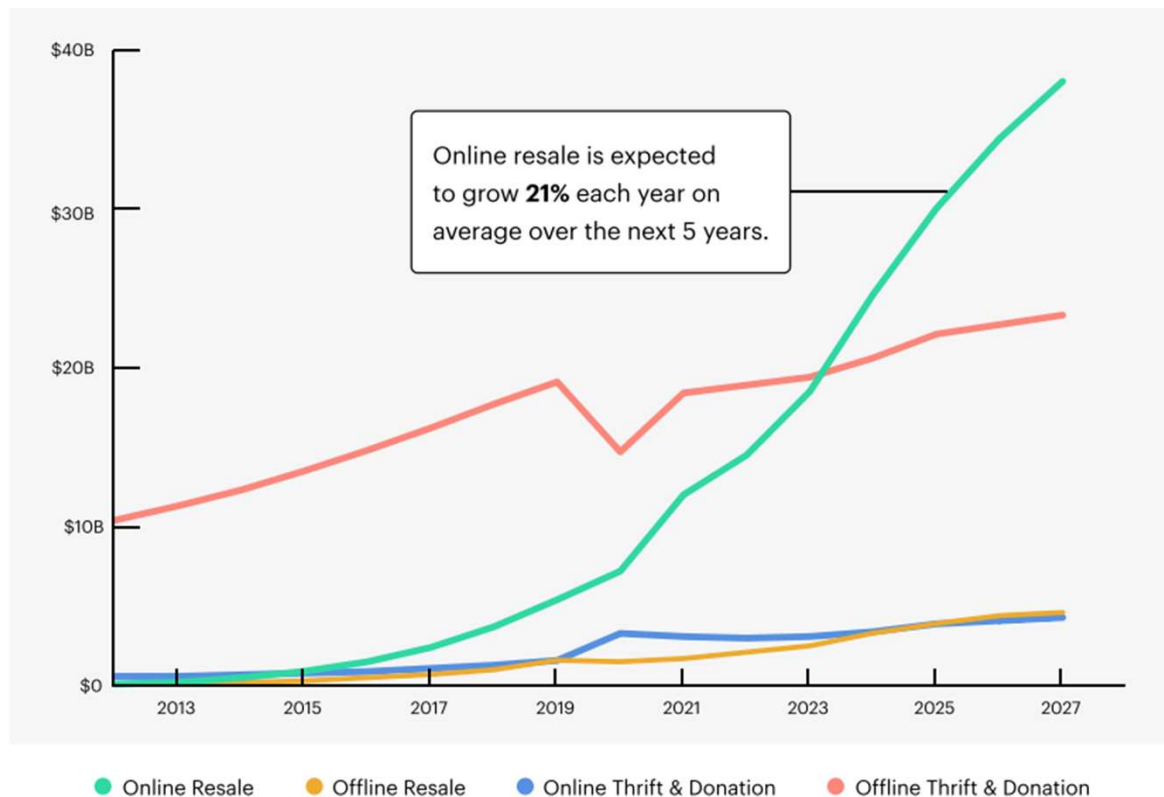
GlobalData 2023 Market Sizing and Growth Estimates



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Online driving US resale market. \$38bn by 2027

Online resale is expected to reach **\$38 billion** by 2027, growing **2x** faster than secondhand overall



Gen Z is driving online resale's growth

58%

of Gen Z who bought secondhand apparel in the last 12 months made at least one purchase online—more than any other generation.²

Zara Pre-owned. Repair. Resell. Donate



Oroton. Buy or rent?

OROTON



NEW BAGS CLOTHING JEWELLERY ACCESSORIES RENTALS EVENTWEAR GIFTING THE OROTON SALE



WOMEN / BAGS / CROSSBODY

CARTER COLLECTABLE SMALL DAY BAG

\$899.00

NEW ARRIVAL

COLOUR: AMBER



SIZE: ONESIZE

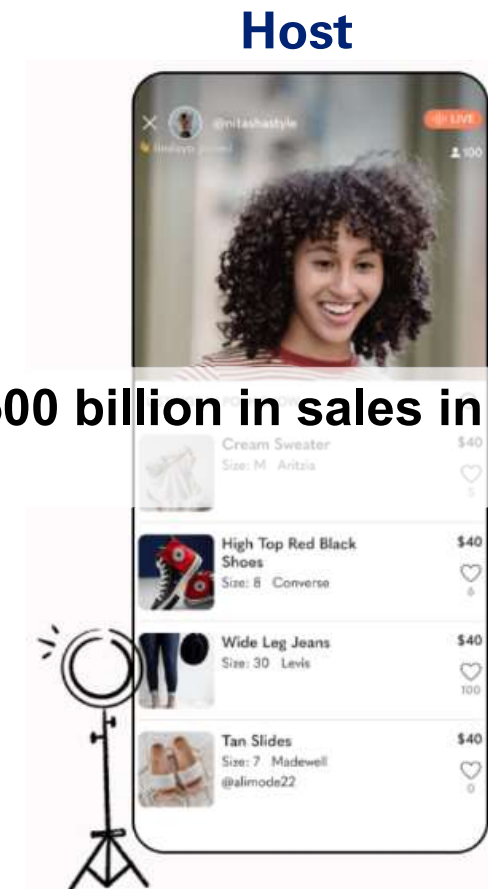
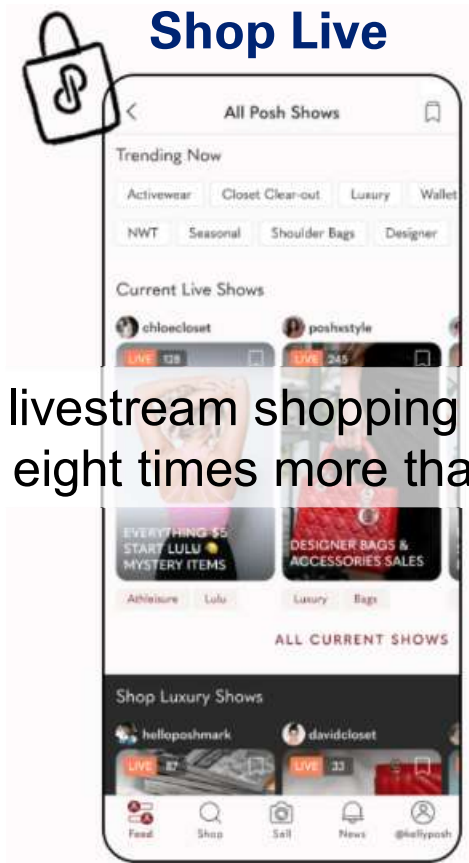
ADD TO BAG

RENT FROM \$209



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Poshmark. Social Live Auction platform

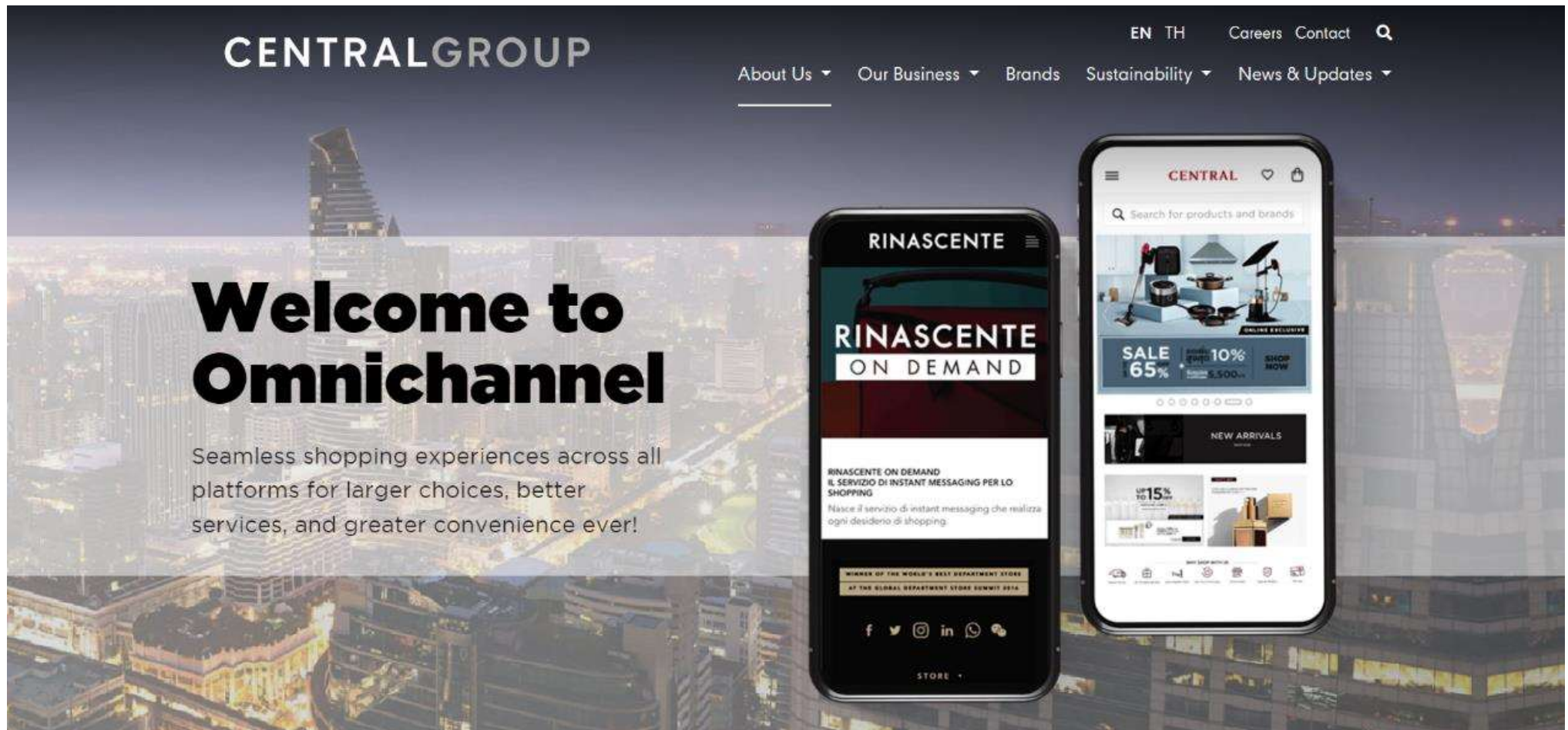


“In 2022, livestream shopping brought in more than \$500 billion in sales in China. That was eight times more than in 2019”

Physical
becoming digital



Thailand's Central Group sets the pace



Central Department store brands



Central Chidlom
Bangkok, Thailand

Central Embassy
Bangkok, Thailand

Central Phuket
Thailand

Rinascente Milan Duomo
Italy



Rinascente Rome Tritone
Italy

Illum
Copenhagen, Denmark

KaDeWe
Berlin, Germany

Alsterhaus
Hamburg, Germany



Oberpollinger
Munich, Germany

Globus Zurich
Switzerland

Selfridges London
United Kingdom

De Bijenkorf
Amsterdam, Netherlands



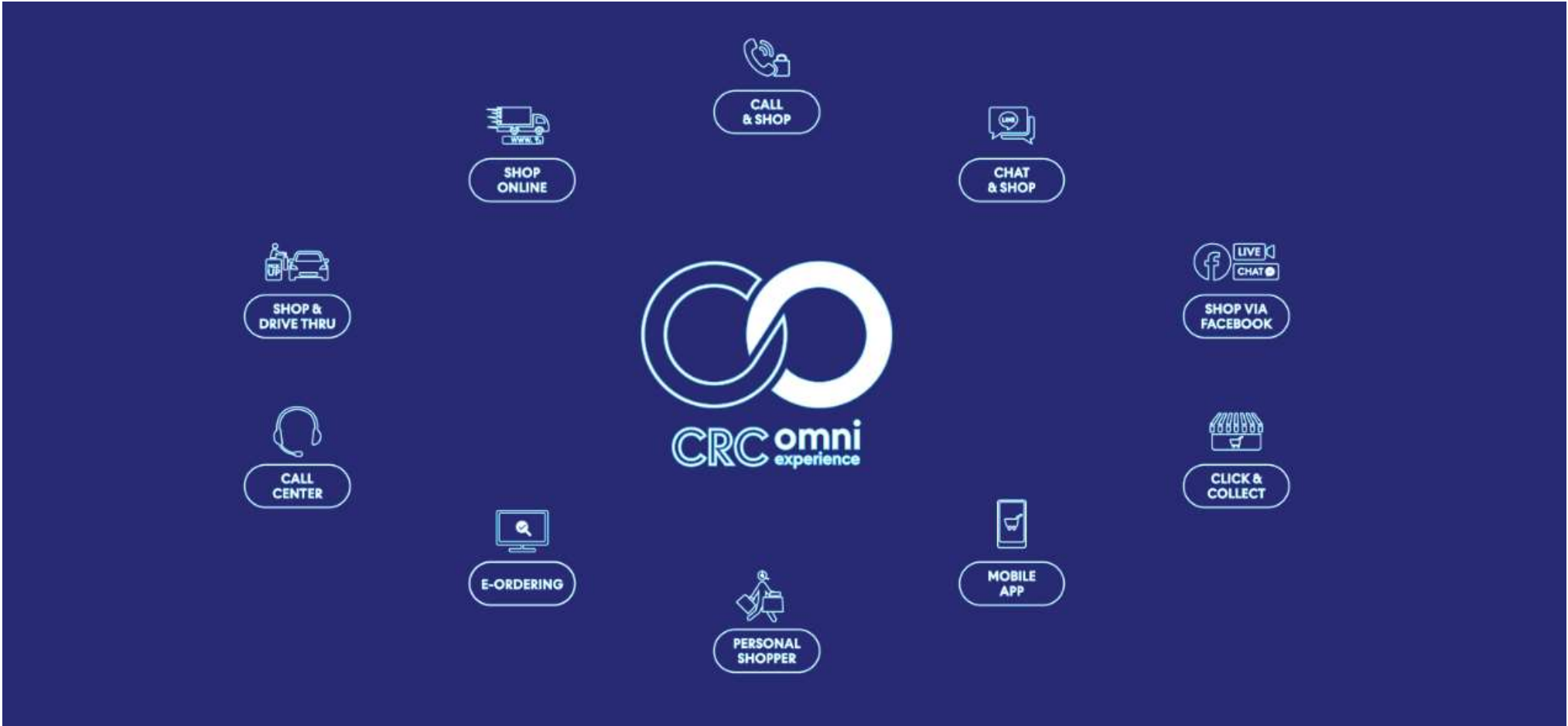
Brown Thomas Dublin
Ireland

Carsch Haus
Dusseldorf, Germany

Vienna, Austria

Globus Basel
Switzerland

All channels



Call to buy

Call & Shop

Get all your shopping needs done in one call. With our one-stop shopping assistant on the line who can provide you with any information on our services or products, getting what you need has never been easier. Our products are available for delivery and installation anywhere in Thailand.

A woman with long dark hair, wearing sunglasses and a plaid blazer, is smiling while talking on a mobile phone. She is sitting in the driver's seat of a car. The background is a blurred view of a city street. The text 'CALL & SHOP' is written in large white letters, with '1425' in large yellow letters below it. Below the phone number, the Thai text 'ช้อปง่าย ๆ แค่นี้ 1425' is written. At the bottom, there are social media handles and the website: 'CENTRAL.CO.TH', '@CENTRALOFFICIAL', '1425', and 'CENTRALDEPARTMENTSTORE'. The 'CENTRAL RETAIL' logo is in the top right corner.

CALL & SHOP
1425
ช้อปง่าย ๆ แค่นี้ 1425
CENTRAL.CO.TH @CENTRALOFFICIAL 1425 CENTRALDEPARTMENTSTORE

Shop by Chat Bot

CENTRALGROUP

EN TH

Careers

Contact


About Us

Our Business

Brands

Sustainability

News & Updates



สวัสดีค่ะ จะให้ Central Chat & Shop ช่วยเลือกหาสินค้าอะไรดีค่ะ

ต้องการซื้อกระเป๋าสำหรับไปงานกลางคืน ผู้หญิงค่ะ มีแบรนด์อะไรบ้างคะ

ส่งสินค้าที่บ้านได้ใช่ไหมคะ

กำลังตรวจสอบสินค้าให้ค่ะ ทางเรามีบริการจัดส่งสินค้าทั่วประเทศค่ะ หรือรับที่เซ็นทรัลสาขาใกล้บ้านก็ได้ค่ะ

CHAT & SHOP

Chat & shop and Call & Shop services allow you to get advice and purchase products through an instant messaging service, empowered by a personal touch from our shopping assistant.

With access to the customers' shopping history and other data on their preference, the shopping assistant can facilitate shopping with selections of merchandise and provide a link for online purchase, or other purchase methods such as Click & Collect, Click & Delivery or Reserve & Collect.

Live Shop via Facebook

Shop via Facebook

Facebook has always been about connecting you to what you love. Now you can browse, order and pay for your favourite products in real time on the platform. You can simply do so through our Live Comments section or drop us a message in our chat box.

CENTRAL

ROBINSON

amg

amg

live

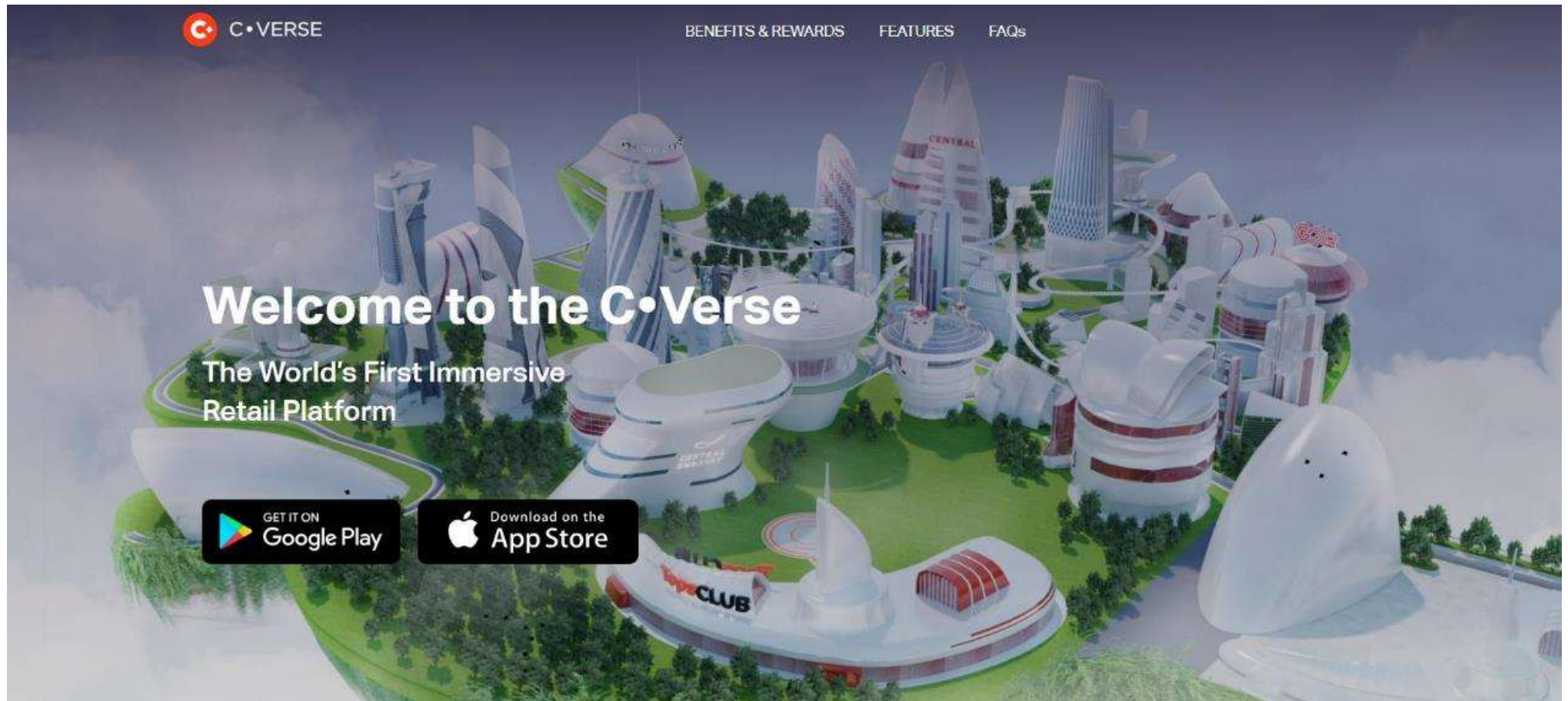
live

OFM

B2S



Shop the metaverse



Shop the metaverse



Avatar Creation

Express your own identity by personalizing a unique appearance and styling with variety of clothes and accessories for your Avatar

[CREATE NOW](#)



Digital Twin Store

Simulate Tops CLUB Rama 2 in futuristic style, allowing you to interact with other users to discover an excitement with key features

[JOIN NOW](#)



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Bread and milk in 10 mins?

Flink

Groceries delivered in minutes

Your one-stop online shop. From fresh produce and household staples to cooking essentials, we're the service that always delivers. To your door, and within minutes.

[Shop now](#)



Coupang Rocket, South Korea - 24/7 delivery



Rocket Delivery

Order from millions of items, delivered to your doorstep by the very next day. Need your items even sooner? Try Dawn and Same-Day Delivery for even faster shopping.



Rocket Fresh

As the nation's largest online grocer, Rocket Fresh covers all your grocery needs, delivered in our patented eco-friendly Fresh bags.



Rocket Overseas

Rocket Overseas streamlines overseas shopping, offering fast, free shipping, and millions of products, resembling domestic shopping.

Sky High Ambitions: Walmart Makes Drone Delivery Real in '24

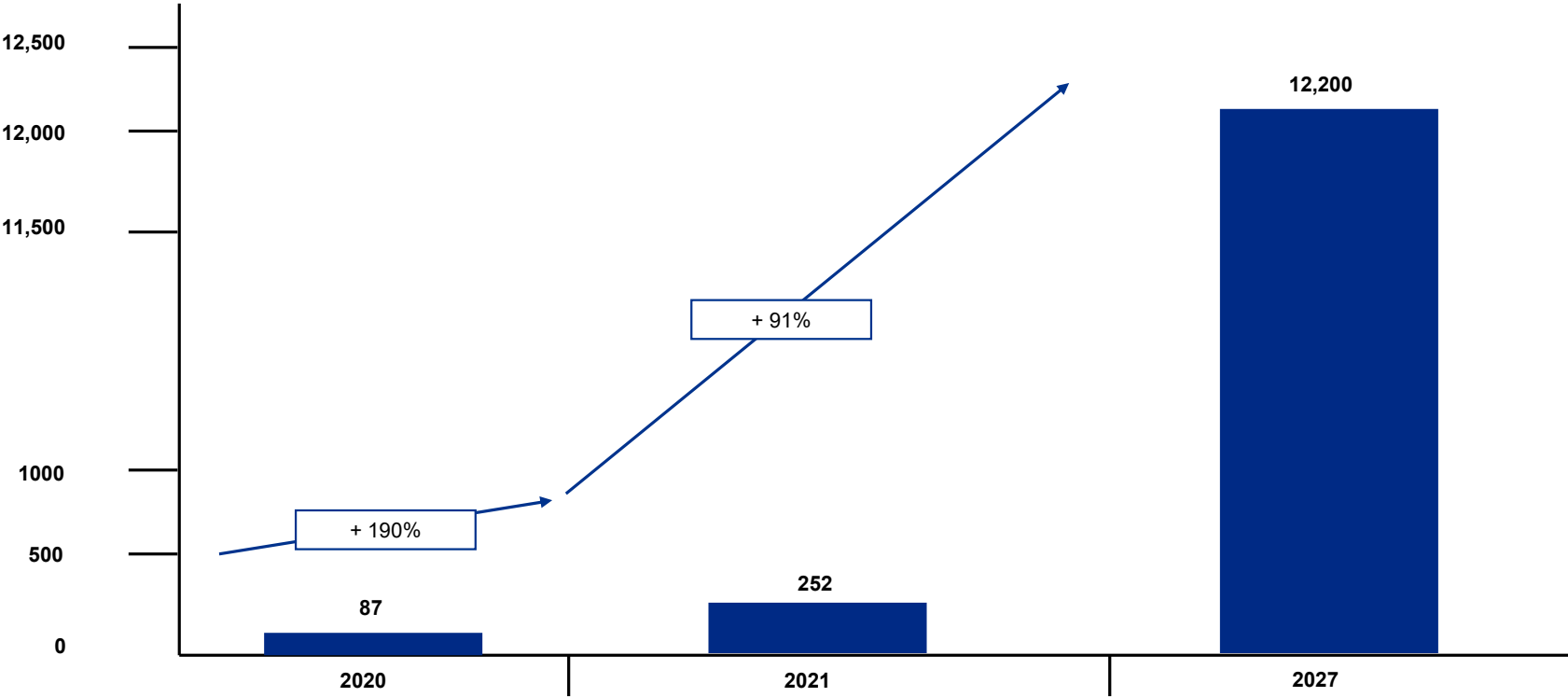


Wing drone delivery



Frictionless retail

Number of frictionless retail store, worldwide



Source: PWC UK report



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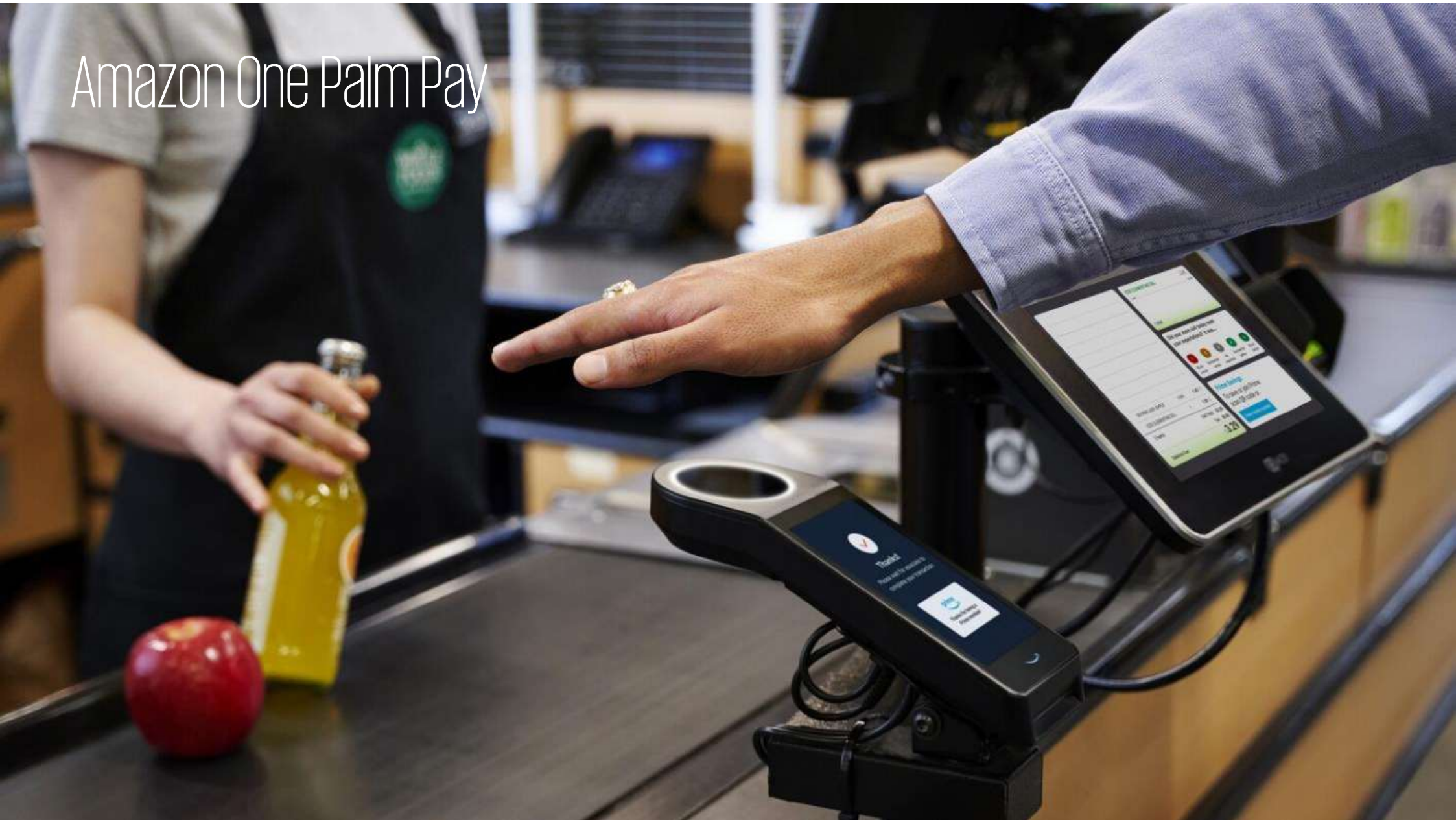
Uniqlo Self Checkout. Just Bin it.



RFID. Old Tech = New tech



Amazon One Palm Pay



Amazon Dash Cart. Scan and go.



So what does this all mean?



Consumers are hyper focussed on:

- **Themselves**
- **In store engagement/entertainment**
- **Value**



ESG is deeply embedded in the best retail models

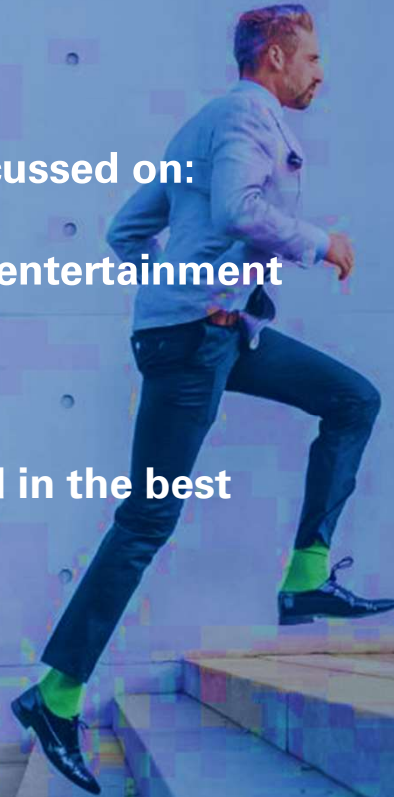


Technology is the new frontier for:

- **Customer engagement**
- **Operational efficiency**



The market is betting AI will turn retail upside down (quicker than we expect)



Q&A



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