



[Subscribe now!](#)



*The leading media on the international beauty industry*

[Home](#) | [Archives](#) | [Agenda](#) | [Latest issue](#) | [Account](#) | [Log out](#) | [Buy previous issues](#)



[NEWS](#) [RETAIL](#) [M&A](#) [PEOPLE](#) [LAUNCHES](#) [TRAVEL RETAIL](#) [COUNTRY REPORTS](#) [INTERVIEWS](#) ...

[Subscribe](#)

## LUXASIA readies retail concept Escentials for Southeast Asia expansion

*July 29, 2021*

Asian distribution company LUXASIA is gearing up to expand Escentials, its retail nameplate for niche and luxury brands beyond its home market of Singapore this fall. Escentials, which was created 15 years ago and has three stores in Singapore, will open a store in Kuala Lumpur, Malaysia in October, another in Ho Chi Minh City in Vietnam in the second half of 2022 and a third boutique in Bangkok, Thailand also in 2022.

The company is targeting eight to 10 stores in the region by 2024, and 15-20 boutiques in the next seven years, while at the same time building the online business for the retailer, with the aim of Escentials becoming what LUXASIA calls a key omnichannel platform for luxury in Southeast Asia. There are also plans to bring the retail concept to Indonesia and the Philippines, as well as beyond the region, possibly to Taiwan and India.

“Escentials has annual growth of at least 20% to 25% and we want to accelerate that. We are targeting to double both our number of doors and our sales in three years. And from there we will have the critical mass to scale up fast. The next horizon would be for Escentials to become five to 10 times bigger,” says LUXASIA Group CEO Dr. Wolfgang Baier.

The company adds that it wants to build its direct-to-consumer channels and accelerate growth of social commerce in these markets, while looking to be trend-setter for niche, cult and luxury beauty. However, it points out that how fast sales grow will depend on the number of new brands it brings to these markets.



We use cookies to ensure that we give you the best experience on our website. If you continue to use this site we will assume that you are happy with it.

Ok

### *Escentials at the Paragon shopping mall in Singapore*

The expansion plan for Escentials has been in the works for the past two years but was delayed due to the pandemic. However, despite the crisis, the company says that the time is now opportune to expand, due to strong demand from both brands and consumers, high spend on luxury items in the region and a trend to trade up, as well as lower rental costs – a number of brands and distributors have exited prime locations during the pandemic.

“We have had a lot of feedback from the brands asking for an ultra-luxury, cult beauty platform in Southeast Asia. Also, although Southeast Asia may be going through a difficult time, we absolutely believe in the top luxury kind of brands and retail; opportunities arose, such as in the KLCC shopping mall in Malaysia, and we grabbed them. So it is the right time to invest. On the back end, we have done everything in terms of e-commerce and social commerce so that they can plug and play. So we will develop that in parallel to the brick-and-mortar.”

He continues: “The other part of the strategy was that during the pandemic, Escentials was one of our best-performing units. Why? Because consumers love to pamper themselves, want real luxury beauty and they get that at Escentials. We don’t discount, we have the customer service and the white glove home delivery, and people really appreciate that.”

### **Online growth**

LUXASIA highlights that ensuring each new store is consistent with the luxury approach to service and assortment that exists in the Singapore boutiques is key. This also applies to the online experience. The company says it will focus on “omnichannel consistency” in terms of branding, pricing and positioning across physical retail, e-commerce and social commerce. It will also look to livestreams and events to engage consumers on social media.

As part of its luxury push in online, Escentials recently launched two virtual stores that showcase a 3-D AR walkthrough of the retailer’s stores in the Paragon mall and Tangs department store in Singapore. The aim is to offer and immersive digital experience. The stores link to online commerce via [escentials.com](https://escentials.com) and to Tangs’ e-commerce site.

Online sales are already a strong part of Escentials’ Singapore business. During the pandemic, sales from e-commerce accounted for 60% of the retailer’s business, a figure that stabilized at between 30% to 40%, once stores were allowed to re-open.



*The Escentials store at the ION shopping mall in Singapore*



*The Escentials store at Tangs department store in Singapore*

For new markets, the online business is expected to start slowly, but climb steeply in the second year to reach around 15% to 25% of business. As the local online commerce landscape evolves, online could end up accounting for 30% of sales or more.

Asked whether LUXASIA would launch Escentials on one of the region's marketplaces, Baier said the move is a possibility, but that it would be important to ensure that the brand would not be compromised.

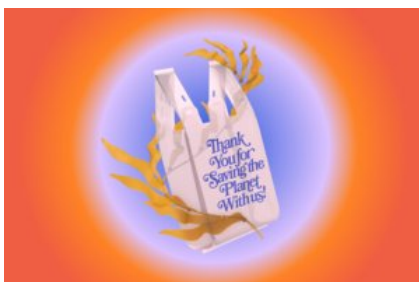
"It is a big question that we have debated. But we are ultra-luxury, what you get is 100% genuine, 100% branded, and 100% consistent in pricing. This means that if you wait, you won't see the price discounted – but [discounts] are how marketplaces are bringing in a lot of consumers. So, I would not say no, but I don't see it happening in that the next few years; we will go with our own e-commerce first," he explains.

The company notes that the positioning of the online marketplace is a key consideration, given that many frequently indulge in price promotions. LUXASIA states that it would privilege luxury sub-categories of marketplaces, such as Tmall Luxury or Shopee Premium, and underlines that it would not participate in discounting operations.

It adds that the commercial terms and how it would be able to manage its stores are major factors in any decision to list on a marketplace. LUXASIA estimates that the current players in Southeast Asia are still around three to five years away from delivering a top luxury online commerce offering.

## Other retail

---



### **The Future Laboratory View: How Eco-venient is your retail b...**

*July 28, 2021*

Our guest contributor, futures consultancy The Future Laboratory's new trend report examines how to balance customers' needs...