

English style with an Asian twist

INTERVIEW WITH DICKSON POON

GROUP EXECUTIVE CHAIRMAN, DICKSON CONCEPTS (INTERNATIONAL)



DICKSON POON

was educated in England and the United States. He founded the Dickson Group of Companies in 1980 with the opening of his first watch and jewellery boutique in Hong Kong. Since then the Group, which remains wholly owned by Mr Poon, has expanded to become one of Hong Kong's largest and most profitable retailing and wholesaling enterprises, with worldwide interests and subsidiaries in the Far East, UK, US, France, Germany, Italy and Switzerland. Mr Poon was awarded the Silver Bauhinia Star in Hong Kong's 1999 Honours List and holds an honorary doctorate from the University of Washington, USA.

How important is the retail sector to the Hong Kong economy?

The retail sector is one of the main pillars of the economy here in Hong Kong and is closely integrated with the local economy as a whole. Retailers rent commercial premises, they hire large numbers of employees, and conspicuous consumption has always played an important part in the economies of all the major countries around the world. Hong Kong is no exception.

It is also undoubtedly a growing industry, predominantly due to the fact that Hong Kong has long enjoyed a reputation as a "shoppers' paradise" in this part of the world.

In my opinion, Hong Kong is the most international city in the region; it has a very strong local consumer base and has always attracted a lot of tourists from South East Asia, Japan and now, mainland China.

How does Hong Kong's retail offering compare with those of its neighbours and competitors? Is it a question of quality, choice, reputation or economics?

I think it's a combination of all those things. Firstly, Hong Kong has no import duty on many products and categories, so from a pricing perspective we have an advantage compared to our neighbouring countries in South East Asia, where there may be either import duty or VAT, all of which amounts to the fact that the same product is more expensive elsewhere in the re-

Hong Kong enjoys an unparalleled selection of designers



gion when compared to Hong Kong. Also, because of the international nature of Hong Kong, many international retailers and leading brands have chosen Hong Kong as the prime location for their biggest and most important flagship shops and stores. This means that shoppers in Hong Kong enjoy a wider variety of merchandise to choose from, as well as a more impressive environment in which to shop.

You recently opened your flagship Harvey Nichols store here in Hong Kong. How does the outlet differ from its counterparts in the UK, and what is your target market for the venture?

Well, firstly it is our latest Harvey Nichols store and the first Harvey Nichols store in South East Asia. Our objective is clearly to open a store which will maintain the spirit of the original Harvey Nichols in Knightsbridge. At the same time, it must reflect the fact that it is our latest opening and should therefore be more modern and sophisticated. Our objective was simple; we wanted to open a store which set a completely new standard in this part of the world and which we hope will enable us to establish firmly the prestige and spirit of Harvey Nichols, so that further down the road we can expand and open Harvey Nichols stores in other South East Asian countries, as well as in major cities throughout mainland China.

The luxury goods market in Hong Kong is one of the most competitive in the world. How do you intend to set Harvey Nichols apart from the crowd?

First and foremost, we do not want to compare ourselves with any other stores that are here. We have strategically avoided using a traditional store format, the typical "emporium of brands", if you will. Instead, we encourage our consumers to express their own character and individualism by mixing and matching with the many leading international designers that we have brought to Harvey Nichols Hong Kong.

We have also strategically decided to interpret the British culture and character of Harvey Nichols from a modern, outsider's viewpoint. If you have the opportunity to visit the store, you will notice that there is much reinterpretation of traditional British characteristics, so that as you turn every corner within the store there is always an element of fun and an element of surprise to the experience.

One of the phrases that stuck in my mind from the coverage of the store's opening here was "England seen through Asian eyes". What does "Englishness" mean to people in this part of the world in the twenty-first century?

I think England is clearly seen as a country with a tremendous history, a lot of culture and one that is highly respectable. Which is why, factually speaking, a lot of Hong Kong people would love to have the opportunity to either send their children to study in the UK, to learn about its culture, its educational system and its art, or to go there themselves as tourists for similar reasons. So there is no question about the respect that exists here for English culture as such. On the other hand, I think that as retailers tend to become increasingly globalised in their outlook there is a danger that retailing, in the eyes of consumers, may become somewhat homogenised, boring even. Hence we wanted to move away from simply replicating something that already exists and instead have attempted to interpret it with an Asian taste.

The Harvey Nichols brand in the UK commands enormous loyalty amongst its customers. Are you confident that you can instill such feelings in the notoriously fickle Hong Kong shopper?

I'm very confident that we can. As a matter of fact, we have received extremely positive feedback from customers since we opened here in September. Having said that, we are under no illusions about the fact that it always takes time for any leading brand, from whichever part of the world, to establish themselves when they are entering a new marketplace. The fact of the matter is that as we expanded Harvey Nichols from Knightsbridge into Birmingham, Leeds, Manchester or Edinburgh, all of which are closer to Knightsbridge than Hong Kong, each one of them took time to build a strong recurrent customers base. But in each case Harvey Nichols has succeeded, and Hong Kong should be no exception.

Given the increasing volume of tourists coming to Hong Kong from the Mainland, do you expect Chinese people to constitute a significant proportion of your clientele?

Mainland Chinese tourists have become increasingly important as consumers, but one must also understand that Chinese consumers prefer to buy luxury products which are already well established in their own country, which are recognisable and represent quality and status. So therefore, while they are growing in importance I believe their focus is more on that aspect.

Our group started investing in China almost fifteen years ago. We own and operate over 150 shops and stores in 25 different provinces. As a result, the brands

carried by our group in China are well established and well known and consequently, we enjoy a very strong Chinese customer base when they visit Hong Kong.

How serious a problem is the counterfeiting of luxury brands for your business?

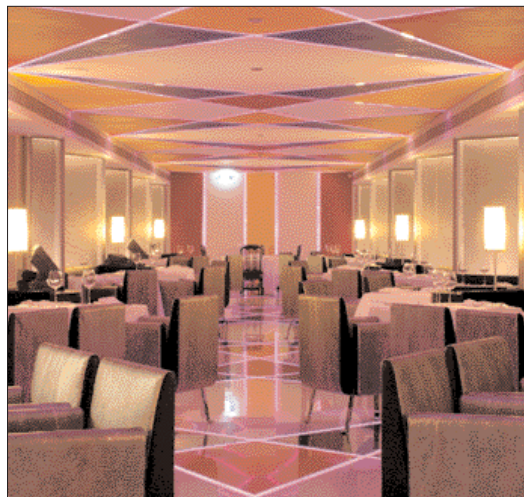
There has been a lot of talk about the counterfeiting of products in China and there is no question that these counterfeit products do exist. But I honestly believe that counterfeiting is a by-product of any successful luxury brand and those counterfeit products exist not only in China but all over the world, so long as the brand is successful and popular. I don't think it is right therefore to highlight China as the source of these problems; I believe that the problem is as serious in New York or any other major city in the world.

Having said that, the international luxury brands have managed to be extremely successful and prosperous despite the counterfeiting of their products around the world. Do we want it? Clearly, the answer is no. Can we live with it? Yes, but hopefully in time not only China but all countries will tighten their counterfeit laws and impose bigger penalties in order to discourage these counterfeiters from operating.

One of the strengths of Harvey Nichols in the UK is that it has an appeal that crosses certain boundaries of class and income. Do you see inclusivity or exclusivity as the key to success in Asia?

I think it's really a combination of the two but I think the most important aspect is – and again I emphasise this – to enable shoppers to have a fun time while they are shopping, and really enjoy themselves while they are looking around. It's not about whether they have to come in and make a purchase they want, it's about them liking the environment, having fun, enjoying themselves and wanting to come back. **F**

Hong Kongers have an insatiable appetite for design



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