



Hutchison Harbour Ring partnership brings the famous wizard and his friends to China

By Jon Marsh



WITH THE OPENING of the first Warner Bros. Studio Store in Shanghai, the much-loved wizard, Harry Potter, along with classic characters like Batman, Superman and Looney Tunes, are poised to win the hearts of the Chinese public.

The Studio Store at Xiang Yang Sunny 993, a prestigious shopping venue on 993 Nanjing West Road in the Jingan District, offers a wide assortment of merchandise inspired by several world famous characters, from the humour of the Looney Tunes and the merry chase of Tom and Jerry, to the magic of Harry Potter and the power of the DC Comics Super Heroes like Batman and Superman.

It has a number of interactive sections including a photoshop spot and children's play area and also sells a variety of authorised DVDs with Chinese dubbing and subtitling, including newly-released theatrical titles, restored special edition versions of Hollywood classics and television favourites.

The Studio Store is operated by PMW Retail Group Ltd (PMW), a subsidiary of Hutchison Harbour Ring (HHR). Speaking at the grand opening ceremony of the new Studio Store, HHR Group Managing Director Michelle Chan said it

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was a privilege for PMW to work with Warner Bros. Consumer Products (WBCP) in an effort to bring the Warner Bros. Studio Store business to Mainland China. "As our first major set-up to showcase the world renowned Warner Bros. Entertainment brands in the Mainland, the Shanghai flagship store sets the foundation for future business expansion," Ms Chan said.

Together they plan to open around 200 retail outlets in key locations throughout Mainland China, Hong Kong and Macau, with PMW using its knowledge and China networks to help WBCP gain a strong foothold in the booming Mainland economy.

Shanghai shoppers have welcomed the new store with open arms, attracting everyone from teenage girls to office ladies and parents looking for that perfect present. There is little doubt that Harry Potter is the star of the show. J K Rowling's young wizard – Ha-Li Bo-te as he is known in Chinese – has been hugely popular in China for years. Fans of all ages will now have the chance to take home some of the magic they've experienced through the films. "Harry Potter is big in Shanghai and gets bigger every time a new book or movie is released," said Ms Chan.

As the Chinese government has proclaimed that it will continue its one-child policy, the rule has given rise to the potential growth for products and services catered to children.

Parents who have the financial means are willing to pamper their children with better toys and electronic gadgets. With some 300 million children below the age of 14, only USD3.6 per capita a year is spent on toys in China. Meanwhile, toy spending in the rest of the world averages USD34 per child per year. By 2010, the country's toy market is expected to reach USD12.5 billion.

The willingness of one-child families to spend lavishly on their kids has had a significant impact on the toy market, especially in Shanghai where many children of the new urban wealthy now have their own rooms. Some parents even cut down on their own spending in order to satisfy their children's needs.

The arrival of the Warner Bros. Studio Store is yet another reminder of Shanghai's status as China's coolest city. The metropolis leads the way in everything from finance and fashion to design and dining. And, of course, Shanghai is the number one place for retail therapy. The city's authorities are famously business friendly and have gone out of their way to create a favourable environment to attract leading names from overseas.

Shanghai also has great influence over what happens in the rest of Mainland China. Distributors flock to shopping meccas like Huaihai Road and Nanjing Road to catch an early sight of the latest styles and designs that will become popular in their own cities.

Hooking up with a big brand name certainly seems to pay dividends. "Most businesses in China are brand driven and the retail business is no exception," said Ms Chan. "In deciding which product to purchase, Chinese consumers today will consider what the brand is, who the buyers of the product are and whether they wish to join their ranks. Marketers spend tremendous amounts on building brand awareness and promotion to attract customers."

This is HHR's first retail business in Mainland China and will form the template for developing further brand licensing, retail sub-licensing, and product distribution businesses across the Mainland. HHR is also involved in Bluetooth technology and property development on the Mainland and also supplies some of the world's leading brand names in the toy industry.

The arrival of the Warner Bros. Studio Store is just another reminder of Shanghai's status as Mainland China's coolest city.



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