STRATEGY & MARKET INTELLIGENCE

APAC DIGITAL COMMERCE OUTLOOK 2026

Market structure, growth economics and expansion playbook

HONGKONG YIHE

AUGUST 2026 | CLIENT EDITION

Contents

A decision-led route from market evidence to operating action.

Reading note. Market values in this report are not a single syndicated dataset. HongKong YIHE harmonizes official statistics and reputable third-party estimates into a planning model, with all modeled values explicitly marked.

Executive Summary

APAC remains the center of digital commerce, but the winning model is local, mobile and margin-disciplined.

US$2.57T
2025 planning envelope
Mixed-definition anchors; see scope and model notes

US$3.54T
2030 base case
HongKong YIHE model; 6.7% CAGR

56%
wallet share
Global online payment value in 2025

25%
video-commerce share
Of Southeast Asia e-commerce GMV

Growth is bifurcated

China, Japan and Korea provide scale and infrastructure but moderate expansion. India and Southeast Asia create most incremental GMV, with localization, affordability and high-frequency categories determining conversion.

Discovery and transaction are converging

Video, creators, marketplaces and retail media now sit on one commercial path. In Southeast Asia, video commerce already represents about one quarter of e-commerce GMV.

Payments and logistics are product features

A global checkout is insufficient. UPI, local wallets, stored cards, A2A, COD and BNPL coexist. Delivery choice, transparent landed cost and return confidence materially change conversion.

Scale must follow contribution proof

Regional volume can hide weak economics. Expansion should be gated by contribution margin after discounts, platform fees, payment, fulfillment, returns, duties and media - not topline ROAS alone.

Sources: [5] China NBS - Total Retail Sales of Consumer Goods in 2025; [8] Bain & Company / Flipkart - How India Shops Online 2026; [9] Google, Temasek and Bain - e-Conomy SEA 2025; [14] DHL - Asia Pacific E-Commerce Trends Report 2025; [17] Worldpay - Global Payments Report 2026; [18] Worldpay - Digital wallets are winning; [33] HongKong YIHE - APAC digital commerce planning model.

The 2026 Thesis: One Region, Four Commercial Systems

Portfolio design should follow market archetypes rather than a single APAC playbook.

Archetype	Representative markets	Commercial implication
Scale ecosystems	China	Deep platform integration, live commerce, fast fulfillment and intense price competition. Win through a focused category, local operations and channel-specific merchandising.
Mature convenience	Japan · Korea · Australia	High trust, strong logistics and high service expectations. Win through quality proof, dependable delivery, local payments and retention rather than subsidy-led acquisition.
Growth engines	India · Indonesia · Vietnam · Philippines	Mobile-first shopper creation, rising frequency and social discovery. Win through value architecture, creators, local language, lightweight UX and disciplined COD/fraud controls.
Regional control towers	Singapore · Hong Kong · Malaysia	Smaller domestic pools but strong finance, talent and cross-border infrastructure. Use as management, treasury, experimentation and partnership hubs.

Portfolio implication. A company should normally enter with one scale or premium anchor and one growth market - not five countries at once. Shared technology, finance and analytics can be regional; assortment, pricing, media, customer service and compliance must be market-specific.

What to centralize

Data model, experimentation standards, creative production system, treasury, risk rules, vendor governance and executive reporting.

What to localize

Platform mix, storefront, language, assortment, price points, creators, payments, delivery promise, returns and customer support.

What to gate

Inventory commitments, subsidy depth, warehouse leases, permanent hiring and full-funnel media scale until contribution economics are verified.

Sources: [8] Bain & Company / Flipkart - How India Shops Online 2026; [9] Google, Temasek and Bain - e-Conomy SEA 2025; [14] DHL - Asia Pacific E-Commerce Trends Report 2025; [26] ASEAN - Digital Economy Framework Agreement documents; [33] HongKong YIHE - APAC digital commerce planning model.

What This Report Measures

A consistent planning boundary prevents false comparisons across fragmented APAC statistics.

Primary market measure

A directional planning envelope built from the closest published consumer e-commerce measure in each market. China and several growth markets use goods or GMV; Japan and Korea use broader official B2C or online-shopping headlines.

Comparability boundary

The country anchors are not strictly like-for-like. B2B, travel, ride hailing, food delivery, digital media, gaming and financial services are not modeled as standalone sectors; any services embedded in broad official totals are explicitly flagged.

Observed evidence

Official national statistics, company filings and dated reports. Values remain in the source definition and are converted only when required for cross-market planning.

YIHE planning model

Source-definition 2025 anchors, market-specific growth assumptions and three scenarios through 2030. It is a screening and capital-planning tool, not a syndicated forecast, official APAC total or valuation opinion.

Evidence grade	Definition	How used
A - Official / filing	Government data or audited company disclosure	Headline fact and validation anchor
B - Reputable estimate	Named methodology or established research publisher	Market bridge and behavioral context
C - YIHE model	Transparent calculation or planning assumption	Scenario, priority and operating threshold

Sources: [5] China NBS - Total Retail Sales of Consumer Goods in 2025; [6] Japan METI - FY2024 E-Commerce Market Survey; [7] Korea Ministry of Data and Statistics - Online Shopping releases; [8] Bain & Company / Flipkart - How India Shops Online 2026; [9] Google, Temasek and Bain - e-Conomy SEA 2025; [10] Australia Post - eCommerce Report 2026; [33] HongKong YIHE - APAC digital commerce planning model.

Demand Is Resilient, but the 2026 Macro Backdrop Is Uneven

Digital share can rise even when consumer confidence and headline GDP slow.

4.9%
Developing Asia growth
ADB forecast for 2026

4.2%
East Asia & Pacific
World Bank forecast for 2026

US$1.0T
Mobile contribution
APAC economic value in 2025

1.5B
5G connections
GSMA forecast for APAC by 2030

Supportive structural forces

Large connected populations, improving real-time payments, stronger logistics, expanding digital sellers, AI-enabled discovery and consumers' preference for convenience continue to deepen online penetration.

2026 operating headwinds

Energy and freight volatility, trade barriers, currency moves, weaker discretionary demand in parts of East Asia and greater regulatory scrutiny can compress both consumer spend and merchant contribution margin.

Planning implication

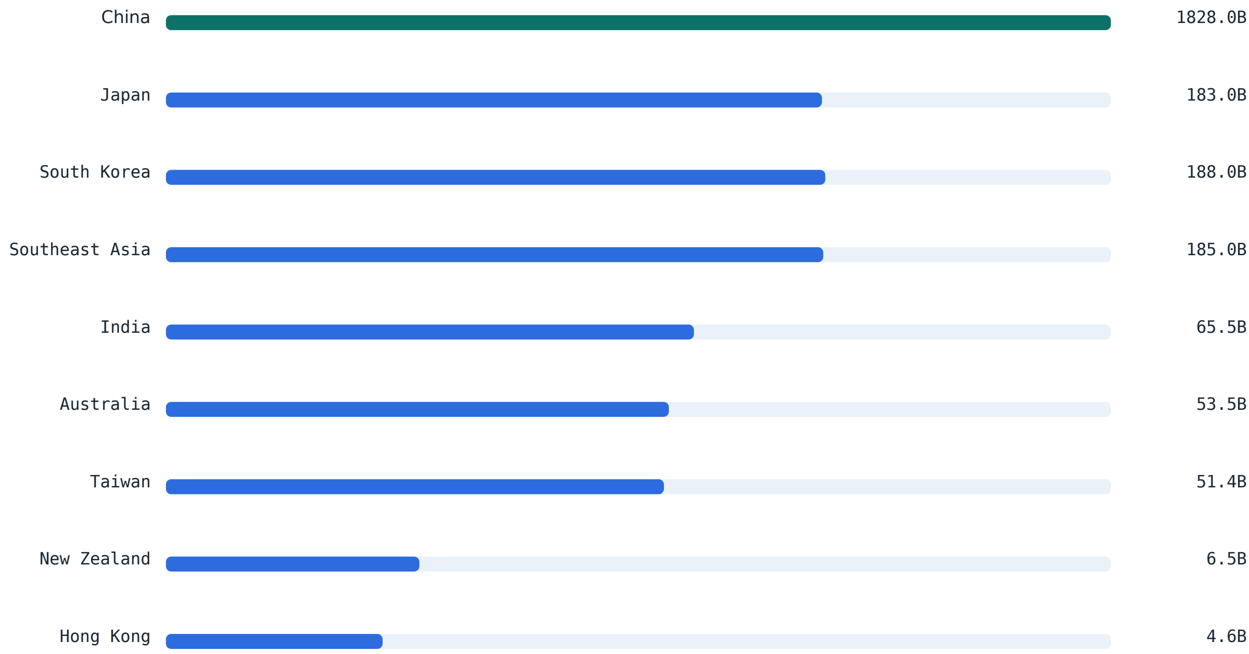
Use local-currency budgets and price ladders, shorter inventory cycles and variable media commitments. Separate a macro shock from a product-market-fit failure by monitoring conversion, AOV, repeat and contribution by cohort.

Interpretation. APAC's commerce opportunity is not a simple GDP trade. Digital channels can gain share as consumers seek value and convenience, but the mix may shift toward lower price points, marketplaces, promotions and smaller baskets. Operators need a volume-and-margin view, not a demand-only forecast.

Sources: [1] ADB - Asian Development Outlook, July 2026; [2] IMF - World Economic Outlook Update, July 2026; [3] World Bank - East Asia and Pacific Economic Update, April 2026; [4] GSMA - The Mobile Economy Asia Pacific 2026.

A US$2.57 Trillion Directional Planning Envelope

2025 anchors in US$ billions; definitions differ by market and China is shown on a log scale.

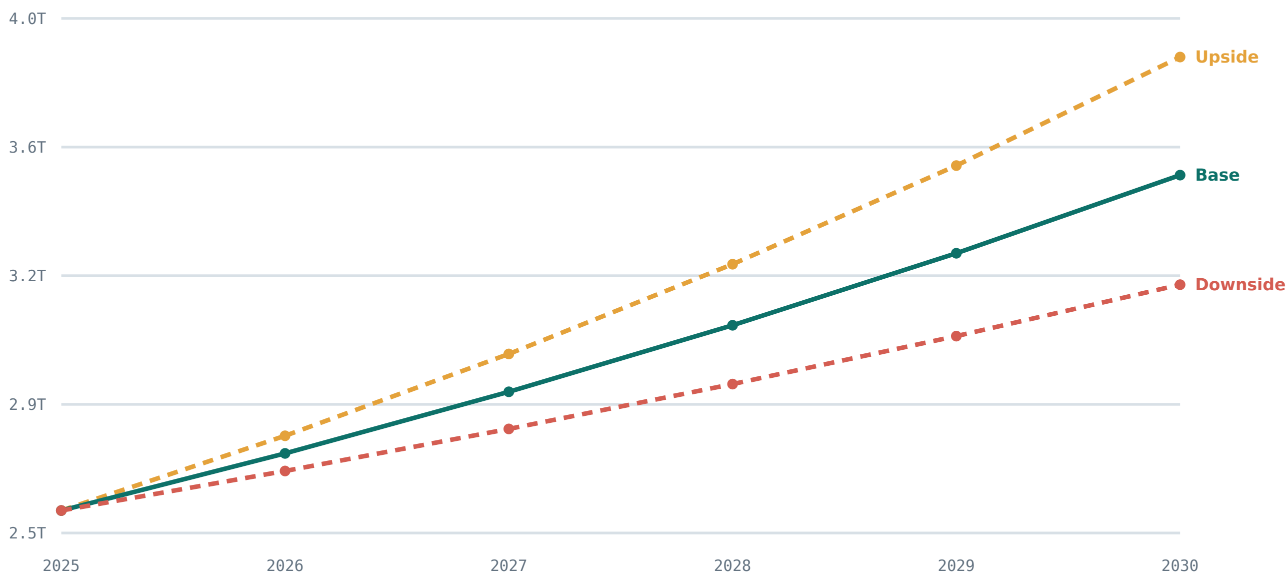


Market / region	2025 anchor	2026-30 planning CAGR	Evidence basis
China	US$1828.0B	5.5%	Official physical-goods online retail
Japan	US$183.0B	5.0%	METI total B2C EC; 2025 bridge
South Korea	US$188.0B	7.0%	Official online shopping; includes services
Southeast Asia	US$185.0B	11.0%	e-Conomy SEA e-commerce GMV
India	US$65.5B	22.0%	Bain / Flipkart
Australia	US$53.5B	8.0%	A$82.6B converted
Taiwan	US$51.4B	7.5%	GlobalData 2025 bridge
New Zealand	US$6.5B	7.0%	NZ Post / planning bridge
Hong Kong	US$4.6B	7.5%	Official online retail sales

Sources: [5] China NBS - Total Retail Sales of Consumer Goods in 2025; [6] Japan METI - FY2024 E-Commerce Market Survey; [7] Korea Ministry of Data and Statistics - Online Shopping releases; [8] Bain & Company / Flipkart - How India Shops Online 2026; [9] Google, Temasek and Bain - e-Conomy SEA 2025; [10] Australia Post - eCommerce Report 2026; [11] NZ Post Business IQ - 2025/2026 eCommerce updates; [12] GlobalData - Taiwan e-commerce outlook; [13] Hong Kong C&SD - Retail sales for December and full-year 2025; [33] HongKong YIHE - APAC digital commerce planning model.

Base Case Reaches US$3.54 Trillion by 2030

Modeled roll-forward of mixed-definition anchors; the range is not a confidence interval.



US$3.22T

2030 downside
Slower demand, trade and margin pressure

US$3.54T

2030 base
Market-specific planning assumptions

US$3.89T

2030 upside
Faster penetration and AI-enabled conversion

Most sensitive variables. China still determines the absolute pool because of its scale, while India and Southeast Asia determine a disproportionate share of incremental growth. A two-point change to China's growth has more dollar impact than a much larger percentage change in a small market. Portfolio decisions should therefore separate scale exposure from growth-option value.

Sources: [5] China NBS - Total Retail Sales of Consumer Goods in 2025; [8] Bain & Company / Flipkart - How India Shops Online 2026; [9] Google, Temasek and Bain - e-Conomy SEA 2025; [33] HongKong YIHE - APAC digital commerce planning model.

China: The Largest Pool, but Not the Easiest Expansion Market

Maturity increases the premium on local execution, brand proof and platform-native content.

RMB13.09T
Physical-goods online retail
2025; +5.2% YoY

26.1%
Retail share
Physical goods sold online

RMB15.97T
Total online retail
Includes services; +8.6% YoY

Commercial layer	What matters in 2026	Implication
Discovery	Douyin, Xiaohongshu, livestreams and platform search	Content and commerce teams must share one merchandising calendar
Transaction	Tmall/Taobao, JD, Pinduoduo and vertical channels	Choose the platform by category and price architecture, not traffic alone
Fulfillment	Fast delivery is increasingly embedded in the proposition	Inventory placement and service level influence conversion
Economics	Promotions, traffic and platform services intensify take-rate pressure	Track contribution by SKU, channel and campaign cohort

Entry posture. Cross-border e-commerce can test demand, but a durable China business typically needs local assortment, customer service, content cadence, data operations and working-capital control. The strategic question is not whether China is large; it is whether the brand has a differentiated reason to exist after platform fees and promotional intensity.

Sources: [5] China NBS - Total Retail Sales of Consumer Goods in 2025; [23] JD.com - FY2025 results; [24] Alibaba Group - FY2026 results.

India: APAC's Clearest Shopper-Creation Story

High growth is real, but affordability, service coverage and category economics vary sharply by city tier.

US$65-66B
2025 e-retail GMV
19-21% annual growth

290-300M
Online shoppers
More than doubled in five years

US$170-180B
2030 outlook
Bain / Flipkart forecast

US$10-11B
Quick commerce
2025 GMV

Cohort engine

Gen Z represents 40-45% of e-retail shoppers, while Tier 2+ cities generated about half of incremental orders in 2025. Local language, value cues and lightweight mobile journeys matter.

Category engine

Grocery remains underpenetrated, while quick commerce is expanding frequency and consumer expectations beyond food into beauty, general merchandise and small electronics.

Media engine

E-retail advertising represented roughly 25% of India's digital ad spend in 2025. Search, marketplace media, creators and CRM should be designed as one acquisition-to-repeat system.

Economic gate

National averages are misleading. Model metro and non-metro CAC, AOV, returns/COD failure, fulfillment cost and repeat separately before scaling inventory.

Sources: [8] Bain & Company / Flipkart - How India Shops Online 2026; [28] India MeitY - Digital Personal Data Protection Rules 2025.

Japan and South Korea: Trust, Convenience and Retention

These markets reward operational excellence more than broad subsidy-led acquisition.

JPY26.1T
Japan B2C e-commerce
FY2024; +5.1% YoY

KRW275T
Korea online shopping
Approximate 2025 transaction value

77%
Korea mobile share
Share of online shopping in 2025

Dimension	Japan	South Korea
Winning proposition	Assurance, detail, service quality and dependable delivery	Speed, app convenience, membership and strong value
Key channels	Amazon, Rakuten, Yahoo! Shopping, brand D2C	Coupang, Naver, Gmarket and vertical specialists
Checkout	Cards, convenience-store payment and local wallets	Cards plus Naver Pay, Kakao Pay and wallets
Primary risk	Under-localized content and weak service credibility	High fulfillment expectations and concentrated platforms
Best category posture	Premium, differentiated, proof-rich	Convenience-led, frequent or innovation-driven

Operating implication. Build retention economics into the launch model: membership, CRM, replenishment, customer service and delivery reliability can be more valuable than maximizing first-order volume. Translation alone is not localization; product detail, claims, size conventions, gifting, customer support and returns all signal trust.

Sources: [6] Japan METI - FY2024 E-Commerce Market Survey; [7] Korea Ministry of Data and Statistics - Online Shopping releases; [25] Coupang - FY2025 results.

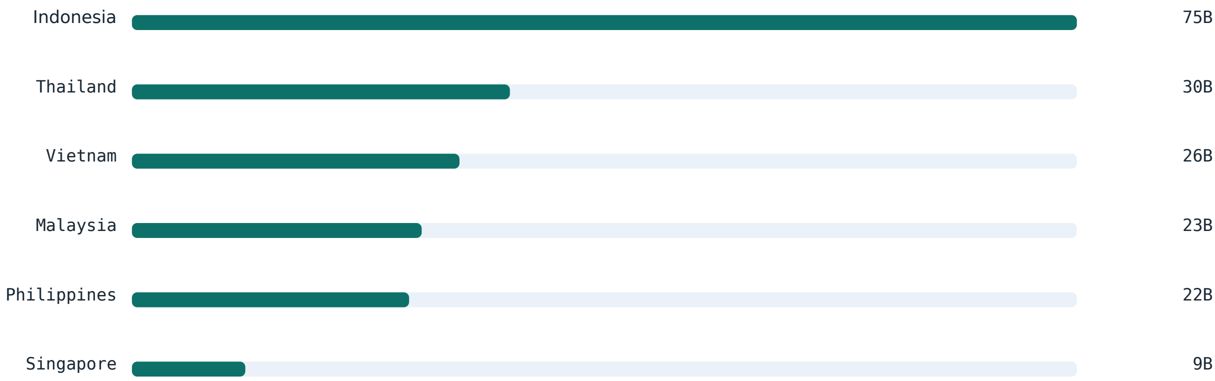
Southeast Asia: US$185 Billion and Increasingly Video-Led

Regional platforms create scale, but country economics and consumer behavior remain local.

US$185B
2025 e-commerce GMV
Google, Temasek and Bain

25%
Video commerce
Share of regional e-commerce GMV

US$127.4B
Shopee global GMV
FY2025; +26.8% YoY



Planning allocation, not an official country table. HongKong YIHE allocates the US$185B regional total using recent platform-GMV structure and country momentum. Use this only for portfolio screening; replace it with category-specific platform and payment data before investment approval.

Indonesia

Largest scale; strong marketplace and social-commerce intensity; payment, tax and island logistics require careful design.

Vietnam

Fast growth and active video commerce; new e-commerce law raises verification and cross-border obligations.

Thailand / Malaysia

Balanced digital readiness and creator commerce; strong candidates for repeatable regional operating playbooks.

Philippines / Singapore

Philippines offers social-led growth; Singapore is a premium test and regional management hub.

Sources: [9] Google, Temasek and Bain - e-Conomy SEA 2025; [22] Sea Limited - FY2025 results; [31] Sea Limited - FY2025 Shopee GMV release; [32] Reuters - Indonesia delays marketplace seller tax, August 2026; [33] HongKong YIHE - APAC digital commerce planning model.

Australia, New Zealand and Greater China Hubs

Premium markets and control towers play different roles in an APAC portfolio.

A$82.6B
Australia online spend 2025; +14% YoY

82%
Australian households Shopped online in 2025

+12%
NZ online spend H1 2026 YoY

HK$35.7B
Hong Kong online retail 2025; +12.8% YoY

Market	Strategic value	Watch-outs
Australia	Premium English-language market; strong household participation; useful D2C and marketplace test bed	High fulfillment and return expectations; media and labor costs
New Zealand	Smaller, readable market with improving online growth and strong local delivery data	Limited scale and geographic delivery economics
Taiwan	High digital readiness, dense logistics and premium niche demand	Language, channel concentration and local competitive intensity
Hong Kong	Cross-border finance, treasury, partnerships and Greater Bay Area access	Small official domestic online-retail pool and cross-border policy exposure
Singapore	SEA headquarters, payments, talent and regional experimentation	Small domestic GMV; regional success cannot be inferred from Singapore alone

Portfolio role. Use Australia for premium consumer validation and Singapore or Hong Kong for regional control. Do not confuse headquarters suitability with domestic demand scale.

Sources: [10] Australia Post - eCommerce Report 2026; [11] NZ Post Business IQ - 2025/2026 eCommerce updates; [12] GlobalData - Taiwan e-commerce outlook; [13] Hong Kong C&SD - Retail sales for December and full-year 2025; [33] HongKong YIHE - APAC digital commerce planning model.

Cross-Border Demand Is Broad; Trust and Landed Cost Decide Conversion

International access is easier than delivering a domestic-quality experience.

70%
Global shoppers
Buy from retailers outside their home country

45%
Monthly frequency
Buy cross-border at least monthly

57%
Free delivery
Would encourage an international purchase

48%
Buyer protection
Secure payment would encourage purchase

Friction	Why it matters	Operating response
Fraud / trust	45% cite fear of fraud or lack of trust	Local payment methods, buyer protection, local-language policies and trusted carriers
Delivery cost / time	45% cite high cost or slow delivery	Show dates and landed cost before checkout; segment SKUs by service promise
Customs / duties	41% cite taxes and customs	Use DDP where viable; classify SKUs and model de minimis exposure
Returns	36% cite difficult or costly returns	Local returns nodes, clear policy and disposition economics
Localization	Only 63% of businesses localize language and currency	Treat price, language, sizing, payments and service as one conversion layer

Recommended ladder. Begin with cross-border validation, move winning SKUs to regional inventory, then establish local operations only when repeat demand and contribution justify the fixed cost. This preserves option value while progressively improving service.

Sources: [15] DHL - E-Commerce Trends Report 2026; [16] DHL - Cross-Border Buying Behavior Trends 2026.

Platform Strategy Is a Portfolio Choice, Not a Listing Exercise

Each platform offers a different combination of demand, data, logistics and margin pressure.

Platform family	Representative players	Strategic strength	Primary economic risk
China ecosystems	Alibaba, JD, PDD, Douyin	Scale, discovery, data and fulfillment integration	Promotional intensity and complex operating model
SEA marketplaces	Shopee, Lazada	Regional reach, logistics and merchant tooling	Fees, ads and discount dependence
Social commerce	TikTok Shop / Tokopedia	Discovery-to-purchase compression and creator supply	Creative volatility and weaker owned-customer relationship
India ecosystems	Flipkart, Amazon, Meesho, quick commerce	Scale across value tiers and fast-growing frequency	City-level economics and intense affordability competition
Mature local leaders	Rakuten, Coupang, Naver	Trust, membership and logistics	High service bar and strong incumbent loyalty
Brand-owned D2C	Localized web / app / CRM	Customer data, margin control and retention	Higher acquisition burden and infrastructure requirements

Marketplace-first

Best for rapid demand testing, built-in trust and operational leverage. Measure the fully loaded take rate, including ads and subsidies.

D2C-first

Best for differentiated brands with strong creative and CRM. Requires local payments, service and a credible traffic engine.

Hybrid

Use marketplaces for reach and proof, D2C for education, bundles and retention. Maintain channel-aware pricing and attribution.

Sources: [22] Sea Limited - FY2025 results; [23] JD.com - FY2025 results; [24] Alibaba Group - FY2026 results; [25] Coupang - FY2025 results; [31] Sea Limited - FY2025 Shopee GMV release.

Social Commerce Is Becoming Commerce Infrastructure

The opportunity is large, but survey intent should not be treated as realized GMV.

85%
APAC shoppers surveyed
Reported buying via social media

87%
Influenced by social buzz
APAC shopper survey

25%
SEA e-commerce GMV
Attributed to video commerce in 2025

63%
Global businesses
Sell through social channels in DHL 2026 survey

Creative is inventory

Maintain a rolling bank of hooks, demos, testimonials, comparisons and creator variants. Fatigue management is a commercial capability, not a campaign afterthought.

Creators are distribution

Evaluate creators on qualified traffic, assisted conversion, content reuse rights and cohort quality - not follower count or last-click revenue alone.

Storefront must be native

Product pages, offers, chat, checkout and fulfillment promise must match the platform context. Sending all traffic to a generic global site adds friction.

Control measurement

Separate platform-reported ROAS, incrementality, new-customer contribution and repeat. Use holdouts or matched-market tests where feasible.

Caveat. DHL's APAC findings cover selected markets and rely on self-reported survey behavior. They demonstrate direction and expectation, not a region-wide audited transaction share. The 25% video-commerce figure for Southeast Asia is a stronger GMV anchor for commercial planning.

Sources: [9] Google, Temasek and Bain - e-Conomy SEA 2025; [14] DHL - Asia Pacific E-Commerce Trends Report 2025; [15] DHL - E-Commerce Trends Report 2026.

Value, Convenience and Trust Define the APAC Consumer

Age matters, but city tier, income, category and delivery confidence often matter more.

Shopper lens	Typical need state	Commercial response
Gen Z / discovery-led	Trend, novelty, creators, interactive content and instant credit	Short-form video, social proof, entry price points and creator-native bundles
Millennial / convenience-led	Time savings, mobile checkout, subscriptions and family utility	Fast repeat, wallet checkout, replenishment and service transparency
Value-constrained	Low total cost, promotions, COD/A2A and trust	Clear landed price, smaller packs, local proof and fraud-safe delivery
Premium / assurance-led	Authenticity, quality, detail and service	Claims substantiation, rich product content, premium delivery and support
Cross-border explorer	Price, uniqueness and unavailable brands	Local currency, secure payment, duties clarity and predictable returns

77%

Selected APAC shoppers
Abandon if preferred delivery is unavailable

75%

Selected APAC shoppers
Abandon if returns do not meet expectations

81%

Selected APAC shoppers
Want AI shopping tools

Research priority. Build a market-by-category cohort map before setting the media plan. For every priority segment, document the purchase trigger, price reference, preferred platform, checkout method, delivery expectation, return concern and repeat mechanism.

Sources: [8] Bain & Company / Flipkart - How India Shops Online 2026; [14] DHL - Asia Pacific E-Commerce Trends Report 2025; [16] DHL - Cross-Border Buying Behavior Trends 2026.

Wallets Lead Globally, but APAC Checkout Is Multipolar

Payment localization is a conversion and risk decision, not an integration checklist.

56%
Digital wallets
Global online transaction value, 2025

4
Methods used
Average number used by surveyed shoppers

7
Methods offered
Average number offered by surveyed businesses

Market cluster	Must-consider methods	Risk / optimization focus
China	Alipay, WeChat Pay, UnionPay and stored platform credentials	Local ecosystem integration and fraud rules
India	UPI, cards, wallets, COD and EMI/instant credit	Success rates, COD failure and city-tier economics
Japan	Cards, PayPay/wallets, convenience-store and bank options	Trust, reconciliation and delayed payment flows
South Korea	Cards, Naver Pay, Kakao Pay and stored credentials	Mobile conversion and domestic scheme coverage
Southeast Asia	Wallets, cards, A2A, COD and BNPL by country	Fragmentation, fraud, FX and settlement
Australia / NZ	Cards, wallets, PayPal and BNPL	Acceptance cost, chargebacks and responsible credit

Checkout design. Prioritize the methods that cover the target cohort and route funds reliably. More logos do not guarantee better conversion. Measure authorization rate, payment cost, refund time, fraud/chargeback loss and settlement FX by method.

Sources: [15] DHL - E-Commerce Trends Report 2026; [17] Worldpay - Global Payments Report 2026; [18] Worldpay - Digital wallets are winning.

Delivery Is Part of the Product Page

The service promise must be designed before media scale, not repaired after conversion falls.

67%
Global cart abandonment
Linked to the delivery offer

47%
Cross-border businesses
Cite cost and transit time as top barriers

65%
APAC shoppers surveyed
Avoid untrusted returns providers

Stage	Decision	Metric
Promise	Service tier, cut-off, location coverage and delivery-date display	Promise accuracy; conversion by service
Inventory	Cross-border, regional hub, local 3PL or owned facility	In-stock rate; days inventory; split shipments
Last mile	Carrier mix, address validation, COD and out-of-home options	On-time-in-full; first-attempt success; cost/order
Returns	Local node, refund timing, inspection and disposition	Return rate; refund time; recovery value
Resilience	Peak capacity, customs, fuel and currency contingencies	Lead-time variance; expedite cost; cancellation

Cross-border

Low fixed cost and broad SKU test; slower service, duties and returns can depress conversion.

Regional inventory

Better service and consolidated stock; requires demand pooling and regional customs design.

Local inventory

Fastest promise and highest control; fixed costs and working capital require proven repeat demand.

Sources: [14] DHL - Asia Pacific E-Commerce Trends Report 2025; [15] DHL - E-Commerce Trends Report 2026; [16] DHL - Cross-Border Buying Behavior Trends 2026.

Retail Media Is Growing Faster Than the Wider Ad Market

Commerce teams need a common view of demand creation, conversion and platform economics.

5.0%
Global ad-spend growth
Dentsu forecast for 2026

14.1%
Retail-media growth
Fastest-growing digital channel

68.7%
Digital share
Of global ad investment in 2026

US$4.7B
SEA retail media
IAB forecast for 2030

Channel	Primary job	Core measurement
Marketplace search / display	Capture high-intent demand and defend digital shelf	Incremental contribution, share of search, organic lift
Paid social / video	Create demand and generate creative learnings	New-customer CAC, qualified sessions, cohort value
Search / shopping	Harvest category and brand intent	Marginal CAC, query quality and contribution
Creators / affiliates	Trust, demonstration and distributed content	Assisted conversion, reusable content and net sales
CRM / loyalty	Repeat, cross-sell and service recovery	Repeat rate, margin per contact and unsubscribe

Governance. Retail media spend can be hidden inside platform P&Ls; and promotion budgets. Put all demand-generation costs into one commercial ledger, then allocate by channel and SKU to avoid overestimating marketplace profitability.

Sources: [20] Dentsu - Global Ad Spend Forecasts, May 2026; [21] IAB SEA+India - Consumer-first retail media; [33] HongKong YIHE - APAC digital commerce planning model.

Scale the Contribution Engine, Not the Platform ROAS

The model below is a planning framework; replace every assumption with product cohort data.

Illustrative first-order waterfall	US$	% of GMV
Gross merchandise value	100.0	100%
Discounts / cancellations	(8.0)	(8%)
Platform + payment + tax friction	(18.0)	(18%)
COGS + inbound	(35.0)	(35%)
Fulfillment + returns	(14.0)	(14%)
Pre-media contribution	25.0	25%
Paid acquisition	(18.0)	(18%)
First-order contribution	7.0	7%

Green-light gate

Positive first-order contribution or a verified payback path; 90-day contribution LTV/CAC at least 1.5x; stable service and return metrics.

Yellow-light gate

Platform ROAS looks strong but discounts, returns or fees are incomplete; cohorts are too young; creative concentration is high.

Red-light gate

Scale depends on deeper discounts, CAC rises without retention, inventory ages, COD failures climb or contribution stays negative.

Suggested starting mix. Marketplaces / retail media 25-40%; paid social and video 25-35%; search / shopping 15-25%; creators / affiliates 10-20%; owned CRM 5-10%. These are planning ranges, not market benchmarks.

Sources: [20] Dentsu - Global Ad Spend Forecasts, May 2026; [21] IAB SEA+India - Consumer-first retail media; [33] HongKong YIHE - APAC digital commerce planning model.

AI Moves from Content Efficiency to Commerce Orchestration

The near-term advantage is operational; fully autonomous agentic commerce remains an emerging layer.

81%
APAC shoppers surveyed
Want AI-enabled shopping tools

47%
Hands-free purchasing
Reported in selected APAC markets

US$6.8T
Global e-commerce
2026 projection cited by Worldpay / The Paypers

AI layer	2026 use case	Control requirement
Discovery	Semantic search, recommendations, visual/voice shopping	Relevance, claims accuracy and bias review
Creative	Localization, variant generation and creator briefing	Brand guardrails, rights and human approval
Merchandising	Price/assortment analysis, bundles and demand sensing	Margin floors, inventory constraints and audit trail
Service	Multilingual assistance, status, returns and product guidance	Escalation, privacy and hallucination controls
Agentic transaction	Machine-assisted comparison and checkout	Identity, consent, payment authorization and liability

Priority. Start with measurable workflow gains - creative throughput, catalog quality, support resolution and merchandising - before betting the commercial model on autonomous purchasing. Agent-readable product data, trustworthy availability and permissioned payments are prerequisites.

Sources: [14] DHL - Asia Pacific E-Commerce Trends Report 2025; [19] Worldpay / The Paypers - Agentic commerce takes flight.

Category Attractiveness Is a Margin-Logistics-Repeat Equation

Fast market growth does not rescue a structurally weak SKU portfolio.

Category	Demand driver	Economics profile	Best-fit markets / channels
Beauty & personal care	Creators, trial, replenishment	High margin; claims and authenticity risk	China, India, SEA; video + marketplaces
Fashion / accessories	Trend and social discovery	Returns and sizing can erode margin	SEA, India, ANZ; creators + marketplaces
Consumer electronics	Search, comparison and upgrades	Low margin; service/warranty intensive	China, Korea, Japan, India; search + platforms
Home / lifestyle	Urbanization and household formation	Bulky fulfillment; useful bundles	ANZ, Japan, Korea, SEA metros
Health / wellness	Premiumization and repeat	Trust, regulation and claims critical	Japan, China, Australia, urban SEA
Grocery / FMCG	Frequency and convenience	Thin margin; logistics determine viability	India quick commerce, China, Korea, major SEA cities

Screen 1: Demand

Search, marketplace velocity, creator density, competitive intensity and willingness to pay.

Screen 2: Contribution

Gross margin, fees, payment, duties, fulfillment, returns, support, media and working capital.

Screen 3: Repeatability

Replenishment, accessories, bundles, membership, CRM permission and cross-market portability.

Sources: [5] China NBS - Total Retail Sales of Consumer Goods in 2025; [8] Bain & Company / Flipkart - How India Shops Online 2026; [10] Australia Post - eCommerce Report 2026; [14] DHL - Asia Pacific E-Commerce Trends Report 2025; [33] HongKong YIHE - APAC digital commerce planning model.

Compliance Architecture Must Precede Regional Scale

APAC regulation is converging on accountability while remaining operationally fragmented.

Area	2026 signal	Required operating control
ASEAN digital trade	DEFA negotiations concluded in May 2026; implementation will shape data, payments and digital trade	Track ratification and country implementation; do not assume immediate uniformity
India privacy	DPDP Rules 2025 are being phased in	Purpose-specific notice, consent, retention, security and child-data controls
Vietnam e-commerce	Law No. 122/2025/QH15 effective July 1, 2026	Seller/platform verification, local compliance and cross-border obligations
Cross-border data	Global CBPR offers a certification framework but does not replace local law	Data map, transfer basis, vendor controls and incident response
Consumer / product	Platform liability, claims, authenticity, refunds and tax enforcement are increasing	SKU-level legal review, traceability, policy ownership and evidence retention

Minimum launch gate. Confirm entity / seller eligibility, tax and customs treatment, product registration and labeling, consumer terms, privacy and data flows, payment contracts, marketplace rules, marketing claims, sanctions screening and incident ownership before paid acquisition begins.

This report is strategic research, not legal or tax advice. Country counsel should validate the final route-to-market and contractual structure.

Sources: [26] ASEAN - Digital Economy Framework Agreement documents; [27] ASEAN - Conclusion of DEFA negotiations; [28] India MeitY - Digital Personal Data Protection Rules 2025; [29] Vietnam MOIT - Implementation of the 2025 E-Commerce Law; [30] Global CBPR Forum - Cross-Border Privacy Rules; [32] Reuters - Indonesia delays marketplace seller tax, August 2026.

Use a Regional Control Tower with Local Commercial Pods

Centralize standards and leverage; localize the parts consumers and regulators can see.

Capability	Regional owner	Local owner	Decision cadence
Strategy / portfolio	Market thesis, capital allocation and stage gates	Competitor and category intelligence	Monthly
Commercial	Pricing framework, unit-economics model	Price points, promotions, channel mix	Weekly
Growth	Creative system, measurement and vendor standards	Creators, media execution and local calendar	Weekly
Operations	3PL strategy, risk policy and inventory governance	Carrier, service promise and returns	Daily / weekly
Finance / compliance	Treasury, tax policy, data controls and audit	Filings, invoices, marketplace and consumer rules	Monthly / event
Customer	CRM architecture and service QA	Language, scripts, escalation and recovery	Daily / weekly

Regional hub

Hong Kong or Singapore can house management, treasury, vendor governance and analytics. The choice should reflect banking, tax, talent, ownership and target-market needs.

Local partner

Use when licensing, language, platform operations or logistics are hard to internalize. Keep data access, audit rights, pricing authority and termination protections.

Build internally

Prioritize capabilities that create compounding advantage: SKU economics, experimentation, creative learning, customer data and vendor performance management.

Sources: [26] ASEAN - Digital Economy Framework Agreement documents; [27] ASEAN - Conclusion of DEFA negotiations; [30] Global CBPR Forum - Cross-Border Privacy Rules; [33] HongKong YIHE - APAC digital commerce planning model.

Prioritize a Two-Market Portfolio, Then Earn the Right to Expand

Illustrative scoring combines scale, growth, readiness, unit economics and operating ease.

Market	Illustrative score / 10	Recommended role	Entry posture
China	7.4	Scale / innovation	Enter only with strong differentiation and local operating depth
India	7.2	Growth engine	Pilot city/category cohorts; build affordability and local payments
South Korea	6.8	Mature convenience	Premium or high-frequency offer with exceptional service
Japan	6.7	Premium retention	Trust-led localization and patient cohort building
Australia	6.5	Premium test	D2C / marketplace hybrid; strong service and returns
Indonesia	6.4	SEA scale	Marketplace/social pilot with country-specific payment and logistics
Vietnam	6.3	Growth option	Creator/video-led launch after compliance route is confirmed
Thailand / Malaysia	6.2	Balanced expansion	Repeatable SEA playbook with local creative
Singapore / Hong Kong	5.6	Regional hub	Use for control and partnerships, not scale assumptions

Recommended portfolio. Pair one proof-friendly market (Australia, Japan, Singapore or Hong Kong for operational setup) with one growth market (India, Indonesia, Vietnam, Thailand or Malaysia). Add a third market only after a shared operating capability - content, payments, inventory or CRM - is genuinely reusable.

Sources: [5] China NBS - Total Retail Sales of Consumer Goods in 2025; [8] Bain & Company / Flipkart - How India Shops Online 2026; [9] Google, Temasek and Bain - e-Conomy SEA 2025; [10] Australia Post - eCommerce Report 2026; [26] ASEAN - Digital Economy Framework Agreement documents; [33] HongKong YIHE - APAC digital commerce planning model.

Three Investment Scenarios

Budgets are illustrative 6-month cash envelopes; inventory depth is category-dependent.

Workstream	Validation US$150k	Focused launch US$500k	Regional build US$1.5M
Markets	1 market	1-2 markets	3-4 markets
Inventory / samples	25k	125k	450k
Media / creators	55k	180k	500k
Platform / store / content	25k	65k	160k
People / partners	20k	60k	190k
Legal / tax / data	10k	25k	70k
Logistics setup	5k	20k	70k
Contingency	10k	25k	60k
Approval gate	Demand + contribution signal	Repeatable cohort + service	Reusable regional operating model

Do not pre-commit

Large warehouse leases, broad full-time teams, deep assortment or annual media minimums before product-cohort proof.

Fund learning speed

Analytics, creative variants, local research, service instrumentation and vendor audit rights shorten the path to a reliable decision.

Reserve shock capacity

Keep 10-15% unallocated for FX, duties, freight, platform policy, compliance or competitive response.

Sources: [33] HongKong YIHE - APAC digital commerce planning model.

The First 100 Days

Move from evidence to controlled scale through explicit commercial gates.

Phase	Days	Core work	Exit gate
1. Define	0-20	Select market/category; validate regulation, price ladder, competitor set, payments, logistics and unit economics	Signed launch brief; red risks owned
2. Build	21-45	Localize store, content, tracking, support, payments, policies and inventory; recruit creators and partners	End-to-end test order passes
3. Validate	46-70	Run controlled media and creator tests; evaluate conversion, CAC, service, returns and first contribution	At least two viable creative-audience-SKU cells
4. Prove repeat	71-90	Retarget, CRM, bundles and cohort monitoring; stress fulfillment and refund flows	Contribution payback path verified
5. Scale / stop	91-100	Approve market scale, narrow pivot or exit; document learnings for next market	Capital decision with owner and budget

>1.5x

90-day contribution LTV/CAC
Illustrative scale gate

<8%

Refund + delivery failure
Illustrative gate; category-adjusted

>95%

Promise accuracy
Illustrative on-time target

Board decision. Day 100 is not a ceremonial launch review. It should approve one of three actions: scale a verified cell, fund a specific corrective experiment, or stop before fixed costs grow.

Sources: [33] HongKong YIHE - APAC digital commerce planning model.

Risks, Signals and the 2026-2027 Watchlist

The base case is constructive, but operating discipline matters more than a single regional forecast.

Risk / swing factor	Early signal	Management response
Consumer slowdown	AOV and discretionary conversion fall; value search rises	Rebuild price ladder, packs and inventory; protect contribution
Trade / FX / energy	Landed cost and transit volatility	Shorter commitments, local-currency pricing and scenario reserves
Platform fee inflation	Paid visibility rises while organic share falls	Channel P&L, incrementality tests and owned-customer capture
Regulatory tightening	New seller, data, tax or product requirements	Country owner, change log and pre-funded remediation
AI disintermediation	Discovery shifts to assistants; referral mix changes	Structured product data, brand authority and agent-ready checkout
Fraud / trust shock	Payment failure, chargebacks, scams or counterfeit complaints	Risk rules, trusted partners, traceability and rapid customer recovery

Base-case view

APAC digital commerce expands through penetration, mobile infrastructure, high-frequency categories and better monetization. Growth is durable but uneven.

What changes the view

A prolonged macro shock, trade fragmentation, major platform regulation or persistent contribution compression would shift investment toward fewer, more controllable markets.

Management watchlist

Monthly: conversion, contribution, repeat, inventory, service and regulatory changes. Quarterly: market priority, channel dependency and capital reallocation.

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Internal planning model; assumptions disclosed in this report.

Model and use limitation. Currency conversions are rounded planning bridges. The US$2.57T directional envelope and 2030 scenarios combine market anchors with different official or third-party definitions; they are not a like-for-like market total or an official APAC statistic. This is strategic research, not investment, legal, tax, accounting or customs advice.