

The background of the entire page is a dark blue, almost black, space-themed image. It features several glowing, wireframe cubes of varying sizes and orientations. Some cubes have bright white or blue light sources at their vertices, creating a starburst effect. In the center, there are some translucent, blue, crystalline or shattered glass-like fragments floating in the space.

DX 2021

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## **HKTV: Becoming Hong Kong's Alibaba with a strong tech turnaround**

TWIMBIT DX RANKING 7

INSIGHTS FOR SUCCESS | IDEAS TO EXECUTE

April 2021



# Twimbit DX Ranking 7



100%  
Define



75%  
Simplify



100%  
Innovate



75%  
Overall



**Industry:** Retail

**Revenue (FY20):** USD 274 million

**HQ:** Hong Kong

**CEO:** Ricky Wong

**Purpose:** Build a digital ecosystem to transform Hong Kong's business operations, trading, retail, finance and consumer's daily lives onto a digital online platform.

**Business model innovation:**

E-commerce technology, Digital payments and Data platform

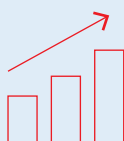


## Outcome

COVID-19 is a watershed moment for Hong Kong Television Network Limited. The company's average daily orders, which grew at 96% CAGR from 2,500 daily orders on Jan 17 to 18,700 of the same in Dec 2019, have since grown by the 96% in the first half of 2020, reaching 36,300 daily orders in Jul 2020. This vigorous growth has led to top-line and GMV growth of 114% and 118% Y-o-Y H12020, respectively.

## Key highlights

The company's digital platform and COVID-19 led online consumer shift has been a blessing in disguise for HKT. Its e-commerce arm **grew daily orders from 18,000 to 36,000 in less than seven months.**



The HKT in-house e-commerce technology stack is soon to be commercialised, enabling other global traditional retail chains also to **evolve their businesses for digital commerce.**

**New initiatives** such as the open data bank, e-wallet and food delivery showcase its strong, tech-driven growth strategy.





## Introduction

HKTVM formed after City Telecom hived off its core business and renamed itself in 2012 to enter the cable TV and content production business. However, it soon ran into legal troubles. In March of 2018, HKTVM decided to abandon their television operations and to focus entirely on building an e-commerce platform from ground zero for the Hong Kong market.

The firm's core mission is to build a digital ecosystem that will transform Hong Kong's business operations, trading, retail, finance and daily life onto a digital online platform.

## Strategy

The company is now moving steadfastly to create Hong Kong's first integrated digital ecosystem. Key pillars of the new digital strategy include:

- Open data bank: Share all consumer, logistics, and other business data with entities through an open and transparent system. Help transform Hong Kong to become a smart global city.
- E-Wallet: Extend payment services to enhance the customer experience.
- Shopping channel: Provide tech for direct sales and content marketing.
- HKTVM Food: Offer takeaway and food delivery solutions.
- Open landing page: Allow merchants to create online shopping pages with personal branding.

The company believes big data is an oil mine. These initiatives will feed the open data bank model and eventually provide a unified view of consumers, thus creating hyper-personalised products and solutions across the tech spectrum.

## Transformation

The company spent the initial period perfecting all elements of the e-commerce business. The use of digital technologies, warehouse management solutions, automation and data analytics has led to the company creating its bottom-up e-commerce infrastructure to support the fast growth of its e-commerce arm, HKTVM. HKTVM is now extending those digital capabilities to allow other global traditional supermarket chains to digitise their core operations and create a scalable online-offline omnichannel system. It is also working on new product launches in digital payments, retail data platforms, and more to expand its diverse tech product offerings further.

## New growth and performance

Average daily orders more than doubled from 18,700 in Dec 2019 to 36,300 in Jul 2020. In the first half of 2020, HKTVM GMV on completed orders grew 118% Y-o-Y. The top line grew by 114% from HK\$625million (USD80.4 million) to HK\$1.3billion (USD167.2 million) between the first halves of 2020 and 2019. One out of ten people in Hong Kong shopped at the HKTVM post the pandemic.



# HKTV DX Framework

Pillar | Define

Key question | Who we are?

Attributes	Score	HKTV
Clearly articulate purpose	100%	<p>The core mission of HKTV is to build a digital ecosystem to transform Hong Kong's business operations, trading, retail, finance, and consumer's daily lives onto a digital online platform.</p> <p>The goal is to help people experience the joy of improving their lives and livelihood through technology.</p>
Sharp focus on outcomes and impact	100%	<p>HKTV wants to build a competitive and scalable online platform to scale online shopping and e-commerce in Hong Kong.</p> <p>It seeks to prevent the retail industry from losing customers and protect Hong Kong from losing its position as a shopper's paradise to overseas online retail platforms.</p> <p>The company's growth strategy is to commercialise its in-house systems and provide an end-to-end tech solution to global markets.</p> <p>The new technology solution is an extension to the existing primary e-commerce business operated through HKTVmall. The system will target traditional supermarket chains and retailer groups to replicate HKTVmall in its success through an end-to-end turnkey digital capability.</p> <p><b>Key outcomes:</b></p> <ol style="list-style-type: none"> <li>1. Average daily orders more than doubled from 18,700 in Dec 2019 to 36,300 in Jul 2020.</li> <li>2. In the first half of 2020, the HKTV GMV on completed orders grew 118% Y-o-Y. The top line grew by 114% from HK\$625million (USD80.4 million) to HK\$1.3billion (USD167.2 million) between H12020 and H12019.</li> </ol>
Culture is the key	75%	<p>HKTV strives to create a work culture that nurtures individuals by creating a pleasurable workplace and provides individuals with growth opportunities.</p> <p><b>Key initiatives:</b></p> <ol style="list-style-type: none"> <li>1. Treat talent as internal VIPs: The firm's internal communication systems came into creation to listen to the needs of the employees' needs and provide solutions through agile digital ways.</li> <li>2. Launched the BASE e-commerce incubation program: The program gives Hong Kong youngsters free co-working, filming, two professional dubbing studios and Hollywood-grade movie cameras to promote youth-led innovation.</li> <li>3. Apart from that, the company also provides top benefits and rewards to successful employees with the aim to retain and nurture them within the organisation.</li> </ol>



# HKTV DX Framework

Pillar | **Simplify**

Key question | **How we operate?**

Attributes	Score	HKTV
<b>Flat organisational design</b>	50%	<p>The group refers to its employees as talents, holding onto the belief that they play a pivotal role in design and growth. Hence, a keen focus on improving their lives is a major strategy.</p> <p><b>Key initiatives:</b></p> <ol style="list-style-type: none"> <li>1. Open talent management system: The system enables a fair and inclusive work environment, talent development and has an objective rewards mechanism.</li> <li>2. The company also organised regular town halls, billboards and created a specific channel for employee feedback and assessment to improve the employee experience further.</li> </ol>
<b>Treat talent scarcer than capital</b>	75%	<p>HKTV focuses a lot on keeping employees happy. The firm sees them as the crucial lever for change. Here are some important things it is working on to create a world-class employee experience:</p> <ol style="list-style-type: none"> <li>1. Offering flexible working options: Employees can choose when to come into the office, work from home, or take off from work.</li> <li>2. Free internet support.</li> <li>3. Annual gala dinner to facilitate great candidates.</li> <li>4. Educational subsidy of up to 30% of a talent's monthly salary.</li> <li>5. Management and subject-specific training programs to enable and improve employee skills.</li> </ol>
<b>Fast decision-making</b>	75%	<p>HKTV has enabled a digital core to augment and automate its business decisions. The system allows HKTV to launch product improvements progressively and scale the business quickly.</p> <p><b>Key initiatives:</b></p> <ol style="list-style-type: none"> <li>1. Automated picking and storage system leading to supply chain efficiency. The new digitised warehouses process over 20,000 orders per day, substantially saving on manpower costs.</li> <li>2. In Feb 2020, in a bid to scale up the e-commerce business, HKTV launched the automatic sorting system leading to enhanced productivity, better customer experience and shorter order fulfilment schedules.</li> </ol>



# HKTV DX Framework

Pillar | **Innovate**

Key question | **How we grow?**

Attributes	Score	HKTV
<b>Explore ecosystems</b>	75%	<p>Merchants lie at the heart of the firm's e-commerce revolution. Its core growth lies in adding new products into its ecosystem, and thus HKTV is focusing on onboarding brands to create a seller ecosystem.</p> <p><b>Key initiatives:</b></p> <ol style="list-style-type: none"> <li>1. Starting in 2020, HKTV has created tech systems to streamline the merchant onboarding and management process.</li> <li>2. Created digital advertising and analytics capability systems to enable HKTV sellers to manage end-to-end marketing and business analysis.</li> <li>3. Launched the O2O partnership trial program to enable leading HK retailers at malls and shopping marts to establish their online presence.</li> </ol>
<b>Driven by tech</b>	100%	<p>Technology lies at the heart of the firm's transformation. Its vision is to become the Alibaba of Hong Kong. The long-term goal is to commercialise the core technology e-comm system it has made to launch and scale for the HKTVmall initiative.</p> <p><b>Key technology initiatives:</b></p> <ol style="list-style-type: none"> <li>1. End to end e-commerce turnkey solution for global traditional retail companies.</li> <li>2. Open data bank: This project aims to share traffic, logistics and warehouse performance data with universities, tertiary institutions, research bodies, digital agencies and banks.</li> <li>3. Food takeaway: HKTV added the food takeaway option into its core e-commerce app. The service has onboarded 3,000+ partner restaurants for launch in 2020.</li> <li>4. eWallet: Adding an online payment service to provide the group and its merchant partners with a detailed view of the customer's shopping behaviour.</li> <li>5. Open landing page: Enable sellers to create customised and personalised landing pages to enhance the buying experience.</li> </ol>
<b>Accelerate organisation learning</b>	100%	<p>HKTV provides effective coaching, counselling and on-the-job skills training programs for its employees.</p> <p><b>Key initiatives:</b></p> <ol style="list-style-type: none"> <li>1. Cross-functional job rotation opportunities</li> <li>2. Sponsored talent to receive training from external sources.</li> <li>3. On-the-job training programs to enhance an employee's skill sets.</li> <li>4. Training programs around product safety, financial knowledge, talent growth and more take place regularly.</li> </ol> <p>In 2019, the company's female workforce spent 11,341 hours in employee training versus 10,689 hours by the male workforce.</p> <p>Training is also in place across areas like fulfilment, e-commerce operations and managerial talents.</p>





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