

They say they want a revolution

Total Retail 2016 - Southeast Asia &
Singapore Highlights

Consumers around the
world are fundamentally
disrupting the retail

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Consumers in Singapore look to online shopping for cheaper prices

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Consumers in Singapore look to online shopping for cheaper prices

Though relatively new to online shopping (38% shopping online within the last three years), shoppers in Singapore are among the world's fastest adopters of shopping via mobile.

The most popular overseas online purchase amongst Singapore respondents was clothing and footwear (58%).

38% of respondents from Singapore use their mobile phones for purchases at least once a month.

Singapore, 3 June 2016– A report published by PwC finds that 60% of consumers in Singapore buy products online at least once a month. PwC's 'Total Retail' survey, which surveyed nearly 23,000 online shoppers in 25 countries, revealed the changing behaviours that will drive the coming retail revolution. Of the 23,000 respondents, 500 of them were from Singapore and 1,500 from Southeast Asia (SEA).

Respondents in Singapore are avid online shoppers, though this is a fairly recent trend with 62% shopping online for three years or more (67% globally). The most popular out-of-country online purchase amongst Singapore respondents was clothing and footwear (58% in Singapore, 51% globally). Books, music, movies and video games came in second (40% in Singapore, 40% globally) and health and beauty was the third most popular (39% in Singapore, 31% globally).

Although Singapore respondents prefer shopping for clothing and footwear in-store (45%) rather than online via their PC (30%), more than half of respondents in Singapore indicated that the main influencer for buying online was that the products were cheaper (55%). This is 12 points higher than the global result of 43% (45% in SEA). Even while in-store, 39% of respondents in Singapore (36% globally, 45% in SEA) have used their mobile/smartphones to compare prices with competitors. In addition, 67% of those surveyed in Singapore shop in out-of-country online retailers for better prices (56% globally, 61% in SEA).

Shoppers in Singapore are among the world's fastest adopters of shopping via mobile

Respondents in Singapore are also more active than those globally in making purchases on their mobile phones or smart phones. When asked how often they buy products online via mobile phone or smartphone, 38% of respondents indicated a frequency of at least once a month (28% globally, 37% in SEA).

Consumers are not just using their mobile devices to purchase online, but are also using them to stay informed about products. The top three behaviours reported by respondents in Singapore whilst in-store were accessing a coupon or promotional code (39% globally, 45% in SEA), comparing prices with competitors (39% globally, 45% in SEA) and researching products (36% globally, 44% in SEA).

In addition to mobile adoption, social media has a stronger influence on online shopping behaviour amongst respondents in Singapore. 57% of Singapore respondents use social media to read reviews (45% globally, 60% in SEA) and access promotional offerings (44% globally, 58% in SEA).

Charles Loh, South East Asia Consumer and Industrial Products Consulting Lead, PwC said,

"With high internet penetration in Singapore, consumers can easily make purchases or find information online via PC or mobile devices. It's clear that cost remains a key driver when making a purchase online. In order for retailers to remain competitive, they must understand the trend and act on it.

"Retail companies are often faced with a dilemma whether they should embark on the online journey and many have taken the tactical approach of starting online versions of the brick-and-mortar businesses with very little additional value to shoppers. Rather than just defining an ecommerce platform, I strongly recommend retailers to critically assess their corporate strategy and transform their business to suit the digital age."

Broader product assortment and more convenient delivery options

Skeptics who doubt the evolving role of a retail store and wish to maintain

the status quo should take note: the demand by consumers in Southeast Asia for access to a wider assortment is a serious matter and leads to lost sales. The lack of local product availability was selected as a motivating factor by more than half of consumers surveyed in Singapore (55% in Singapore, 42% globally, 50% in SEA).

The role of online shopping also brings about a higher demand for more convenient delivery options and consumers are willing to pay more for such options. The top three delivery options reflected by respondents in Singapore were same day delivery (57% in Singapore, 62% globally, 60% in SEA), specific agreed-upon time for delivery (47% in Singapore, 45% globally, 44% in SEA) and pick up from a convenient location (39% in Singapore, 29% globally, 40% in SEA)

Physical retail stores still matter

Consumers in Singapore still prefer to shop in-store. 67% of respondents in Singapore buy products in-store at least once a month (70% globally). With the exception of books, music, movies and video games, shopping in-store came out first in all product categories as the preferred method of buying purchases.

Our survey also reveals with increasing clarity that retail employees need to up their game if they hope to successfully serve today's increasingly well-informed and tech-savvy customers. By far, the factor that would make the in-store experience better for our global sample of shoppers is sales associates with a deep knowledge of the product range, at 40% globally and 38% in Singapore (higher than SEA average of 36%). This was closely followed by the ability to access an extended range of products onscreen in-store (35% in Singapore, 33% in SEA, 25% globally) and ability to check other store or online stock quickly (34% in Singapore, 30% in SEA, 32% globally).

In addition, when we asked our global sample what would increase shoppers' preferences for buying from a neighbourhood retailer, four of the top five responses given in Singapore related to store employees: better aftercare/aftersales service (39% in Singapore, 39% in SEA, 31% globally), helpful store personnel (32% in Singapore, 30% in SEA, 29% globally), personalised service (26% in Singapore and SEA, 28% globally), and boosting local employment (26% in Singapore, 34% in SEA 29% globally).

Lee Kok Hooi, Retail & Consumer Leader, PwC Singapore concludes,

“Retail consumers have embraced online shopping as a norm and are driving the need for further innovation. Retailers need to keep up in the online space in this fast-moving industry.

“However, retailers should not neglect the human aspects of the consumer experience. Despite the digital revolution, there is still a place for in-store shopping and consumers value a holistic in-store experience. It is imperative for retailers to deliver end-to-end services to consumers both online and offline.”

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