

Transforming the retail landscape

To help retailers in Singapore survive and stay relevant, the Singapore government and the Singapore Retailers Association will be introducing a series of strategies that target key areas such as e-commerce and building a future-ready workforce.

To ensure the continued competitiveness and growth of Singapore's retail industry, Dr Koh Poh Koon, Minister of State, Ministry of Trade and Industry, and Ministry of National Development, revealed the government's plan to support the transformation of the industry. Speaking at last month's Singapore Retailers Association (SRA) Ball held at the Raffles City Convention Centre, Dr Koh said that the government will dedicate substantial resources through the Retail Industry Transformation Map (ITM).

He added that the 2020 vision of the Retail ITM is for Singapore to have a vibrant retail industry comprising of a mix of highly productive omni-channel retailers, local brand owners with global footprints and supported by a professional and skilled workforce. Strategies in key areas were announced to bring about the desired transformation of the industry. They are: Driving growth through innovation; improving productivity with technology; building a future-ready and productive retail workforce; and helping Singapore retail companies to internationalise.

Dr Koh also highlighted three key areas of focus under these strategies: E-commerce; internationalisation; and building a future-ready workforce.

E-commerce and internationalisation

The e-commerce market is growing exponentially worldwide. ASEAN markets are expected to grow twice as fast, said Dr Koh. He added: "According to a report by [investment firm] Temasek and Google released in May 2016, the e-commerce market in Singapore alone is expected to be worth US\$5.4 billion (S\$7.46 billion) by 2025 and contribute 6.7% of total retail sales."

Besides allowing SMEs to seek new market opportunities overseas, the building up of e-commerce capabilities

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also allows retailers to aggregate demands of consumers of similar profiles or demands which would otherwise be fragmented by geographical boundaries. This means that providers of niche or bespoke goods and services are more likely to flourish.

He cited Naiise (Nice), a local multi-label design retailer, which has managed to reach markets such as the UK and the US through its e-commerce platform. "Given the considerable demand for their well-designed creative lifestyle products from these markets, they are looking to replicate their offline stores in the UK to give their customers there a better omni-channel shopping experience," Dr Koh said.

Also, technology advances now enable retailers to engage their customers online and make purchases increasingly convenient. "Through platforms such as mobile apps and social media, companies can showcase their brands to a regional or global audience through digital marketing, and allow customers to 'experience' their products online with virtual try-ons, interactive displays and

augmented reality," he explained.

Cashless payments and e-wallets are also gaining popularity among consumers. The launch of e-wallet solutions such as Apple Pay and Android Pay have helped to simplify online checkout processes and allowed customers to use a universal wallet for both online and offline shopping, noted Dr Koh.

Building a future-ready retail workforce

The development of a highly skilled, adaptable and future-ready workforce is key to driving the next phase of growth of the retail sector, Dr Koh said.

As the lead agency for the retail ITM, SPRING Singapore — the government's lead agency in the implementation of the ITM — is now working with agencies such as the Singapore Workforce Development Authority (WDA) and other industry and training partners to equip Singapore's retail workforce with relevant

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Staying relevant in the fast-changing retail world

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skills. “Masterclasses launched this year include a hands-on digital marketing masterclass to familiarise marketeers with social and digital strategy for e-commerce, and a branding masterclass to help brand owners harness the art of brand storytelling.”

Dr Koh also explained that support and buy-in from companies is particularly crucial in enabling employees to deepen their skills and in turn, contribute to growth of their enterprises. “Beyond support from individual companies, backing from industry partners such as the SRA is also crucial. SRA actively promotes industry and manpower development, including offering scholarships such as the National Retail Scholarship (NRS).”

Indeed, R. Dhinakaran, president of the Singapore Retailers Association, said that retail industry has been facing a lot of challenges. Among the industry’s biggest challenges are: High rentals; tight labour market; slowing global economy; and rapidly changing consumer preferences.

To survive and stay relevant, retailers have to re-engineer their businesses, said Dhinakaran. He highlighted strategies that need to be implemented in order for the retail operations to stay afloat. These include: Closing unprofitable stores and downsizing to reduce rental costs; restructuring to be more productive and manpower-lean; introducing more exciting product offerings, retail concepts and customer experiences to stimulate consumer spending; integrating bricks-and-mortar stores with e-commerce to offer a seamless offline to online; and offering an online-to-offline (O2O) experience to adapt to changing consumer preferences.

Moving forward will not be easy, cautions Dhinakaran. He added: “One of my goals as SRA president is to have frequent feedback sessions for retailers so we can present the industry’s feedback to the government and relevant agencies to seek assistance.

“My fellow councillors and I will be amending SRA’s constitution to [keep it updated and] in line with the best practices of trade associations, and expand the number of council members



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to ensure better representation from our different kinds of retail businesses.”

Dhinakaran continued: “We will also be redefining the roles and terms of office to ensure the association is better equipped to represent the retail industry. In addition, we will seek to recruit new members — both big and small — from across the industry, and support them especially during challenging times with the help of the government and relevant agencies.”

At the same time, SRA will remain committed to helping retailers upskill and upgrade. The SRA Institute For Retailing focused on customised and contextualised retail training this year, and has trained more than 3,500 retail staff — an increase of more than 13% over 2015.

It is currently conducting the Excellent Service Workshops for the retail industry, and will be presenting the Excellent Service Awards next month to recognise the outstanding efforts of more than 3,000 retail service staff. This is a 20% increase over 2015, and the highest number of winners since the award was launched 22 years ago.

As part of its efforts to help retailers improve business standards, professionalism and productivity, SRA

launched Singapore’s first omni-channel mystery shopping programme for the retail industry last December. Called Achievement in Customer Experience or ACE in short, it aims to help retailers assess their service standards across various customer touchpoints, and address service gaps to achieve service excellence.

Within a year, SRA has already completed two cycles, conducted more than 2,300 mystery audits, and will be awarding the six top-performing retailers with the SRA Platinum Awards this November.

The Retail Academy of Singapore also conducted more in-house management-level training programmes for retailers this year, and is currently in discussion with universities to introduce a new Masters in Retailing programme for the Singapore market.

To help SMEs attract the right talent into their companies, SRA has successfully matched 41 university, polytechnic and ITE graduates with SMEs under the SME Talent Programme initiated by SPRING Singapore.

Growing the appeal of GSS

This year, SRA announced the appointment of UnionPay as the new Official Card of the Great Singapore Sale, and extended the sale by two weeks to mid-August to attract more tourist dollars particularly from Asia-Pacific countries including China.

Dhinakaran said: “Thanks to UnionPay’s campaign, spend on UnionPay cards during GSS grew 15% year-on-year. Moving forward, SRA will continue to work with Singapore Tourism Board, UnionPay, Singapore Press Holdings and the industry to grow the appeal of GSS to both local and overseas shoppers.”

As part of the association’s continuing efforts to promote retail in Singapore, SRA launched Singapore Golden Week — a new event held from September 30-October 16, with UnionPay as the Official Card.

Dhinakaran said: “With the exclusive UnionPay privileges that we have curated from the industry, we hope to boost retail sales by giving local and overseas UnionPay cardholders more reasons to spend in Singapore.” **ra**