

Singapore Productivity Centre **Business Improvement Series**

EMPOWERING RETAIL ENTERPRISES WITH DIGITAL CAPABILITIES



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Digital disruptions in the global landscape

Technology has given consumers greater access to information and brands, giving them the ability to find the best value propositions. As the digital realm becomes a staple in our daily lives, the convenience and ability to mass-search means retail stores have to compete with digital platforms. The rapid growth of online retail and social media is increasingly influencing customer purchasing behavior, so it is essential that retailers engage their customers on social media platforms.

13%

The CAGR of Singapore's e-commerce market between 2014 and 2017 was about 13% (Frost & Sullivan, June 2016).

\$7 Billion

Temasek and Google reported that Singapore's e-commerce market is expected to be worth \$7 billion and make up 6.7% of all retail sales by 2025.



41%

A 2015 Nielsen survey found that 41% of Singaporeans are omni-channel shoppers, which means they browse information online before buying through online or offline retail channels.

Singapore's Unique Retail Challenges

Although Singapore has a sizeable number of omni-channel consumers, the current online sales figures from local retailers is meagre. In 2014, local online retail sales contributed just 3.4% of total retail sales, implying that Singapore's online retail sector is facing intense competition from international online retailers. The other implication is that Singapore retailers lacked the ability to capitalise on the growing e-commerce market.

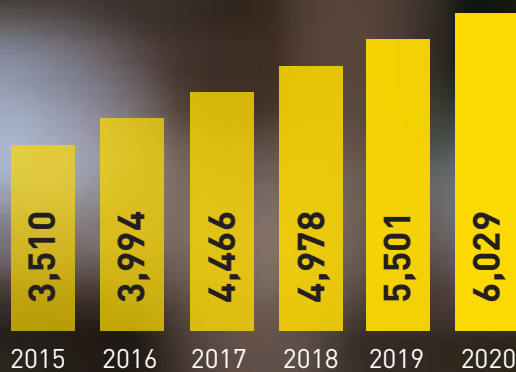


Based on the Singapore Productivity Centre's Benchmarking Study 2015, only 32% of retailers in Singapore place online advertisements and only 31% use social media platforms for internet marketing. The study shows a gap in local retailers' online presence and branding, which are two integral components to capturing the e-commerce market.

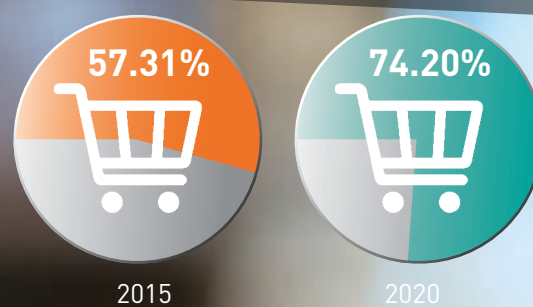
As local retailers continue to face increasing operating costs, the fastest and most effective way to strengthen their stand in e-commerce is to boost in-house capabilities by equipping their workforce with digital marketing skill sets.

STRONG GROWTH IN INTERNET RETAILING

Estimated revenue
IN MILLIONS (USD)



Estimated e-commerce penetration rate



Frequency

26%
of Singaporeans
shop online at
least once a week



58%
purchase online
at least once a month

Empowering Retail Enterprises with Digital Capabilities

Engaging customers today requires more than good after-sales service. Brands must develop meaningful customer engagement by building social networks and communities. In this way, they create a symbiotic relationship wherein customers feel a sense of intimacy with the people behind the brand, while brands can better understand their customers' ever-changing wants. Digital platforms must be dynamic in order to be used as an effective marketing tool to extend a company's customer reach.

The Empowering Retail Enterprises with Digital Capabilities project assists retailers in redesigning

and aligning their objectives and digital marketing goals. It helps them create customised content marketing strategies and, most importantly, build in-house capabilities to leverage on digital marketing to increase online presence, revenue and profitability.

This collaborative project's aim echoes the goals of the nation's Retail Industry Transformation Map (ITM). It will help retailers drive growth through innovation by embarking on suitable online channels, at the right time, and build a future-ready and productive retail workforce by upskilling workers into emerging and better job roles.



Creation of a content marketing strategy customised to your business needs.



Building in-house capabilities in planning, producing, implementing and measuring social media marketing campaigns.



Sustainable in-house capability in using content and social media marketing to increase revenue and improve profitability.



Gain customer insights, secure brand preference and loyalty, which leads to incremental revenue.

Build in-house capabilities and competent skills, and seize opportunities in capturing the e-commerce market for sustainability

PART 1

Building in-house digital
marketing capabilities
consultancy project



To develop strong digital
marketing fundamentals



A vital part of the customer
journey and the channel to
build direct-to-consumer
engagement



Gain customer insights,
secure brand preference and
loyalty



Leading to incremental
revenue



PART 2

Overseas study mission.
Exposure to the top
e-commerce market players



Learn about e-commerce
best practices overseas
(e.g. Shanghai Overseas
Study Mission)

Project Objectives

The project comprises 8 phases and takes about 4 months to complete. Each phase comprises of 5 participating companies, with up to 3 representatives from each company. The project adopts a unique customised knowledge-skills application methodology to achieve sustainable in-house capabilities through:



**The identification
of skills gaps**



**Customised
training**



**Individual
company
guidance and
consultation**



**Group and peer
learning**



**Hands-on
application that
ensures knowledge
and skills transfer**

Knowledge and skills transfer is crucial, as the resulting in-house digital marketing capability is essential to continuously engage customers, which in turn drives growth.

The project aims to achieve cost savings by sharing common cost among the 5 participating companies.

PROJECT ARCHETYPE

Consultancy with individual company



Group consultation and knowledge transfer

Customised group consultation to address **the skills gap identified**

Customised group consultation covering **strategic social media selection**

Customised group consultation covering **best practices on evaluation and audit of campaigns**

Exchange session with peers to **review and reflect**

Benefits and Impact

Companies receive the equivalent of a year's worth of help in planning and measuring their social media marketing campaigns.

Activation and implementation



2 customised social media marketing campaigns

for each participating company

(1 by consultant, 1 by in-house team)

Digital marketing impact

(results depending on each retailers' business context):

Increased clicks, engagement rate, conversions and social media fans/followers

12-month editorial calendar

for content and social media marketing

Build in-house digital capabilities

BUILD THE TEAM

Team members learn important skills in digital marketing which they can impart to their colleagues at the office. These skills go towards creating effective digital marketing strategies, while ensuring the ability to execute and measure their results.



PART 1

Building in-house digital marketing capabilities consultancy project

3 people per company



PART 2

Overseas study mission providing exposure to top e-commerce market players

2 people per company
(from the project team)

DEVELOP THE SKILLS AND STRATEGY

Developing new competencies in planning and managing content and social media channels is a sustainable strategy that reduces the need for outsourcing. The long-term in-house capability in leveraging content and social media marketing will go towards expanding your business and improving profitability.



Alignment of business objectives and social media marketing goals.



Creation of a customised marketing strategy.



Building in-house capability in planning, producing, implementing and measuring social media marketing campaigns.



Reduce the need to outsource by developing new competencies in planning, project management and generation of social media content.



Enabling long-term in-house capability in leveraging content and social media marketing to expand the business, increase revenue and improve profitability.

Learning International Best Practices Through Overseas Study Missions

There is nothing like learning from some of the best in the industries from around the world. As part of the project, companies can opt to participate in Overseas Study Mission trips to gain insights from top e-commerce market players.



Learn the latest trends, best practices and successful business models

by understanding the chain of activities and resources needed for a successful e-commerce strategy

Learn how retailers leverage on other social media platforms

(e.g. WeChat) to build brands, increase consumer interaction, and provide enhanced consumer experiences

Gain exposure to backend processes, technologies and systems,

and understand the integral business capabilities needed to support Omni-channel models (O2O) and sustain a seamless consumer e-journey

Study different collaborative models in e-commerce:

partnerships between retailers, e-market players and logistic service providers, and learn how they can be adapted to Singapore's context

Facilitate networking and exposure

to companies keen to enter overseas markets

From Wish List to Sale

DFASS

The DFASS GROUP is a world-class leader in retail options for travellers and travel-related audiences. It specialises in helping consumers and businesses access the enticing world of duty-free retail, with a dynamic spectrum of services such as:

- On Board Duty-free Shopping
- Buy On Board (BOB) Services
- On Board Pouring
- Liquor and Distribution
- Airport Shops
- Shop on the Go: Online Retail Sales: Pre-Order Service, Mail Order, Shop By Airline



We learned that by engaging with online customers who have unpaid items in their shopping carts, and offering them one-time promotional discounts, gave them an incentive to complete their purchases.”

CAMPAIGN 1

STRATEGY

To target customers who did not complete their purchase through automated email marketing.

OBJECTIVES

- To increase online sales conversion rate through email marketing
- To increase new users to purchase with DFASS

ACHIEVEMENTS



7%
email
marketing
conversion
rate



35.4%
new user
purchases

CAMPAIGN 2

STRATEGY

To increase purchase transaction value through post-conversion marketing (PCM).

OBJECTIVES

- Encourage repeat purchase
- Increase the transaction value

ACHIEVEMENTS



Increased the average
transaction value by
54.6%
in the same period

Winning New Fans

UNIVERSAL TRAVELLER

Universal Traveller is a leading winter wear brand in Southeast Asia. While it enjoys a strong online following, it needed to maintain a pool of fans and create a new fan base to generate more online spending.



By our social media engagement with customers through interesting content and promotions, we have built a community of loyal customers. Together with a more targeted and strategic social media campaign, we have been able to reduce the cost of our social media advertising.”

CAMPAIGN 1

STRATEGY

To reach out to new target audiences and increase new customer base.

OBJECTIVES

- To generate constant engagement with customers and followers
- To increase current fan base by 50%

ACHIEVEMENTS



Expanded the fan base by
1.5x over the campaign period

CAMPAIGN 2

STRATEGY

To drive Facebook audiences to its e-commerce site with the most cost-effective social media campaigns.

OBJECTIVES

- Drive traffic to its e-commerce site and increase click-through rate by at least 20%
- Reduce the cost-per-click by 20%

ACHIEVEMENTS



Click-through rate to e-commerce site increased by
173.3%



Reduced cost-per-click by
34%

Productivity Improvement Programme Partners



The Singapore Productivity Centre (SGPC) is a one-stop competency centre that is endorsed by the National Productivity Council.

The mission of SGPC is to drive enterprise productivity for sustained growth and competitiveness. It focuses on the retail, food services and hotel sectors.

SGPC provides a comprehensive range of services and solutions to help enterprises effectively, including in-depth productivity consultancy, conferences and workshops on productivity-related topics, benchmarking and applied research.

With the formation of SGPC, companies in the retail, food services and hotel sectors can now approach a single centre for expert productivity assistance.

Over the last three years, SGPC has assisted over 1,000 companies through productivity improvement projects, productivity training programmes, conferences and workshops.

Through its activities, SGPC hopes to demystify the concept of productivity thereby promoting better understanding of its measures and how to improve productivity in the organisation.

For more information
visit www.sgpc.sg



Enterprise Singapore is the government agency championing enterprise development. Its vision for Singapore is a vibrant economy with globally competitive Singapore companies.

International Enterprise Singapore and SPRING came together on 1 April 2018 as a single agency to form Enterprise Singapore. Its mission is to grow stronger Singapore companies by building capabilities and accessing global opportunities, thereby creating good jobs for Singaporeans.

The agency works with committed companies to build capabilities, innovate and internationalise. It also supports the growth of Singapore as a hub for global trading and startups. As the national standards and accreditation body, Enterprise Singapore builds trust in Singapore's products and services through quality and standards.

For more information
visit www.enterprisesg.gov.sg



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Transform.
Innovate.
Future-ready.