

# SINGAPORE

## AHEAD OF THE DIGITAL CURVE AND SET TO STAY THERE

Among Asia's digital frontrunners, Singapore scores well above the regional average in Euromonitor's 'Digital Consumer Index'.<sup>38</sup> Over 85 percent of its current population of 5.7 million is already connected to the internet. That proportion is expected to rise to over 90 percent by 2022, by which time the overall population will have grown slightly to reach 6 million. Already, 65 percent of Singapore's internet users are digital buyers, spending an average of USD 1,861 annually online. In five years' time, digital shopping is expected to be embraced by 74.5 percent of internet users. That's a compound annual growth rate (CAGR) of 5 percent.

60% of consumers in Singapore buy products online at least once a month<sup>39</sup>

Several factors lie behind the growth of digital commerce in Singapore. High and rising smartphone penetration is set to reach 80 percent of the population by 2022. Singapore's globally leading logistics infrastructure makes it an attractive destination for

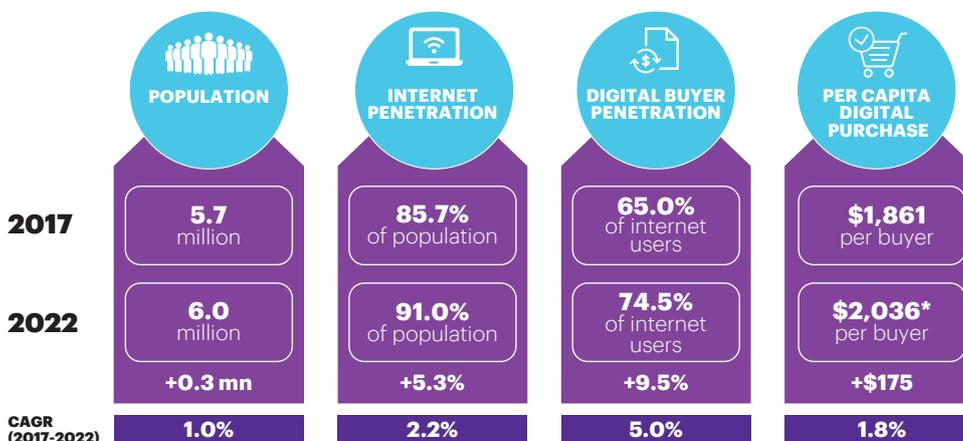
eCommerce players, as does its high number of internet users and rising disposable household income (predicted to increase annually by 4.3 percent till 2030). In other words, Singapore will continue to offer steady, rather than explosive growth prospects.

So, what characterizes the Singaporean digital consumer? Several key trends stand out. Premium products with high-quality and safety standards are important to 88 percent of online shoppers. Over two-thirds belong to one or more retail loyalty programmes. And over half of them are motivated to seek value from local brands that they feel are more keenly priced than global alternatives.

52% of Singapore millennials consider ability to find hard-to-find times items as one of the main drivers to make cross-border purchases<sup>40</sup>

### SINGAPORE IS AMONG ASIA'S DIGITAL FRONT RUNNERS, WITH A DIGITAL PERFORMANCE INDEX SCORE AT 52.6

Singapore could continue its digital leadership, owing to robust logistic support and smartphone integration



CURRENT DIGITAL CONSUMER INDEX

52.6

SCORE AS COMPARED TO APAC REGIONAL AVERAGE

↑ 15.4

\* based on Accenture Research Analysis



## TRENDS

Consumers moving towards premium, multi-channel experiences, not afraid to switch between brands

### PREMIUMIZATION

**88%**

of consumers are highly likely to pay for premium for products that came with high-quality/safety standards

### LOYALTY PROGRAM LOVERS

**69%**

of Singaporeans have highlighted that they belonged to one or more retail loyalty programs

### VALUE SEEKERS

**54%**

of Singapore choose local brands to global, as they feel local brands offer better price/value



## DRIVERS

of digital commerce in SINGAPORE

**~5.4 mn**  
INTERNET USERS  
2022

**4.3% p.a.**  
RISING DISPOSABLE  
INCOME/HOUSEHOLD  
2016-2030

**80%**  
SMARTPHONE  
PENETRATION  
2022

**5<sup>th</sup> on LPI\***  
ROBUST LOGISTICS  
NETWORK  
2016

\* Refers to Logistics Performance Index



## SHOPPING JOURNEY FOR DIGITAL SAVVY SINGAPORE CUSTOMERS REVOLVE AROUND VALUE FOR MONEY AND EASE

Singapore's dynamic path to purchase is skewed towards digital channels

**60%**

prefer buying products from online sites vs mall, at least once a month

**55%**

of Singapore consumers state that the main purpose to buy online is availability of cheap products

**75%**

Singapore consumers demand personalized rewards in exchange of brand loyalty

**83%**

Singapore consumers prefer dealing with customer service reps face-to-face vs digital channels

**39%**

of Singapore consumers have used smartphones to compare prices with competitors

**57%**

of Singapore consumers use social media to read reviews

**26%**

consumers prefer buying products from neighborhood store, owing to personalized services

**60%**

of payment related transactions are electronically done