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Multi-channel retailing

Technologies to drive multi-channel retailing growth in Singapore

Future-looking retailers in Singapore realise that the way forward is to offer their customers multi-channel shopping experiences, and are quick to create m- and e-commerce channels.

Jolene Klassen shares her findings.

New technologies, smartphone proliferation and Internet connectivity continue to drive Singapore's multi-channel activity. Coupled with evolving customer behaviour, retailers here are going beyond the brick-and-mortar formats, to provide a multi-channel experience by making use of e- and m-commerce solutions to engage with customers within their stores.

Observes Bruno Goveas, director for products, Asia-Pacific and Japan at cloud and Internet content provider, Akamai Technologies Inc: "Asia as a whole is experiencing a surge in online retailing. This region is expected to become the world's No.1 market for B2C e-commerce sales. This year, we can expect sales to increase by more than 30% to over US\$433 billion, which will contribute to approximately one-third of all global B2C e-commerce sales.

"Both e- and m-commerce are growing segments in Singapore and are largely fuelled by the country's advancements in Internet connectivity, mobile

payment readiness and consumer confidence in mobile payment. Another factor supporting this growth is the confidence that e-commerce firms have in Singapore. Many see Singapore as a good location to kickstart their strategies or businesses, before they launch or expand into other regional markets," Goveas continues.

Increased mobile penetration is another trend driving the uptick in local e- and m-commerce sector.

"In fact, PayPal reported that m-commerce in Singapore has increased almost eight-fold in the past year, from S\$43 million (US\$34 million) to S\$325 million, and predicts that the local m-commerce market will reach S\$3.1 billion by 2015," the Akamai director states.

Previously known as a complementary strategy for traditional retailers, Goveas opines that today, having a multi-channel strategy is a "must-have" in order for retailers to survive.

"According to the *Wall Street Journal*, today's startups are achieving revenue much faster than previous leading startups. For instance, Groupon's revenue in 2010 rose more than 22 times to S\$760 million in its second full year since it was launched, up from S\$33 million in 2009," he reveals.

With newer technologies and equally tech-savvy consumers, the rise of "omni-channel shoppers" is

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also spurring growth in the sector.

"Consumers these days no longer just shop at physical stores but access e-commerce via multiple devices, including desktops, laptops, tablets and smartphones," Goveas points out.

Citing a recent Google/Ipsos study, he says "omni-channel shoppers often combine shopping channels simultaneously and take a multi-device path to making their purchase", with 65% of shoppers indicating that they start shopping on a smartphone and continue onto other devices, such as the PC or tablet.

Also observing this trend is local electronics and furnishings retailer, Courts Singapore Pte Ltd, which has 14 stores across the island state and is set to expand its footprint in the region with new store openings.

States Tim Luce, country CEO of Courts Singapore: "The prevalence of the Internet and smartphones has ignited the urgency for real-time responses, as consumers now have the means and tools to educate themselves



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and become powerful word-of-mouth messengers. Shopping journeys have begun shifting from a single-channel approach to a multi-channel experience, as customers become increasingly world- and technology-savvy, and have access to international best practices.

"As such, we see more and more retailers embracing the online platform and seamlessly fusing it with their brick-and-mortar stores to create a multi-channel experience within their stores. Online and mobile are used to drive traffic to the store and vice versa, enabling customers to use these channels interchangeably."

In line with these observations, the retailer revamped its online sales platform, "eCourts", and a month later, launched its mobile site, together with new retail concepts in-store to complement its online platform.

It also introduced its Click & Collect programme last year, where shoppers can pick up their online shopping from any of its outlets across the city-state. Courts has also rolled out Digital Kiosks in selected stores, to help customers navigate around the store, compare prices and retrieve information, as well as enable them to make payments online and arrange their delivery or pick-up preferences. In addition, products in the stores have been decked with QR codes that allow shoppers to scan the codes with their smart devices, bringing them directly to Courts' online store to shop, browse or find more information.

Also helping retailers bridge the gap between the physical store and the online and mobile space is Swedish electronic shelf label provider, Pricer, which leverages the electronic paper (e-paper) technology to help retailers remain competitive by providing more flexibility in their pricing strategy.

"There is no limitation on how many price changes a retailer can do with the e-labels, which is something that online-only retailers are often seen doing — changing their prices

as demand changes. So this technology allows you to bring your online price strategy into the store," states Niclas Qvist, Pricer's area sales manager, Asia-Pacific.

The fully customisable e-labels can also be integrated with other technologies such as near-field communication (NFC) and QR codes, to enable retailers to connect their in-store pricing system with other marketing and social media applications.

Not only do the technologies mentioned earlier ensure transparency in a retailer's pricing, they also enhance the shopper's experience in the store. "When consumers want to buy something, they first browse the Internet, check out review sites and compare prices, before they go to the store and look for the products. That is why it's so important for traditional retailers to offer a similar shopping experience to their customers, whether they are online, in-store or on their mobile," he continues.

The labels also help retailers to bring their physical store into the virtual space, with the use of a smartphone. "With this technology, retailers can bring their physical stores online by directing shoppers via their mobile to customer review sites using a QR code on the labels, or to a Facebook page and other social media platforms that are linked with the e-labels systems, so that when customers 'like' or review a product, it automatically updates on the label itself," Qvist explains.

As new technologies continue to create more opportunities for retailers to diversify their channels and reach more consumers both locally and abroad, Akamai's Goveas points out that one of the key challenges lie in delivering the "same level of performance and user experience, regardless of where [consumers] are and what device they use".

"According to an IDC report, 90% of consumers abandon an online store whenever they are dissatisfied and over 80% of dissatisfied consumers would be less likely to buy or even just visit the site in the future. This could result not only in loss in sales, but also affect



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the retailer's brand reputation, which will make it difficult for them to gain the customers' trust again," Goveas warns.

Courts' Luce also adds that both traditional and new retail channels must complement each other, and retailers would do well "not to forsake one over the other".

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One of the benefits of multi-channel retailing, reveals Akamai's Goveas, is in being able to customise the shopping experience for shoppers across the platforms.

"As retailers try to reach customers via a number of devices, browsers and networks, the problem of providing a quality, immersive user experience becomes significantly more complicated. The e- and m-commerce industry is highly dynamic and it is important for online retailers manage all this complexity while scaling to meet peak traffic volume and ensure users have a seamless experience across all online channels," he explains.

"When consumers access content from a mobile device, or with one type of browser versus another, every user connectivity situation is unique. What this means in practice is that no matter where the user is, retailers will have the potential to provide consistent and also the best user experience across any device, from anywhere in the world," Goveas concludes. **ra**



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