

2021

THE RETAIL SERIES

SINGAPORE

texere advisors





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- Quality, Positioning, Innovation
- Expert bites



MARKET →

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THE FOUR DIMENSIONS OF RETAIL IN SINGAPORE

Economic Outlook

**USD 372
BILLION**

GDP
(2019)

**USD
65,233**

GDP PER
CAPITA (2019)

GDP (current billion USD)

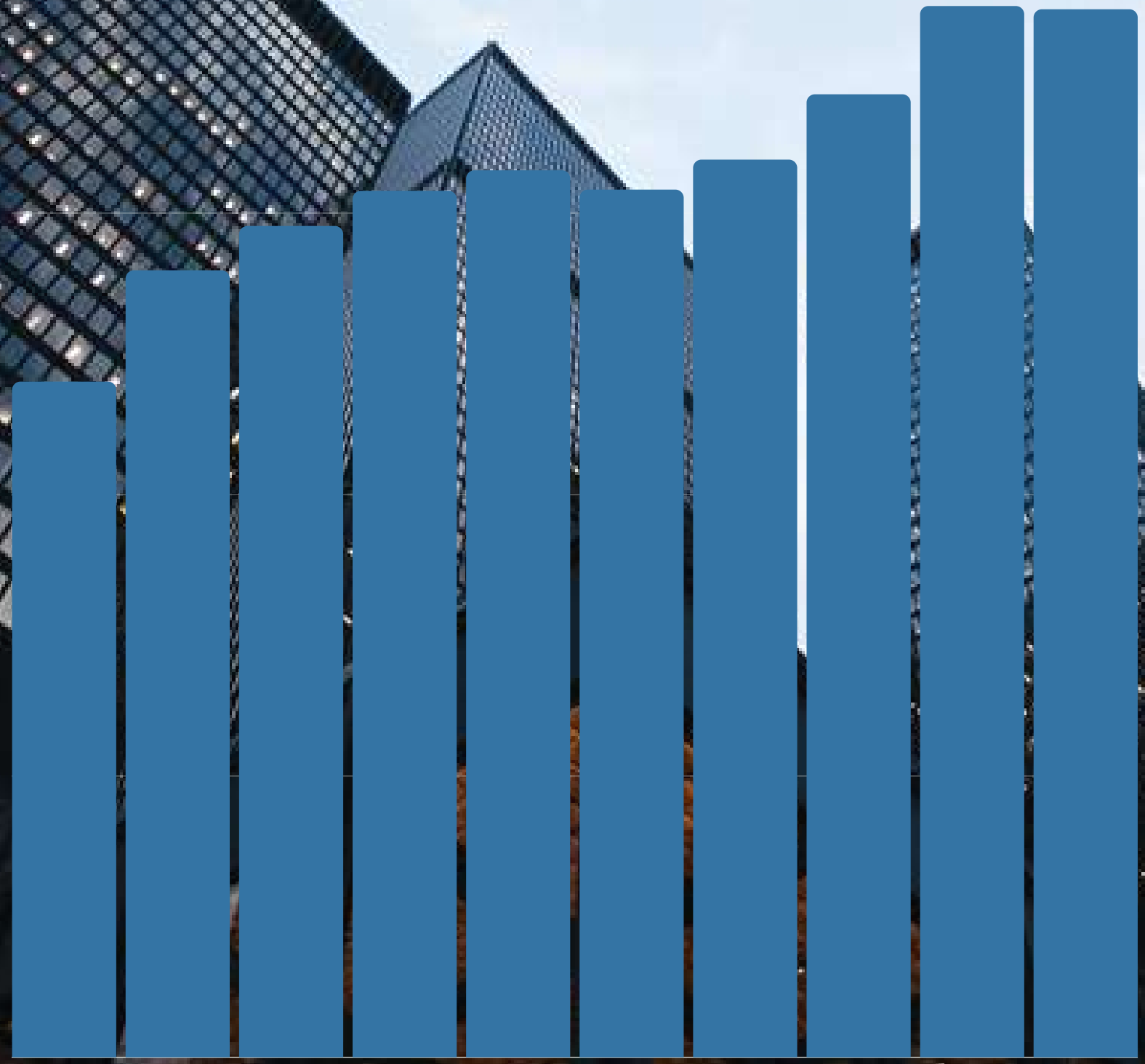
\$400

\$300

\$200

\$100

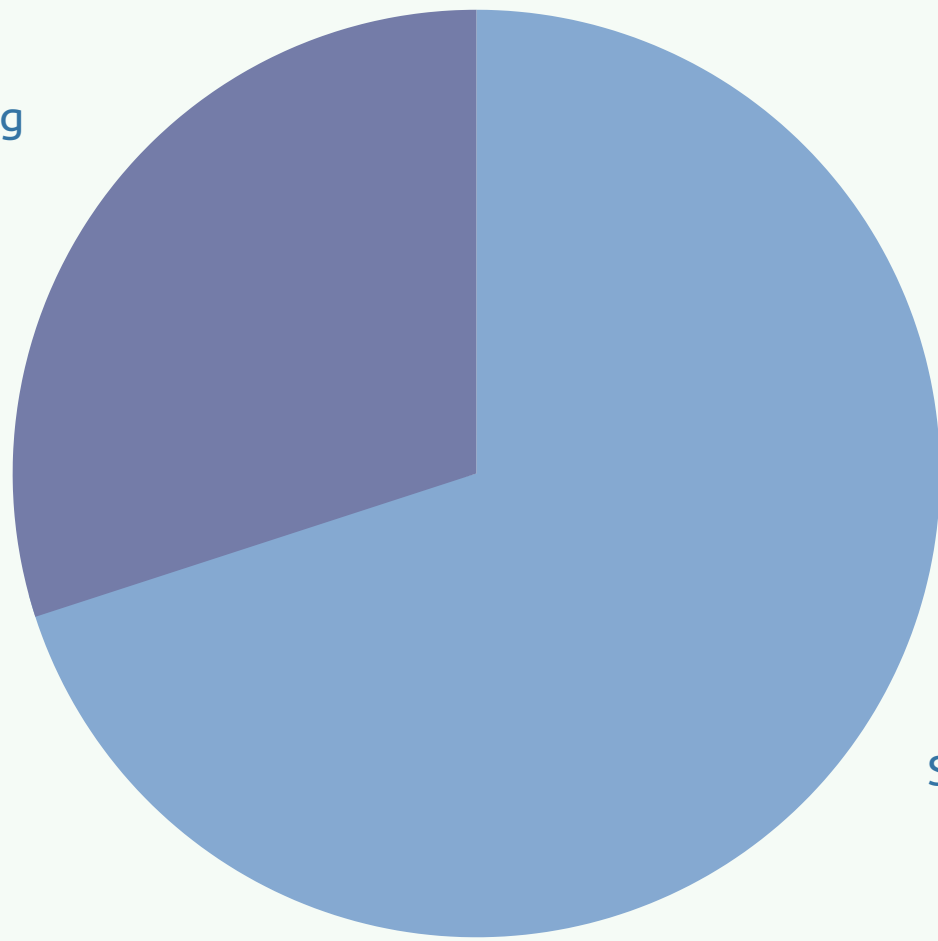
\$0



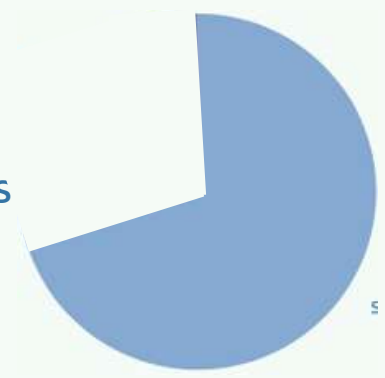
2010 2011 2012 2013 2014 2015 2016 2017 2018 2019

GDP Contribution 2019

Manufacturing
30%



Services
70%



Other Services
13,6%

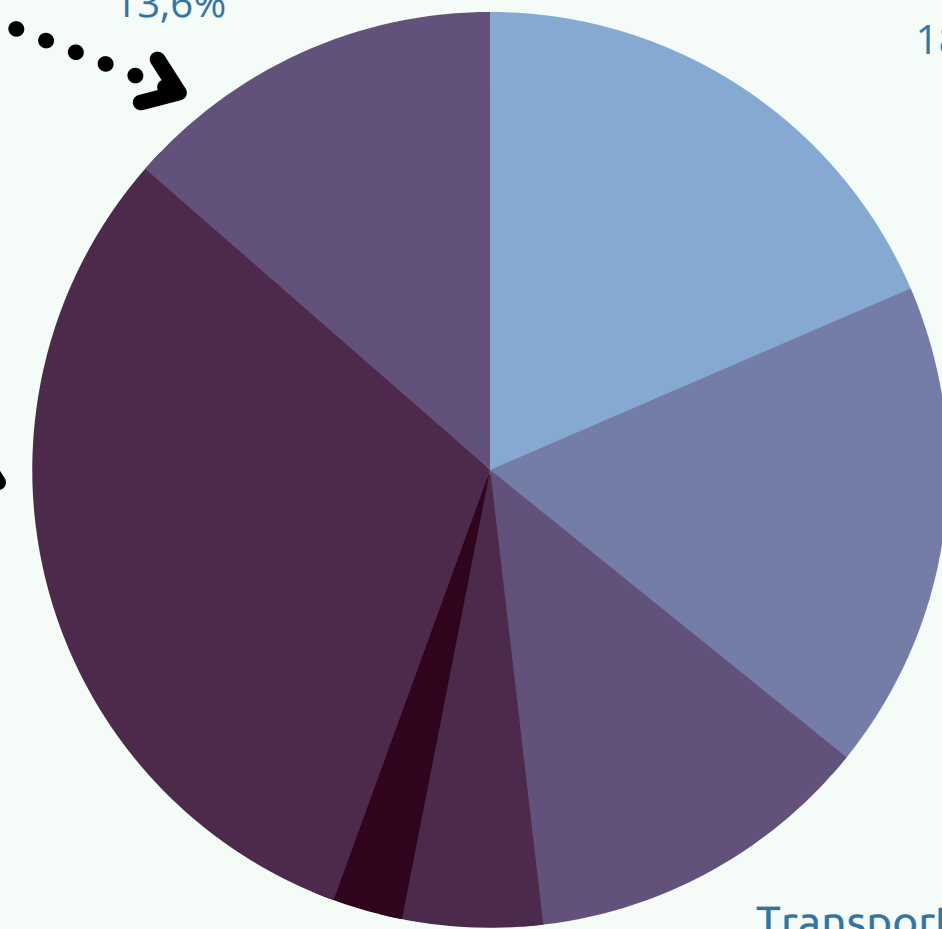
Business services
18,5%

Finance & Insurance
17,3%

Transportation and Storage
12,3%

Accommodation & Food services
2,5%

Wholesale & Retail trade
30,9%

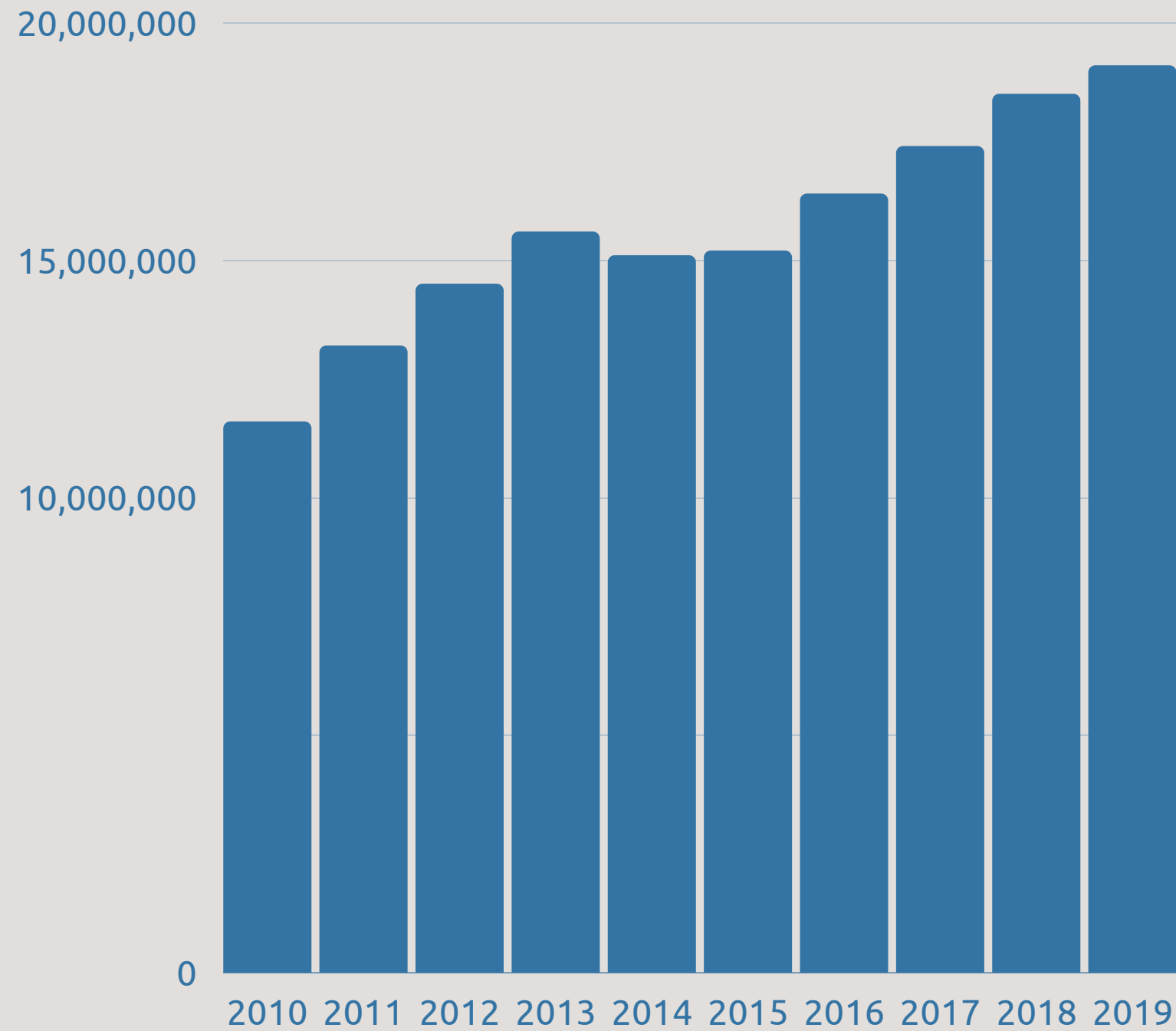




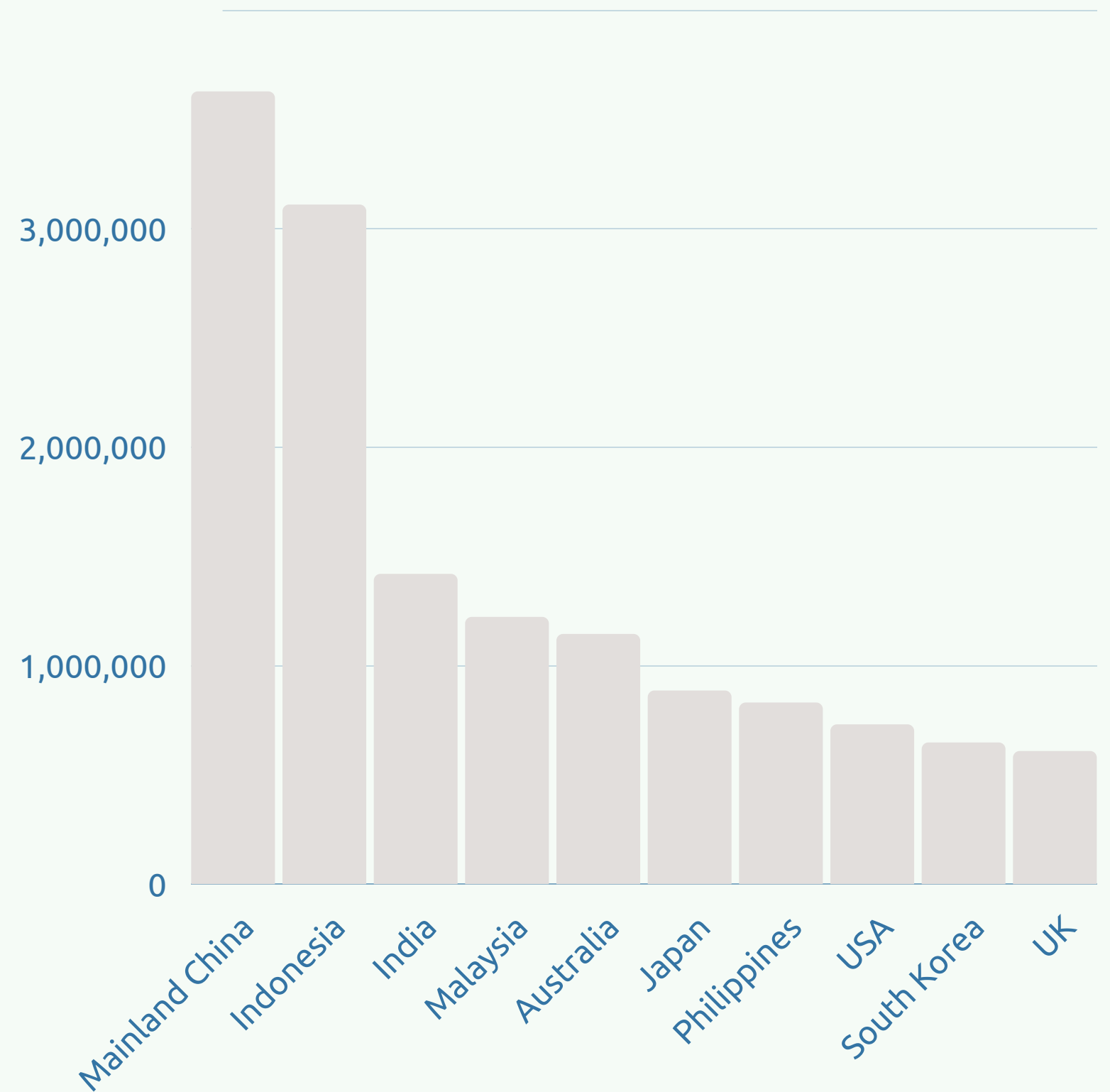
**Tourism GDP contribution
2019**

4%

International arrivals 2019

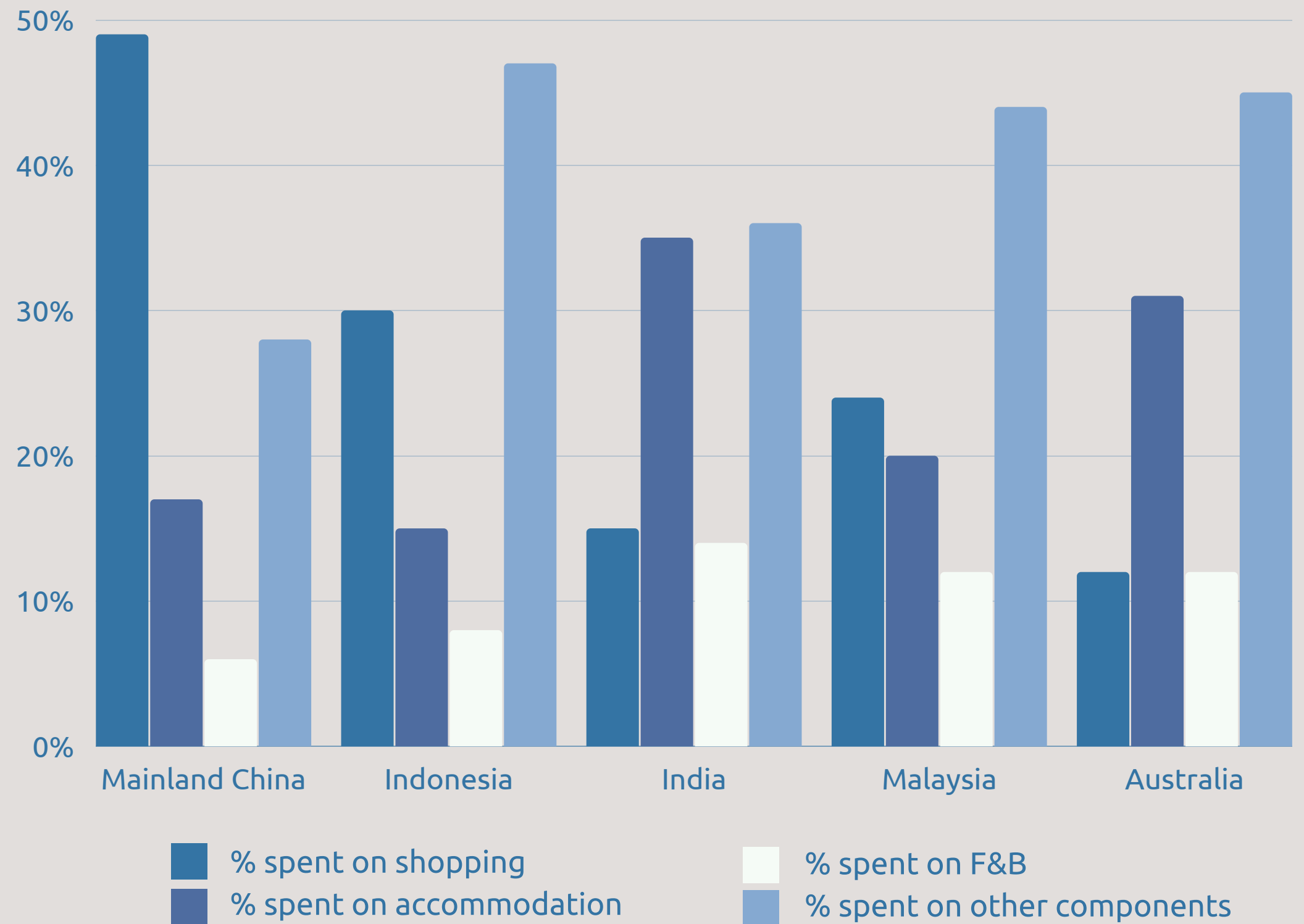


Average length stay is 3 days
and the largest country of origin is China (19%)



Tourists expenditure by Country and major categories

Chinese tourists spent 49% of total expenditure on shopping



A photograph of a modern, glass-clad building with a prominent 'LV' logo on its upper left corner. The building is situated on a body of water, with a wooden walkway and stairs leading to its entrance. The sky is blue with scattered white clouds. In the background, other city buildings are visible. A white rounded rectangle is overlaid on the right side of the image, containing text.

USD 38 BILLION

Total Retail Sales (2019)

The Retail Scene



Takashimaya Shopping Centre



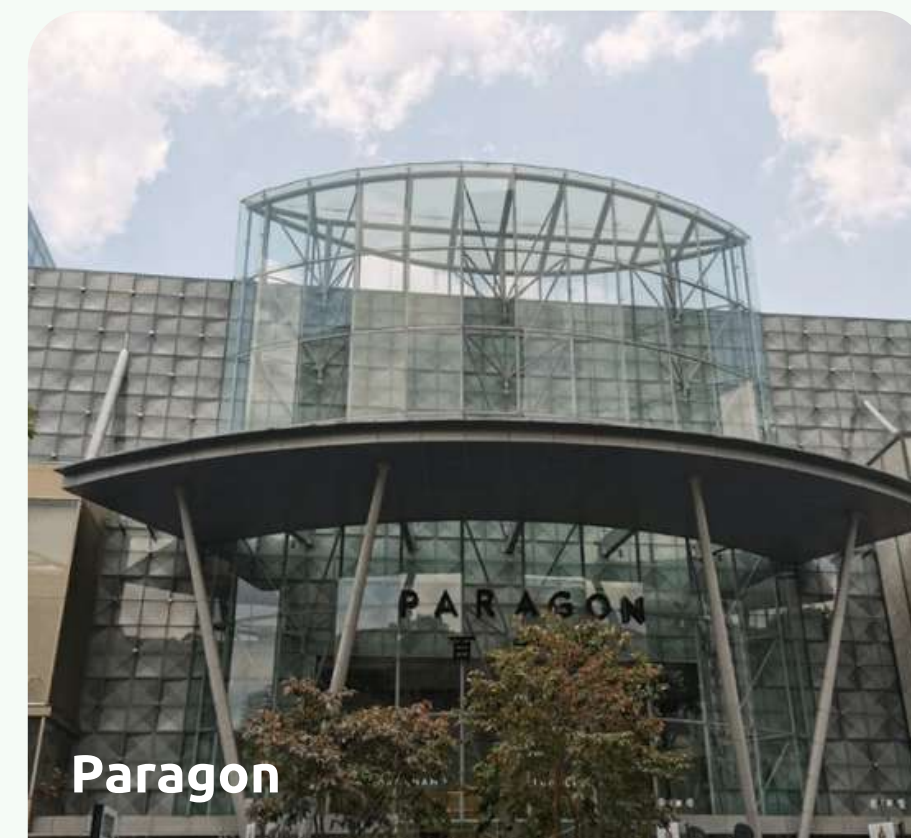
ION Orchard



Tangs



Marina Bay Sands



Paragon

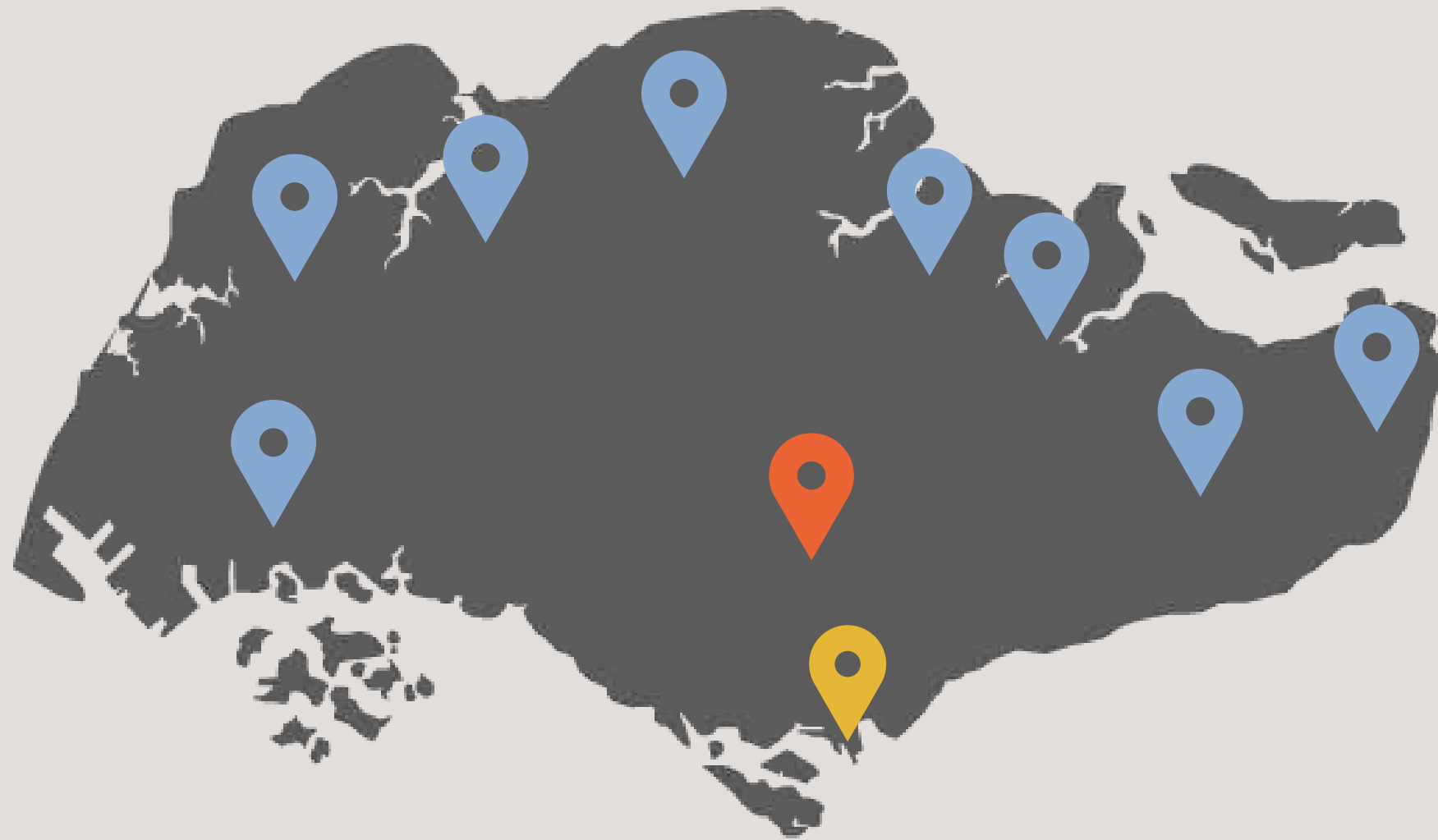



Jewel Changi




VivoCity **texere** advisors

Shopping Destinations



 **Orchard Belt** is the heart of Singapore's retail scene. It features top shopping malls, department stores, upscale boutiques, as well as luxury hotels.

 **Marina Bay Sands (MBS)** area is next to the Central Business District and is where most of the iconic attractions are located as well as restaurants, bars, and luxury hotels.

 **Suburbs** areas feature many heartland malls located and are highly populated by local residents as this where most of the public housing is located. The planning of the upcoming shopping malls is based on urban planning.



Orchard Belt

ION ORCHARD

Opened in 2008, ION is famous for jewelry and luxury watches as well as fashion and lifestyle brands. It has replaced Takashimaya shopping mall as the most luxurious and desirable location for any luxury brand.

TANGS DEPARTMENT STORE

TANGS is the oldest department store of Singapore. It features a mix of international and local brands across lifestyle, fashion, and F&B, targeting a young customer audience. TANGS is an ideal location for mid-range brands without strong brand awareness. Over time, TANGS has shifted from wholesale to a consignment business model, requiring brands to find a local distributor or invest directly.

PARAGON

Paragon has traditionally been famous for housing several Italian fashion brands. Paragon is connected to a medical tower and a nearby private hospital. It has therefore a strong database of regional customers that travel to Singapore for medical treatments, but also don't miss out on the shopping. The mall also features a high-end grocery store and is highly trafficked.

TAKASHIMAYA SHOPPING CENTRE & DEPARTMENT STORE

Takashimaya opened in 1993 and is the first luxury destination in the city. It is divided into two wings: the mall and the department store. The mall houses a majority of French luxury brands and despite its old-style look, the department store outperforms all the competitors and is an ideal start for any emerging luxury brand entering the market.

The many F&B outlets and retail bring high traffic.

Marina Bay Sands (MBS)

THE SHOPPES AT MARINA BAY SANDS

MBS is the latest luxury mall to have opened in Singapore, becoming an international, iconic tourist destination.

Aside from the shopping mall, it features a luxury hotel and one of the two casinos in the city. MBS attracts a large pool of local as well as international shoppers and tourists coming to enjoy a holistic experience of shopping, gambling, and relaxation.

MBS has a strong CRM programme, it hosts some of the top luxury fashion and lifestyle brands and features two unique flagships floating stores of Louis Vuitton and Apple.





Suburbs

VIVOCITY, PARKWAY PARADE, NEX, TAMPINES

Singapore has many suburban shopping malls that offer a wide range of mid-range brands, food outlets, and entertainment facilities such as cinemas, open-air playgrounds, and sky gardens. They often host outlets of international brands.

These malls enjoy high traffic and are a common weekend destination for many local families on the lookout for some light shopping and recreational activities.

JEWEL CHANGI AIRPORT

Jewel was opened only in 2019 and is a nature-themed entertainment and retail complex connected to Changi airport.

The complex features gardens, attractions, a hotel, about 300 retailers, and dining outlets, as well as the world's only indoor waterfall.

Top Multibrand Furniture Showrooms



SPACE

Space is owned in part by Harvey Norman. It first launched its showroom in Sydney almost 30 years ago, and later expanded to Melbourne, Brisbane, Singapore, and Kuala Lumpur. They carry brands such as Baxter, Kartell, and B&B Italia.

MARQUIS

Marquis has been a premium supplier of fine furniture from Europe for over 18 years. It has two retail showrooms and is also the operator of the Minotti showroom at Raffles Hotel.

Marquis features brands such as Visionnaire, Meridiani, Porada, Versace and EMU.

W. ATELIER

W.atelier is a well-established distributor of luxury home furnishings and accessories. They also manufacture Toto, the premium bathroom concepts. They showcase brands such as Fritz Hansen, Vitra, and Cassina.

XTRA

XTRA is a premium design store founded in 1989. It has a retail and a contract showroom and offers a carefully curated range of global design brands.

The showroom features many brands including: Cappellini, Moroso, Tom Dixon, Kettal, Magis and Herman Miller.

PROOF LIVING

Proof living is part of Vanguard group and offers luxury furniture. They also operate Crate & Barrel and BoConcept stores in Singapore. They feature brands like Poltrona Frau, Paola Lenti, Knoll and Lodes.

Top Supermarkets and Gourmet Stores

COLD STORAGE, FAIR PRICE AND SHEN SIONG

Singapore is mainly dominated by three supermarket chains: Cold Storage, Fair Price, Sheng Siong. Each has an extensive presence and offers a wide selection of Asian and Western products.

Cold storage is usually located in expensive districts and is part of the Hong Kong Dairy Farm Group that includes Market Place, Jasons, CS Fresh, 7-Eleven, and Giant.

Sheng Siong and Fairprice are local companies and the latter is government-owned. Both are more affordable in respect to Cold Storage, and Fairprice also carries a more selected product range in its premium outlets, Fairprice Extra and Fairprice Finest.

Overall, shelf space in Singapore is very expensive, and educational marketing is highly recommended for new products.



GOURMET STORES

Singapore is recognised for its varied gastronomic offer and also offers several specialised food shops with high quality international and artisan products, often with attached catering. The most renowned are Da Paolo, The Providore, Little Farms, Culina, and Huber's Butchery.



E-commerce



Projected Revenue in 2021

**USD 2,793
million**

Electronics



**\$1.08
Billion**

Fashion
and beauty



**\$999
Million**

Toys,
DIY and hobbies



**\$658
Million**

Food
and personal care



**\$647
Million**

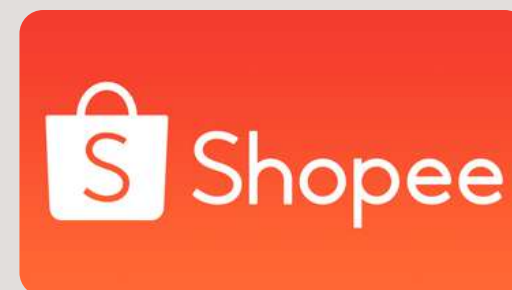
**E-commerce spend by category
2020**

Top E-commerce platforms

Zalora is an online fashion marketplace that offers an extensive collection of international and local brands, as well as in-house labels across apparel, shoes, and accessories for men and women.



Launched in Singapore and primarily for electronics, Shopee was the second most visited e-commerce platform in 2019. Over the years new categories were added, and currently, the platform offers apparel, shoes, accessories, cosmetics, as well as groceries.



Lazada is the biggest e-commerce website in Southeast Asia and is owned by Alibaba Group. It offers electronics, household goods, apparel, accessories, and groceries. Additionally, it is the most followed online platform on Facebook and Instagram.



With a 40 billion evaluation, Grab is the Singaporean super app that offers food and grocery delivery, transportation services, and digital payments services via a mobile app.

EXPERT BITES TEXERE

Singapore is a strategic retail hub and is considered a benchmark in Asia to judge the success of a brand, as well as a gateway to regional expansion. Without a solid retail presence in Singapore, it is extremely difficult to find a distributor willing to take it up in other countries.

The retail scene has significantly changed mainly due to the **widening gap between fast-fashion and luxury brands**, and the social media, which changed the dynamics of marketing and communication necessary for making a brand successful in Singapore.

It is increasingly difficult to enter the market and the most common mistake is to manage the business remotely. Having a local team is crucial for creating personal relationships with distributors and landlords and benefit from their expertise.



ANDREA BONARDI

Managing Partner
Texere Advisors

EXPERT BITES CONSUMER

Singapore's reliance on foreign brands is extremely high, being most of the products imported from abroad. But what is even a more significant factor of differentiation compared to other APAC countries, is that in Singapore you can be absolutely certain that almost every product is 100% authentic.

However, despite an overall pleasant shopping experience offered in the country, **there is a lack of brands in the mid-range segment.** Compared to Europe, where you can easily buy products from great brands for 80-180 euro, the Singapore market is more polarised over the two extremes represented by mass-market and luxury brands.



**KATERINA
KOLMAKOVA**

Expatriate living in Singapore
for over 10 years

EXPERT BITES DISTRIBUTOR

The Singaporean contract market is slowly recovering and adjusting to the new working settings. Since many still work from home or on rotation, offices are likely to split their premises into smaller satellite offices across the country and feature hot desks and mobile furniture. Therefore, **“flexible” furnishings are likely to have strong growth** in the near future.

European brands are certainly still trendy in the contract market of Singapore and Italy is considered the best in terms of manufacturing sofas. However, the competition is on the rise from both European (e.g., Scandinavian) and Asian brands, as they are becoming more design-driven and constantly investing in collaborations with designers. Also, although Asian brands are not as affordable as before, **foreign brands should constantly monitor the market and focus on creating a price point in line with the current offer.**

Not having a production site or stock in Asia is also another factor that can affect the success of foreign brands. As a matter of fact, **shorter lead time is crucial for competitiveness.**

Concerning local consumers, the younger generation seems to care less about the brand name but rather about the design itself, so as mentioned earlier **being trendy will be key.** Brands' marketing efforts should not only focus on showing the heritage of the brand, but also its lifestyle settings and how their products can be used in everyday life.



Furniture industry
expert with 30 years
of experience



MARKET →

CUSTOMER →

BRAND →

PRODUCT →

THE FOUR DIMENSIONS OF RETAIL IN SINGAPORE



10%

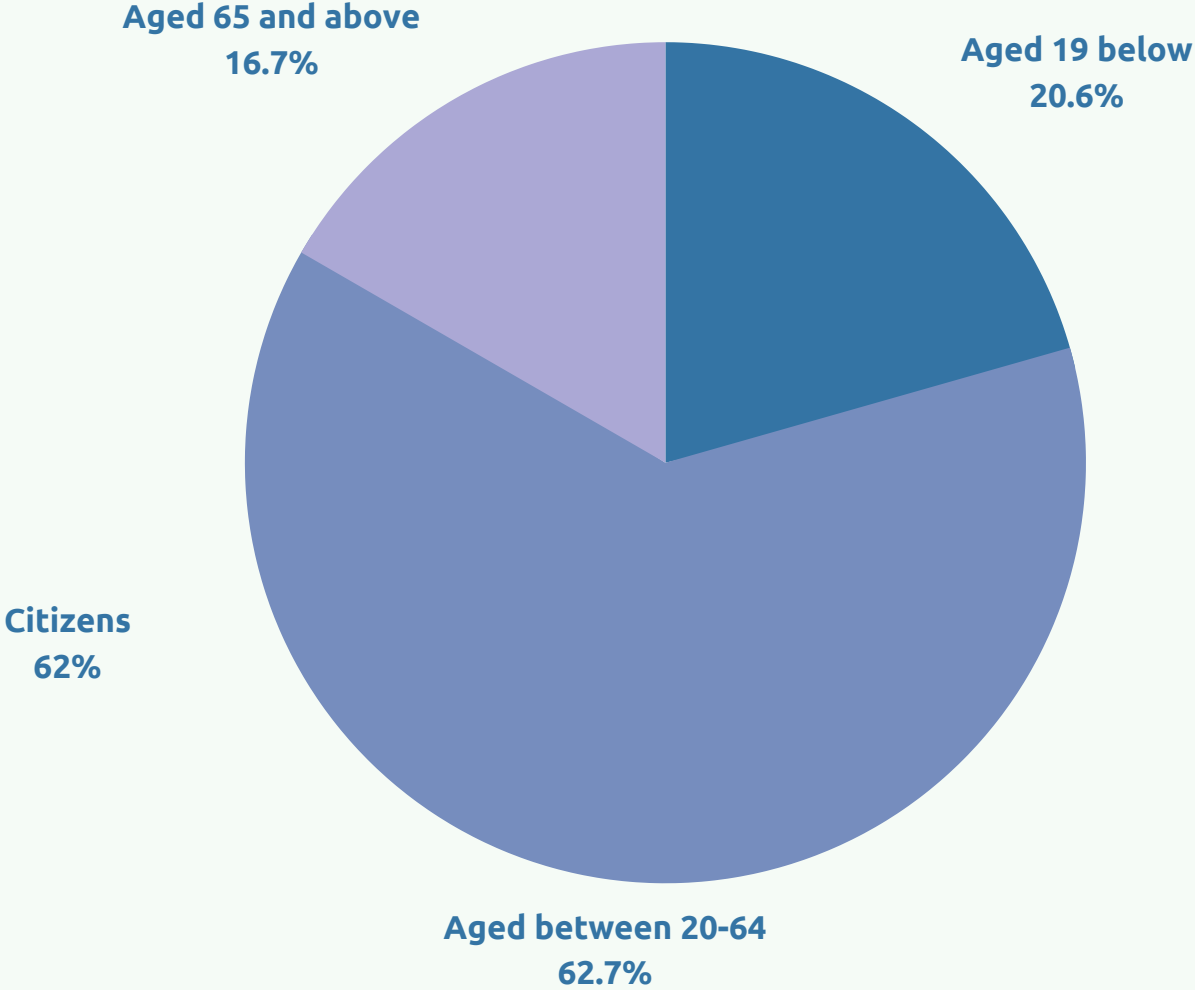
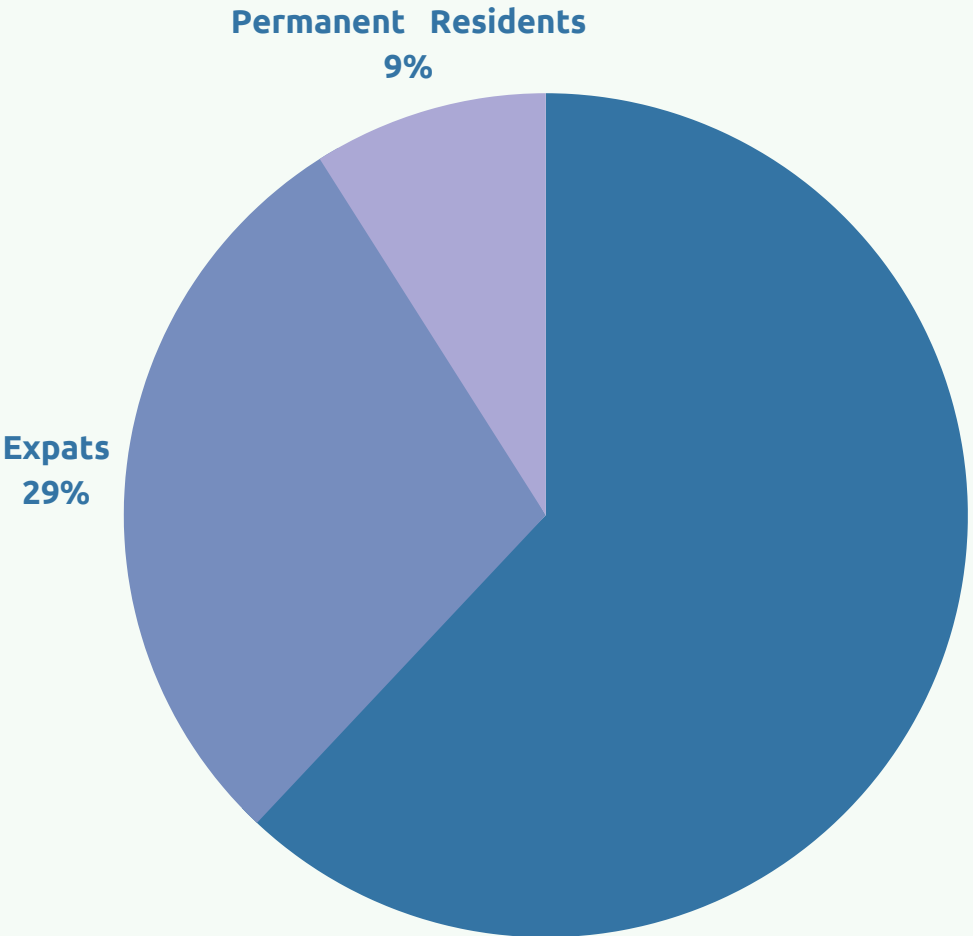
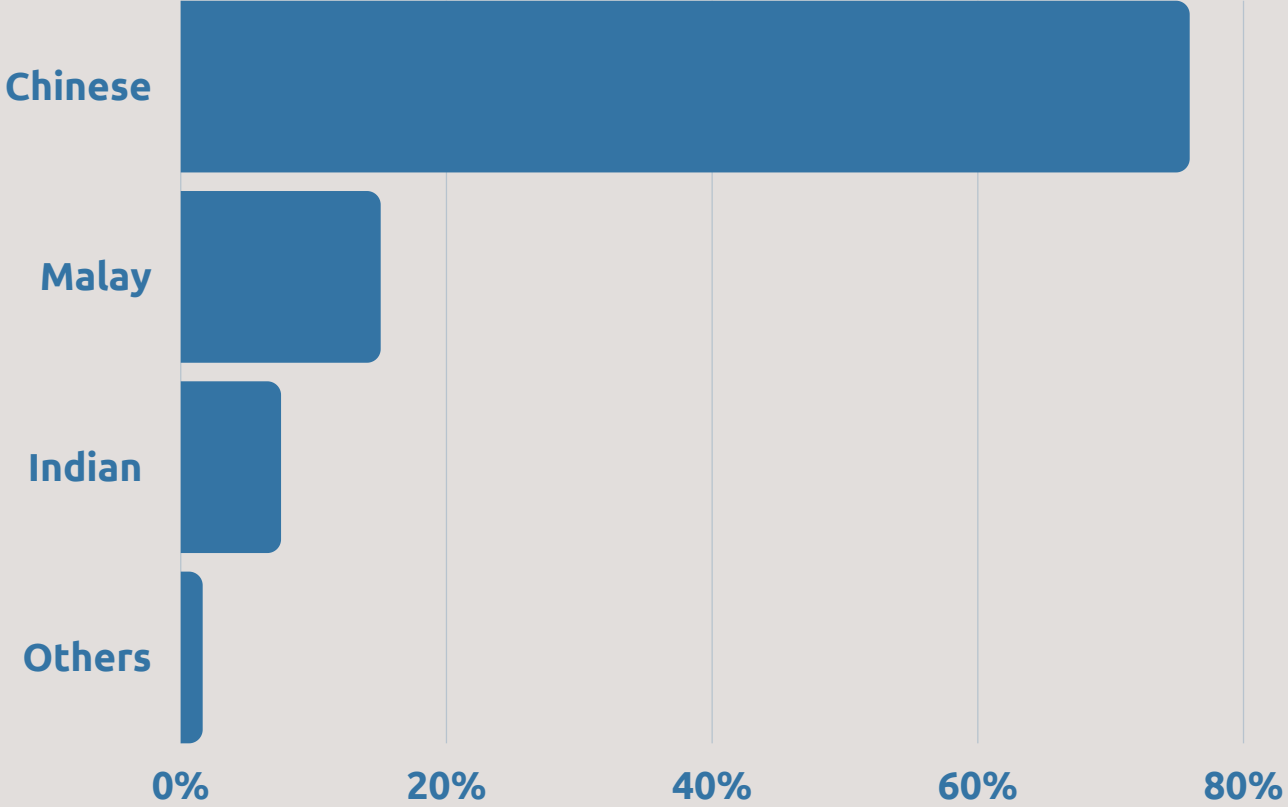
Increase in ultra-high-net-worth individuals in 2020

25%

Luxury Car Registrations

The Population

**3,5 million Singaporean citizens
out of 5,7 million total population**



Department of Statistics of Singapore, 2020



Consumers Profile

- Sophisticated preferences
- Price-conscious
- Increasingly demanding premium products
- Tech-savvy and brand-conscious
- Have a high standard of living and strong spending power
- Willing to try new products as long as the price is competitive

EXPERT BITES TEXERE

Singaporean consumers are extremely informed, demanding in terms of quality, and sensitive to price: by paying a product 10 dollars, they probably expect it to be worth 20.

While previously they would come to the brand, now **additional effort is required to reach and connect with them.** In this regard, the most important mistake foreign brands make is not investing enough in marketing and thinking that just by opening a store, customers will flock to them. Investment in marketing should ideally start with 12-15% of the turnover and eventually decrease over time.



MATTY CHOW

Partner Sales and Operations
Texere Advisors

EXPERT BITES EXPAT AND LOCAL CONSUMER



**KATERINA
KOLMAKOVA**

Expatriate living in Singapore
for over 10 years

When it comes to well-known brands, Singaporean customers are **increasingly switching towards online shopping**, which is also the main reason why **shopping has become 24/7 now**; on the other hand, offline shopping is becoming more attractive too, due to a significant number of **new brands entering Singapore** and making its retail market much more varied.

The **quality of the material**, the **overall design** and the **packaging** are the 3 factors over which I put most attention when selecting a product.



**VALERIE
CORERA**

Singaporean
consumer

Singapore consumers are shopping increasingly **online** and generally are significantly more **exposed and aware of international brands** than before: **brand consciousness** is extremely relevant, foreign brands being attached higher quality and, in some cases, even **status symbols**.



MARKET →

CUSTOMER →

BRAND →

PRODUCT →

THE FOUR DIMENSIONS OF RETAIL IN SINGAPORE



The brand must always be consistent with itself and at the same time evolve to adapt to market and consumers' changes

EXPERT BITES TEXERE

As the Singapore retail market is quite polarised over the two extremes represented by mass-market and luxury brands, more **mid-range brands are expected to enter the market in the coming years.**

What I see from my own experience is that brand values and heritage are hard to transmit through online channels only and instead need human interaction, with the involvement of emotions and human senses. **Storytelling and immersive in-store shopping experiences are extremely important in this sense.**



SHAUNA SIM

Brand Manager
Texere Advisors

EXPERT BITES TEXERE AND LOCAL CONSUMER



**MATTY
CHOW**

Partner Sales and Operations
Texere Advisors

Pricing and location of the store are the two main factors to be considered in positioning correctly a foreign brand in the Singapore retail market; in particular, **pricing should be close to the one in the domestic market** (i.e. max 10% higher).



**NG XIANG
JING**

Singaporean
consumer

What I look most at in a product are the brand and the price, in addition to the design itself; also exclusivity may be quite important, especially related to the resale value of a limited edition product for instance. Regarding foreign brands, the general perception is that their products are characterised by higher quality and better design; other than that, a specific social status is often associated with foreign products having strong branding and image.

EXPERT BITES DISTRIBUTOR AND MEDIA



**DANIEL
MAGG**

General Manager
W. Atelier Pte Ltd

Branding is the most important factor to take into consideration for achieving success in the premium upper segment of the furniture market, even more than pricing.

A strong and desirable brand is going to guarantee a great volume of sales; in this regard, whatever appears in the news, social media, design magazines, etc. is expected to have a good following in terms of clients. On the other hand, a **product may be really good and still have hard time selling in Singapore if the brand is not that popular.**



**EVON
CHNG**

Former Fashion
Stylist

Ideally, new brands that enter Singapore should have an existing following back in their home country and **invest in educational content. Brand awareness and connecting to local consumers is very expensive but absolutely essential here.** Companies with limited marketing budgets should **focus their efforts on digital**, on constantly refreshing their visual merchandising and small B2B gatherings to engage with partners and generate awareness.



MARKET →

CUSTOMER →

BRAND →

PRODUCT →

THE FOUR DIMENSIONS OF RETAIL IN SINGAPORE



Quality



The Made in Italy factor in the 3F (fashion, food, and furniture) is still an important value if it corresponds to the production reality



Craftsmanship, that is the "know-how" and attention to detail, is a desired and sought-after value that makes the difference



Positioning



Price positioning must be consistent with product quality and brand awareness



The product must address a clear and specific market segment (luxury, premium, mass)

EXPERT BITES TEXERE

Innovation is very important both in terms of communication and of the product; it is strongly linked to the concept of product differentiation, extremely significant for the recent trends towards exclusivity. For example, packaging should be attributed increasing importance, especially from two points of view: branding (packaging can be used as a marketing tool) and sustainability (packaging made of recyclable or biodegradable materials, given the increasing concern for the environment by Singaporeans). In any case, **there has to be necessarily a strong coherence between brand and products: both of them have to transmit the same message to the consumer.**



JESSICA ZHANG

Brand Manager
Texere Advisors

EXPERT BITES DISTRIBUTOR

The perception of the “Made in Italy” label strongly depends on the type of product: it represents the gold standard for furniture and wardrobes while facing increasing competition from German brands when it comes to kitchens.

The main challenge is that, sooner or later, more regional-made furniture will probably be purchased, even though the process will take a long time, especially for the luxury market. However, if you are able to **develop a strong brand, keep an outstanding standard of quality while also performing well in terms of delivery time**, there will always be enough opportunities in Singapore.

On the contrary, in the mid-range segment people are looking a lot more at the price and time of production and delivery, as the cycles are becoming much shorter.

Other than that, **localising to the target market is also essential**, as products that work in the domestic market are not always suitable in Asia.



DANIEL MAGG

General Manager
W. Atelier Pte Ltd

EXPERT BITES MEDIA

What is interesting to notice are two opposite trends. When it comes to fashion, **Singaporeans tend to be more “quiet” and not very flashy**; covering yourself with big brand’s logos is no longer trendy, and a more clean/minimal look is preferred.

On the opposite, **when it comes to home decor, locals are preferring more opulent designs and colourful styles**; since many are working from home, they want to create a positive atmosphere.

To stay relevant in the future, it is important that brands study the local design trends and localise their products.



EVON CHNG

Former Fashion
Stylist

EXPERT BITES DISTRIBUTOR

Foreign F&B products are bought by both expats and locals, with the latter audience being generally more skeptical about trying new ingredients.

Having multilingual packaging is the first step a brand should take when entering Singapore. A trendy packaging is essential for gourmet products to justify the higher pricing, whereas is not a necessity for more commercial shelf products. Also, adding as much information as possible about the product and its preparation is key to generate interest.

When it comes to organic labels, these do not seem to be important during the decision-making process of local consumers.

Unfortunately, the “Made in Italy” label for F&B products in Singapore does not enjoy a perception of high quality as in other Asian markets. This is especially true for wine brands, with Australian and French wines perceived of higher quality. **Retailers need to work hard to win consumers by educating them about the product use and story-telling.**



ANDREA IOTTI

Owner
Gourmet Store
"Alimentari"

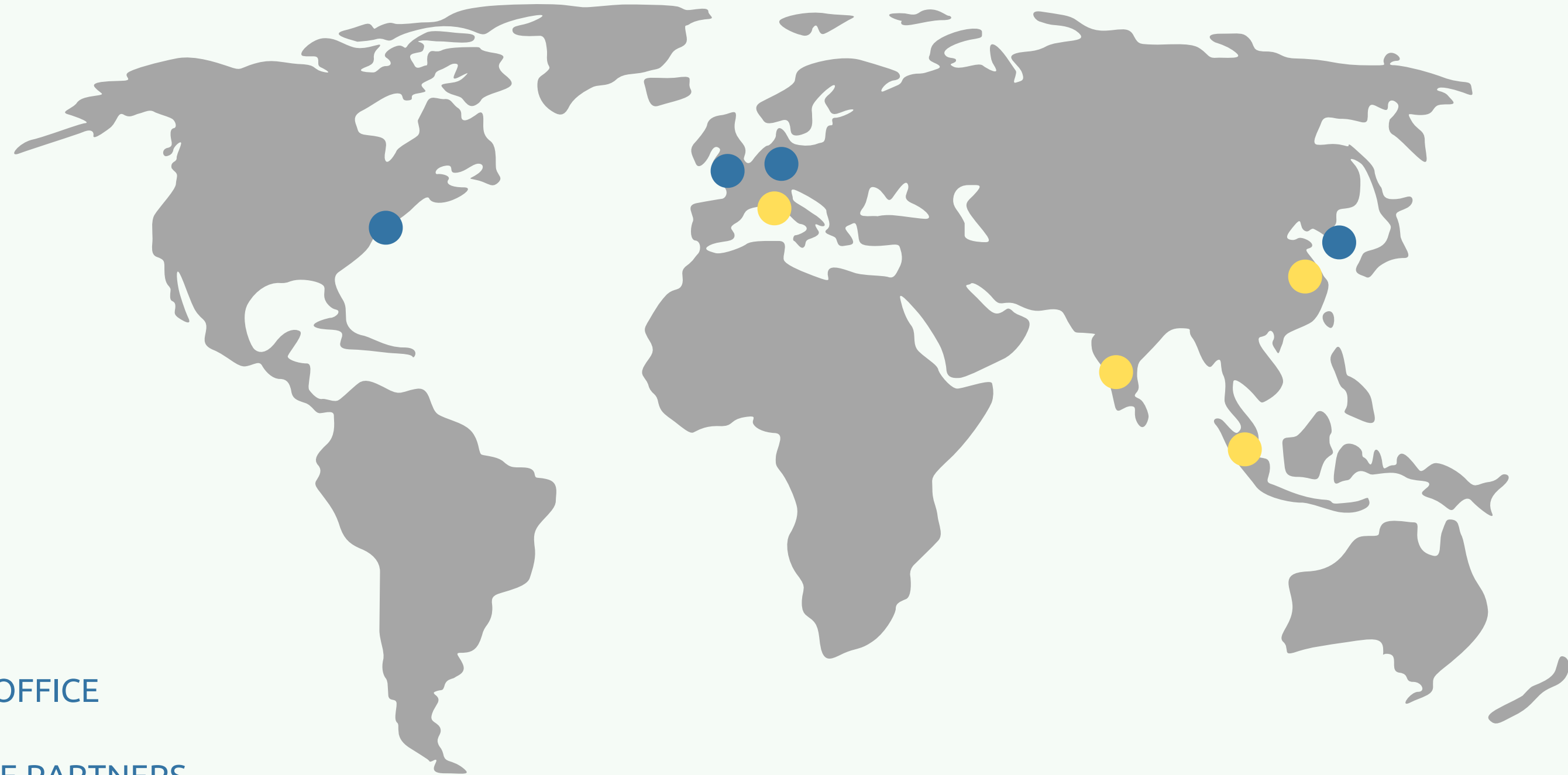


KEY TAKE AWAYS

- **SINGAPORE IS A GATEWAY FOR REGIONAL EXPANSION**
- **GET A LOCAL PARTNER/TEAM**
- **FOCUS ON DESIGN: BE TRENDY AND LOCALISE**
- **STORYTELLING AND EDUCATIONAL MARKETING ARE KEY**
- **INVEST IN LOCAL DIGITAL MARKETING (12-15% OF TURNOVER)**
- **CONSTANT MONITORING OF THE MARKET IS KEY TO CREATE THE RIGHT PRICE POINT**
- **SHORT LEAD TIME CRUCIAL TO BE COMPETITIVE**
- **BE COHERENT BETWEEN BRAND AND PRODUCT**

WHERE WE ARE

OUR NETWORK



● TEXERE OFFICE

● AFFILIATE PARTNERS

OUR TEAM

MANAGING TEAM

Texere Advisors was founded in **2013**



ANDREA BONARDI

MANAGING
PARTNER



MATTY CHOW

PARTNER SALES
AND OPERATIONS



JESSICA ZHANG

BRAND
MANAGER



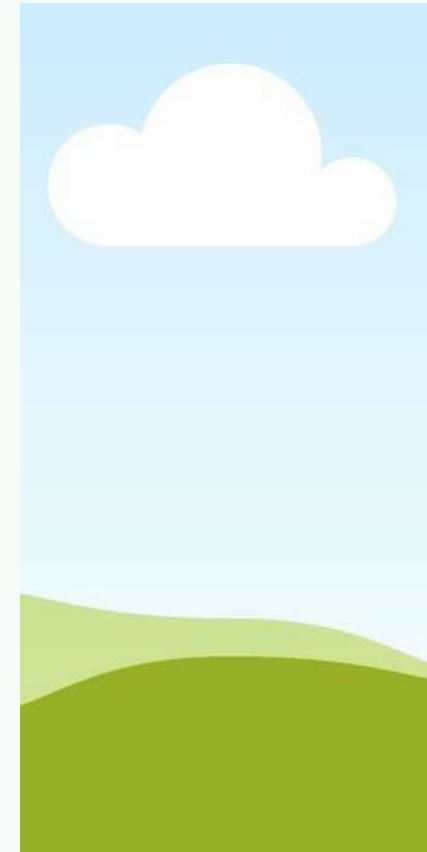
SHAUNA SIM

BRAND
MANAGER



ALEX IUCHYK

MARKETING
MANAGER



ROYDEN CORREA

COUNTRY MANAGER
INDIA



CANDICE CORREA

PROJECT ASSISTANT
INDIA



KYLIE DING

COUNTRY MANAGER
CHINA

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PARTNER
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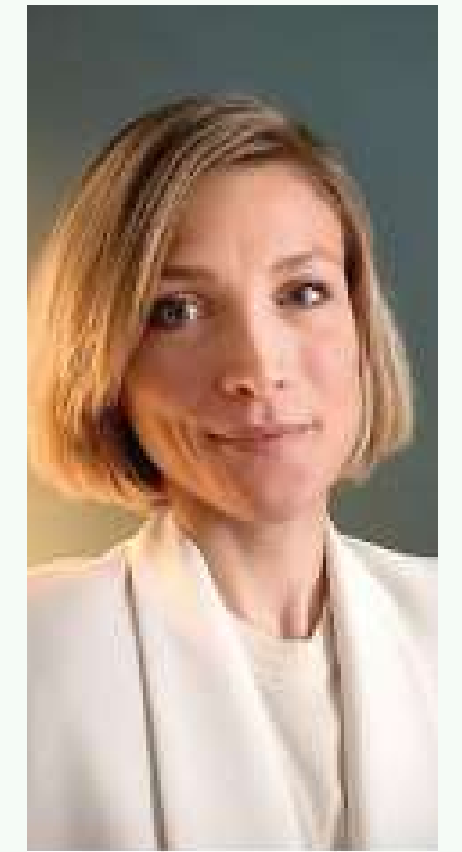
ALFREDO SCIALABBA

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