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Why is Singapore a top destination for international e-commerce?



Singapore's current e-commerce position

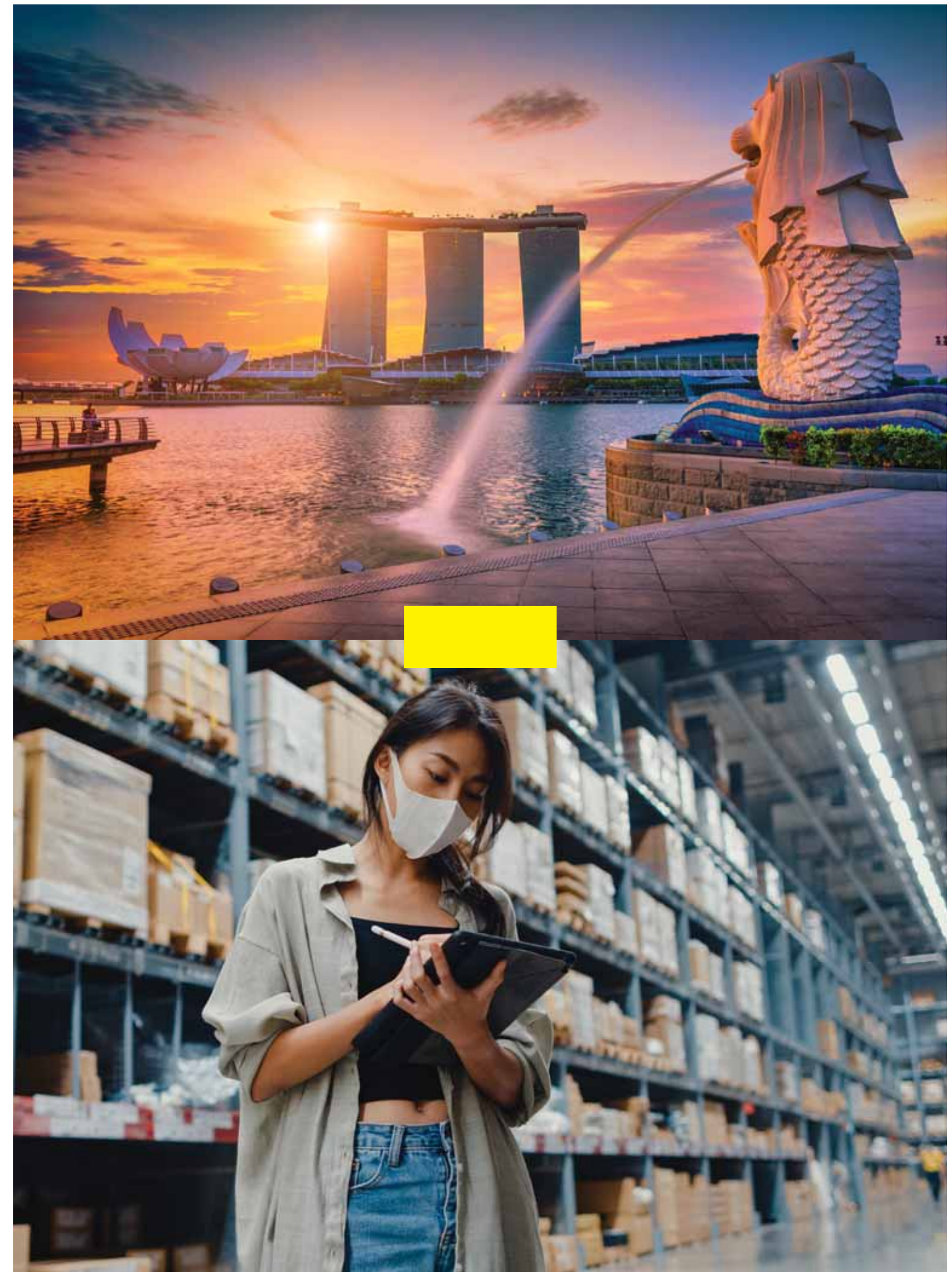
The COVID-19 pandemic has affected businesses worldwide, particularly Southeast Asia, where digital buyers have significantly increased. Due to multiple 'lockdowns' in 2020, the public had more time at home on the internet. Singapore, in particular, had an increase of 30% in new digital service consumers, of which 9 in 10 stated their intention to continue using digital services¹. The continued growth shows that e-commerce will endure even after the pandemic is over.

The Singapore government has introduced new digital solutions to support consumers and businesses with e-transactions and inventory management, school materials and classes. Compared to other surrounding Asian countries, Singapore has maintained steady growth despite the slight decline in GMV in online travel (-70% YoY in 2019-20), thanks to a substantial **87%** YoY growth in the e-commerce sector between 2019 and 2020¹, Singapore closed 2020 with an e-commerce revenue of USD **2.616 million**².

Future e-commerce growth

Technology has become an integral aspect of Singaporean daily life, enhanced further by the COVID-19 pandemic. Foreseeing over USD 3.1 billion generates from e-commerce products in 2021, and USD 4.6 billion is projected until the end of 2025, the reckon annual growth rate in 5 years is +10% CAGR (2021-2025) in Singapore.

E-commerce growth by category 2020 vs 2019³:



Why choose Singapore as an e-commerce destination?

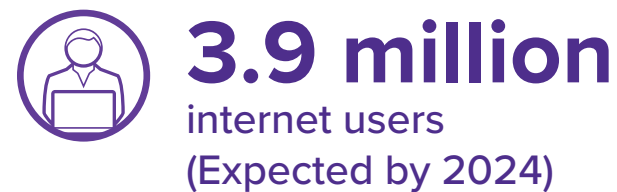
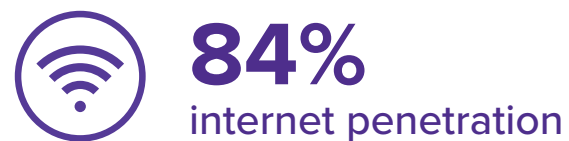
Singapore is one of the most business-friendly Asian countries with a highly integrated financial industry and political stability.

With a long-time focus on digital innovation, Singapore can proudly provide the fastest internet network speed in the world.

The internet penetration rate is at **84%**⁴, with a consequential e-commerce penetration of **55.9%** expected by the end of 2021, reaching **67.2%** by 2025². As recorded by Statista searches, in 2020, there were **3.1 million** Singaporean users, which will rise to **3.9 million** by 2024². Singaporeans are already used to buying online: just a couple of years ago, Singapore made the highest number of online purchases overseas (**73%** of **3.5 million** online consumers) and 60% of Singaporeans buy one or more products online at least once every month⁴.

It is noteworthy that although many people buy on foreign and cross-border platforms, such as Amazon or eBay, the difference in the percentage between domestic and foreign sales is high, with values of **77%** and **23%**⁵, respectively.

Online shopping growth environment:

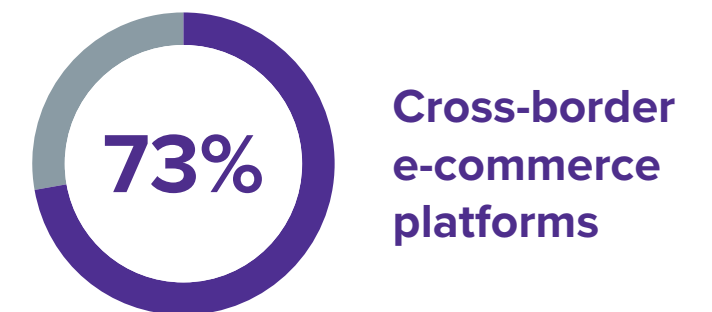


Why Singaporeans like to buy online?

The answer to this question is pretty simple. There are better deals for similar products on the internet. They enjoy finding products on sale, particularly during online discounts days. They love to treat themselves especially after receiving their salary at the end of the month and during public holidays, as recorded by studies⁶.

Secondly, they find cashless payments much more convenient and faster, so they are more likely to pay with credit cards or e-payment.

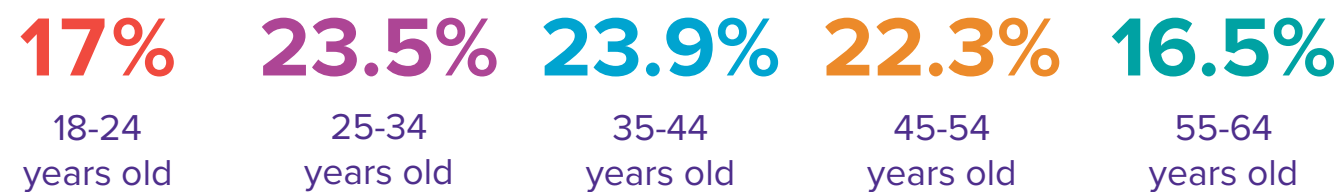
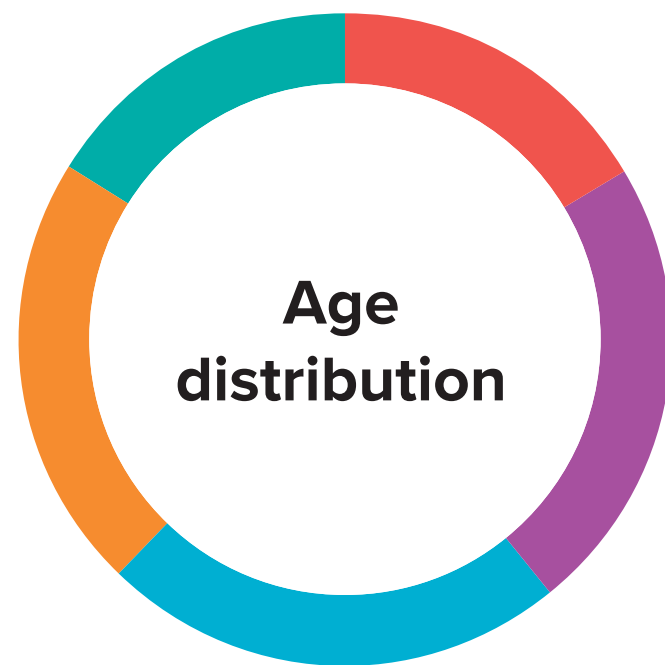
Thirdly, the barriers to entry into Singapore's market are easily surmountable, thanks to their multilingual education (English and Mandarin are the two fundamental languages). Foreign brands on cross-border platforms, such as Amazon or eBay, are commonly requested. The Ipsos/PayPal research shows that **73%** of online foreign purchases are from cross-border platforms⁷, **14%** on foreign websites⁸.



The Singaporean online shopper

According to Picodi's 2018 study, **57%** of online shoppers are women while **43%** are men⁹. **23.9%** of these shoppers were adults, within the age of 35-44 years, followed right after by **23.5%** of 25-34-year-old age group, **17%** of 18-24-year-old and **22.3%** of 45-54 age group, and the ranking close with **16.5%** of 55-64-year-old age group².

Singaporeans are meticulous when it comes to shopping. They search for various reviews, features and price comparisons until they get the best product with the best deal. This complex buying nature is a peculiar characteristic compared to other Southeast Asian countries. Some Singaporeans are sceptical of the products for sale online, which is why they are also critical of the service they receive. They will review their purchases, the shopping experience on the platforms, the delivery service, the products themselves negatively and positively.



34%

of users complain if an online purchase goes wrong or not as expected



79%

of active social users

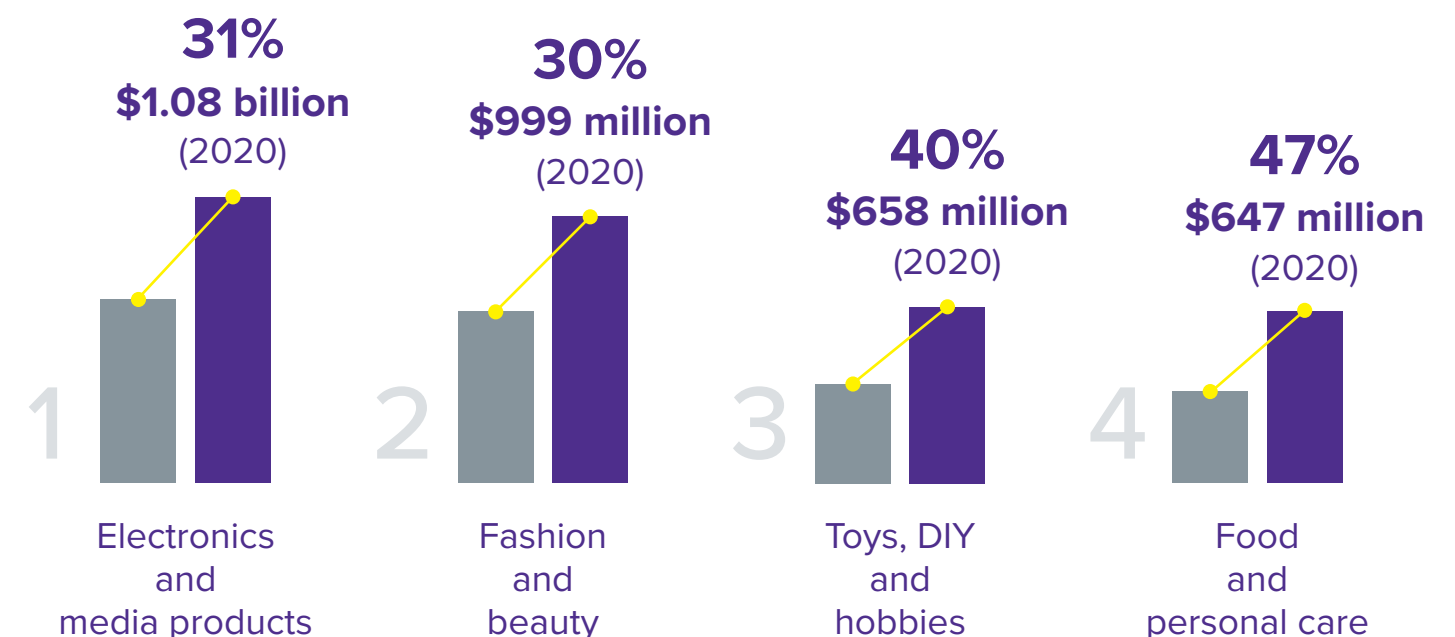


75%

of users leave positive reviews if the delivery service is fast (within 0-3 days)¹⁰.

Singapore's top product categories

Generally, the five largest e-commerce categories are fashion and footwear, media products, personal care and eyecare, and electronics. Research from recent years shows different results regarding the categories of best-selling products. However, using the 2020 data results, we can see Singapore's total annual amount spent on consumer e-commerce categories and their annual growth²:



Top E-commerce platforms in Singapore

Due to the fast-growing economy, many large e-commerce platforms invest in the local online marketplaces in Singapore. International shops like eBay, Amazon and Alibaba's AliExpress and Taobao are trendy amongst Singaporean shoppers. Most marketplaces follow three business models: business-to-customer (B2C), direct sales and customer-to-customer (C2C).



Brand official website

Many brands choose to promote B2C on their website or stores to have complete control of sales, exclusivity, and the chance to cultivate brand loyalty among online shoppers.



The most used platforms are:



Lazada

Founded in 2012, Lazada is an international e-commerce company with marketplaces in Singapore, Indonesia, Malaysia, the Philippines, Thailand and Vietnam. It caters for B2C, direct sales and C2C business with markets all over Southeast Asia. It is the leading marketplace for food and beverage, fashion and skincare products. Lazada Group also owns RedMart, an online supermarket that sells more than **100,000** products with more than **1,000** vendors.



Shopee

Founded in 2015, Shopee has markets all over Southeast Asia. It offers a diverse range of products, including food and beverage, fashion, skincare products. Shopee targets B2C and C2C businesses, and their designed app gives users an easy and smooth purchase experience.



Zalora

Zalora is based in SEA and presents in Singapore, Indonesia, Malaysia & Brunei, the Philippines, Hong Kong and Taiwan. It offers mainly fashion products, both local and international brands. Its business model is B2C, direct sales and C2C.



Qoo10

Qoo10 is a giant Singapore-based platform that offers fashion, beauty, electronics and children's products. In 2018, Quoo10 recorded the highest e-commerce traffic in Singapore.

How do Singaporeans pay?

Mobile banking apps are being embraced by Singaporeans increasingly¹, with a recorded **17%** monthly growth in 2020. We can see the preferred method for online purchases by the public⁵.



63.3%
Card payment



11.3%
Cash payment



16.5%
Electronic direct/
Automated Clearing
House transactions



8-9%
Other paper-based
payments

Having flexible payment options on your e-commerce site helps to keep customers at ease and makes you a more credible vendor.



How to reach Singaporean customers

By understanding specific shoppers' behavior, you can better plan your sales promotions in a certain market. Due to the huge variety of bargains and deals, digital sales festivals are attractive.

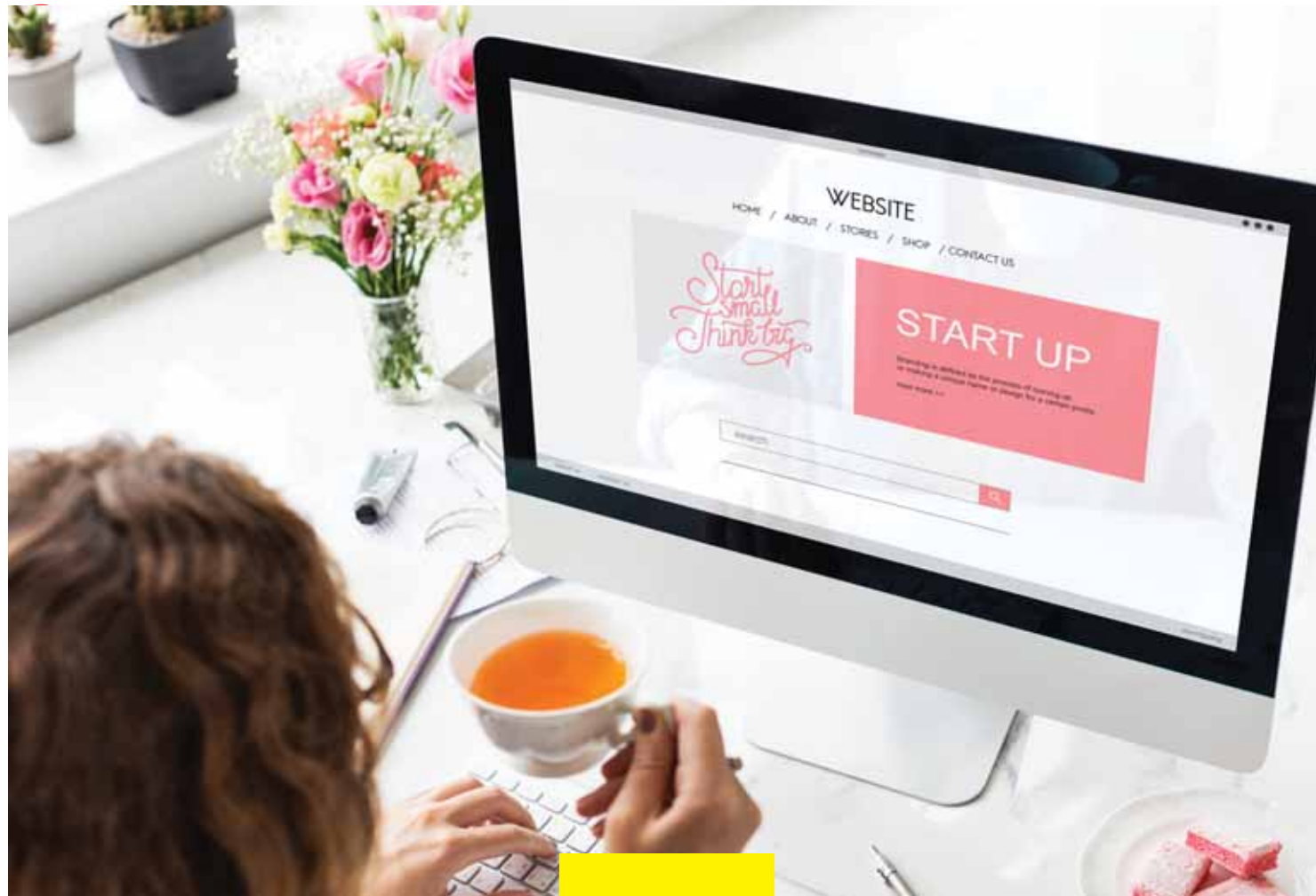
By marketing your products to fit different events and running significant discount campaigns on the specific Mega Sale days, you can make the shopper more actively engaged with your brand.

Singapore's major online shopping days are:

- ★ Single' days (11.11)
- ★ Black Friday and Cyber Monday
- ★ Great Singapore Sale (annual event usually from June to July)
- ★ Chinese New Year
- ★ Hari Raya Puasa

Other E-commerce events:

- ★ 12.12 and 9.9
- ★ Lazada Singapore's birthday sale
- ★ Christmas



Singapore customers' discount preferences:

Outside of the sales events mentioned previously, you can hold pre-sales to get to know your online consumers and to have a more substantial chance for users to buy your products. Since Singaporean online shoppers don't like to miss an opportunity for significant savings, you could add flash discount codes to encourage them to complete their purchase. Another suggestion is to keep up to date on the latest trends, so you know what online buyers want and offer them at the right time. You can also offer surprise boxes to amaze consumers with the most requested products.

Reaching your Singaporean customers

How to achieve customer growth:

Collaborations with cashback platforms or physical sellers can allow your business to reach many more users, especially when directly contact them on social media. Singaporean customers spend **20% - 40%** more with companies they have a connection with on social media¹¹ because those companies make them feel involved in their activities and ask for their feedback.

Rapid integration into Singapore e-commerce:

On top of everything, your e-commerce platforms – website or social network profile - must-win customers' trust and fulfil delivery expectations. Fulfilling cross-border shipments means that you should be able to ship inside Singapore quickly without any problem and also offer the option for real-time tracking. It is vital to engage with a reliable shipping partner who has vast experience in Singapore. Relied on their expertise and local connections, first-hand news on regulations changes, and practical logistics strategy, helps you selling cross-border easy. A specialist in logistics will guide you at every step as your business grows whilst helping to build customer trust, which is essential in e-commerce.

Who is Asendia?

A local presence in

17
countries

With over

1,500
experienced
employees

Serving more than

200
destinations

Asendia is an international joint venture with La Poste and Swiss Post. With strategically-placed subsidiaries around the globe, we leverage our European know-how and global partner network to offer efficient, reliable and flexible logistics services worldwide.

With our wealth of international and local expertise all across the world, we can design the most effective solutions to expand your business in new countries, offering you practical international shipping and technology services.



Our team in APAC is ready to help you

- **Market knowledge**

Local presence with 4 offices and support teams in Singapore, Hong Kong, Australia & New Zealand

- **European support**

We have e-commerce experts guiding you throughout your APAC business

- **One stop-shop**

Digital service package available for e-commerce development within the region (set up your local brand.com, visibility on local marketplaces and social commerce ads)

- **Scalability and tailored solution**

according to your requirements & business size

- **Management of physical flow**

Asendia will provide you the best experience in Distribution & Logistics thanks to our Fulfillment Center based in Singapore

- **Regional hub**

Our warehouse located in the Free Trade Zone of Singapore will bring you cost savings, better cashflow and simplified custom procedures benefits

- **Final mile delivery solution**

with our logistics partner Ninja Van - N°1 in ASEAN - over 500+ million consumers within coverage – 900 hubs & stations over 6 countries

- **DDP solutions**

Smooth & easy customs clearance process in the region for better end consumers' experience

Acquisitions and Partnerships

Asendia aiming to support international e-commerce with an all-in-all cross-border experience. Besides partnered with premium postal brands, we also work with the top services providers of technology and logistics in the top regions.

Digital



eShopWorld - acquired in 2021

ESW is the cross-border end-to-end e-commerce leader, empowering the world's best-loved brands and retailers to make global shopping better, safer, simpler and faster, across 200 markets.



Anchanto - minority stakeholders since 2020

Anchanto is the market leader in Asia-Pacific for multichannel e-commerce solutions, with more than 100 employees and operations in 14 countries. Anchanto offers back-end e-commerce operations for businesses of all sizes with innovative & intelligent SaaS platforms.

Asendia offsets 100% of carbon emission related to international transportation, excluding first-mile (pick up) in the country of origin and last-mile delivery in the destination country. We are proud to continue that heritage by taking positive, responsible actions to minimize Asendia's impact on the environment.



Logistics



Ninja Van - strategic partners since 2014

Ninja Van is the fastest growing courier company in Southeast Asia. Ninja Van is a tech-enabled express delivery company providing hassle-free delivery services for businesses of all sizes across Southeast Asia.



Contact Asendia today!

Our team of e-commerce professionals can help you grow your business.

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