

**Rethink Retail.
Advance Careers.**

OVERVIEW OF RETAIL SECTOR

RETAIL SECTOR IN SINGAPORE

Retail shapes the character of Singapore – it underpins the growth of the tourism industry and contributes to an enhanced quality of life for Singaporeans to live, work and play. The retail sector contributes to almost 1.3% to GDP and has provided more than 140,000 jobs*, making it a key industry for the nation.

RETHINK RETAIL

Amid the highly competitive retail landscape today, consumers seek unique and engaging shopping experiences that transition seamlessly from offline to online and vice versa. The retail sector faces has to evolve and adapt to major trends like the adoption of an omni-channel approach, creating innovative in-store concepts, and leveraging new retail technologies to remain internationally competitive.

ADVANCE CAREERS

At the same time, the retail sector is facing manpower challenges with its manpower-intensive business formats, with expansion driven historically by manpower growth. In today's tight labour market, and with changing aspirations of the workforce, it is not sustainable for retailers to rely on getting more manpower and carrying on business as usual. As retailers innovate and adopt technology to overcome disruption and meet evolving customer needs, it is equally important to relook into job scopes and equip employees with the right skills to deliver optimal retail experiences. This should be supported by progressive human capital policies for sustainable wage and career progression.

* Department of Statistics and Ministry of Manpower, 2017

KEY SUB-SECTORS IN RETAIL

- *Fashion* and Sporting Goods
- Furniture and Finishing
- Jewellery and Timepieces
- Supermarkets and Convenience Stores
- Consumer Electronics
- Department Stores

THE FUTURE OF RETAIL



E-Commerce market and online explosion

1/4 of 400 million people in the ASEAN region shop online, and 150 million are digitally connected*. User penetration in Singapore is expected to reach 74%, with about 3.86 million online users by 2020**.

*Bain Southeast Asia Digital Consumer Survey, Nov 2015

**Statista, 2016



Growing customer expectations

Consumers are better informed and seek both personalised products and seamless shopping experiences across multiple channels.



Technology and digitalisation of retail

Retailers need to innovate across their operations and invest in digital channels.



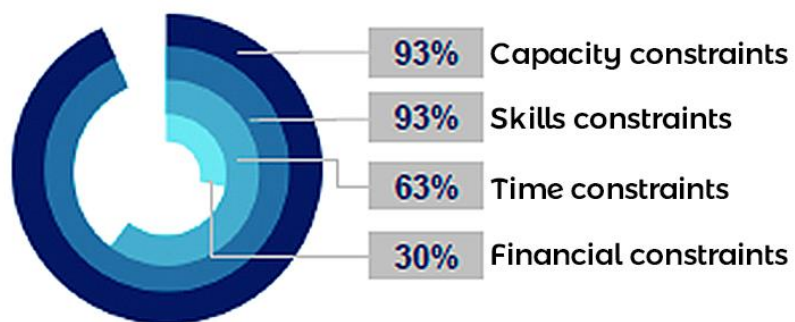
The omni-channel approach

The shopping experience today must encompass multiple channels, from the traditional brick and mortar stores to desktops and mobile devices.

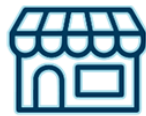
KEY FINDINGS OF THE RETAIL INDUSTRY

RETAIL BUSINESS MODEL

Top Business Operational Constraints



Possible Changes to an Operating Model



90%

Streamlined store environment and back-end operations



83%

Adoption of technologies and manpower-lean solutions

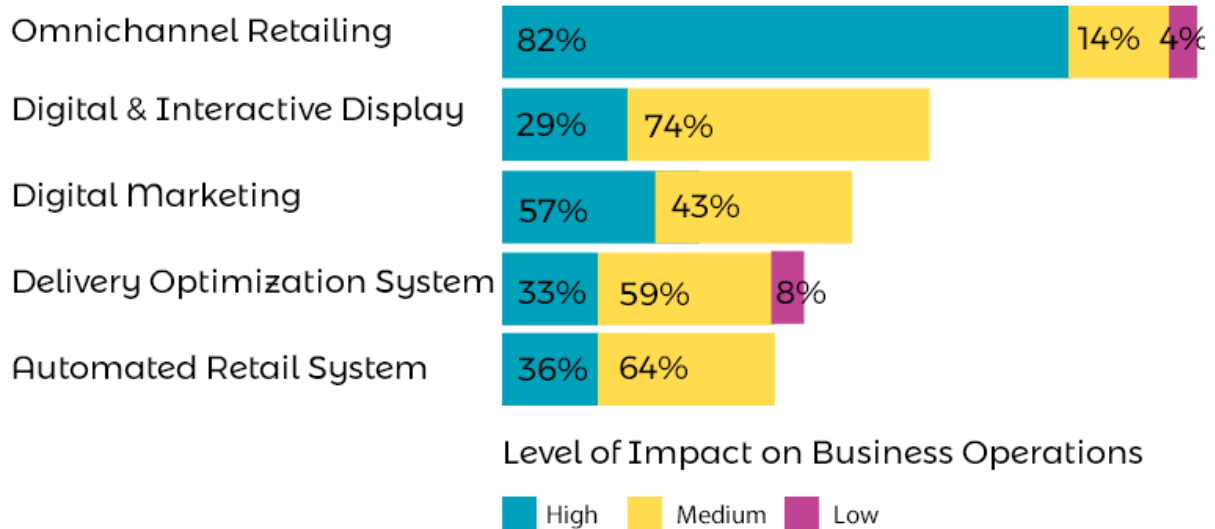


60%

Inventory Management

ADOPTION OF TECHNOLOGIES

Top 5 Technologies/ Solutions and Level of Impact



Source from Retail Job Redesign Study, Mercer 2017

FUNCTIONAL AREAS AND PAIN POINTS

Top 3 Functional Areas for Redesign and Respective Pain Points



Retail Operations / Management
Labour intensive work processes
High impact on customer experience
Time consuming work processes



Merchandising
Time consuming work processes
Resource planning/ forecasting
High impact on customer experience



Logistics and Supply Chain
Labour intensive work processes
High impact on customer experience
Time consuming work processes

AWARENESS AND PERCEPTION OF JOB REDESIGN

Possible Roadblocks / Challenges in a Job Redesign Effort



Felt that employees would be unable to change

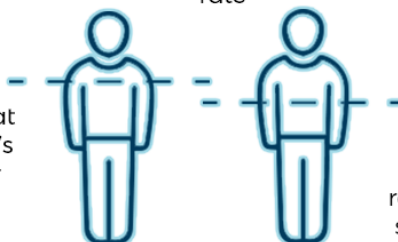


Were uncertain about the job redesign's success rate



Were uncertain about specific areas of the jobs to redesign

7 out of 10 companies felt that top management's support is key for change management



Nearly 6 in 10 companies stated that job redesign requires employees' support to succeed

DESIRED OUTCOMES

Top 3 Desired Outcomes in Redesigning Jobs



97%

Aims to achieve increased levels of productivity



73%

Aims to achieve higher employee retention rate



63%

Aims to achieve an increase in employee engagement levels

<http://jobredesign.sra.org.sg/getting-started/overviewofretailsector/>