



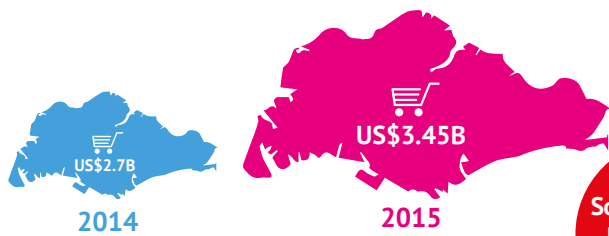
Home to a sophisticated, international customer base with the highest disposable income in the region, Singapore is the most established eCommerce marketplace in Southeast Asia. According to the World Economic Forum's 2014 Global Information Technology report, it ranks as Asia's most connected, network-ready environment in terms of market regulations and also boasts a best-in-class logistics infrastructure. The city state is an ideal gateway into Asia Pacific's eCommerce sector, given its high connectivity to other regional markets and significant share of cross-border trade.

eCommerce in Singapore: 9 Must Knows

1 ECOMMERCE MARKET SIZE AND ITS GROWTH POTENTIAL

Singapore's online shopping market is expected to reach US\$2.7 billion in 2014 and to grow significantly to US\$3.45 billion by 2015, as more retail sales shifts online from offline. As a percent of total retail market size, there is still room for eCommerce to grow rapidly in Singapore to reach the 15% of total retail volume in markets like the US and Europe. According to Euromonitor, Singapore and its neighboring country Malaysia generate almost half of total online retail sales in Southeast Asia, even though the two countries only account for 8% of the region's population.

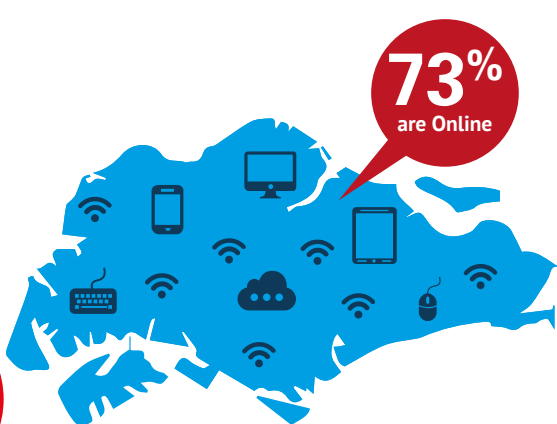
Growth in Singapore's eCommerce Market



One of Southeast Asia's Most Mature eCommerce Markets

2 STAGGERING INTERNET PENETRATION

Singapore sees just under three-quarter (73%) of its 5.4 million population connected to the internet, one of the highest in the region and far above comScore Media Metrix's global average of 35% (2013).



3 SINGAPOREANS ARE SHOPAHOLICS, ON & OFFLINE

Singaporeans are shopaholics and shopping malls are present all over Singapore. However, this does not hinder the well connected Singaporeans to take their shopping increasingly online.

A recent study by Visa shows that 26% of Singaporeans shop online at least once a week and 58% purchase online at least once a month. 50% of Singapore netizen would do all their shopping online if possible.



4 MOBILE COMMERCE ON THE RISE

According to Infocomm Development Authority of Singapore, Singapore's mobile phone penetration reached 156%, above the 120.8% global average in developed nations, with almost 5.3 million 3G subscription by the end of 2013.

This high mobile adoption drives mobile eCommerce and makes it a key channel for eCommerce, with 55% of online shoppers choosing to do their shopping via their mobile device, according to PayPal research.



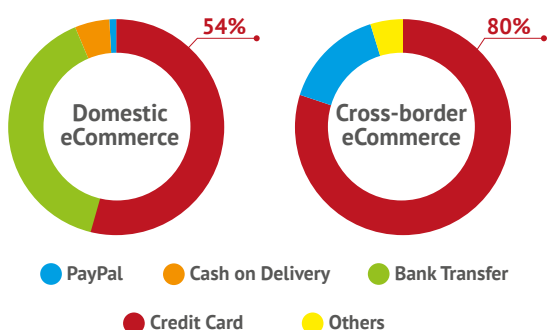
5 MOST MATURE PAYMENT INFRASTRUCTURE IN SOUTHEAST ASIA

While payments remain a challenging process of the online customer journey across the region, Singapore has developed one of the most mature payment infrastructures.

A survey by Payvision shows that most domestic eCommerce sales are paid by credit cards and bank transfers, while Cash on Delivery is also present but not as commonly used as in other countries in Southeast Asia. For cross-border purchases, Singapore's preferred payment methods are credit cards and PayPal.

Brands and retailers entering the Singapore eCommerce markets can expect a mature online shopper with high trust in online payment methods.

Preferred Payment Methods in Singapore



By Payvision, Cross-Border eCommerce in Asian Markets: Singapore and Malaysia

6 ASIA'S BEST IN LOGISTICS AND SUPPLY CHAIN

According to the World Bank's Logistics Performance Index, Singapore is Asia's top performer when it comes to global freight forwarding and express carriers. For businesses looking to enter Singapore's eCommerce market, key push factors are the country's timeliness for deliveries, its efficiency and quality of infrastructure as well as its mature network of logistics service providers.

Asia's Top Performer in Logistics

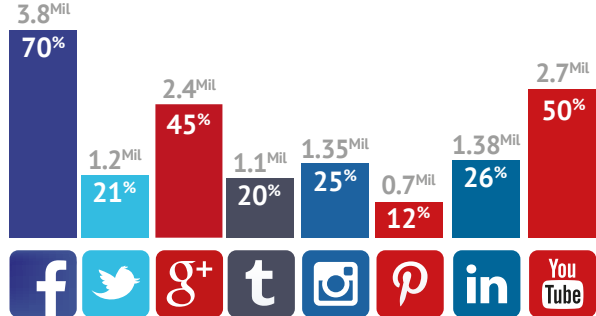


7 INFLUENCE OF SOCIAL MEDIA IN ECOMMERCE

Singapore is one of the most socially connected countries in the world with the globe's second highest social media penetration rate at 59%, according to a 2014 survey by We Are Social.

While social commerce growth across the region has been driven by major social sites like Facebook and Twitter as well as messaging apps, a different kind of social commerce has taken off in Singapore. Blogshops or blogs selling goods and services via platforms like Blogger or Livejournal are widely popular, according to Technasia.

Social Media Market Share in Singapore (2014)



8 OMNI CHANNEL STRATEGY - A KEY SUCCESS FACTOR FOR ECOMMERCE IN SINGAPORE AND BEYOND

Customers are increasingly connected via mobile devices. To reach out to these audiences on the go, retailers need to implement shopping experiences that connect the online and offline channels from marketing to order fulfillment.

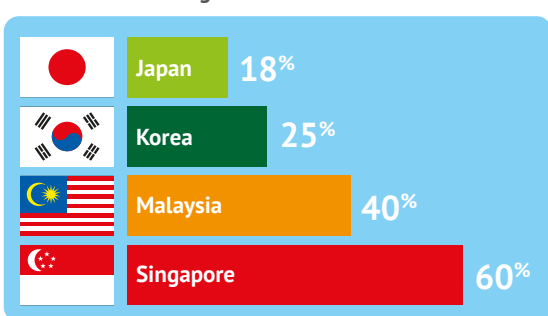
The following omni-channel trends have emerged:

- 1 Cross-channel inventory visibility
- 2 Synchronized customer care experience
- 3 Integration of online and offline analytics
- 4 Alignment of social media initiatives across channels
- 5 Collaborative shopping carts and variable fulfillment
- 6 Loyalty programs across online and offline channels
- 7 Responsive website design and content delivery across digital devices
- 8 In-store pick-up and returns

9 HIGH CROSS-BORDER ECOMMERCE

According to Forrester Research, 60% of Singapore's eCommerce sales come from cross-border orders, a significant percentage compared to countries like Malaysia (40%), Japan (18%) and South Korea (25%). The Financial Study Association of Amsterdam also highlighted Singapore's suitability as an eCommerce test-bed, as this high share of cross-border trade offers businesses unique insights into Asia Pacific's online shopping behavior.

Percentage of Cross-border Commerce



Good Test-Bed to Launch Initiatives and Products in the Region



SOURCES: comScore Media Metrix, Euromonitor, Hashmeta, IDA, PayPal, Payvision, The Straits Times, Vulcan Post, We Are Social, World Bank's Logistics Performance Index