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Business transformation

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Trending technology & applications

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Case studies



The New Online Experience

Retail Digitainment

Retailers go live during the circuit breaker

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INTRODUCTION

The unprecedented crisis triggered by COVID-19 is a catalyst for retailers to act decisively and transform their businesses with technology and digitalisation. It is no longer an option for retailers to go digital, but more a question of when and to what extent the transformation can lead to meaningful interactions with their customers in the digital space.

The emergence of the retail digitainment industry, worth more than S\$20 billion in China alone, is expected to rapidly grow and spread globally.

Live streaming engages customers, strengthens a brand's authenticity and inspires purchases.

E-commerce and automation empower businesses with data to optimise resources and revenue.



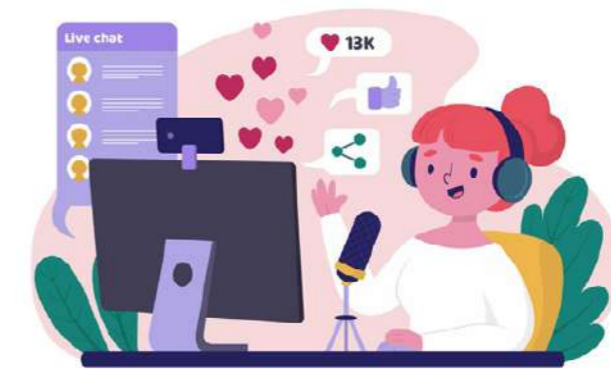
Digitalisation has become a cornerstone of the new retail landscape. Retail businesses lacking online presence prior to the COVID-19 pandemic were already struggling to keep up with online competitors that were reaching out to a wider market with competitive prices and more efficient customer engagement.

With the onslaught of the health and economic crises brought on by COVID-19, businesses need to exponentially accelerate their pace of embracing technology to thrive in a new state of reality.

Retailers must leverage on these opportunities available in the market to transform rapidly and efficiently to avoid being a casualty in the economic upheaval. Shoppers who traditionally visited brick-and-mortar stores have been left with no choice during the circuit breaker, but to shop for non-essential items online, compelling savvy retailers to explore creative ways of selling on the virtual marketplace.^[1]

^[1] Knight Frank Singapore published its research on "Opportunities for the Retail Sector After Covid-19" highlighting recovery opportunities for retail tenants and landlords.

RETAIL DIGITAINMENT



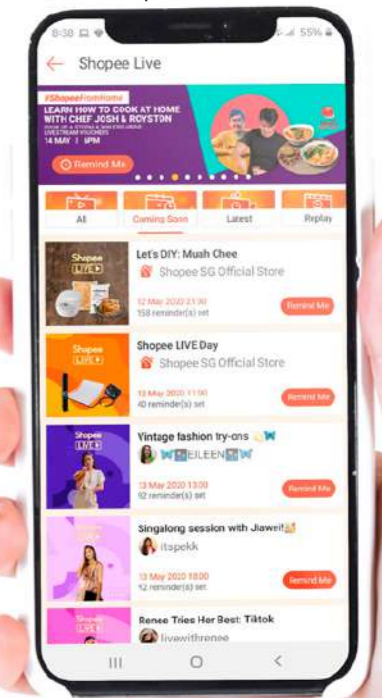
A relatively new buzzword in the retail industry, retail digitainment has been creating waves in China and Southeast-Asia in the last three years. Based on a clever mash-up of digital and entertainment, the term "digitainment" refers to content driven by live streamers who entertain and interact with their followers during the process of selling their products. Worth more than S\$20 billion in China alone, this trend is expected to grow with the increasing popularity of live streaming e-commerce platforms.

The retail digitainment industry has spurred Singapore's educational institutions, such as Nanyang Polytechnic's Singapore Institute of Retail Studies (NYP-SIRS) and the Singapore Media Academy (SMA) to launch a joint Professional Certificate in Digital Retail Entertainment. NYP-SIRS has also initiated a new Professional Conversion Programme in New Media. These programmes are collaborations with trend leader, Alibaba-Taobao University.

Inspired by the Alibaba platform, pundits in China are now touting digitainment as the future of e-commerce. Brands that can entertain and interact effectively with their customers online through entertaining and witty banter, livestream comments and information-sharing, are perceived to be more authentic and in tune with their followers as compared to those which use digital platforms purely for commercial transactions. Companies are increasingly looking to hire influencers or key opinion leaders to sell their products online, with some investing in their own in-house ecosystem of live streamers supported by a team of sales and marketing specialists to create a hybrid online selling platform.

An example in Singapore of how businesses have leveraged digitainment is Shopee Live, where sellers are given the tools to engage with their customers via live stream features with full control of the engagement process to promote their products, interact with their audience and encourage purchases through the experience.

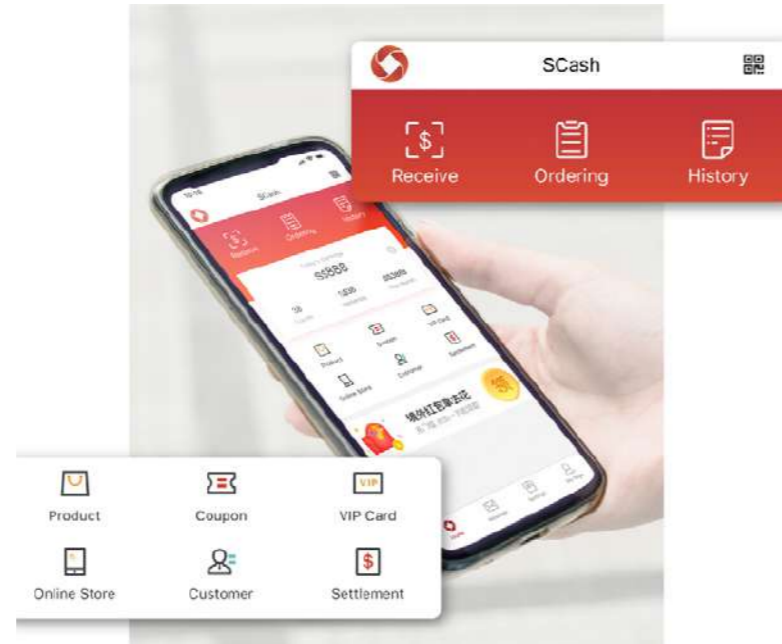
Credit: Shopee Live



SEAMLESS E-COMMERCE PLATFORMS

Going digital and incorporating innovation to provide seamless customer experiences will be key to successful retail transformation. Smart retail solutions providers, such as SCash Technologies, offer merchants a comprehensive and customisable digital system with integrated mobile payment gateways, making it easier for SMEs and other retail sectors such as F&B to adopt e-commerce platforms.

Other similar providers include Shopify and WeChat Marketing.



Credit: SCash

MARKETING AUTOMATION

Progressive marketing software tools in recent years have given retailers more incentive to automate their marketing activities. What used to be a complex system of leads generation, conversion, customer engagement and loyalty-building are now simplified by comprehensive applications that enable users to conveniently create and manage marketing campaigns with built-in tracking and analytical mechanisms, empowering retailers with information to optimise revenue.

The Privé Group has implemented marketing automation successfully into its business processes. The Group recognised that marketing automation would strengthen its operational efficiencies and customer relations. It engaged digital marketing agency XGATE to spearhead the revamp of its Privé Perks loyalty programme. Within seven months of implementation, the Group achieved its key business objectives, including:

Besides XGATE, other agencies that offer digital marketing services include Impossible Marketing and Heroes of Digital.



Credit: Privé Group

- ◆ An increase of more than 50% in new member sign-up rates, together with over 50% growth in total membership.
- ◆ Significant improvement in member points redemption rates, averaging 68% each month
- ◆ Increasing repeat visits to Privé outlets, with over 40% of members utilising the new member birthday incentive programme

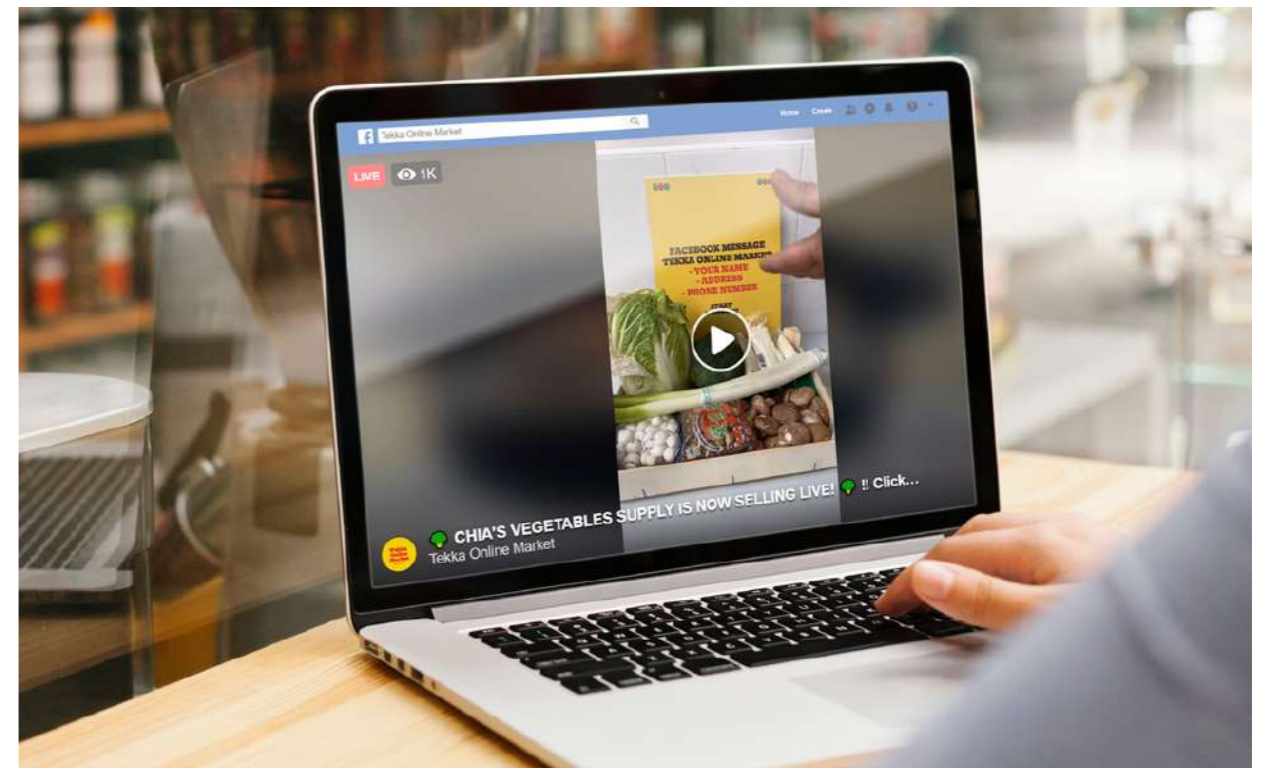
Case Study 1

TEKKA ONLINE MARKET WET MARKET GOES ONLINE

Singapore's innovative spirit in a time of crisis was demonstrated when a traditional wet market pushed the envelope and jumped onto the live stream-selling bandwagon.

Tekka Online Market, a pilot initiative by the Infocomm Media Development Authority (IMDA) in partnership with live stream auctioneer Max Kee from Lian Huat Seafood, was launched on 5 May 2020. IMDA's goal is to support the local community with its Stay Healthy, Go Digital Campaign, educating individuals and businesses on digital platforms, and connecting businesses to digital solutions that can help them stay competitive and connected to customers during the pandemic.

Tekka Online Market enables sellers to introduce and showcase their fresh produce via live streaming to interested shoppers. Buyers will first need to register their details via text message to the organiser, and thereafter bid for items simply by leaving a Facebook comment. Payment can be done via PayNow, and the confirmed order will be delivered to the successful purchaser within the same day or the following day.



Credit: Tekka Online Market

Case Study 2

DIGITAL SHILIN SINGAPORE 2020 SHILIN NIGHT MARKET GOING ONLINE

For the first time in Singapore, festival-goers of the popular Shilin Night Market will be able to enjoy live performances and order their favourite foods from the comfort of their homes.

Shilin Night Market returns to Singapore for a second time in June as a virtual event. Organisers and participating merchants save on crowd-control and safe-distancing measures at the aptly branded "Digital Shilin Singapore 2020" event. Festival-goers will be able to have access to their favourite grub without the hassle of wearing masks.

The online event will allow more people to feast on their favourite local and regional delights and be entertained by all-day live streaming of performances, games and giveaways, from the comfort of their homes.

Kent Teo, Founder and Chief Executive of Invade, the organiser of Digital Shilin Singapore 2020, explained that the closure of retail stores and entertainment venues, and lack of foot traffic to sustain F&B businesses spurred them to create a platform to help the operators to survive.

While it was a trying time for everyone in Singapore, the organisers not only wanted to remind the public that they could still find joy amid hardship, even while at home, they also wanted to assist our community of businesses to thrive under such circumstances.



Credit: Shilin SG

CONCLUSION

In a post-coronavirus existence where consumers have multiple alternatives to the traditional one-dimensional brick-and-mortar retail experience, businesses that have yet to adopt technology in their operations must quickly change their mindsets to fully embrace the new digital economy. Otherwise, such establishments will risk facing the same fate as the floppy disk – becoming obsolete.



ABOUT US

Knight Frank Singapore, established in 1940, is part of Knight Frank LLP, a leading independent global property consultancy based in London. The Knight Frank Group has more than 19,000 people operating from 512 offices across 60 markets.

With over 25 years of track record in real estate advisory, Knight Frank Singapore is the leading consultancy in the retail leasing and marketing sector. Knight Frank Singapore was appointed in January 2020 as an exclusive marketing agent for a portfolio of 11 retail shops in Sim Lim Square. Other prominent projects include Gardens by the Bay, Singapore Sports Hub, Plaza Singapura, Takashimaya Shopping Centre, Marina Square, Rochester Mall and more.

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