

MEDIA RELEASE

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Retail Industry Transformation Map 2025 to develop global Singapore brands, accelerate innovation and internationalisation

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Singapore, Friday, 7 October 2022

1. Minister of State for Trade and Industry and Culture, Community and Youth, Ms Low Yen Ling, launched the Retail Industry Transformation Map (ITM) 2025 today at the official opening of Castlery's flagship store at Liat Towers.
2. **The Retail ITM 2025, led by Enterprise Singapore (EnterpriseSG) in partnership with key industry players, unions and other government agencies including the Economic Development Board (EDB), Singapore Tourism Board (STB), SkillsFuture Singapore (SSG) and Workforce Singapore (WSG), focuses on strengthening Singapore as a global lifestyle and retail hub, anchored with new experiential concepts and innovative products. It will center on building a core of global Singapore brands, and uplifting the quality of jobs in the sector.** First introduced in 2016, the Retail ITM then focused largely on the adoption of digitalisation and automation technology to improve productivity and reduce reliance on manpower for the sector.
3. "The Retail ITM 2025 aims to create a vibrant, globally-competitive retail ecosystem that excites Singaporeans and global consumers," said Mr Andrew Kwan, Future Economy Council (FEC) Lifestyle Cluster Co-Chair.

Update on the Progress of the Retail ITM

4. Since the launch of the Retail ITM in 2016, the sector has made good progress in digitalisation and productivity improvements. From 2018 to 2021, over 7,000 retail small and medium enterprises (SMEs) have embarked on productivity improvement projects¹.

¹ Figures based on Productivity Solutions Grant projects for retail companies.

5. For digitalisation, as of 2021, 9 in 10 SMEs in the retail sector have adopted at least one digital solution². For example, some have:
 - a. Adopted customer relationship management systems, accounting and HR management systems, to strengthen core capabilities;
 - b. Implemented inventory management systems to automate back-end logistics operations, gain economies of scale and reduce manpower reliance;
 - c. Taken to e-commerce to increase and diversify revenue streams. Compared to pre-COVID-19, the proportion of online sales out of total sales for the Retail sector has more than doubled, from about 7% in 2019 to 16% in 2021³.
6. With support from the sector, SSG and WSG developed the Skills Framework for retail in 2017 to create a common skills language to support companies, citizens and training providers in their skills and workforce development. The Human Capital Diagnostic Tool was also launched in 2019 to enable companies to leverage HR diagnostics to identify and focus on priority HR developmental areas.

Strategies of the Retail ITM 2025

7. The quest for unique consumer experiences, and shift towards digital-first business models and omni-channel retail have been precipitated by the COVID-19 pandemic. Coupled with the increase in middle-class consumers in the region, and government and private sector efforts to drive sector rejuvenation and vibrancy, the Retail sector is poised to see further growth and transformation. The Retail ITM 2025 will focus on the following four strategies.

Strategy 1: Building global Singapore brands and supporting internationalisation

8. **The refreshed ITM encourages Singapore brands to enter new markets, drive regional expansion, and internationalise through alternative formats.**
9. EnterpriseSG will work with e-commerce platforms to provide SMEs with access to global and regional B2C e-marketplaces. This will enable them to test and enter new markets, while providing support to help them navigate issues in marketing and fulfilment across borders. For example, Lazada supports companies to onboard its regional e-marketplaces and extends advisory services and training on branding, marketing, logistics and fulfilment in Southeast Asia. EnterpriseSG will continue to work with more

² IMDA annual survey conducted in 2021.

³ Source: DOS. These figures exclude motor vehicle sales.

e-marketplace platform partners to enable retailers to access new customers and markets in Southeast Asia and beyond.

10. To strengthen the brand position of Singapore products internationally, EnterpriseSG will partner STB to promote and showcase promising brands overseas. For example, in August 2022, eight Made with Passion (MWP) retail brands were showcased at the SingapoReimagine zone of the Pesta Rasa food festival in Jakarta.

Strategy 2: Rejuvenating retail by catalysing new experiential concepts and innovations

11. **Unique in-store experiences complemented by customer engagement via social commerce are necessary innovations that retailers must adopt to stay relevant.**
12. Flagship stores that offer new or enhanced experiences are important to continue attracting local and global consumers. For instance, in June 2022, B.P. de Silva Jewellers launched its flagship boutique at Dempsey, with dedicated spaces for experiential touch points such as an exclusive Drawing Room that allows clients to experience elements of a bespoke jewellery design process first-hand and personalise their designs.
13. **The refreshed ITM also encourages retailers to delve deeper into product innovation to differentiate themselves from global competitors.** For example, EnterpriseSG has allocated additional resources to centres such as Singapore Polytechnic's Consumer Chemicals Technology Centre (CCTC) to support more SMEs in developing new product innovations in beauty and personal care.
14. To help retailers capture opportunities in the conscious consumer market, EnterpriseSG will work with Trade Association Chambers (TACs) such as Singapore Furniture Industries Council (SFIC) and Singapore Fashion Council (SFC)⁴, to support companies in building knowledge on sustainability and developing capabilities to create sustainable products and pursue sustainable business models. With support from EnterpriseSG, SFIC and SFC are now running sustainability programmes that comprise talent capability development and toolkits to assist and educate enterprises on the topic. The two TACs will also work towards educating consumers on sustainable products and branding.

⁴ Formerly known as Textile and Fashion Federation (TaFF).

Strategy 3: Strengthening Singapore's position as a vibrant lifestyle hub for global brands

15. Many global brands have chosen Singapore as their base in Southeast Asia to capture the rising demand in the region and experiment with new retail concepts and products. This has added to the vibrancy of the local retail scene. For instance, Decathlon launched its Decathlon Singapore Lab in 2019, which allows for new experiential concepts and retail technologies to be tested in-store. In July 2022, it launched the regional Decathlon Data Lab, which serves to incubate new digital products and solutions, positioning it for growth in the region.

16. **Fostering global and local brand collaborations is another means to bring global players into the local retail ecosystem, and is a win-win for both brands to access new customer segments.** For example, EnterpriseSG has facilitated design licensing collaborations between global brands and local retailers such as Klash to launch products like Klash's Mickey Mouse Leather Laptop Case. Australian brand Cotton On also embarked on a collaboration with IRVINS, which saw the launch of Cotton On merchandise featuring the IRVINS logo and duck mascot.

Strategy 4: Stepping up jobs and skills transformation and creating quality roles for locals

17. The Retail ITM 2025 will **strengthen local talent pipelines to support new business models for retailers. This, in conjunction with the continued efforts in the automation of manual tasks and streamlining of backend operations, will help to reduce companies' reliance on foreign manpower.**

18. Government agencies such as EnterpriseSG, WSG and SSG will support more companies to upskill and reskill workers in emerging retail roles such as e-commerce related roles, digital marketers, data analysts, brand managers and product designers. Training programmes will be available to help existing and new entrants to the workforce learn these skills to support business transformation. For example, two revamped Career Conversion Programmes (CCP) covering the retail sector and furniture subsector support mid-career individuals to undergo skills conversion and move into new occupations within the retail sector, allowing them to enjoy better prospects and opportunities for progression. These CCPs will also train new and existing workers to take on redesigned job roles, supporting companies as they undergo business transformation.

19. In addition, the [Progressive Wage Model](#) (PWM) was recently announced for the retail sector to ensure progression of workers within the sector. The PWM outlines the structured wage and skill progression for the sector workforce and will help ensure the sector remains attractive to locals.

20. Ms Dilys Boey, Deputy Chief Executive Officer (Industry Clusters) of EnterpriseSG, said, “The refreshed ITM supports our vision to build a strong and vibrant retail ecosystem. Over the past few years, our retailers have shown great resilience and tenacity to embrace change. To stay ahead, we encourage retailers to be bold in telling the stories behind their brands, designs and products, to explore new channels to engage consumers, and experiment with new experiences, in order to capture the hearts of new customers both domestically and internationally.”

Annex 1: About ITM 2025

Annex 2: List of company examples

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About Enterprise Singapore

Enterprise Singapore is the government agency championing enterprise development. We work with committed companies to build capabilities, innovate and internationalise.

We also support the growth of Singapore as a hub for global trading and startups, and build trust in Singapore’s products and services through quality and standards.

Visit www.enterprisesg.gov.sg for more information.

ITM 2025

The Future Economy Council (FEC) was set up in 2017 to support the growth and transformation of Singapore's economy for the future, including the development and implementation of the Industry Transformation Maps (ITMs). ITMs are sector-specific roadmaps to drive industry transformation, support the growth of our enterprises, and help Singaporeans take up quality jobs and seize opportunities. Co-created by the Government, industry stakeholders, and unions, each ITM covers areas such as productivity, internationalisation, innovation, digitalisation, resilience, sustainability, and jobs & skills. To address the systemic shifts arising from the COVID-19 pandemic and other changes in the global economy, the FEC has embarked on ITM 2025, to refresh all 23 ITMs to address the challenges and opportunities for Singapore, our businesses, and our workers.

List of company examples

A. Building global Singapore brands and supporting internationalisation

Castlery

Established in late 2013, Castlery is a leading digital-first furniture brand for the mass affluent space that offers accessible modern furniture online. With Singapore as its base, Castlery has expanded its presence into overseas markets such as the US, by entering the market via e-commerce in 2019. Castlery also participated in EnterpriseSG's Scale-up SG programme to sharpen its growth plans. During the pandemic, Castlery's revenue grew by 6 times and it now draws 80% of its revenue from overseas markets. EnterpriseSG supported Castlery on its branding project and marketing campaigns targeted at the US market in 2021, which has contributed to sharpening Castlery's key branding strategies and positioning for the market. Castlery's newly launched Liat Towers flagship store features specially designed rooms to cater to the brand's key personas, as well as a curated Partnership Space for complementary local businesses to create exciting and meaningful experiences for consumers.

Love, Bonito

Love, Bonito is a vertically integrated, omnichannel womenswear brand in Southeast Asia today, with a mission to empower the everyday Asian woman and inspire self-confidence. Since 2010, the brand has grown from a blogshop to operating 16 physical retail stores in Singapore, Malaysia, Cambodia, Indonesia and Hong Kong, while its websites ship to 20 markets worldwide. As borders reopen, Love, Bonito has accelerated its expansion plans with a flagship store opening in Hong Kong in July 2022 and its largest flagship store in Indonesia opening in August 2022.

B. Rejuvenating retail by catalysing new experiential concepts and innovations

B.P. de Silva Jewellers

B.P. de Silva Jewellers has recently launched its flagship boutique at Dempsey in June 2022. The launch of the store is part of the brand's 150th Anniversary celebrations, and reintroduces the brand's vision as an independent luxury jewellery in its fifth generation. Through dedicated spaces such as an exclusive Drawing Room, clients can collaborate on design ideations via the Bespoke Journey. Customers can also seek advice from B.P. de Silva Jewellery Specialists on customising and personalising their keepsakes, as the brand continues its tradition of "safekeeping stories through fine heirlooms". Moving forward, the fine jeweller aims to showcase exclusive collections created through collaborations with other local designers and/or artists.

Skin Inc

Homegrown beauty firm Skin Inc is a winner of over 150 beauty awards and its flagship product is its customizable serum. In 2021, Skin Inc incorporated artificial intelligence (AI) in an application that pairs with their award winning handheld device, Tri-Light, which uses LED light therapy, micropulsation, and electromagnetic field for the face. In this new iteration, the device is sleeker and augmented by a mobile app +SABI AI for customers to get diagnostic wellness and skin reports based on computer vision-based coaching through a selfie, data from Apple/Android Health, as well as UV, weather, and other information provided in the application. The app assesses the individual's overall wellness and skin health, before providing recommendations on Skin Inc's customizable serum, and wellness and skincare

offerings of companies in the US and in Singapore. EnterpriseSG supported Skin Inc on the development process of the product and in the overall brand development.

C. Strengthening Singapore's position as a vibrant global lifestyle hub for global brands

Decathlon

Decathlon opened its first physical store in Singapore in 2016, and progressed to launch the Decathlon Singapore Lab in 2019, which allows customers to conveniently test products in-store. In July 2022, it launched the regional Decathlon Data Lab, which serves to incubate new digital products and solutions in collaboration with technology start-ups and schools to champion the omni-retail ecosystem of the future. Now, Decathlon has over 15 physical stores in Singapore, including its Experience stores and Click & Collect stores.

UNIQLO

UNIQLO set up in Singapore through a joint venture with local distributor Wing Tai Retail in 2008, and has since expanded to a total of 27 stores in Singapore, including its first global flagship store in Orchard Central. UNIQLO stores boast a seamless online to offline shopping experience through its retail stores, website and mobile app, and has also embarked on many local activations such as UTme! Collections in partnership with local designers, content creators and brands such as Beauty in the Pot and The Woke Salary Man.

D. Stepping up job transformation and creating quality roles for locals

Commune Lifestyle

Commune Lifestyle reskilled its retail associates and customer service associates through the Career Conversion Programme for Job Redesign Reskilling. Through the programme, employees were able to optimise the use of digital tools and data, such as the use of its cloud-based omni-channel platform, which provides Commune staff with a singular view of the customer from online to offline shopping. This allowed staff to gather insights on their customers' preferences based on their online browsing behaviours, and thus tailor and enhance the physical retail experience for the customer. The platform also streamlines operational tasks such as inventory checking and delivery scheduling, to enable their staff to focus on enhancing customer experience.

BHG

Local lifestyle department store BHG sent its employees for training on digital tools such as cashless payment services and cashback apps, as well as more experiential courses such as coffee appreciation and wine appreciation. This allowed the employees to widen their scope of knowledge and better cater to the shifting preferences of consumers. BHG will continue its transformation through tapping artificial intelligence and machine learning to better collect and study data for an enhanced retail experience.