Retail Sector in Singapore

Ruimin Chen, Xi’an Jiaotong-Liverpool University, Suzhou, China

ABSTRACT

The retail sector plays an important role in Singapore and it is one of the most significant factors of Singapore economic development. However, a series of problems were caused by the increasing number of overseas retail stores expanding into Singapore. In order to understand the actual survival status of the Singapore retail sector, this article will first discuss the related issues and explain how Singapore government work out on these issues. Second, is discussed how big data could affect the retail sector today in Singapore. In addition, a multiple regression analysis will be provided for testing and analyzing the relationship between Singapore retail sales and some particular economic indicators of Singapore.

KEYWORDS
5G Technology, Artificial Intelligence, Big Data, Cloud of Things, Retail Sector, Singapore Market, Smart City, Virtual Reality

1. INTRODUCTION

Retail Sector refers to all the shops that sell goods to the customers who buy the products for personal use instead of business use. Retail sector is developing rapidly in Singapore nowadays and there are a huge number of local and overseas retailers are expanding their businesses in Singapore these years. According to the report released by Enterprise Singapore, a government agency of Singapore which concentrates on the local enterprise development in 2015, Singapore owned approximately 22,000 retail establishments at the end of 2015, about 3% national total workforce was employed by the retail sector, and they contributed 1.4% to the country’s GDP, which was around S$35 billion in operating receipts (Enterprise Singapore, 2015).

Although Singapore retail sector contributed to the country’s economy to a great extent, the influx of foreign retailers has been controversial to the local community. In other words, a series of problems were created by the rising number of overseas retail stores expanded in Singapore market.

Therefore, this paper will primarily focus on the retail sector in Singapore market and discuss two key issues about it. First, the advantages and disadvantages of retail sector to the local community economy, which will be discussing by using both micro and macro-economic concepts, and the paper will determine how the government has involved in these economic issues. Second, how big data affects Singapore retail sector. Last but not least, the paper will also test and analyze the relationship between the Singapore retail sales and some particular Singapore economic indicators by a multiple regression analysis.

The findings of the paper will redound to benefit the retail sector, specifically in Singapore market. For government, they are able to be aware of the actual situation of Singapore retail sector and relevant stakeholders, thus they can provide more suitable policies or solutions to deal with the particular issues. For Singapore retailers, they can know more about their living environment, and they can

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even consider how to improve their businesses with the emerging technologies. For researchers, this paper uncovers the real circumstance of retail sector, also they can deeper understand the relationship between the retail sales and some economic indicators in Singapore for further researches.

2. ISSUE NO. 1: THE ADVANTAGES AND DISADVANTAGES OF RETAIL SECTOR TO LOCAL COMMUNITY ECONOMY

This section will discuss and explain both the advantages and disadvantages of retail sector to the local community economy by providing three reasons each and some relevant evidences and instances.

2.1. The Advantages of Retail Sector to Local Community Economy

2.1.1. Job Opportunity

Nowadays, finding a job in Singapore is a lot more challenging than it was a few years ago. The main reason is that a significant increase in the number of jobseekers, not only the local Singapore citizens, but also the foreigners, such as overseas students, who were accounted for a majority part. Therefore, finding a satisfying job in Singapore is a big issue for all the people who are eager to work here. We can call this situation as labor surplus because the demand is greater than the supply in Singapore labor market. However, with the influx of a large number of retailers, the problem of labor surplus has been gradually solved. Globally, retailing is the largest revenue generator and employment provider next only to agriculture industry (Shay & Bright, 2014). The retailers in Singapore create a large number of jobs, hence jobseekers will have much more job opportunities. According to the speech by Mr. Lee Yi Shyan, Senior Minister of State in the 24th Singapore Retail Industry Conference (SRIC), retail sector offered about 125,000 jobs in 2014.

2.1.2. Customer Convenience

There has no doubt that retail sector has brought a lot of convenience to people’s lives. Consumers are able to get benefits from retailing as retailers perform marketing functions that make it possible for customers to have access to a broad variety of products and services (Technofunc, 2012). On the other side, retailers need to consider how to improve their convenience strategy because it can absolutely strengthen their competitiveness. Based on the article, Attention, Retailers! How Convenient Is Your Convenience Strategy?, above half of consumers intend to spend more time on other uses than shopping, and the author also advocated that retailers should be deeply noticed the rising importance of shopping convenience (Seidgers, Berry & Gresham, 2000). Furthermore, the report of global retail trends from KPMG shows that the consumer experience is more significant than ever, the stores meet or exceeds consumer expectations are doing better than the others (Kruh, Coonan & Devani, 2018).

2.1.3. Lower Price

In modern life, when we would like to purchase products, we have a lot of choices because today we can buy goods in different places and we are able to compare the prices in various ways. Retailers engage in special offers and price cuts in order to attract higher demand and more sales. Large retailers are more likely to afford engaging in such kind of activities than the smaller retailers would be. So nowadays, many retailers follow the Everyday Low Price (EDLP) strategy, which is a pricing strategy that promises consumers a low price without the need to wait for promotion events or comparison shopping (Allbusiness, 2016). Due to this reason, people can get benefits from this competition of retail sector and save more money. Daiso is a good example in Singapore market. It is a large franchise of 100-yen shops (S$2 in Singapore), it keeps offering very low prices among products, and the reasons why Daiso can make the guarantee of low price are as below:

- **Marketing Strategy**: A wide range of stores, products and highly-competitive prices
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