

Press Release

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Look and feel but don't touch!

More than most countries, Singapore consumers want brand connection through digital channels: HSBC global report

Businesses in Singapore face a consumer landscape that seeks stronger brand relationships but increasingly through digital channels only, according to research by HSBC. The report also finds the divide between male and female consumer tastes are eroding, prompting businesses to re-think existing marketing strategies.

According to HSBC's Future of Consumer Demand, changing demographics and consumer behaviour will present new opportunities to agile businesses in the coming decades whilst posing threats to some established marketing strategies.

The report was compiled by futures consultancy Trajectory, who drew from in-depth interviews with business leaders plus surveys spanning 90,000 consumers globally including 500 in Singapore.

Reliability and trustworthiness of brands the key purchase consideration

More than most other countries, Singaporeans prioritise reliability and trustworthiness when choosing a brand. This is particularly so for younger consumers.

According to the report, 94% of young Singaporean consumers (18-34s) said that trust and reliability in a brand was the most important consideration when making a purchase. This also reflected the views of older consumers (88% of Singapore respondents who were 35-54 and 85% of respondents who were 55 and older). Comparatively, the global average amongst consumers from advanced economies who sought trust and reliability in brands was 63%¹.

Steven Cranwell, Head of Commercial Banking for HSBC Singapore, said: "The fact that younger Singaporeans are seeking reliability and trustworthiness seems counter-intuitive and surprising, as these attributes are more likely to be associated with older consumers. This is an example of how consumer behaviour is changing rapidly, and businesses need to be alert to these changes so they can respond positively in order to sustain business growth."

Online purchases on the rise in Singapore

Despite their emphasis on brand trust, Singaporean consumers are among the most active online purchasers globally. The phenomenon is requiring business to re-think how they create 'trust'.

¹ Global figures are taken from HSBC's Future of Consumer Demand – global report

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57% of Singaporeans have purchased goods or services digitally in the past month – the 9th largest in the world on a per capita basis, and largest in South-East Asia².

Mr Cranwell opined: “At first glance this research presents businesses with a dichotomy in that reliability and trust have historically been built on face-to-face interaction but now that same connection needs to be developed through digital channels which many businesses would consider de-personalises the relationship.”

“This requires businesses to really re-define how they build and deliver trust in an increasingly online world,” said Mr Cranwell.

These findings come as the Minister for Trade and Industry last week called for retailers to embrace e-commerce – such as by using online channels and engaging shoppers through mobile applications – to help them stay relevant. Minister S. Iswaran said firms should “innovate, be bold in piloting new technology, redesign jobs and expand overseas through e-commerce”³.

Ethical consumerism also on the rise in Singapore

More so than peers from most advanced economies, Singaporeans seek ethical brands.

The report revealed that more than 70% of Singaporean respondents claimed it was important to seek out ethical products and services. Comparatively, the global average amongst consumers from advanced economies who sought ethical brands was 58%.

Mr Cranwell continued: “The data seems to be de-bunking stereotypes of Singaporeans being brand-conscious consumers or that at least that support of ethical practices is starting to strike a chord. Either way it is a clear signal for companies to reflect on their own practices.”

Gender neutral consumption habits

Singaporean men and women’s values and attitudes towards work, career and lifestyle are merging – pointing to gender neutral consumption habits.

The report showed that leisure was roughly as important to women (94% agreed) as it was to men (92% agreed). Similarly, with work, 90% of men stated it was important or very important, and 90% of women said the same.

Mr Cranwell said: “Questions that businesses should ask themselves are: how do we respond to the more homogenous outlooks of men and women? Is there some middle ground in bridging the gender marketing strategies and making them more aligned?”

“For companies, understanding these shifts and recognising what will influence consumers in the future will be increasingly important. Making sense of the answers will help companies to successfully target an increasingly tech-focused generation.

² 2016 Wearesocial Digital Report

³ [https://www.mti.gov.sg/NewsRoom/Pages/SPEECH-BY-MR-S-ISWARAN-MINISTER-FOR-TRADE-AND-INDUSTRY-\(INDUSTRY\)--AT-THE-SINGAPORE-RETAIL-INDUSTRY-CONFERENCE-2016.aspx](https://www.mti.gov.sg/NewsRoom/Pages/SPEECH-BY-MR-S-ISWARAN-MINISTER-FOR-TRADE-AND-INDUSTRY-(INDUSTRY)--AT-THE-SINGAPORE-RETAIL-INDUSTRY-CONFERENCE-2016.aspx)

“The status quo won’t last, so now is the time for companies to show customers and investors alike that they are alert, innovative and imaginative. And with the right strategy in place there are huge opportunities for companies to expand – and quickly.”

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