

2022–2023

A guide to peak season growth in Singapore

Be prepared for the busy shopping season



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for ambition

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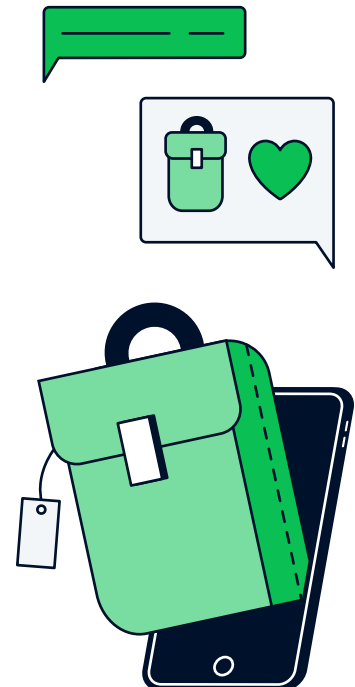
Introduction

From Black Friday to Cyber Monday, Singles Day to Christmas holidays, the peak season is upon us. There is energy and excitement in the air as consumers hunt for bargains, shopping streets are full and online carts are flowing. The past few years have driven a spike in online shopping but it hasn't killed the consumer's love for in-store shopping.

The new face of retail has brought several avenues of growth, including boosting overall competitiveness, unlocking the potential of unified commerce, improving the customer experience, and expanding the use of real time payments data.

To better understand the changing landscape of consumers' shopping preferences and behaviors, Adyen conducted a research survey of over 10,000 businesses from 23 markets, including 2,504 from APAC (Australia, Hong Kong, Japan, Malaysia, and Singapore) and 40,000 consumers from 26 markets, including 9,005 from APAC.

The research shows that unified commerce (the process of connecting payments across every channel where consumers shop) and the perfect customer experience will play a major role in the future of retail.



66% of Singaporean consumers are more loyal to retailers where they can purchase items online and return them in-store. Additionally, they don't tolerate poor shopping experiences with 73% saying they will not return to a physical or online store where they had a bad experience.

While all this excitement is going on, this period is also without a doubt a key moment of truth for retailers around the world. From operational efficiency and checkout optimization to customer service and loyalty, it simultaneously exposes businesses' strengths and weaknesses in the space of a few thrilling, chaotic, intense weeks. So how should retailers prepare?

Payments have been underestimated for a long time, but more and more companies discover that it is the checkout that is the most important conversion point in the customer journey.

This guide aims to help you navigate the peak shopping season to get the most out of your sales across all channels. Read on to learn how to optimize your store and website for a successful sales conversion boost.

**ace &
tate**

“We use a channel-neutral approach. We are constantly trying to improve our customer journey using technology. Our stores and webshop support each other. The purchasing process is fluid and moves across all channels.”

Sean Gregory Peron — Marketing Director, Ace & Tate



Trends in shopper behavior

Shopper habits and attitudes are changing in a multitude of unexpected ways. According to [Adobe's Digital Trends 2022 report](#), existing customers are demonstrating new purchasing behaviors – from the amount purchased to even new product interests.

Some of these trends are brought about by the pandemic and the subsequent lifting of restrictions, but that doesn't mean that these trends are temporary. In fact, many of them are here to stay.

We're seeing a new shopping normal with rising consumer expectations around speed and convenience. Are you ready to meet them as you prepare for the peak season?

Channel-less shopping

The channel is dead and convenience is now the new king. It's not a new concept, but it's something that shoppers are increasingly demanding from retailers.

An omnichannel strategy is imperative as consumer demand shifts. As the line between online and offline shopping has blurred, it's essential to make in-store and online shopping a unified experience. Cross channel shopping experiences such as click and collect, buy online and return in store, and the 'endless aisle' are what consumers expect.



R. M. WILLIAMS
EST. 1932. AUSTRALIA

“We can deliver a unified omnichannel experience and provide a smoother checkout process in-store with mobile checkout and endless aisle capabilities. It also means we can extend digital into physical retail by connecting our in-store systems to our online ecosystem.”

Nathan Alexander — CTO, R.M.Williams

Take the concept of the 'endless aisle' that gives in-store consumers another way to shop. They can browse and purchase items that aren't in stock in physical stores and have them delivered straight to their homes. Convenient.

To offer a consistent brand experience, retailers need to put consumers first and create seamless and personalized customer journeys across multiple touchpoints and channels. If the experience isn't up to standard, it's all too easy to jump ship – and cart – to a competitor offering a better customer journey.'

The era of personalized shopping

Consumers not only demand convenience, but they also expect a more personalized shopping experience with the brands they love.

54% of Singaporean consumers prefer retailers who remember their preferences and previous shopping behaviors to create a more tailored shopping experience.

This is where payments data can help. Retailers that have all of their sales channels – online, in app, and in store – connected through a unified payments platform can unlock a range of benefits.

The idea is to create a convenient, 360-degree overview of all sales channels, based on customers' payment histories. This helps discover shoppers' needs, wishes, and preferences, supporting retailers to build loyalty, welcome new audiences, and grow revenue.

Retailers can leverage this data to inform holiday sales preparation, from optimizing online promotions and loyalty programs to improving personalization and adapting to suit new markets.

Social commerce is key

Leverage the unmistakable synergy between social media and ecommerce to drive sales this peak season.

The key is to ensure that the end-to-end customer journey from social media platforms is as frictionless as possible – from discovery, to on-site browsing, to payment and delivery. Retailers can even take it one step further by enabling consumers to shop directly on social media platforms, with as few redirects as possible.

This is important because 27% of Singaporean shoppers frequently make purchases on social media or messenger channels such as Facebook, Instagram, WeChat etc., a number that's growing steadily.

The rise of contactless and touch-free payments

Consumers are falling head over heels for the convenience and speed of contactless payment methods, like card tapping, curbside pickup, and in-app check out.

58% of Singaporean consumers want to shop with retailers that use technology to reduce person-to-person contact like self-checkout with mobile apps or kiosks.

As we continuously digitize, it's important to let shoppers pay any way they want to. Therefore, touch-free payments become an essential part of creating attractive and seamless payment flows for consumers.





Create the ultimate customer journey

How can recent developments of shopper behavior help retailers create personalized customer journeys for consumers that meet their expectations? For one, it's important to understand that shoppers don't see channels, they see different ways to engage with a brand.



67% of Singapore consumers believe that retailers should deliver the same cross-channel flexibility they provided during the pandemic.

The key to creating the ultimate customer journey is to put shoppers first – retailers need to enable shoppers to freely shop from different sales channels while enjoying consistent brand experience and service quality.

Consumers receive recommendations and product information through different channels. So, it makes sense to them to be able to easily purchase or return goods through multiple channels, smoothly and seamlessly.

We also know that consumers want to be recognised and rewarded for their loyalty and they want engagement with loyalty programs to be easy.

And the data supports this – eight out of 10 Singaporeans feel retailers need to use technology to make their loyalty or rewards schemes easier and more effective. What's more, 66% of those surveyed want loyalty programs to be automatically linked to their payment card for convenience.

BROMPTON

“Having all our data in one place helps us understand our customers better and deliver what they really want. We now know that the people who test-ride bikes in store go on to purchase online. And our online store is our ultimate shop window where many of our shopper journeys start. Knowing this ensures we focus our efforts and investment in the places that will most benefit our customers. This ultimately helps strengthen our relationships and significantly contributes to customer loyalty.”

Chris Matthews — Global DTC Channel Director, Brompton

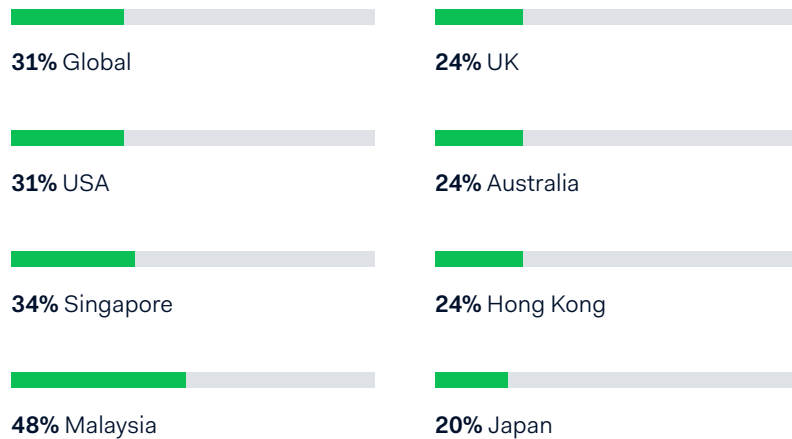


Remain agile

Firstly, it's important for retailers to understand their customers in each market that they operate in. Trying to apply the same strategy to a range of different markets will result in customers jumping ship – or cart. The type of social activity, attitudes, and interests can vary vastly between regions.



For example, there are differences in consumer expectations when it comes to retailers offering a range of online purchasing options e.g. order online and pick up in store, the ability to purchase via smart speaker or image search, or social shopping through Instagram or Facebook messenger.



It is important for retailers to keep up with social shopping trends in every country where they have a presence. This will allow them to create targeted messages, amplify campaigns, and boost sales. By using deep insights, retailers can ensure campaigns resonate with their audiences.

Payments play a key role in businesses' ability to adapt and scale, especially during the mad rush of sales season.

Being able to offer frictionless shopping experiences such as click and collect or endless aisles will be necessary to provide convenience to consumers during the peak season periods with a different mindset.



Turbo charge **sales** **conversion rates**

At the checkout stage, customers are already past the tipping point of yes or no. Retailers are in the perfect position to give them exactly what they want and it boils down to a flexible and seamless payment flow to drive conversions.

Especially during the peak season, checkout processes must run smoothly when stores or websites are full of potential customers looking for the best deals. There are many ways to boost checkout conversions, but a long line at the till or a faltering online checkout are absolute no-nos.

Online conversion optimization

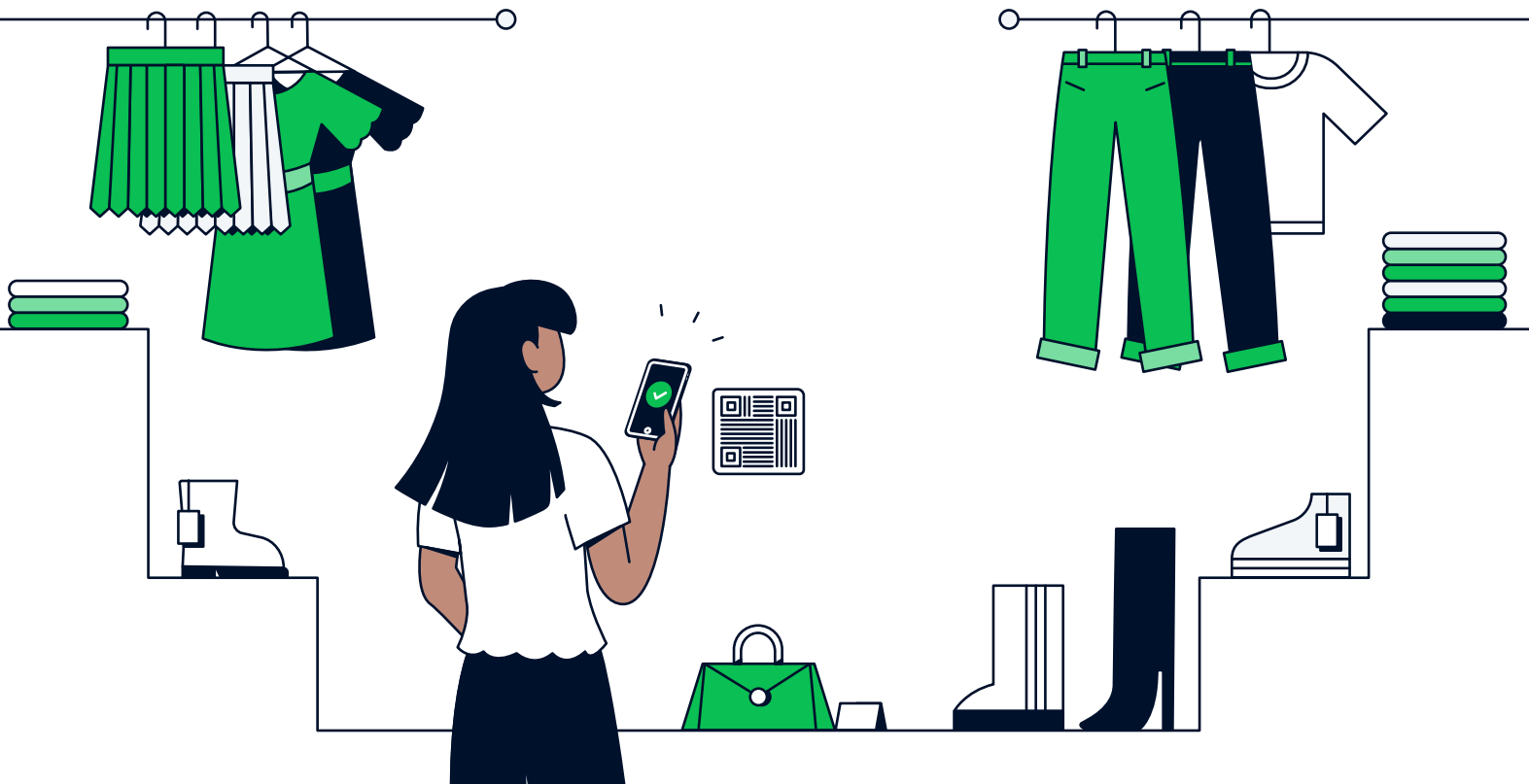
Consumers were already embracing online shopping, but the pandemic truly accelerated the trend. Here are the four actionable steps to boost and optimize sales conversions during the peak season:

Step 1: Optimize the checkout page

It's essential that retailers ensure that every payment experience that potential shoppers go through is quick, easy, and secure. It's backed by data – 36% of Singaporean shoppers tend to abandon a purchase if there are too many steps during checkout.

The entire payment flow and process should be hosted on the website to streamline and speed up the checkout process, while maintaining total control over the branding and layout of the checkout page. This builds credibility and trust with shoppers, which means fewer lost customers and better sales conversion rates.

For businesses that don't have the time and resources to optimize their payment page, they should consider Adyen's Drop-in integration. This enables the ability to create an easy, personal, and secure payment page.



Step 2: Let shoppers pay how they want

Nothing is quite as frustrating as when a potential shopper loads their cart and fills in all their shipping details only to find out that they are unable to use their preferred payment method on the site.

Consumers should be able to make payments across different methods, depending on their preference. Popular local payment methods should always be front of mind as the checkout process is optimized. This includes digital wallets, Buy Now Pay Later payment methods, and QR codes.

Additionally, accepting payments in different currencies is also important – letting shoppers make purchases in their preferred currency helps attract more repeat customers.

ZADIG & VOLTAIRE

“The goal in the future is that there is less and less friction at the time of purchase, and that transparency and security are prioritized. QR codes in particular are very promising in this direction, and offer a lot of possibilities. Z&V's digital teams were strengthened with this in mind, in order to remain at the forefront of the digitalization of retailers.”

Jonathan Attali — CDO, Zadig&Voltaire

Step 3: Ensure the checkout page works on all devices

The number of smartphone users is expected to rise to over 7 billion by 2024. It's safe to assume that customers will be shopping and paying for their peak season goods via their phones or tablets.

It's important to test the checkout page on multiple devices and operational systems and, on mobile apps, opt for in-app payments for a smoother payment flow instead of redirecting shoppers.

In-store conversion optimization

The retail landscape is changing and so is the way people pay. Retailers need to acknowledge that the role of the store has changed – it is now seen as a curated gallery or showroom that is reflective of the brand's vision and story.

Transactions might not necessarily happen in-store, but if they do, they need to be seamless and easy for the shoppers. Retailers need to think of ways to enrich in-store experiences and shorten queues.

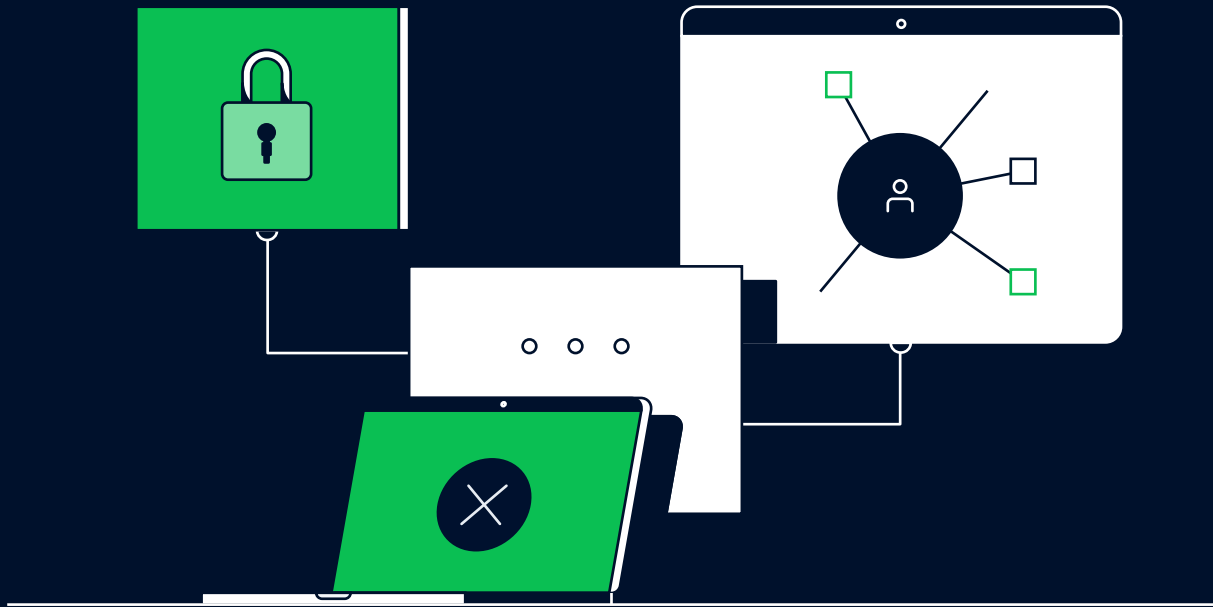
For example, it might be worth considering mobile Point of Sale (POS) terminals for sales staff to continuously engage with customers and allowing them to check out on the spot without any hassle. A mobile solution ensures that shoppers are not waiting in queue, increasing the chance of an in-store sales conversion.

Self-service checkout is another great payment technology that gives shoppers more freedom to experience a brand on their own terms. Adyen's self-service POS terminals can be integrated to enable easy in-store checkouts to boost sales conversion.



“We can go to the customer rather than the customer having to queue and come to the till point. This has been especially good at Christmas, where we can queue bust, but also help our less-abled customers, who sometimes might feel intimidated coming to the till point.”

Mike West — Digital Director, LUSH



Fraud protection

The more visitors that come to an online store, the better. But businesses don't want to expose their companies to payment fraud.

45% of Singaporean businesses say that in the past year, their organization has seen an increase in fraud attempts. This comes at a consequential price with 52% of businesses saying fraudulent transactions and chargebacks are a significant cost for their business.

While peak seasons drive a massive spike in online purchases and increased revenue, the reality is that it also drives a correlating spike in payment fraud which only increases the costs to retailers.

How do you build an effective risk strategy to protect your business from payment fraud? Read on to find out more.

Detecting, preventing, and responding to payment fraud

Many businesses have prioritized security over customer experience. As soon as something stands out from normal customers' behavior, payments are blocked straightaway. Differentiating between fraudsters and customers can be difficult and lead to genuine customers being blocked. This will have a direct effect on revenue and leave customers unhappy with the buying experience.

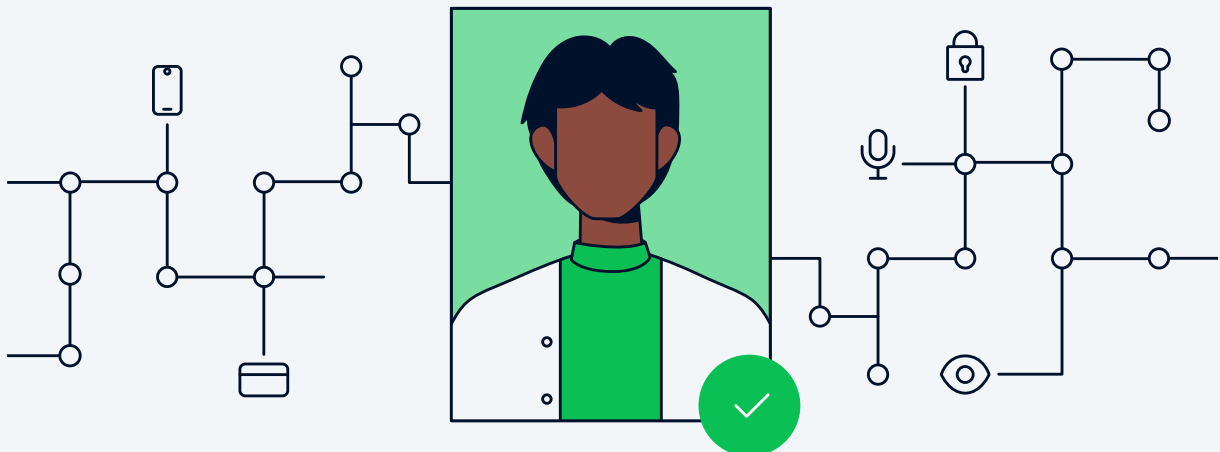
Every business is different and that risk management needs to be tailored to their unique challenges. Here are our tips on how to strike a sustainable balance between risk and revenue through detecting, preventing, and responding to fraud.

Detect: Recognize genuine customers and spot fraudsters across all sales channels.

Prevent: Maintain full control and reduce operational workload by combining risk rules with machine learning.

Respond: Increase authorization rates and reduce chargebacks by adapting and optimizing the risk setup.

Want to learn more on this topic? Read more [here](#).



Risk management with RevenueProtect

Although the techniques to commit fraud are evolving, the options to tackle them are getting better. By leveraging the right technology and building an effective risk strategy, businesses are able to protect themselves and their customers against different types of fraud.

Adyen's **RevenueProtect** is a unique risk management product with a range of tools to detect, prevent, and respond to fraud. We use a global, cross-industry network of data to accurately make the best risk decisions, stay on top of the latest trends, and fight fraud effectively.



"With machine learning, automation means that the tool [RevenueProtect] can do the hard work for us. We don't take our eyes off the system, but it helps to have exceptions highlighted by the tool, and it saves us having to trawl through transactions looking for trends."

Rhian Greenway — CIO, City Beach



Refund and re-engage

No matter if it's an unsuitable gift or something that doesn't fit quite right, returning an item can be a real pain for customers to deal with. So, how can retailers make the process as easy as possible for shoppers and turn the re-engagement into a potential further sales opportunity?



Cross-channel returns

Retailers need to make it easy for consumers to return items at their convenience. For instance, allowing online shoppers to return items in store or allowing in-store shoppers to return items to the ecommerce warehouse.

This flexibility provides a better customer experience and removes barriers to the initial purchase if consumers understand that the return process is easy and straightforward.

To enable cross-channel returns, retailers need to manage both in-store and online payments in one system using unified commerce. Linking all backend systems to capture actionable insights enables retailers to deliver the best shopping and returns experience to shoppers.

Convert the return into a sale

With every return comes great opportunity – this new touchpoint should be leveraged to re-engage with shoppers. Other than ensuring a smooth and convenient returns process for shoppers, consolidating payments data via unified commerce is essential.

By doing this, retailers have a complete view of their shoppers' histories, enabling them to target customers with relevant and attractive offers. Who knows, this might just convert the return into another fruitful shopping trip.



Choose the right partners

Peak season or not; it is always good to look at the long term. When a company grows, a common question is what it should continue to manage in-house and what it should outsource to expert providers. From accounting to design to logistics, working with the right partners is a great way to strengthen processes, and support the business to focus on its core purpose.



When choosing a potential partner, it's good to ask yourself a few questions. Does your strategy and growth ambition match that of the company you want to partner with? What about cultural fit? People do business with people they like — there must be synergy with the team you will be dealing with.

Besides reliable, flexible, and specialized, experience and technical knowledge are keywords during your search. Sometimes you need not one, but several partners. Then, it is important that different systems fit together. So make sure a new partner supports the current systems you are satisfied with.

Not only do intermediaries in retail and logistics have an influence on your company, your payments provider also plays a big role in your success. Look for a partner that understands your development strategy, and can help you launch your ecommerce platform and open physical stores wherever you want. A flexible payment solution helps you to grow your business quickly, without administrative and technical complexity.

DW
Daniel Wellington

"In addition to the strong service that Adyen offers, it's an incredibly good company to work with. One of the best things about our partnership is their knowledge – which they are happy to share. Whether it's evaluating new opportunities or dealing with challenges, fast and knowledgeable help is provided."

Natasha Belinska — Ecommerce Product Manager, Daniel Wellington

In conclusion

The perfect, conversion-enhancing customer journey aside; most of all, we wish you well in the upcoming peak season. Hopefully your webshop will fill up and customers will be able to enjoy your carefully decorated stores.

Want to learn how Adyen and our payments solutions? Or have a question about the upcoming peak season?

[We'd be happy to help.](#)



Ready for peak season 2022-23?

Here's a great checklist to set you up for success.

- Communicate offers to customers as early as possible, make sure your website can handle an increase in traffic, and ensure that your main sales channels are ready for the peak season.
- Check your risk management systems or get information from a payment partner on how to guard against fraud.
- Have a single view of your inventory. You can move quickly when a product proves popular or avoid in-store disappointment by directing customers online.
- Build customer loyalty by offering targeted promotions and discounts.
- Make use of unified commerce. Make sure shoppers have consistent experiences on whatever channel they choose; whether it's online, in-store, or in-app. And enable cross-channel experiences like click and collect, 'endless aisles' and buy online, return in-store.
- Take a critical look at your checkout. Make sure you keep payments on your own page so you lose fewer customers and get more conversions.
- See how partners can support your different business processes. Even if you are busy with the peak season now, it is good to look at the long term.
- Implement the latest payment trends so you can offer visitors a perfect customer experience. Consider the use of QR codes, payment kiosks, and Pay by Link.

Methodology

We spoke to businesses primarily in the retail sector, but also polled segments in the hospitality and food and beverage (F&B) sectors. These industries face both similar and contrasting challenges and opportunities. Including their perspectives ensures we capture the growing exchange of inspiration, strategy, and innovation between industries, from the rise of self-serve kiosks to data-driven loyalty programs.

This study includes business and consumer data from a wide scope of countries, examined and compared on both global and local levels to ensure a holistic view complemented by regional nuances.

Consumer insights

Opinium Research LLP polled 40,020 adults in Singapore, Hong Kong, Japan, Australia, UAE, UK, France, Italy, Spain, Portugal, Germany, Poland, Belgium, the Netherlands, Brazil, Norway, Denmark, Sweden, USA, Canada, Malaysia, Mexico, Ireland, Austria, Switzerland and India.

Business insights

Censuswide polled 11,530 businesses in Singapore, Hong Kong, Japan, Australia, UAE, UK, France, Italy, Spain, Portugal, Germany, Poland, Belgium, the Netherlands, Brazil, Norway, Denmark, Sweden, USA, Canada, Malaysia, Mexico and Ireland.

The sample includes minimum quotas of 100 in retail, 50 in travel and hospitality, and 50 in food & beverage per market.

Opinium and Censuswide campaigns are conducted in accordance with all ESOMAR principles and best practice.

About Adyen

Adyen is the financial technology platform of choice for leading companies. By providing end-to-end payments capabilities, data-driven insights, and financial products in a single global solution, Adyen helps businesses achieve their ambitions faster. With offices around the world, Adyen works with the likes of Facebook, SHEIN, H&M, Uber, L'Oréal, Cathay Pacific, and Grab.

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