

UOB survey finds Singaporeans spending at local businesses to help them bounce back after COVID-19

Consumers also spend more at socially-responsible businesses

Singapore, 3 December 2020 – One in two Singapore consumers (51 per cent) said they prefer to shop at local businesses to help them recover from the business fallout from COVID-19, according to the *UOB ASEAN Consumer Sentiment Study*. The study findings come as one in two local businesses have reported revenue declines of more than 50 per cent due to the impact of COVID-19¹ and are looking at ways to rebuild their business as Singapore continues to reopen its economy.

The results of the study offer welcome relief to businesses under pressure according to Mr Lawrence Loh, Head of Group Business Banking, UOB. “After eight months of struggling to stay financially-viable as COVID-19 restrictions hit bottom lines, every dollar directed to a local business can and does make a difference. Beyond the financial fillip, this spending choice creates a morale boost to the owners and employees of our local companies as they know people are standing by them.”

More than three in five (62 per cent) consumers across ASEAN also expressed their desire to stand in solidarity with their local businesses, based on the findings of the study. Indonesia had the largest proportion of consumers looking to rallying behind local businesses (72 per cent), followed by Malaysia (69 per cent), Thailand (67 per cent) and Vietnam (58 per cent).

In addition to spending locally, consumers have also been spending more online for purchases including food deliveries, groceries as well as consumer discretionary goods such as entertainment and apparel. The Bank’s data shows that e-commerce transactions among UOB cardmembers grew by 60 per cent from January to October 2020, compared with the same period last year.

To help businesses attract new customers, UOB has helped many local small businesses in the retail sector develop e-commerce capabilities through Shopmatic, an e-commerce solutions provider, which is

¹ Source: Data from the 2020 Annual Business Survey conducted by the Singapore Chinese Chamber of Commerce & Industry, 2 October 2020. https://www.sccci.org.sg/upload/files/2020%20Annual%20Business%20Survey_20201002.pdf

part of UOB's integrated suite of digital solutions on UOB BizSmart². By using Shopmatic, businesses can set up customised e-commerce websites, complete with payment and delivery capabilities, in just 15 minutes. This enables them to create online revenue streams for better business performance.

One business who has experienced first-hand the increased support from local consumers is New Joo Guan Nursery, a plant and gardening supplies and landscaping service company. Despite being unable to receive walk-in customers to its nursery from April to June 2020, the company registered a 20 per cent increase in online sales revenue over that period.

Mr Teo Wee Pin, Founder and Director at New Joo Guan Nursery, said, "Like most businesses in Singapore, we were worried about our survivability throughout the circuit breaker period as we were unable to receive any customer walk-ins. However, with the help of UOB, we established our online storefront via Shopmatic quickly at the start of the circuit breaker so that we could continue to sell our products and services to customers online. UOB and Shopmatic have also helped us to apply for the Productivity Solutions Grant by Enterprise Singapore to lower the cost of our digitalisation efforts, enabling us to go online without placing a huge burden on our cash flow.

"What took us by surprise next was the increase in overall sales driven exclusively through our online sales channels. We are heartened by the outpouring of support that our customers have given us, as they bought from the comfort of their homes despite being unable to visit us in person. Learning from our experience during the circuit breaker, we will continue meeting the needs of our customers through both our physical and online sales channels throughout and beyond the COVID-19 pandemic."

Similarly, UOB's collaboration with Getz, an end-to-end food and beverage (F&B) digital solution provider, has enabled food and beverage (F&B) businesses to set up their online storefronts quickly while lowering the cost of food delivery. For instance, Sushi Cravings, who opened in August this year was able to set up its online storefront in less than a week.

² UOB BizSmart is a holistic suite of cloud-based integrated solutions for SMEs to digitalise their operating processes such as procurement, accounting, human resources, e-invoicing and sales.

Mr Daniel Ng, Co-founder and Director of Sushi Cravings, said, “We adopted Getz through UOB right from our beginning three months ago as the solution enables us to earn more from each of our online order and to manage customer relationships directly from our online storefront. UOB and Getz have also made it easy for us to start our online delivery operations quickly and seamlessly despite our limited experience in doing so. Within less than a week, we were able to have our website ready, complete with digital payment capabilities. We were also able to tap onto Getz’s network of logistics partners to deliver our hearty meals right to the doorstep of our customers.”

Consumers in Singapore prefer spending at socially-responsible businesses

The *UOB ASEAN Consumer Sentiment Study* also found that Singapore consumers are making a deliberate decision to spend at businesses that use sustainable business practices (43 per cent) and have supported people affected by COVID-19 (40 per cent). While the preference to support socially-responsible businesses is consistent across all ages in Singapore, it is held most strongly by affluent Singapore consumers (61 per cent), followed by those in the mass affluent (43 per cent) and mass (34 per cent) segments³.

The study also found that consumers in the region were slightly ahead of those in Singapore when it came to supporting socially-responsible businesses. Across ASEAN, 54 per cent of consumers want to buy from brands that use sustainable business practices, led by consumers in Malaysia (60 per cent). Consumers in Indonesia were the most supportive of businesses that have helped people affected by COVID-19 (63 per cent), against the average of 54 per cent across all ASEAN consumers.

“Consumers in ASEAN are also using their spending power to focus on those businesses that are making an effort to support the community in the continued fight against COVID-19. This social trend underscores even more clearly the importance of businesses operating responsibly and sustainably. Those companies that incorporate responsible business practices into their strategy will benefit longer-term,” Mr Loh said.

The *UOB ASEAN Consumer Sentiment Study*, conducted in July 2020, aims to provide a better understanding of ASEAN consumers at a time when the region is undergoing a deep social and economic

³ Affluent Singaporeans are defined as those with a monthly income of S\$10,000 or more, followed by those in the mass affluent segment (between S\$6,000 and S\$10,000) and mass segment (S\$6,000 or less).

transformation. More than 3,500 respondents were interviewed in five ASEAN countries, including 1,000 in Singapore and more than 600 in Indonesia, Malaysia, Thailand and Vietnam.

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About United Overseas Bank

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. UOB is rated among the world's top banks: Aa1 by Moody's Investors Service and AA- by both S&P Global Ratings and Fitch Ratings. In Asia, UOB operates through its head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia, Thailand and Vietnam, as well as branches and representative offices across the region.

Over more than eight decades, generations of UOB employees have carried through the entrepreneurial spirit, the focus on long-term value creation and an unwavering commitment to do what is right for our customers and our colleagues.

We believe in being a responsible financial services provider and we are committed to making a difference in the lives of our stakeholders and in the communities in which we operate. Just as we are dedicated to helping our customers manage their finances wisely and to grow their businesses, UOB is steadfast in our support of social development, particularly in the areas of art, children and education.

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