

**EMBARGOED UNTIL DELIVERY
PLEASE CHECK AGAINST DELIVERY**

**SPEECH BY MR S ISWARAN, MINISTER FOR TRADE AND INDUSTRY
(INDUSTRY) AT THE OFFICIAL OPENING OF REEBONZ'S E-COMMERCE HUB,
TUESDAY, 30 MAY 2017, 3.30 PM, REEBONZ LIMITED**

Mr Samuel Lim, CEO of Reebonz,

Mr Daniel Lim, Co-founder, Reebonz,

Mr Teo Ming Kian, Chairman, Vertex Venture Holdings,

Mr Chua Kee Lock, CEO, Vertex Venture Holdings,

Ladies and Gentlemen,

1. I am delighted to join you this afternoon for the opening of the new Reebonz e-commerce hub.
2. This e-commerce hub will enhance Reebonz's global outreach by significantly improving the company's capabilities in dispatching goods to its customers, no matter where they are in the world. At 200,000 square feet, it is four times larger than Reebonz's previous office and distribution centre. In terms of capacity, the new infrastructure can stock over 500,000 types of products, which is more than 11 times the previous capacity of 45,000. I am heartened that Reebonz is already looking ahead to its next phase of development, where it is planning to invest in robotics to further increase its productivity.

Importance of E-commerce for Growth of the Retail Industry

3. Reebonz's growth and expansion underscores the importance of e-commerce as a major growth driver for the Retail Industry.

4. In the ASEAN region alone, one quarter of the combined population of 400 million people are already shopping online today. By 2019, it is projected that one in every five sales in the Asia Pacific will be conducted through an e-commerce platform. By 2020, local e-commerce user penetration is expected to be 3.9 million, or nearly three quarters of all residents. Singaporean shoppers are turning to online retailing in droves, accounting for the popularity of players like Reebonz.
5. To enable our retailers to tap the growth opportunities, SPRING has set a retail Industry Transformation Map target of growing e-commerce's share of total retail receipts from 3% to 10% by 2020. On the international front, IE Singapore is also helping our companies enter foreign markets through e-commerce platforms. E-commerce and other initiatives relating to the digital economy will be a key priority for Singapore's ASEAN 2018 Chairmanship. We will work to advance common trade rules governing e-commerce to promote greater digital connectivity in the region, help companies access new markets, and lower operating barriers to entry.

Adopting Omni-channel Strategies to Capture Opportunities in the Retail Industry

6. To seize these opportunities, it is essential that traditional retailers build the requisite competencies for e-commerce.
7. Omni-channel retailing, a combination of brick-and-mortar retail with online shopping, is a model that retailers can leverage for growth by offering customers a seamless experience across multiple channels. This applies equally to companies whether they began as traditional retailers or as e-commerce players. Globally, we have seen top online retailers like Amazon setting up physical stores, while Walmart, a giant of the traditional retail scene, is expanding aggressively in the digital world with its recent acquisitions of smaller e-commerce players. Omni-channel retailers differentiate themselves from their online-only or offline-only competitors by offering customers the options to see, feel and try the products, coupled with the ability to shop anytime, anywhere.

8. Reebonz is an excellent example of a local company that has successfully leveraged both online and offline channels to scale its operations to where it is today - with 8 global offices and over 300 employees. Reebonz started purely online in 2009, but invested in offline stores two years later. While Reebonz first made its name through its e-marketplace, it realised that to reach out to and satisfy the shoppers of today, it needed to launch spaces for customers to see and feel the luxury products. Today, Reebonz runs pop-up stores in Singapore, Malaysia, Thailand, Indonesia and Australia.

Leveraging Shared Platforms to Uplift the Retail Sector

9. Adopting a successful omni-channel strategy requires sustained investment of time and expertise. Smaller companies might be reluctant to start due to lack of scale or technical skills. Others may face challenges in reaching out to new customers and coordinating processes for e-commerce fulfilment. Here, players like Reebonz can serve as shared platforms that uplift the entire retail sector. Smaller companies can leverage e-marketplaces like “Reebonz Boutiques” to list their products, which requires less resources than a standalone platform and eases access to global markets.
10. Retailers with experience in specialised capabilities can take the lead by establishing platforms which enable smaller retailers to tap on their experience and expertise, and collectively achieve greater scale. For example, Reebonz helps traditional brick-and-mortar retailers who list on its e-marketplace with quality control checks, picking and packing, and in-house photography, along with other activities needed to list the product on the e-marketplace.
11. Reebonz’s e-marketplace has also emerged as an online incubation space. Emerging designers and local entrepreneurs have a simple, less risky space to refine their branding and test new products. I am glad that Reebonz has begun to bring promising, emerging local designer brands onto its e-marketplace. Two such brands are Mandy Wu, a local brand of accessories specialising in silver and bronze, and Deboneire, a label for the modern gentleman. Mandy Wu and Deboneire have not only gained immediate traction and access to global shoppers,

they are now also able to leverage Reebonz's international e-commerce infrastructure and expertise. This has significantly shortened the time to market and widened the reach for these new designers, who would otherwise have had to invest resources to develop their own websites and marketing efforts. I urge more local brands to take advantage of such platforms to scale up and enter new markets.

Building a Future-ready Workforce to Support New Retail Capabilities

12. Technological and global trends have also presented new growth avenues and changed demands on the retail workforce. A key pillar of the Retail ITM is to nurture a highly skilled, adaptable, and future-ready workforce to drive the next phase of retail industry growth.
13. The rise of e-commerce and omni-channel retailing has opened up new career options and pathways for the retail workforce. For instance, traditional marketers now need to understand digital marketing strategies and work with digital marketers on execution. In fact, retail brand and marketing teams have to function like small media companies so as to create fresh, engaging content on fast-moving digital platforms.
14. Reebonz, for example, has equipped its people with the skills needed to progress in these new career pathways. Recognising that authenticity is key in luxury retail, Reebonz has engaged international experts to train its team of authenticators, known within Reebonz as Ateliers, who verify the authenticity of leather goods, jewellery and timepieces. One such Atelier is Ms Zoe Lau, who joined as an associate merchandiser in 2015. As a lover of fashion and an appreciator of authentic luxury goods, Zoe asked for a transfer to perform authentication after about a year. After six months of customised training, she is now part of the exclusive team of qualified Ateliers.
15. To support the development of new capabilities which staff in the retail industry will need, SPRING Singapore has been collaborating with key agencies such as Workforce Singapore (WSG) and SkillsFuture Singapore (SSG), industry players and training providers. Retail staff will not only have to embrace technology but

also perform a variety of roles. Retailers will need to integrate e-commerce fulfilment into pre-existing operations and their frontline staff will have to be brand ambassadors, personal shoppers and even fashion stylists. These new jobs, functions, skills and competencies will be encapsulated in the Skills Framework for Retail, which is being developed by SSG, SPRING and WSG in close consultation with the retail industry, unions and associations. The Skills Framework will be released later this year.

16. Support for individuals includes the SkillsFuture Study Award for the Retail Sector which supports early to mid-career Singaporeans in courses relevant to their jobs. One example is Mr Soh Ming Kai, a marketing executive of online retailer Fitlion that specialises in health and fitness supplements and accessories. He tapped on the SkillsFuture Study Award to take courses in Supply Chain Management to better understand sales planning and coordination. Since then, Ming Kai has contributed to Fitlion's growth through domestic and international sales. Other employees in the retail industry can look forward to courses in digital marketing, data analytics and e-commerce.

Conclusion

17. The retail industry, like many others, is facing significant and disruptive change caused by new technologies. These changes pose challenges but also offer exciting new opportunities for our businesses and careers for our people. Reebonz and others companies like them are excellent and inspiring examples of how these transitions can be navigated successfully. I congratulate Reebonz once again on the opening of its e-commerce hub, and wish you and your partners all the best in your future growth. Thank you.