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## Major department stores beefing up online presence

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E-sales make up small portion of total sales but business is growing, say big players

Singapore's more established department stores have been playing catch-up with their newer Internet rivals over the past three years by beefing up online shopping services.

In January, Metro launched an online shop, while Isetan revamped its six-year-old Web store.

The Tangs Web store is currently being improved, while Robinsons plans to open one next year.

These platforms mainly sell a selection of products available in their physical outlets.

Mr Erwin Oei, head of business analytics and marketing at Metro, said: "The threat of online, though small, cannot be ignored. The launch of Metro Online provides us with an additional platform on the back of rising rental and shortage of labour."

### BRICK-AND-MORTAR ADVANTAGE

They should take a different approach since they have physical storefronts... and merge the advantages of online and offline shopping.'

DR **LYNDA WEE**, adjunct associate professor of retailing at Nanyang Business School, on competing with online shops

Online sales still make up a small proportion of overall sales for department stores here but they have been growing. Since January, Metro's online store has seen a "steady increase" in daily sales, with around 3,000 visitors per day.

Tangs says sales on its website doubled from 2013 to last year.

"We are looking at growing these figures so that they become a more significant proportion of total group figures," said Ms Stenifer Tan, the store's assistant vice-president of e-commerce.

Tangs' online shop now offers around 3,000 products, including jewellery and shoes, up from around 2,000 items in 2012. About half of its shoppers are made up of its membership card holders, who are mostly women aged between 25 and 45.

Isetan's online customer base - 80 per cent of whom are female - has grown by more than 10 per cent over the last two years, with sales rising gradually year on year.

While it is a step in the right direction, retail experts believe department store chains should differentiate themselves from online competitors. The likes of Lazada and Rakuten offer thousands of products across many categories.

Department stores often lose out to online retailers in terms of their product range and price, said Dr Jimmy Wong, a lecturer from SIM University's marketing programme.

In countries such as Australia and the United States, consumers often try out products in brick-and-mortar department store outlets before going online to buy the same product at a lower price.

Department stores should identify such items and price them more attractively in order to "create opportunities for consumers to buy from their own online store instead of other online retailers," said Mr Wong.

Mr Samuel Tan, manager of the Diploma in Retail Management course at Temasek Polytechnic, believes the advantage "established department store giants" have is an existing customer base.

They can also target an older demographic , compared with other online shops which tend to attract those in their 20s and 30s, said Dr **Lynda Wee** , adjunct associate professor of retailing at Nanyang Business School. "They should take a different approach since they have physical storefronts... and merge the advantages of online and offline shopping," she added.

Dr Lynda Wee.

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