Singapore brands lack support from local consumers: study

Market here ranks lowest among Asian nations such as Japan, South Korea & Thailand

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A STUDY has found that about one-tenth of consumers in Singapore prefer local brands in contrast to other Asian countries, where the demand for locally-designed high-end goods is on the rise.

Across 15 consumer categories including beauty & personal care, consumer appliances and hotels & airlines, a mere 12.5 per cent of the Singapore population will pick local brands, making the Republic's score the lowest compared to countries such as Japan (48.9 per cent), South Korea (42.3 per cent) and Indonesia (38.6 per cent).

These findings were part of a study by the Nanyang Technological University (NTU) and NTU Singapore’s Institute on Asian Consumer Insight (ACI) and were presented at the annual ACI Asia Business Summit on Monday, The Business Times, which is owned by Singapore Press Holdings, was the official print media for the event.

The study, Pan Asian Wave II, surveyed more than 26,000 people across 10 key Asian markets such as China, India, Philippines and Thailand. The rationale for the study is to identify changing patterns of consumers in Asia. It aims to understand Asian attitudes, anxieties and expectations for the next five to 10 years.

"As Asia continues to change and as technology continues to progress and grow in the region, so will the way consumers behave, think and live. The objective of Pan Asian Wave II is to identify these shifts, which will require a deep understanding of the consumers' world in terms of their aspirations, challenges, needs and the external factors driving these," said NTU Singapore’s ACI in a media factsheet.

Cognitive neuroscientist and pioneer of the application of neuroscience to marketing, Gemma Calvert, who presented the data and findings, on Monday said there’s less interest in local brands in Singapore.

She told BT in an interview: "Singapore is still very much (lacking) a market with local brands. This is a much more cosmopolitan place so there’s less expression of patriotism. Local brands here have to up their game and try hard. It’s not easy because the market is small so they’re going to have to focus on quality rather than low price.

"If you want to build a brand, you need to do much more than simply provide a sexy product. It has to have some additional features. Your brand needs to reach out (and) entertain. You need to give first for consumers to give back," she added.

A report by the World Economic Forum stated that Asia’s per capita income will increase by 600 per cent by 2030, and 66 per cent of the world’s middle-class income will reside in Asia then.

According to Professor Calvert, statuses will be "internalised", leading to an increase in purchase of luxury goods that are only for private consumption, such as high-end perfumes.

On millennials in Asia, Professor Calvert observed that the group, aged between 18 to 29, is going back to traditional values, in terms of the preference to buy from brands that embrace corporate social responsibility.

"In the future, particularly (for) millennials, shopping will be more synonymous with entertainment and other leisure pursuits, with malls becoming places of ‘retail-tainment’ and the purchase of goods being a matter of convenience," she said.