

ROBERT WALTERS SINGAPORE RETAIL INDUSTRY MARKET UPDATE

QUARTER TWO 2010



Welcome to the Robert Walters' specialist market update, designed to provide you with an insight into the very latest recruitment market and salary trends across the retail sector.

We provide a truly consultative service and offer professional advice, insight and market information whether you are recruiting or not. Our consultants have in-depth expertise and knowledge of the commerce marketplace and possess a high level of specialist sector based experience. We offer a fully integrated service, through experienced team members who possess a wide range of recruitment skills and specialist knowledge, combined with hands-on experience from within the commerce sector.

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MARKET OVERVIEW

Singapore's economy, one of the most affected in Asia by the recent global downturn, has shown positive signs of market recovery in the first half of 2010. The retail industry which has traditionally been the first few sectors to suffer from a market downturn and generally slower in terms of recovery, is however providing mixed signals.

According to the Singapore Department of Statistics, reports indicated that retail sales declined by 2.6% year-on-year as of April 2010, which is in tandem with the decline of median household income by 1.9%. Despite this, Singapore continues to be a strategic platform for many brands – be it for geographical or tax reasons. In addition, the government's push for rebranding the country as a lifestyle hub has also given impetus for companies to commit resources and headcount in Singapore (e.g. new mall developments along the main shopping belt in Orchard Road and the two integrated resorts).

One of the key trends we have observed included brand owners taking back distributorships and operating directly; store revitalisation and/or expansion in terms of retail footprints for existing brands; as well as new brand entrants such as Uniqlo (mass fashion), Wendy's (F&B), Neulook (fashion & accessories), Berschka (fashion), Etude (beauty & cosmetics), Chaumet (luxury jewellery) and Herve Leger (luxury fashion), just to name a few.



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RECRUITMENT TRENDS

We have also observed the following recruitment trends in the retail industry over the last six months across the following functions:

HUMAN RESOURCES

The majority of HR roles recruited for were junior level positions circa S\$50k to S\$80k. Recruitment for senior-level HR roles was sporadic at best and usually went to internal candidates. Given the burgeoning expansion in terms of retail locations, HR generalists were hired to cope with the increased workload and manage the high recruitment volume.

The retail sector is typically not the first choice or priority for many HR professionals due to the operational nature of the work and lower salary levels as compared to other industries. Coupled with an increase in recruitment activity within the retail industry for junior level staff which translated to an increased workload, this further added on to the push factors for HR professionals to move out of the industry.

Salary levels within the retail industry currently lag behind other industries and this has proven to be a challenge in terms of increasing/maintaining the talent pool of HR professionals. In addition, HR is often seen as a support function as opposed to being a strategic business partner, thus making the retail industry even less attractive.

Depending on the seniority of the position, the debate of a shrinking talent pool continues. We have witnessed some individuals revolving their entire career in the retail industry, largely due to passion and interest. The younger generation on the other hand, tends to shy away from the longer working hours that is almost mandatory in this industry.

Moving forward, we expect a fair amount of stability and anticipate that recruitment in this space would be steering towards replacements for newly vacated positions.

FINANCE

Recruitment activity for finance positions was fairly active across junior to mid-level managers, particularly due to store expansions and increased workload for back-office functions. Key roles being recruited for included financial planning & analysis, financial controller and pricing analyst, with salaries ranging between S\$50k to S\$120k.

Similar to other functions, there is a talent crunch for finance professionals within the retail industry. Most finance professionals working in the retail sector have been with the industry for some time, largely due to a passion for the trade or brand. However, as we emerged from the recession, both the financial services and IT sectors started to appeal to and sought talent aggressively, leading to an outflow of talent from the retail industry. We expect the talent crunch to tighten further, unless employers start considering finance professionals from other sectors and increase salary levels to stay competitive.





SECRETARIAL & SUPPORT

There were pockets of opportunities for secretarial positions such as team assistants and personal assistants, with salaries ranging between S\$40k to S\$70k. The challenges in recruiting for this area were both candidate and employer-driven: candidates had high salary expectations and employers were keen to wait for the 'ideal' profile, hence extending the recruitment process. Moving into the next half of the year, we expect an increase in demand for qualified secretaries, and salary levels will become more competitive as we enter a candidate-driven market. The demand for candidates with MNC experience remains high and in addition to secretarial skills, organisations are looking for candidates with stable career histories and solid secretarial experience.

SALES & MARKETING

Recruitment activity for the sales & marketing function was the most well-rounded, with demand for junior to senior level positions. Retail operations roles continued to be in high demand, which led to active poaching amongst the luxury brands. Other roles recruited for in the last six months included country managers, heads of sales, retail directors and managers, as well as brand managers. More recently, we saw a spike in recruitment for market intelligence, consumer insights and CRM roles as brands seek to acquire or retain customer loyalty.

From a talent acquisition perspective, some brands/companies have significantly relaxed their hiring criteria, particularly with regards to the candidates' background and experience, given the talent crunch within the industry. Some examples of this trend we have seen included luxury brands hiring candidates with department store operations backgrounds; candidates from the hospitality/automotive sectors moving into retail; and companies sourcing candidates from overseas markets. We have also witnessed aggressive salary benchmarking and upward adjustment of salary levels (between 10% to 20%) for key retail functions and individuals.

Moving forward into the next half of the year, we expect consistent demand across all levels and several opportunities for marketing roles. We also anticipate a potential increase in newly created positions as more brands enter Singapore.

ABOUT ROBERT WALTERS

With over 25 years in the business of recruitment, Robert Walters is firmly established in Australia, Asia, Europe, USA and New Zealand. Our emphasis is on building long-term relationships that provide an independent view to your recruitment challenges in the following specialist areas:

- Accounting & Finance
- Banking
- Business Support & Call Centre
- Construction & Engineering
- General Management
- Human Resources
- Information Technology
- Legal
- Sales & Marketing
- Supply Chain, Logistics & Procurement



REQUEST YOUR COPY: 2010 SALARY SURVEY

The Robert Walters 2010 Global Salary Survey, now in its 11th year, covers salaries and market trends across globe. To request a copy, please contact any of our consultants or download the survey online at:

www.robertwalters.com/salariesurvey



INFORMATION TECHNOLOGY

In the last six months, we have seen a strong demand for IT professionals, in particular for roles such as business analyst, SAP senior manager, regional IT manager and program director, with salary levels ranging between S\$80k to S\$200k.

Recruitment for IT professionals has been challenging given that most companies were only keen on candidates with experience in managing business systems in a retail environment (e.g. point-of-sales, inventory and warehouse management system, etc).

Moving forward, we expect retail companies to be placing more emphasis and investments on IT infrastructure and applications to automate present manual functions and processes, thereby enhancing efficiency and speed-to-market.



LOGISTICS & SUPPLY CHAIN

In the current supply chain industry, there is an increasing variety in the positions that companies are recruiting for. The skills required for traditional retail roles (e.g. buyer, supply chain manager, planner) are also gradually shifting in an effort to adapt to the new retail environment. Due to the tight labour market for skilled workers, retailers are recognising the need for a pool of talent they can develop and as a result, many retail organisations have started to consider candidates from the FMCG sector.

The total retail industry employment is shrinking due to cost-cutting measures, consolidation, technological advances as well as the rise of online shopping. Industry employment is growing in higher-skilled occupations, especially for roles requiring technical, logistical and managerial skills that are essential for efficient, integrated, multichannel, merchandising and sales operations.

With consumers having higher purchasing power, we see more emphasis on increasing the level of sophistication of supply chain operations within retail organisations. Moving forward, we expect an increase in the demand for senior positions with salaries ranging between S\$120k to S\$200k per annum.

ROBERT WALTERS ASIA JOB INDEX

The Robert Walters Asia Job Index was launched in Q2 2008 with a view to create a quarterly defector barometer for the job market across the region.

Since its inception, the Index has grown in scope and now covers Singapore, Japan, China and Hong Kong. The Asia Job Index is highly regarded as an informative source, and its reports have been covered by numerous mainstream and trade media around Asia. Many companies have also used the Asia Job Index as a reference for their organisations' research and strategy reports.

For the latest report, please visit www.asiajobindex.com





LATEST ROBERT WALTERS UPDATES

HUMAN RESOURCES RECRUITMENT LAUNCHED IN MALAYSIA

Robert Walters has launched its HR division in Malaysia to serve the growing need for HR professionals. The Robert Walters Human Resources division specialises in the placement of mid to senior level HR professionals into the financial services and commercial sectors. We recruit for specialist HR positions ranging from administrators and officers through to HR director and VP levels, across all market sectors and functions such as: change management, compensation and benefits, employee relations, HR business partner, HR projects, in-house recruitment, learning and development as well as organisational development.

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LEGAL RECRUITMENT LAUNCHED IN SINGAPORE AND HONG KONG

Robert Walters has expanded its legal recruitment division into Singapore and Hong Kong. Our consultants have a wealth of international legal recruitment expertise within financial services, private practice and commerce and industry. Roles we recruit for include qualified lawyers, general counsel, paralegal and partners.

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