

Group buying sites boost e-commerce in Asia

AFP, Singapore

Innovative "group buying" sites offering bargains on everything from meals to travel packages are catching on in Asia as companies harness the power of social media to influence consumer behaviour.

International brands and local merchants alike are exploiting the business model, which offers attractive deals with a catch -- they have to be purchased by a minimum number of consumers within a deadline.

The discount sites take out advertisements on Facebook and portals, send out Twitter messages and blast emails to their target market to promote particular deals.

Consumers in turn ask family members and friends to take up an offer -- so that they can eat in a group or relax in a spa together -- and at the end of a successful promotion, discount sites get a cut from the vendors.

"It is basically about creating experience for the user," said Patrick Linden, chief executive of Singapore site deal.com.sg, who said his sales hit Sg\$2 million (\$1.6 million) in February from just Sg\$20,000 in May 2010, its first month of operation.

"Basically, social media powers our business," said the 30-year-old German entrepreneur who claims to have more than 300,000 email subscribers notified regularly about offers.

"The whole viral marketing is enabled through social media."

Financial services giant J.P. Morgan forecasts the Asia retail e-commerce market, excluding travel, to more than double from \$156 billion in 2010 to \$323 billion in 2013.

According to the China Internet Network Information Center, there are nearly 20 million group-buying customers in China among the country's 160 million e-commerce consumers.

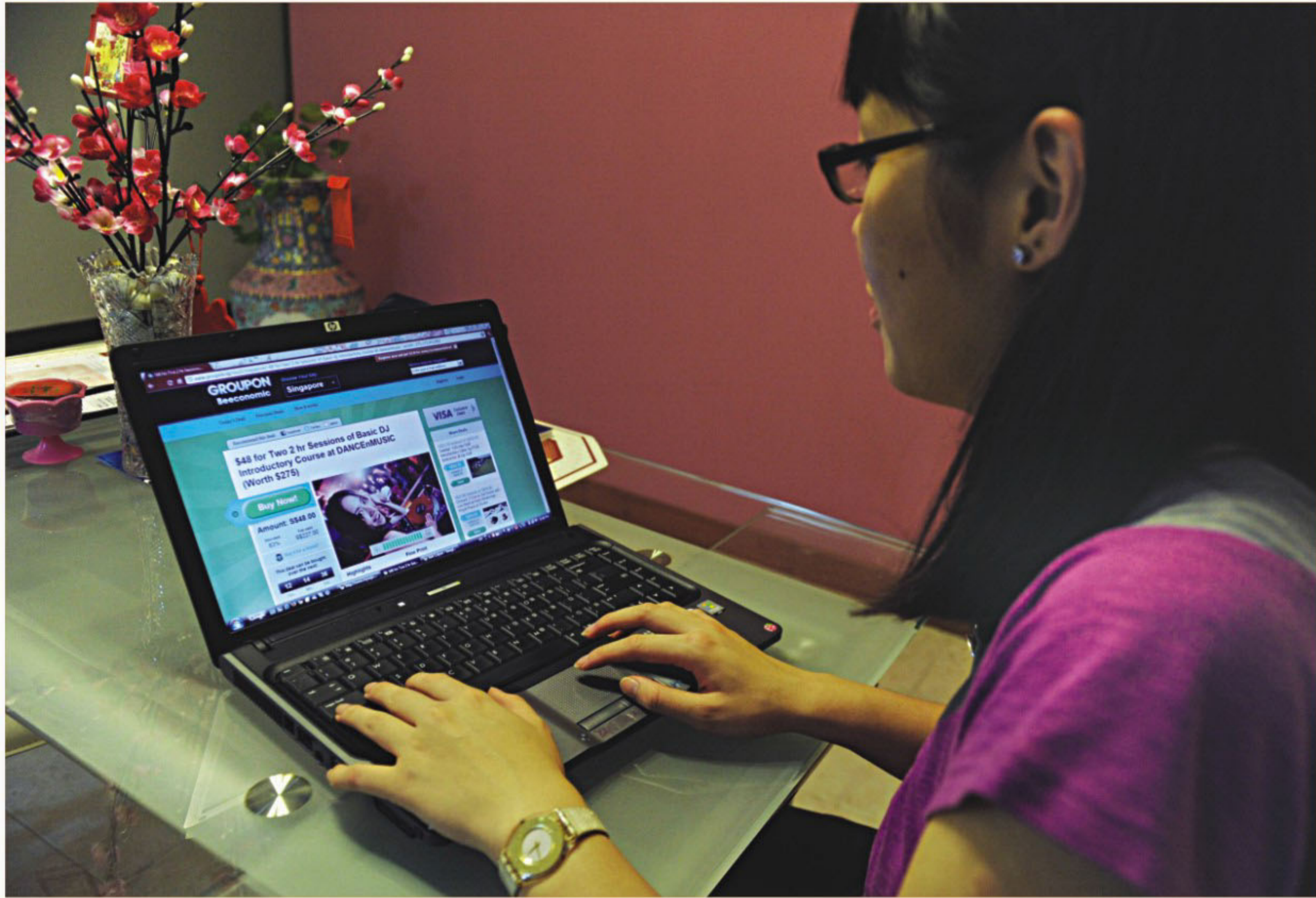
"There is definitely an upward trend for social shopping," said Elias Ghanem, Singapore-based general manager for Southeast Asia and India at payment solutions company PayPal.

"When you combine the notion of social shopping with group buying, you get a very powerful experience that has the potential to appeal to millions of consumers," he added.

"Many Asians are already connected with friends, family and colleagues on social networks, so it's only natural that merchants of all sizes would follow them."

On a recent weekday, three different sites in Singapore offered deals such as Sg\$1 (80 cents) for a chicken burger, Sg\$5 for a nail service and Sg\$48 for a traditional Chinese medicine package -- all just a fraction of normal costs.

Global discount coupon giant Groupon is



An internet user surfs a group-buying online coupon website in Singapore.

expanding its presence in Asia, acquiring sites in Hong Kong, Singapore, Malaysia and Taiwan and has initiated a joint venture in China.

Groupon Singapore, formerly known as Beecommerce, says it has overtaken eBay and Amazon to become Singapore's 17th most visited website with 150,000 hits per day.

"I think this is a very sustainable business," said Groupon Singapore's chief executive Karl Chong, a 29-year-old Australian.

The company offers exclusive deals from international merchants such as fast-food chain Subway, ice-cream company Ben & Jerry's and fashion retailer G2000.

A study by consumer research firm Nielsen, commissioned by PayPal, reported that Singapore's online shopping market was worth Sg\$1.1 billion (\$889 million) in 2010 and expected to reach Sg\$4.4 billion by 2015.

In a city-state with only five million people, Nielsen says there were 1.2 million shoppers aged 18 and above with an average online spending per head of Sg\$1,492 (\$1,206) in 2010.

Another local coupon site, bigdeal.sg, features deals from local small and medium enterprises which founder Daphne Teo, 25, said are not getting as much attention as multinational companies despite their quality services.

About 20 online discount sites now operate in Singapore, one of the world's most connected societies with virtually full web and mobile penetration.

"I was really hooked when it started because some of the deals were at least 50 percent less than what I used to pay," said online shopper Peggy Lim, a 34-year-old office administrative employee.

"It also gave me an excuse to try out some new

things, like eyelash extension, bag spa and fitness class," she said.

To stay ahead of the game, several coupon sites are extending their online services to mobile phones, providing customers with another way of clinching deals wherever they are, with location-based services linked to shops in the immediate vicinity.

"Online offers a lot of benefits such as convenience, speed, time, a 24-hour opening, tremendous information on products and reviews," said Hooi Den Huan, 56, director of Nanyang Technopreneurship Center, which helps Singapore businessmen exploit technology to boost sales.

"In the Asia-Pacific region, more and more people are coming online, in places like Vietnam, China and India, so I think this trend will grow in the future," he told AFP.

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Filthy toilets a blight on Asian prosperity

AFP, Singapore

Fast-growing Asian economies may be flush with money but filthy toilets remain a blight across the region despite rising standards of living, with dire effects on poverty reduction and public health.

Social activists say dismal sanitation facilities are causing preventable diseases in poor communities where people would readily spend money on a mobile phone -- but not on a latrine.

"I think it's very prevalent," said Jack Sim, a Singaporean businessman who founded the sanitation advocacy group World Toilet Organisation. "The handphone is the competitor of the toilet."

Asia has led the rebound from the 2008-2009 global recession and major institutions like the World Bank and International Monetary Fund are predicting strong economic growth in the years ahead.

US business magazine Forbes says Asia now has the second largest population of billionaires worldwide at 332, behind the United States' 413 while leapfrogging Europe's 300.

But in Asia's teeming urban slums and impoverished villages, toilet facilities are either non-existent or rudimentary.

"The lack of good toilets as well as sanitation is still a problem in Asia," said Babar Kabir of Bangladesh-based BRAC, one of the world's biggest non-government organisations.

Sanitation has an "immense effect" on poverty reduction, Kabir said.

"It has linkages with poverty, child mortality, combating disease and environmental sustainability," the director of BRAC's Water, Sanitation and Hygiene Programme, or WASH, told AFP.

People living in poor sanitary conditions are vulnerable to illness which often prevents them from finding regular employment, Kabir said, adding that much of the meagre income they earn would be spent on medical treatment.

Diarrhoea, malnutrition, arrested physical growth, loss of eyesight, typhoid, dysentery and hepatitis are diseases commonly associated with poor sanitation.

"Poor people, particularly women and children, can enjoy protection from diseases, malnutrition and death by using safe water and sanitation facilities including improved hygiene practices," said Kabir.

Singapore's Sim said charity alone cannot help solve the problem of an estimated 2.5 billion people worldwide without access to proper sanitation.

Businesses, governments, banks, micro-finance institutions and NGOs must band together to create a business model that can offer affordable and sustainable toilet systems to the poor, he said.

Sim, organiser of an annual conference called the World Toilet Summit, estimated the global market for sanitation hardware at one trillion dollars.

"I hope that the commercial sector comes in...

We need to go to scale, we need to see this as a wonderful business opportunity."

In Bangladesh, one of Asia's poorest countries, BRAC's WASH programme provides micro-loans to the poor to build toilet facilities, charging only a minimum service charge. Grants are given only to the very poor.

But the programme goes beyond just providing latrines -- it comes as an entire package, which includes designing and building eco-friendly toilets and raising awareness in the community about the need for good sanitation.

Men, women and adolescents are taught good hygiene practices, while local community and religious leaders and micro-credit groups are

roped in to help instil the message, Kabir said.

Sim said some aid agencies focus on building toilets but neglect the education part.

"They want to count how many toilets they have given, but they are not counting how many toilets are being used," Sim said.

People should be taught that a good toilet is an "aspirational goal" that can boost self-esteem and social standing, apart from improving health -- and toilet bowls could even be given as wedding gifts, he said.

Citing Japan's impeccably clean toilets, Sim said: "The peer pressure is there -- that when you don't have a clean toilet, you are shaming your company, your building, your country, your community."

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An Indian sweeper cleans a toilet complex run by an NGO, Sulabh International, at a railway station in New Delhi.