



## MARKET

Sheng Siong Supermarket is a supermarket chain born and bred in Singapore. It has 22 outlets of varying sizes located across Singapore, serving customers young and old, and from all walks of life. With an emphasis on offering value-for-money products, it targets a customer base of low-and-middle-income households.

## ACHIEVEMENTS

In the recently announced Retail Asia-Pacific Top 500 survey by Euromonitor International, Sheng Siong ranked third in terms of sales volume in 2009. This has been the third consecutive year that it achieved the rank of top three in the local retail scene.

According to The Nielsen Company's Top Executive Report, Sheng Siong has grown steadily to achieve a market share of 14.6% among all supermarkets and hypermarkets in Singapore as of June 2010.

Moving forward, Sheng Siong expects to grow its annual turnover to S\$1.2 billion in five to 10 years, doubling its current turnover, and to achieve more than 20% of the market share.

## HISTORY

Sheng Siong began as a family-owned retail store in Ang Mo Kio Avenue 3, below a block of residential flats after taking over the retail space of Savewell in 1985. Savewell was a supermarket chain with 11 outlets facing liquidity issues, and



was seeking buyers for its retail space. At that time, Mr. Lim Hock Chee and his wife had been renting a stall from Savewell to sell pork from their family's farm which had encountered a situation of over-supply. Within nine months of operation, the couple managed to clear most of the family's excess stock, and just before Savewell decided to let go of its stores.

It was also then when the Singapore government started phasing out pig farms, so Mr. Lim Hock Chee, together with his two brothers – elder brother Mr. Lim Hock Eng and younger brother Mr. Lim Hock Leng, took the plunge and ventured into the supermarket retail business.

Since the early years, Sheng Siong made its mark by selling quality and value-for-money products. These, coupled with its personalised service, contributed to its winning formula in surviving a harsh retail environment. From a daily turnover of S\$3,000, it grew to S\$19,000 within three short years of being in business. In 1988 and 1996, Sheng Siong expanded to Bedok and Woodlands respectively. Though its success was already apparent in its early years of operation, Sheng Siong only grew in a big way from the year 2000, by taking advantage of low rental rates due to the market downturn following the burst of the dot-com bubble. Within five years, Sheng Siong added 14 outlets.

By the end of 2005, Sheng Siong had a total of 17 outlets. Among these were bigger outlets such as the ones at Woodlands Centre Road and The Verge Shopping Mall (then known as Tekka Mall) at Serangoon Road. Their retail areas ranged from 41,000sqft to 45,000sqft. In comparison, some of its smallest outlets, such as the one located at Jurong West, had an average space of only about 4,000sqft. The size of its first outlet in Ang Mo Kio was about 4,900sqft.

## PRODUCT

Sheng Siong aims to provide its consumers the most comprehensive selection of products. This ranges from groceries, pre-packed convenience foods, household goods, personal care items, stationery, electronics and electrical appliances to fresh, chilled and frozen foodstuffs. Sheng Siong is especially strong in the fresh foods segment, due to the many years of hands-on experience in the retailing of live seafood, fresh vegetables and meats. The annual turnover for year 2009 was about S\$650 million.

## RECENT DEVELOPMENTS

In line with its strong commitment to provide value-added service and products to its customers, Sheng Siong began to develop house brand products in 2007. Starting from a



series of rice products such as Royal Golden Grain and Matahari Premium Fragrant Rice, it expanded to the Happy Family group of products which included white rice, canned food, condiments and dried food. It also developed its frozen food products under the Tasty Bites brand; washing detergent products under the PowerPlus brand; and household paper products under the Softess brand.

In March 2009, Sheng Siong introduced credit card payments with the launch of the Sheng Siong-Diners Club credit card. On top of other in-store promotions, Sheng Siong-Diners Club card members could enjoy up to 5% cash rebate for their next day purchases. Sheng Siong subsequently extended its mode of payments to accept VISA and other credit cards from April 2010. This new partnership rewarded Sheng Siong's customers with sought-after limited edition giveaways, such as the 2010 FIFA World Cup mascot plush toys, as well as key chains and pins associated with the first-ever Singapore Youth Olympic Games.

In September 2010, Sheng Siong became the first supermarket to accept China UnionPay for payment via Singapore's leading electronic payments provider, NETS. These positive developments further reinforce Sheng Siong's reputation as a leading and popular supermarket chain.

In addition, Sheng Siong is improving its warehousing and logistical functions by building a customised distribution centre in Mandai Link with an approximate total investment of S\$65 million. Building work for its new headquarters is targeted for completion by April 2011.



## PROMOTION

In 2006, building on its solid foundation and to further strengthen its reputation, Sheng Siong underwent a major rebranding exercise for its logo. This move propelled the brand to the next level and improved its visibility as it made public its brand promise 'Sheng Siong... all for you!'. This declaration appeared on all its delivery and service trucks.

Additionally, 'The Sheng Siong Show', a television variety programme and its first television commercial were launched in conjunction with Sheng Siong's first-ever sales promotion. 'The Sheng Siong Show' is a 'live' Mandarin variety game show telecast on MediaCorp's Channel 8 on weekends during prime time, where customers can participate and win attractive cash prizes. A popular segment in this programme includes one that rewards customers with a potential to win 50, 60, 80 or 100 times the amount that they spend at Sheng Siong. In its latest recent season, there were even rewards of as much as a thousand times for seven lucky customers. This meant that if a customer had spent S\$60 at Sheng Siong, and was selected to become a participant in the lucky draw, the customer could possibly win a cash prize of S\$60,000. Its success is evident as shopper traffic increases about 20% during each mega promotion.

In addition to television commercials, Sheng Siong advertises regularly in local dailies in all languages and on radio stations, to inform consumers of its in-house promotions.

## BRAND VALUES

As one of Singapore's leading supermarket chains, Sheng Siong places its customers as its top priority and wants to be known as a trustworthy and sincere retailer. It strives to have the most efficient cashier counters so that queues are minimised and aims to continually maintain the highest standards of customer service. In addition, progressive upgrading for all its outlets is in progress; to give its customers a more comfortable shopping experience.



[www.shengsiong.com.sg](http://www.shengsiong.com.sg)

## THINGS YOU DIDN'T KNOW ABOUT SHENG SIONG

- Sheng Siong has always been environmentally friendly. Ingrained as part of its company culture, it recycles all carton boxes, plastic and paper that go through the supermarket.
- The company provides one free meal per workday for full-time staff. This has been an ongoing tradition for 25 years.
- Sheng Siong believes in profit-sharing with all its employees, as this fosters a sense of belonging and brand ownership amongst its staff. In the past two years, 20% of the Group's profit before tax was distributed as a variable bonus to employees.