REDMART SINGAPORE
DELIVERING FRESHNESS AND CONVENIENCE WITH ONLINE GROCERY SHOPPING

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Launched in 2011, RedMart Singapore is an online grocery retailer that provides a selection of more than 4,000 groceries and home essentials to Singapore households. Roger Egan, founder and Chief Executive Officer has aspirations for RedMart to be like e-commerce giants, Amazon and eBay one day. The company sees itself as a logistics and technology company and its mission is to be the “eBay for consumer packaged goods manufacturers” (Lee, 2014).

What started out as a business targeting at the expatriate crowd has changed over time. By 2015, three-quarters of its customers were locals, working professionals, mainly women between 25 and 44 years old, and were likely to be millennials and Gen-X Singaporeans who shopped both online and offline (Nielsen, 2015). Fast forward to 2016, RedMart has more than 20,000 items on its online shopping site. It has launched the RedMart Relay service that provides personal shopping services for consumers who want hot meals, household items or electronic goods delivered to their homes within one hour of ordering.

Although RedMart appears to have enjoyed rapid growth in a short span of time, it is still a young start-up company facing direct competition from bigger supermarkets and other online competitors. Despite its aggressive marketing efforts and investment in technology, RedMart’s chief executive, Roger Egan notes that many Singaporeans still prefers grocery shopping at supermarkets and wet markets over shopping online. RedMart needs to understand why these shoppers are not shopping with RedMart and have to find ways to persuade the shoppers to shop with RedMart. What else can RedMart do to seek new opportunities for business growth and expansion in order to stay competitive?

About RedMart Singapore

Founded in 2011, the founders of RedMart want a brand name that is easy to remember and that Singaporeans can identify. RedMart is named after the auspicious colour “red” and “mart” for its association with shopping (Yeo, 2014).

The business idea arose when the co-founders, Roger Egan and Vikram Rupani found the online grocery shopping services in Singapore appalling. It fared poorly in online ordering, fulfillment processes and customer service. Egan and Rupani found that the local supermarkets lacked the technical know-how in operating online retailing and preferred to focus on brick-and-mortar sales. The local supermarkets’ idea of online shopping was providing a platform for shoppers to select their items but the variety offered online was limited. As the online ordering system was not integrated with the warehouse inventory, very often, shoppers found themselves missing items in their delivered carts because “they were out of stock”. Frustrated shoppers still had to visit the physical store for grocery shopping. This defeated the purpose of online shopping convenience (Yeo, 2014).

Egan and Rupani were confident that they could do a better job than what was available in the market. To bring their business idea to fruition, the duo worked hard at signing suppliers and hiring the right talents before their website went “live” in 2011 with Egan as CEO and Rupani as the Chief Operating Officer. In May 2012, they roped in a third co-founder, Rajesh Lingappa as the Chief Technology Officer. Like most entrepreneurs, RedMart’s founders built their business from the ground up, starting with what they believe could make a difference in the lives of Singaporeans.
RedMart’s vision and mission
According to RedMart’s official website (RedMart, n.d.), RedMart’s vision is to have the largest variety of household essentials and personal care items to be made readily available to Singaporeans. Its mission is to help its customers save time and money for the important things in life. From a humble online retailer, RedMart aims to increase its inventory one item at a time, and to deliver freshness and convenience to Singaporeans one household at a time.

To ensure that its employees share the founders’ vision and mission for RedMart, Egan and Rupani emphasise the company’s value proposition to be: delivering happiness and convenience, accurate and on-time arrivals, and knowing that great service starts with a great team.

For busy working professionals who shop online, they welcome the convenience that RedMart has brought since the company is able to deliver fresh foods and bulky items at no extra cost if one meets the minimum order for complementary delivery. By shopping for groceries online, it helps to free their weekends to spend time with family or other recreational activities.

Hiring the right management team
From the start, RedMart’s founders Egan and Rupani has hired a management team that is equipped with the skill set necessary to manage an e-commerce business. Both want to assemble a team who is passionate about saving people time and money, and creating a corporate culture that emphasises customer service. Their marketing team must be savvy in digital marketing and understand customer acquisition and lifetime values.

In an interview with Enterprise Innovation, Rupani said, “We hire talents who prefer being part of a disruptive start-up that is innovating rapidly and is proving its ability to become a formidable player in one of the largest retail categories in the world”. He added that RedMart’s management team would be willing to take risks and be innovative in enhancing its product offerings (Estospace, 2014).

User-friendly ordering process
Being a customer-centric organization, RedMart wants to make sure that its customers have a pleasant website and user experience, and are served with a dedicated inventory for their online shopping. As such, RedMart uses real-time analytics to help track the availability of items on its shelves (Ting, 2015d).

When a customer searches for an item on the RedMart website, the results that show up can be prioritized according to factors such as purchasing history, items already in the cart, and what other customers have bought based on their searches. Recommendations are also made based on a customer’s order history, and based on the items that are in his cart. This way, customers are less likely to feel frustrated since the recommended items are relevant to the customers’ shopping preference and past purchases.

Investing in technology
RedMart has built its e-commerce website to make the running of the business efficient and productive. For example, it has developed a series of warehouse automation tools that enable
picking of stock a lot simpler and streamlined, thereby reducing errors and manpower needed at the warehouse.

There is also a lot of technology involved in the delivery of items. Drivers are equipped with a route optimization software that charts the most efficient routes, and a route-management system that allows drivers to contact customers, receive signatures on successful delivery of items, and notifications on change in delivery time slots.

RedMart’s positioning is that of a technology company involved in retailing, as opposed to a retailer that uses technology to help with its service processes. With this mindset that technology is RedMart’s core business, it has become the company’s biggest competitive advantage in its logistics and “last-mile delivery” infrastructure (Yeo, 2014). RedMart’s strategy could not have come at a more opportune time. Singapore’s economic growth and development has accelerated the urbanization and modernization of grocery shopping. It has changed retail formats and how consumers shop from traditional wet markets to modern grocery retailing.

**From Wet Markets to Modern Grocery Retailing**

Grocery retailing has evolved over the years from the way our grandmothers did their marketing at the wet markets in the past to how the current generation of consumers shop in the supermarkets and hypermarkets today. In fact, modern grocery retailing has gone one step further. Customers can now perform grocery shopping in the comfort of one’s home at the click of the button.

*Wet markets in the early days*

Many silver generation and baby boomer consumers in Singapore grew up doing their grocery shopping at the wet markets. To them, wet markets were the go-to place for the freshest produce at bargain prices.

Wet markets are so-called because the hawkers clean the floors with water after washing vegetables or cleaning fish, and thus the floors are often wet. There are two sections at a wet market: the wet section where meat, poultry and fishes are sold and the dry section where the dried foodstuffs, like herbs, spices, grains, beans, ginger, garlic and eggs are retailed.

Going to the wet markets is a sensory experience. One sees the hustle and bustle of the trade, the sounds of the seller hawking his wares, the shopping housewives who pokes and pries to test for freshness of the produce, the smell of livestock that permeates the air and the taste of a hearty breakfast with friends.

Some of the popular wet markets in Singapore are Tekka Market, Tiong Bahru Market, Chinatown Market and Geylang Serai Market. Many wet markets are conveniently located in shopping malls and within the neighbourhoods of public housing estates.

To many housewives or grandmothers who belong to the silver generation, they like shopping at the wet markets as they enjoy haggling with the hawkers for the best bargains. They know that the best time to do one’s marketing is in the early morning before 7.30am where the fresh produce is at its
freshest. And if they are regular customers at their favourite hawker stalls, these customers know that the butcher or fishmonger will reserve the best cuts of meat or help select the freshest fish or prawns for them.

Still, despite the familiarity of one’s favourite butcher or vegetable seller, the popularity of wet markets is waning. As the country progresses and becomes more affluent, Singaporeans prefer shopping in the air-conditioned comfort of the supermarkets and hypermarkets. One can also find more international brands and fancy ingredients that cannot be found at the wet markets.

**Enter the supermarkets and hypermarkets**

The higher level of education and increasing affluence are key factors to changing lifestyles and consumer demands in Singapore. Singaporeans are less keen to shop at the wet markets where they perceive as smelly, dirty and unhygienic. They also find that wet markets neither sell selected cuts of meat or seafood nor do they carry imported packaged products.

Singaporean’s greater exposure to international products, particularly food, also means that consumers’ shopping habits have evolved from basic necessities to branded and imported food items. The rising middle class means a more educated consumer market and increasing working professionals who prefer grocery shopping in a one-stop clean and organized environment, such as the supermarkets and hypermarkets. Products sold at the supermarkets and hypermarkets are expensive as they are mostly imported. Yet, many Singaporeans do not mind as they feel they are buying premium products and are shopping in a clean environment, in air-conditioned comfort. Shoppers can also buy unique items and fresh ingredients that they cannot find at the wet markets.

According to the DBS Vickers Securities Research report on ASEAN Grocery Retail, it was reported that Singapore is the only ASEAN country with an established modern grocery retail market accounting for 70 per cent of retail value, due to its highly urbanized nature (DBS Vickers Securities, 2015, p.32-33). Refer to Figure 1.

![Market share of grocery retail formats](image)

**Figure 1: Modern retail formats dominate grocery market**

Source: Reproduced using data from Euromonitor, DBS (DBS Vickers Securities, 2015, p.32)

Figure 2 provides a fact sheet on the major players in Singapore’s grocery retail market in 2014 which grew at a steady pace of 3.2 per cent compound annual growth rate (CAGR) from 2009-2014.
Supermarkets took the lead for modern grocery retailing with chained operators gaining share in the supermarket grocery segment at the expense of small independent players, like the mom-and-pop shops at public housing estates. Major players have been positioned to target at different consumer groups in order to grow both the industry and market share.

**Key players and their competitive behaviours**

**NTUC FairPrice**  
Based on the Euromonitor International Report (2016), FairPrice led the grocery retailers with a value share of 33 per cent. It is the largest supermarket retailer in Singapore serving about 430,000 shoppers daily with its network of 120 outlets, comprising Fairprice supermarkets, FairPrice Finest and FairPrice Xtra. Its convenience stores, FairPrice Xpress and Cheers, have a network of 160 convenience stores located islandwide, serving 100,000 customers daily. With its expanding network and foray into online grocery retailing, FairPrice now owns a Fresh Food Distribution Centre and a centralised warehousing and distribution company.

**Cold Storage**  
Fondly known as the “fresh food people”, Cold Storage recognises the importance of bringing “freshness guaranteed” to its customers. There are about 50 Cold Storage stores located in the shopping malls around Singapore. Compared to the other supermarkets, Cold Storage products are considered to be on the higher end of the price line. It makes up for this by offering friendly service and ensuring efficiency in its delivery process. Goods purchased at Cold Storage are nicely packed.

**Sheng Siong**  
On the Sheng Siong official website, it is reported that Sheng Siong was founded in 1985 and is the third largest supermarket in Singapore. By 2015, the company has 39 stores located islandwide. Competing with Cold Storage and FairPrice for a slice of the grocery market has been challenging for Sheng Siong.
The company works hard to keep its prices affordable for its customers who are primarily households in public housing estates, whilst providing efficient service and ensuring quality in its product offerings at the same time. The “Sheng Siong Show”, a television variety show televised on Channel 8 during primetime weekends, captured the interest of Mandarin speaking audience. Sheng Siong organised promotions, such as the Taiwan Food Fair in 2014 that sold exclusive varieties of products to keep customers interested.

To value-add to the grocery shopping experience at physical stores, FairPrice and Cold Storage have tried to emulate what wet market hawkers are doing. For example, these supermarkets will arrange for staff to help with certain cuts of meats or fillet the fish in certain ways. Staff are trained to be proactive and service-oriented, such as giving suggestions to customers on how to cook certain dishes.

Egan, RedMart’s chief executive is well aware that his company has to contend with selected FairPrice outlets that are operating 24 hours and Sheng Siong’s low pricing strategy that appeal to the public housing heartlanders and budget shoppers. He has to strategize how RedMart can overcome these challenges in the business.

In the 2000s, the rise of the digital age saw the explosion of many e-commerce sites. To jump on the bandwagon, FairPrice, Cold Storage and Sheng Siong also launched their online shopping sites. However, the core business for FairPrice, Cold Storage and Sheng Siong remained focused on their brick-and-mortar stores at that time. Their objective has been on how to generate more revenue per square foot and there are minimal incentives to invest in online services because these supermarkets did not want their online services to cannibalize their physical store businesses.

In the meantime, Singaporeans’ penchant for shopping transcends from shopping at the physical stores to online shopping. A Nielsen (2011) survey on online and mobile shopping by e-payment firm PayPal showed that Singapore’s online commerce grew 30 per cent, from SGD 1.1 billion in 2010 to SGD 1.4 billion in 2011. By 2015, it was estimated that online shopping figures would increase to SGD 4.4 billion.

As online shopping figures in Singapore continues at stratospheric levels, the booming e-commerce business in Singapore has not gone unnoticed by Egan and his team. Seeing that FairPrice and Cold Storage were less aggressive in promoting the online grocery shopping business, Egan saw the opportunity to build RedMart by targeting at shoppers who seek convenience and new shopping experiences, and who are also open to online grocery shopping.

Surge in Online Grocery Shopping
The Nielsen Global Survey of Digital’s Influence on Grocery Shopping, published in 2012, surveyed more than 28,000 internet respondents in more than 56 countries. It was found that online shopping intentions for food and beverage categories increased 44 percent between 2010 and 2012. Globally, 46 percent used social media to help make purchase decisions and 37 percent purchased from online-only stores most frequently (Nielsen, 2012).
**Online shopper behaviour**

When finding a resource for information about grocery related activities, nearly half (or 47 per cent) of the global respondents surveyed spent their time researching online on a digital device, such as the smartphone or personal tablet on a weekly basis. Before making their purchases online, a good 56 percent would compare prices for grocery items in like categories, and 54 percent would keep a look out for bargains and promotions on grocery retailers’ websites. These activities showed that the online grocery shopper was a discerning customer and out to get the best deal possible (Nielsen, 2012). Refer to Figure 3.

![Figure 3: Percentage of time spent on digital devices for activities related to online grocery shopping](image)

Source: Reproduced using data from Nielsen Global Survey of Digital’s Influence on Grocery Shopping, Q1 2012 (Nielsen, 2012, p.5)

With consumers becoming better informed and digitally savvy, they have become more demanding as their expectations are increasing. As such, genuine responses and generating brand advocacy from loyal customers per cent have turned critical as consumers have an increasing influence on brand perception through their reviews and ratings on social media.

The Nielsen’s (2015) Bricks and Clicks Shopper Trends report published by Nielsen polled responses from 1,639 Singaporeans in April and May 2015 based on their shopping behaviours and attitudes. The survey revealed a rising trend of omni-channel shoppers (41 per cent), which meant that these shoppers bought online and offline. Top on their shopping list were grocery food items (82 per cent), fashion (65 per cent) and personal care products (65 per cent). Omni-channel shoppers depended primarily on recommendations from family and friends for new purchases online (29 per cent) and offline (25 per cent). Search engine (12 per cent) and the retailer’s website (nine per cent) were the
next two influencers for online purchases, whereas print publications (16 per cent) and advertisement in stores (13 per cent) worked in favour of capturing attention to promote offline purchases.

**Demographics**
The survey also indicated that Millennials (37 per cent of total shoppers, age 20-34 years old) and Gen-X (43 per cent of total shoppers, age 35-49 years old) were the most prevalent shoppers in Singapore and many depended on family and friends for recommendations and sites providing good bargains, efficient delivery and a secure payment system for online shopping. (Nielsen, 2015)

Seeing that a significant 80 per cent of Singaporeans comprising Millennials and Gen-X shoppers, Egan and his RedMart team wondered how to attract these Millennials and Gen-X shoppers to shop for groceries online at RedMart regularly. The other consideration was to persuade those Millennials and Gen-X shoppers who only shopped offline for their groceries to consider switching to shopping online for groceries on RedMart’s website. Majority of online shoppers were working executives, parents and housewives (Wee, 2014).

RedMart have come a long way in the past four years. Initially, RedMart was targeting at expatriates and expected them to be the early adopters, whilst the local community would adopt it at a slower pace. Instead, it turned out that locals were by far the fastest growing customer segment.

**Benefits sought**
The DBS Vickers Securities Research (2015) report on ASEAN Grocery Retail has revealed that modern grocery retail has evolved and is more than providing basic products to customers. As shoppers are becoming better educated, digitally savvy and more affluent, they have also become more demanding and discerning as they know what they need and want. Food safety and a greater demand for healthy diet have also influenced food choices, and in turn have affected suppliers’ and retailers’ product lines. The study further reiterated the need for a holistic shopping experience that emphasises on operational efficiency, quality products and customer satisfaction.

To live up to RedMart’s value proposition and address the benefits sought by online shoppers, RedMart launched a new on-demand service platform, “RedMart Relay” to stay ahead of the online grocery competition. The RedMart Relay service would allow customers to buy “tens of thousands of products” including hot foods, clothes, electronics, bulky items and more from RedMart’s partner retailers. These products would arrive at the customers’ delivery address within an hour upon completion of their order though hot meals would be dispatched faster to avoid spoilage (Russell, 2015).

Egan believes that RedMart took time to develop a more sustainable and efficient model. Unlike its rivals that have outsourced to third parties for deliveries and use in-store pickers to select products from stores for customers who order remotely, RedMart owns its supply chain from start to finish. That means that the logistics and supply chain are still under RedMart’s control since the products are kept in its warehouses, and the actual delivery is handled by RedMart directly.

**Potential growth of online grocery shopping**
With the proliferation of technology and growth of e-commerce sites, online grocery shopping has gradually increased in Singapore. In an email interview with Singapore’s Sunday Times on 20 July 2014, billionaire and Facebook’s co-founder, Mr. Eduardo Saverin said, “Grocery stores are not going away, but in today’s digital world, consumers want to interact with retailers anytime, anywhere, on any kind of device, including with their grocery”. (Wee, 2014) Convinced of the growth potential of the online grocery scene in Singapore, and coupled with a digitally savvy nation, Mr Saverin and Fast East Ventures decided to invest USD 26.7 million (SGD 38.2 million) to RedMart’s coffers for growth expansion.

**Competition heats up**

From a humble beginning that major supermarket retailers took little notice of, RedMart has grown to be a contender that FairPrice and Cold Storage cannot ignore in the online grocery shopping market segment.

Acknowledging that consumers’ shopping habits had evolved, FairPrice and Cold Storage started to improve their product offerings and service delivery processes on their online shopping platform. The improvements brought results. FairPrice’s online transactions had gone up about 15 per cent in 2014 compared with the same period in 2013. There were 45,000 active online subscribers in 2014 and this increased to 130,000 subscribers by October 2015 (Ting, 2015a).

With increasing interest in online grocery shopping, Sheng Siong, launched its online store Allforyou.sg in 2014 with a goal to offering more than 10,000 products online eventually.

In 2015, one of RedMart’s online main competitor honestbee launched its business positioning itself as a grocery concierge service. As honestbee does not have its own inventory of items, the company engages a team of individuals to shop on behalf of its online shoppers. In other words, when a customer orders from honestbee’s website, the customer can buy from honestbee’s partner retailers, such as Crystal Wines, Watsons, Pet Lovers Centre, GNC and even Cold Storage and Fairprice. After selecting the items and putting them into the online baskets, honestbee will alert its staff, known as personal concierge shoppers, to pick items from the various stores and have them delivered to the customer within the next hour. Customers are charged the shelf price and honestbee’s profit came from sales commissions with the respective retailers (Ting, 2015b).

After RedMart introduced its RedMart Relay service, honestbee fired the first salvo by announcing that its customers would enjoy 30-minute delivery from stores that were within close proximity of the customers’ delivery address (Ting, 2015c).

In turn, Fairprice upped the ante by launching a mobile app and relaunching a revamped online grocery site with an easier navigation interface and offering further discounts on selected products purchased online. It also launched a “Click and Collect” service where orders made online could be collected at selected petrol kiosks. FairPrice customers also enjoyed rebates on their rewards cards. (Boh, 2014)

Egan noted that matching honestbee’s delivery time of 30 minutes is a tall order. With honestbee being its direct competitor, Egan has wondered if it is a realistic delivery lead time as the company
will need to have the products picked, properly packed and delivered to the customer all within 30-minutes of ordering online. Entering into the offensive by matching honestbee’s delivery time may compromise Redmart’s service quality standards. What else can RedMart offer its customers to enhance their service experience?

**RedMart’s Response to Competition**

To stay competitive, Egan and his team see the importance of building quality customer relationships to ensure customer loyalty and retention. Recognizing that shoppers rely on recommendations from friends and family members for new shopping sites and ideas, Egan hopes that RedMart’s regular consumers can become brand advocates and recommend RedMart to others through positive word-of-mouth advertising.

At the same time, technology is critical in improving customer analytics, order fulfillment and service delivery processes. Investing in supply chain innovation and its delivery operations can improve operational efficiency and hence, better response, such as delivery time, to customers.

**Enhancing the customer experience**

As part of its customer experience design initiatives, RedMart focuses on the service delivery process from the time a customer lands on its website or mobile app, to the time when the delivery man delivers the customers’ groceries at his home.

To strengthen customer loyalty, RedMart has explored having personalized promotions based on a customer’s loyalty to a brand. It has further conducted highly targeted marketing activities, such as giving out product samples to customers who have ordered similar items. This has helped to improve a shopper’s overall shopping experience with Redmart.

**Investing in supply chain innovation**

In 2013, RedMart implemented an industry-leading warehouse management system (WMS) to leverage on the Amazon Web Services (AWS), a secure cloud computing service offered by Amazon.com. Following the implementation of this supply chain innovation, RedMart’s fulfillment capacity increased by more than 50 per cent (Manhattan Associates, 2013).

Using analytics, RedMart has developed algorithms to group customers and their deliveries. When a customer goes through the checkout process on RedMart’s website, it shows them delivery timeslots for the next six days. The algorithm then offers a discount to book the same delivery timeslot as another customer who lives in the same vicinity. Pete Clifford, RedMart’s vice president of business improvement said, “By efficiently grouping the deliveries, the more deliveries we can do in the same housing estate simultaneously, the more productive we can be” (Slattery & Tang, 2015).

**Increasing brand awareness**

To create brand awareness, RedMart has engaged in internet advertising using search engine optimization tools, banner advertising on Google and Yahoo, and advertising on Facebook. Egan has
planned to advertise Redmart’s services at MRT stations and on broadcast media such as TV and radio for wider audience reach.

**Challenges Ahead**

In a Singapore Sunday Times article published on 20 July 2014, it was reported that RedMart’s revenue was growing about 20 per cent month on month but the company knows that it cannot rest on its laurels. Egan said, "The culture here [in Singapore] is to go to wet markets for fresh food, but we want to get people to trust that we can also give them produce that is even better. Our goal is to be a one-stop shop for grocery", (Wee, 2014). Egan acknowledged that if he wanted RedMart to be a successful e-retailer like Amazon or eBay, RedMart needed to increase the opportunities for sales conversion and repeat business. To stay ahead of competition, RedMart must be able to identify new and growing shopper segments and leverage on technology to provide an engaging and seamless shopping experience for customers.

However, Egan and his team know that it is easier said than done. Singapore shoppers prefer to shop offline and online at familiar and established supermarkets like FairPrice, Cold Storage and Sheng Siong. It does not help that new online rivals like honestbee also wants a slice of the pie by announcing that it can meet a 30-minute delivery time compared to RedMart Relay’s one-hour delivery lead time.

**Resistance to online grocery shopping**

Despite RedMart’s initiatives to promote the convenience of online grocery shopping, some offline shoppers are hesitant to go online to do their grocery shopping. A common line of argument amongst shoppers is, “How can RedMart ensure that the meats, vegetables and dairy products will be delivered fresh”? Another comment is, “If I choose to order non-perishables online but buy my milk and meats at the supermarkets, then, I might as well do my grocery shopping at the supermarket at the same time”.

How can Egan and his team take advantage of Singapore’s urbanised society and persuade busy professionals to shop for groceries online at RedMart instead of heading to 24-hour supermarkets conveniently located near their homes or offices? How can it convince office workers and professionals who buy their groceries at supermarkets that RedMart can also deliver fresh produce and bulky items to their homes? As part of its expansion plans, RedMart has to reach beyond the Millennials and Gen-X customer segments and target new customer segments. Will it be worth RedMart’s time and resources to target consumers who are the baby boomers or silver generation?

**Managing unhappy customers**

Whilst RedMart has worked hard at attracting new customers, it should not neglect its existing customers as well. How can RedMart remain competitive and ensure customer loyalty and prevent customer churn?

The RedMart team also observes that online shoppers, whilst embracing technology and e-commerce, are also quick to post their feedback on social media, both good and negative.
Unfortunately, customers are more likely to complain and post negative feedback online than posting positive feedback when they are happy and receiving good service.

A quick look at RedMart’s Facebook page shows customers posting comments about their orders or complaining about late deliveries, missing items or unhelpful staff. This does not augur well for the company as “dirty linen is washed in public”. Many customers choose to complain on social media like Facebook instead of sending a private email or contacting RedMart’s customer service hotline directly. It appears that customers tend to think that action will be taken if their complaints are posted on online public portals than if they are taken offline, such as sending a private email to the company.

Whilst RedMart aims to be customer-centric, responding to every complaints can be time-consuming and resource draining. Egan needs to think if there is a better way to optimise the time and efficiency of its customer service staff. Attending to complaints all the time can be demoralising to the employee as well. Egan knows that offering good customer experience is key to winning market share. The question is how to achieve that and at the same time, motivate employees and grow the business?

As the local supermarket retailing space gets more crowded and the market increasingly saturated, RedMart needs to evaluate which strategies to adopt in order to grow the business without losing focus of the company’s vision and mission, which is to be a major online retailer bringing convenience and happiness to its shoppers.
End-of-Case Questions

Question 1
Who are RedMart’s current customers? What were their likely customer profiles?

Question 2
How can RedMart expand its target market to include untapped customer segments?

Question 3
What are the perceived risks that consumers may have towards online shopping? How can the company manage shoppers’ resistance to change, such as getting offline shoppers to try out online grocery shopping?

Question 4
Do you think traditional grocery retailers like the wet markets and supermarkets will be phased out eventually?

Question 5
How can RedMart take advantage of technology and use social media to engage its shoppers and keep them loyal?

Question 6
Discuss the growth strategies implemented by RedMart. What else can Redmart do to sustain its business in the long run?
References


About Nanyang Technopreneurship Case Centre

With funding from both the National Research Foundation of Singapore and Nanyang Technological University, the Nanyang Technopreneurship Case Centre (NTCC) was one of the initiatives of the Nanyang Technopreneurship Centre (NTC) to enhance the quality of entrepreneurship education through the case pedagogy. These are part of NTC’s efforts to foster, promote and nurture enterprising mind-sets, skills and knowledge in entrepreneurship education.

There is a plethora of business cases but a general paucity of cases highlighting the specific problems faced by technopreneurs in growing their ventures. NTCC adds value to Technopreneurship education by developing a pool of cases on technology-based local and international enterprises. Through the cases, NTCC hopes to share the experiences, success stories and challenges faced by entrepreneurs/intrapreneurs in growing their organisations and how they overcome their problems to sustain growth.

The theme of this first compendium is “innovation through technology”. It features Singapore-based and global companies confronting issues and challenges due to technological shifts in the industry and changing market and competitive dynamics; when introducing new products in the marketplace; and in using technology to drive organizational change.

Online versions of these cases are available for complimentary downloads at www.ntc.ntu.edu.sg/ntcc.

Teaching notes are also available to faculty members for use as reference, reading and/or teaching materials in various academic and professional programs. For further information, please contact Ms. Denise Lee (deniseleecw@ntu.edu.sg) and Mr. Wu Chong Chuan (wucc@ntu.edu.sg).

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