

press release

Singapore consumers move towards cashless and cautious spending: Standard Chartered study

23 September 2020, Singapore – The effects of COVID-19 have led to the emergence of a cashless and cautious consumer, according to Standard Chartered’s latest global survey. Four out of five survey respondents in Singapore agree that COVID-19 has made them more careful with their spending, and would like to manage their finances and track their money digitally.

The study of 12,000 adults across 12 markets – Hong Kong, India, Indonesia, Kenya, Mainland China, Malaysia, Pakistan, Singapore, Taiwan, UAE, the UK and the US offers insights into the way the global health crisis is changing consumer spending habits. Survey findings for Singapore respondents show a shift towards online banking and shopping, with a pivot towards better money management and mindful spending.

Respondents in all 12 markets anticipate doing more of their shopping online from now on. In Singapore, half of the respondents now prefer online purchases to in-person card or cash payments, compared with 35 per cent prior to the pandemic. This increase in online transaction preference is consistent across a range of purchases, from groceries and travel to digital devices. 79 per cent of people in Singapore (64 per cent globally) now expect the country to go fully cashless in the next 10 years.

As spending begins to creep up as lockdowns ease globally, with 45 per cent of Singapore respondents reporting increased spending in July (46 percent globally), 82 per cent of respondents in Singapore reported that the pandemic has made them more careful with their expenditure, above the global average of 75 per cent. While globally this point was more evident in the responses of Millennials and Generation Z (78 per cent of 18 to 44-year olds) than those over 45 (65 per cent), the trend is reversed in Singapore with those over 45 (86 per cent) more

likely to be more cautious with their spending than their 18 to 44 year-old counterparts (80 per cent).

Consumers around the world are now shifting their spending towards essentials - such as groceries and healthcare - and digital devices, and they expect this to continue in the future. This trend is reflected in Singapore where respondents are prioritising needs over wants, with consumers seeing a 52 per cent increase in their expenditure on groceries, a 36 per cent increase in spend on digital devices, and a 25 per cent increase in healthcare expenditure. Meanwhile 69 per cent of the respondents say that they have spent less on travel/holidays than they did before the pandemic; 43 per cent have spent less on experiences; and 58 per cent have spent less on clothes.

Reflecting this increase in caution when it comes to spending, 79 per cent of Singapore respondents would like to be better at managing their finances (75 per cent globally) and 63 per cent said that the economic impact of COVID-19 has made them more likely to track their spending (62 per cent globally). Globally, the online spending tools respondents are most interested in using are budgeting tools, tools to block card spend above specific limits and tools to track spending. In Singapore, over 79 per cent are either using or interested in using budgeting tools, and 83 per cent are either using or interested in using tools to track spending.

Dwaipayan Sadhu, Head of Retail Banking, Singapore, said:

“COVID has reshaped spending behaviour, and we are seeing increasing interest in better personal financial management. To help clients customise and set monthly budgets, track their spending across multiple spending categories, and make use of insights to make their money go the extra mile, we have embedded *SC Money Manager*, an interactive and simple tool available for all our clients, in our digital platforms. Within *SC Money Manager*, clients can access *SC Locate*, Singapore’s first location-based spend tracker, for instant visual context on where and when they spent their money. Equipped with a more intuitive visualisation of their budgeting and spending habits, consumers can make the necessary lifestyle changes to better manage their money in a personalised and sustainable way. These tools have been very helpful for our clients, and client adoption has been very strong.”

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Notes to editors:

Methodology

A 10-minute online survey of 12,000, 18+, nationally representative respondents across 12 markets - Hong Kong, India, Indonesia, Kenya, Mainland China, Malaysia, Pakistan, Singapore, Taiwan, UAE, the UK and the US - was conducted between Monday, 17 August to Friday, 21 August 2020.

Results are weighted on the latest national census in each market by age, gender and macro-region and should be considered representative of the online population.

About Standard Chartered

Standard Chartered Bank in Singapore is part of an international banking group, with more than 150 years of history in some of the world's most dynamic markets. Our purpose is to drive commerce and prosperity through our unique diversity, and our heritage and values are expressed in our brand promise, Here for good.

The Bank has a history of over 160 years in Singapore, where we opened our first branch in 1859. In October 1999, we were among the first international banks to receive a Qualifying Full Bank (QFB) licence, an endorsement of the Group's longstanding commitment to our business in the country.

Singapore is home to the majority of our global business leadership, our technology operations, as well as SC Ventures, our innovation hub. In 2013, the Bank transferred our Singapore Retail and SME businesses to a locally incorporated subsidiary, Standard Chartered Bank (Singapore) Limited ("SCBSL"). And in May 2019, we fully consolidated our business operations in Singapore through the transfer of our Commercial Banking, Corporate & Institutional Banking and Private Banking businesses to SCBSL. SCBSL is one of the highest-rated banks globally: A1/Stable by Moody's Investor Services, A/Stable by Standard & Poor's and A+/Stable by Fitch Ratings. In August 2020, we were the first and only bank to be awarded by the Monetary Authority of Singapore the status of "Significantly Rooted Foreign Bank".

In Singapore, we support both individual and corporate needs to build wealth and drive commerce at every step of their journey. We do this by offering an entire range of financial services across

personal, priority and private banking as well as our business, commercial and corporate banking teams. The Bank has a network of 16 branches, 5 Priority Banking centres, 1 International Banking and Priority Private Centre and 27 ATMs.

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