

SINGAPORE YOUTH REPORT

TRANSFORMATION FOR THE POST-PANDEMIC WORLD

Turning crisis into opportunity

By Sea Insights
October 2020



About Us

About the Company

Sea Insights is Sea's research and public policy unit. Its mission is to develop a deeper understanding of the rapidly evolving digital economy in Southeast Asia and Taiwan. Its research aims to inform leaders, from both the private and public sectors, on critical policy and strategy matters facing the digital ecosystem in the region.

Sea is a leading global consumer internet company. Sea's businesses include Garena, a leading global online games developer and publisher, Shopee, the largest pan-regional e-commerce platform in Southeast Asia and Taiwan, and SeaMoney, a leading digital payments and financial services provider in Southeast Asia.

Authors

Santitarn Sathirathai, PhD
Group Chief Economist
santis@seagroup.com

Michael Wan
wanm@seagroup.com

Lam Zhao Yao
lamzy@seagroup.com

Nathan Chaniago
chaniagon@seagroup.com

Crystal Liu Jiquan
liucjq@seagroup.com

Source

These findings are based on the 2020 ASEAN Youth Survey done in collaboration with the World Economic Forum. This year, we reached 68,600 young people aged 16 to 35 through our Garena and Shopee platforms, of which 2,100 are from Singapore.

For More Insights

<https://www.seagroup.com>
<https://medium.com/seainsights>



EXECUTIVE SUMMARY

Singapore: Transformation for the post-pandemic world

Our recent survey of >2,000 Singapore youths illustrates some of the seismic transformations which are starting to take shape in Singapore and beyond.

Digitalisation, accelerated. First, Singapore youths adapted to the challenges brought about by COVID-19 by significantly raising their adoption of digital tools during the pandemic. 95% of them increased usage of at least one digital tool during COVID-19, far higher than what we saw across the rest of ASEAN (87%). This was despite the higher starting level of digital penetration in Singapore.

Lasting transformations beyond COVID-19. More importantly, >60% said they will permanently increase their usage of popular digital tools such as virtual meetings, e-commerce buying and online education. This suggests that even after the virus is brought under control, digital tools will remain an integral part of people's lives in Singapore.

Re-imagining the new normal. With digitalisation as the key enabler, COVID-19 has reshuffled the decks while catalysing significant and lasting changes. Our research highlights four long-term shifts in Singapore:

1. **Businesses are retooling while discovering new sources of growth:** Close to 30% of entrepreneurs increased usage of e-commerce selling to tap new demand, while 64% experimented with new business models.
2. **Young workers are open to remote working:** Singapore saw the sharpest rise in adoption of virtual meeting tools in ASEAN, with a surprisingly high share (>70%) intending to permanently increase their usage of virtual meetings.
3. **A significant embrace of online education and lifelong learning:** While remote learning was no doubt challenging, >60% of students and educators said they will continue using online education tools beyond COVID. Moreover, 50% of workers exhibited lifelong learning by picking up new skills or learning ways to improve incomes.
4. **Permanent boost to e-payments adoption:** 37% of Singapore youths raised their usage of either e-wallets or e-banking. This was especially true among entrepreneurs, and workers in the food and accommodation sector.

Building for an inclusive future. COVID-19 has also exposed vulnerable segments in society. We point to the need to close gaps in digital access, digital skills and funding, to ensure no one is left behind in the quest for transformation.



TAKING THE NEXT LEAP FORWARD

The pandemic has presented a significant opportunity for transformation in Singapore

COVID-19 is a significant challenge for Singapore youths

We surveyed over 2,000 youths in Singapore and found...

Half of Singapore youths struggled with remote working

51% Found remote working or learning difficult during COVID. This includes **4%** who found it **impossible**

This is especially so for youths in the gig economy, charity and social enterprises, education (including students), and in the food and accommodation sector



They turned much more cautious in spending...

53% learnt the value of having emergency savings

46% learnt the importance of budgeting

...while some faced funding constraints

7%
faced funding constraints



Singapore youths adapted to these challenges by significantly raising their digital footprint during the pandemic

The pandemic has also presented a significant opportunity for transformation. For one, Singapore youths experienced some of the **sharpest boost** to digital adoption in ASEAN, despite the much **higher starting level** of digital penetration in Singapore.

95%

of Singapore youths increased usage of **at least one** digital tool during COVID-19

(87% in ASEAN)

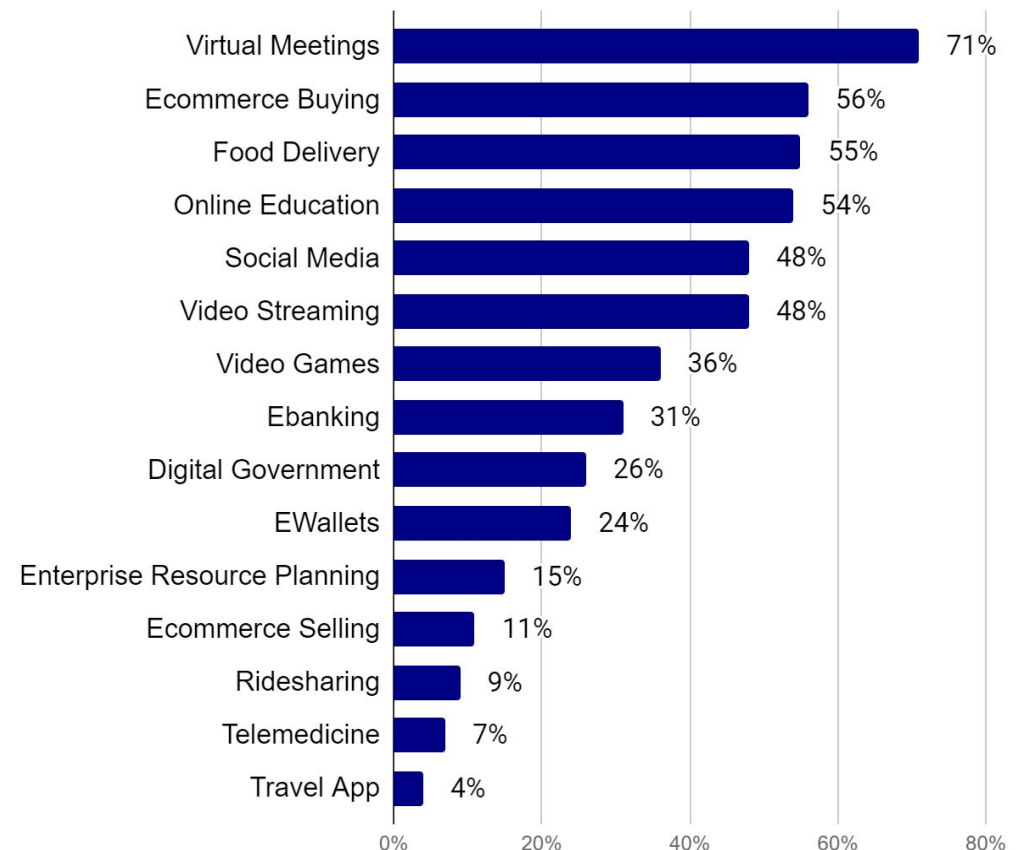
51% → 67%

Singapore saw the sharpest rise in share of time spent online for work or schooling across ASEAN



Increase in digital tool usage during COVID-19¹

% of Singapore youths surveyed



¹) Refers to the share of survey respondents who used the digital tool more or for the first time during COVID-19. See link [here](#) for our regional ASEAN report

Digital transformation is here to stay

Even after the virus is brought under control, digital tools will continue to be an integral part of people's lives in Singapore.

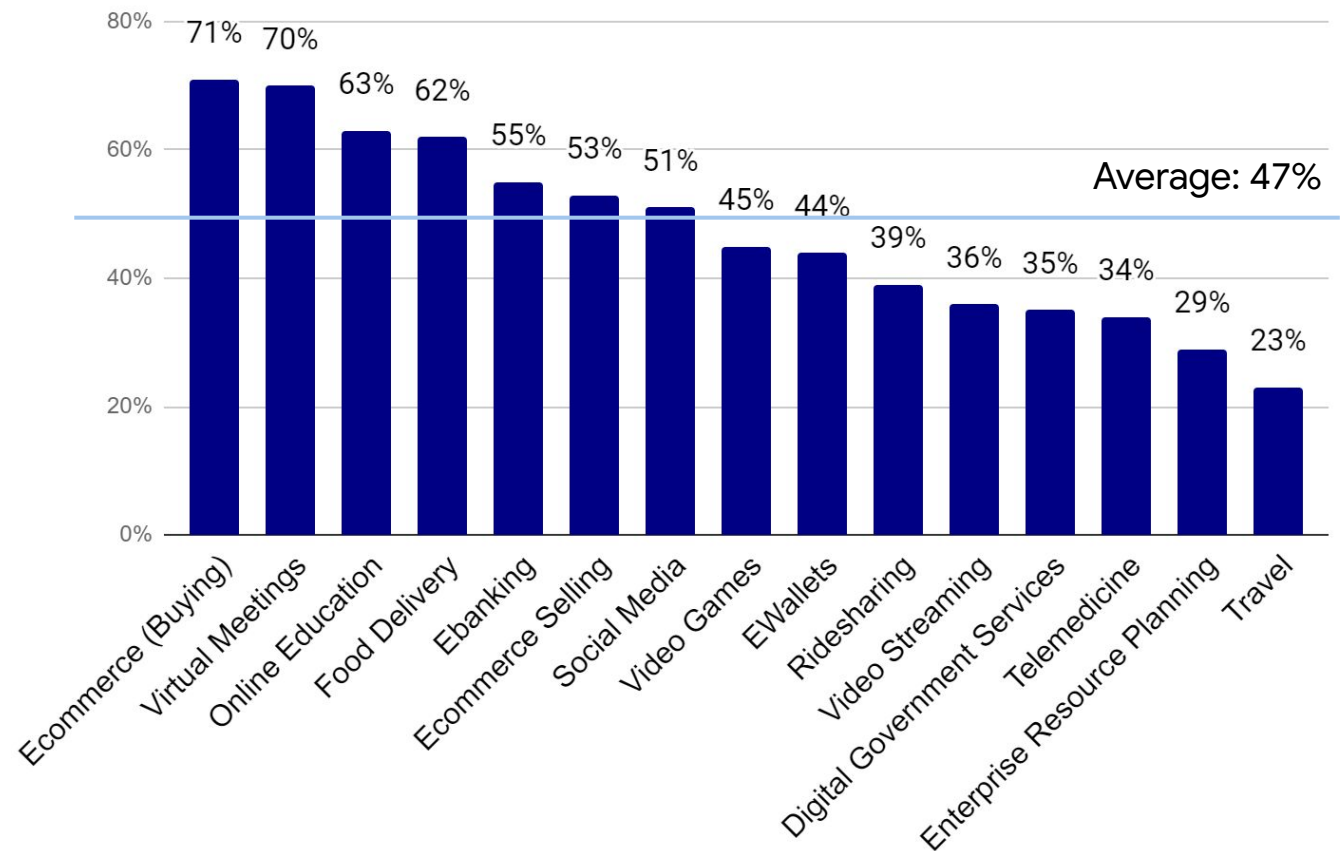


>60%

of youths in Singapore will permanently increase their usage of tools such as e-commerce, virtual meetings, online education and food delivery

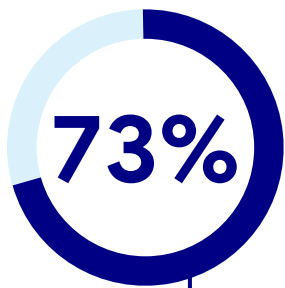
COVID-19 will permanently change how much I use the following digital tools:

Among Singapore youths who used the digital tools more or for the first time during COVID-19



Beyond just going digital, Singapore youths were also resilient and adaptable during the pandemic

This is consistent with our findings from the 2019 edition of the ASEAN Youth Survey¹, where we found that Singapore youths rate themselves highly on resilience and adaptability.



of Singapore youths showed evidence of **adaptability** and **resilience** during COVID-19

As demonstrated by either²

- Learning Resilience
- Picking up New Skills
- Learning to Think Creatively
- Learning to Improve Income



1) See link to the ASEAN Youth Survey 2019 report [here](#)

2) In particular, we asked our respondents what are their key learnings during COVID-19

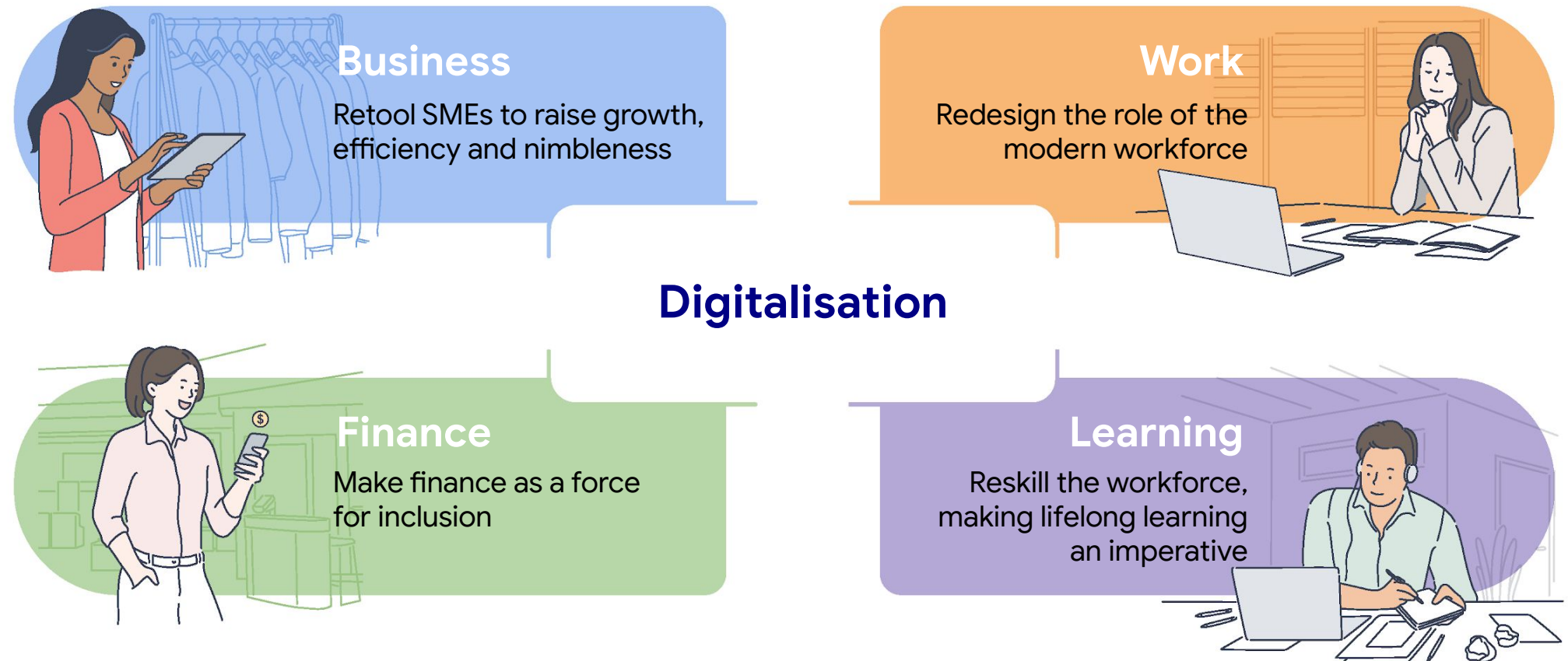


REIMAGINING THE NEW NORMAL

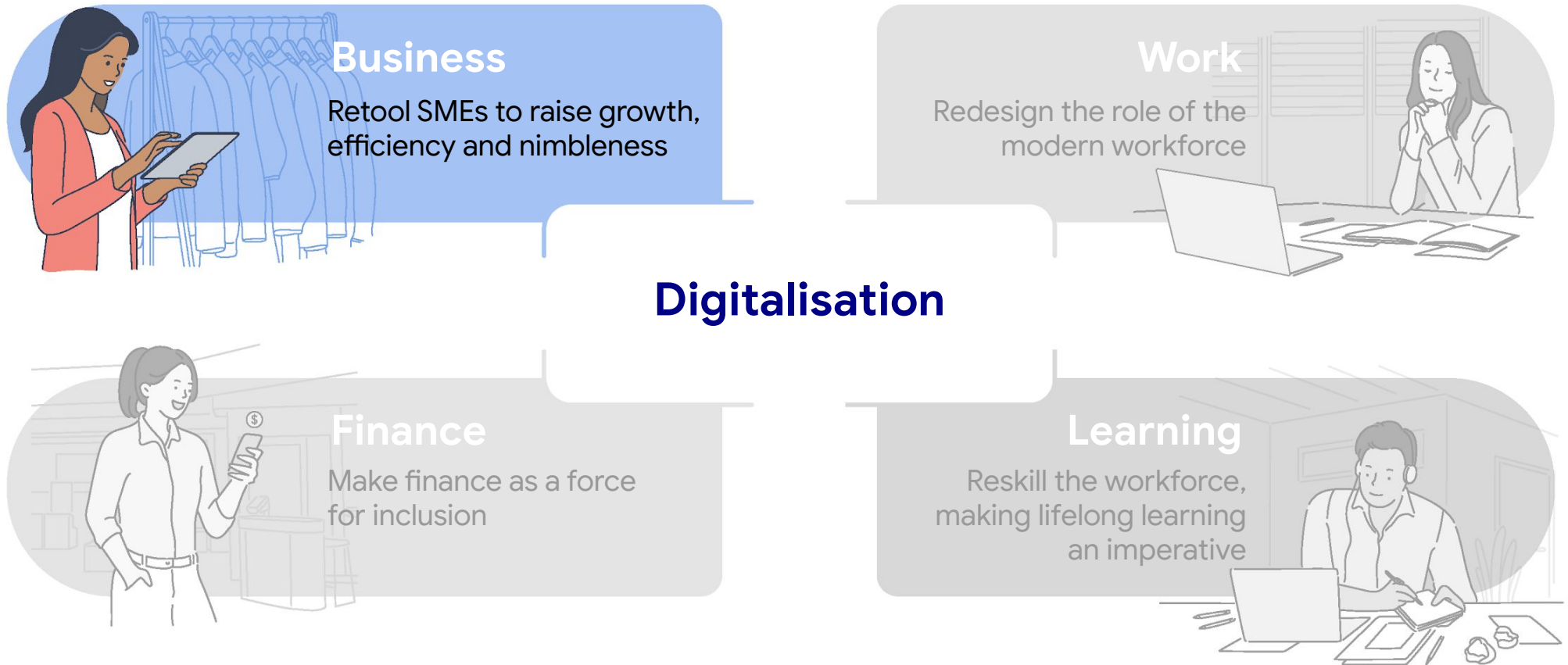
Going digital is a key enabler
for profound transformations

The COVID-19 pandemic is catalysing significant and lasting changes in Singapore and beyond

We highlight four key areas of transformation in the post-pandemic world from our research. Digitalisation will continue to be a key enabler underpinning these profound shifts.



COVID-19 is changing the way we do business



Business: Singapore entrepreneurs shifted online to capture new sources of growth

Among Singapore entrepreneurs:

29% increased usage of ecommerce selling

The vast majority of entrepreneurs (81%) will continue utilising e-commerce selling at a higher clip even after the pandemic ends.



Among young Singapore consumers:

56% increased usage of e-commerce buying.
This was the highest increase in ASEAN

These shifts partly reflect the massive shift online by Singapore consumers to meet their daily needs



Business: Beyond just going digital, Singapore entrepreneurs actively adapted and pivoted to new business models

Among Singapore entrepreneurs surveyed:

64% tried new business models and learnt to improve their incomes

55% learnt to be more resilient during the pandemic

Digitalisation can serve as a tool to increase business nimbleness and flexibility.

With smaller fixed costs, e-commerce allows business to experiment with new business directions and adjust quickly to changing circumstances.



Business: Countless stories of resilience and adaptability among Singapore SMEs



Case Study

Mr Alvin Tan
The Mind Cafe

shopee.sg/themindcafe



Mr Alvin Tan, founder of The Mind Cafe, is no stranger to being nimble and adaptable.

He started The Mind Cafe in 2005 to provide his customers with a place to enjoy and play board games, while creating lasting memories for his customers.

He enjoyed good success in the initial years. However, business started to decline when his young customers shifted away from cafes. He changed strategies to capture corporate customers instead.

When the pandemic hit this year, he pivoted yet again. This time he shifted away from the cafe business model, and set up a shop on Shopee to sell board games online. He has seen strong response so far, raising his sales by more than 20x since the pandemic.

Business: Going digital can have significant and lasting impact to Singapore SMEs beyond the pandemic

Our previous research shows that Singapore SMEs which adopted e-commerce saw more than **60% boost to revenue** and **>50% rise in efficiency** on average ¹

E-commerce boosts growth and efficiency

After selling on e-commerce, traditional offline SMEs in Singapore experienced ¹:

↑ **67%** Total Revenue Increase
(Online + Offline)

↑ **57%** Efficiency Increase²

E-commerce enables SMEs to grow without heavy overhead costs.

This is especially important during this period where cashflow may come under pressure

E-commerce creates a new breed of young entrepreneurs



Full-time employees and students can experiment with new business ideas on e-commerce

Majority are **not primary earners** of their households

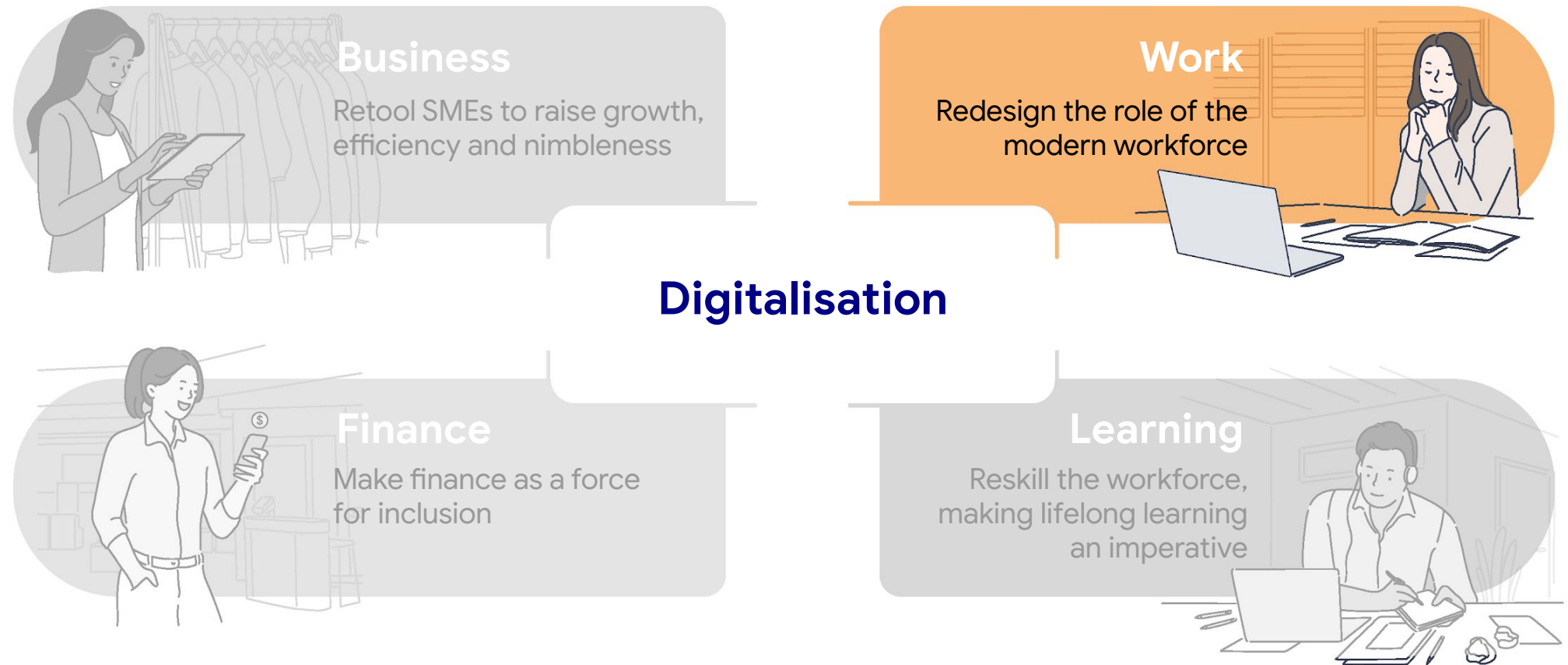
It allows households to generate valuable alternative new income streams.

Diversified sources of earnings is particularly important for resilience to economic shocks.

1) These results are based on our previous research of close to 1,000 Singapore business owners conducted in 2019. See Appendix for more details

2) We define efficiency as revenue per employee

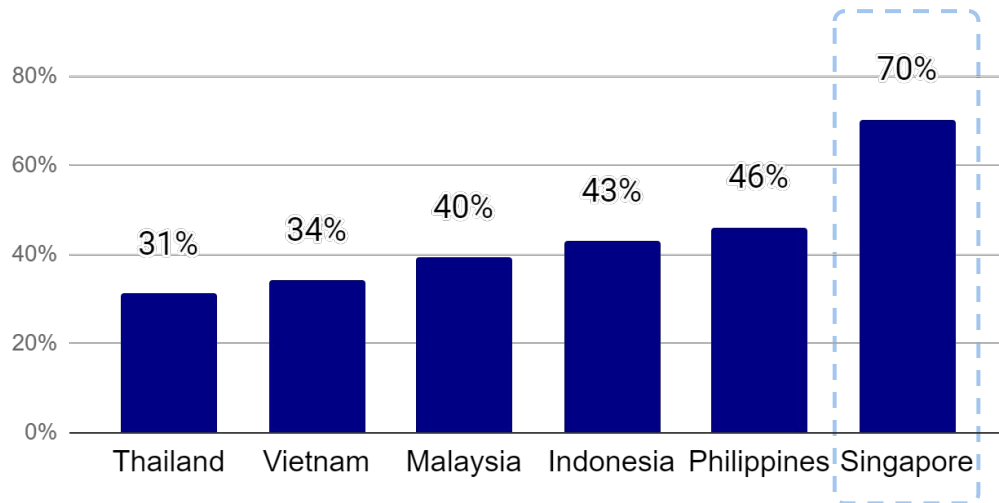
COVID-19 is changing the way we work



Work: Singapore saw the sharpest jump in virtual meeting tools usage in ASEAN, reflecting the shift to working from home

Share of active workers who increased usage of virtual meeting tools during COVID-19

% of youths



>70% of Singapore workers said that they will continue using virtual meeting tools even after the pandemic ends.

This high level of stickiness reflects some of the benefits of working from home, including reducing unnecessary meetings and travelling.

Top learnings among Singapore active workers during COVID-19

- 65%** Not all physical meetings and travelling are necessary (#1 learning in SG)
- 46%** Like having their own space during COVID
- 34%** Working from home is perfect



Work: Future of work likely to be hybrid and not fully remote

Working from home has downsides as well if taken to the extreme

The most commonly cited remote working constraints among workers in Singapore relate to the personal and the environment, such as household distractions, lack of motivation, and difficulty to manage teams.



This suggests that working from home in Singapore has its limits, and may impact productivity of workers if taken to an extreme. The future of work is unlikely to be a fully remote one, given that it could have a negative impact on company culture and cross-team collaboration.

Most commonly cited remote working constraints

Singapore

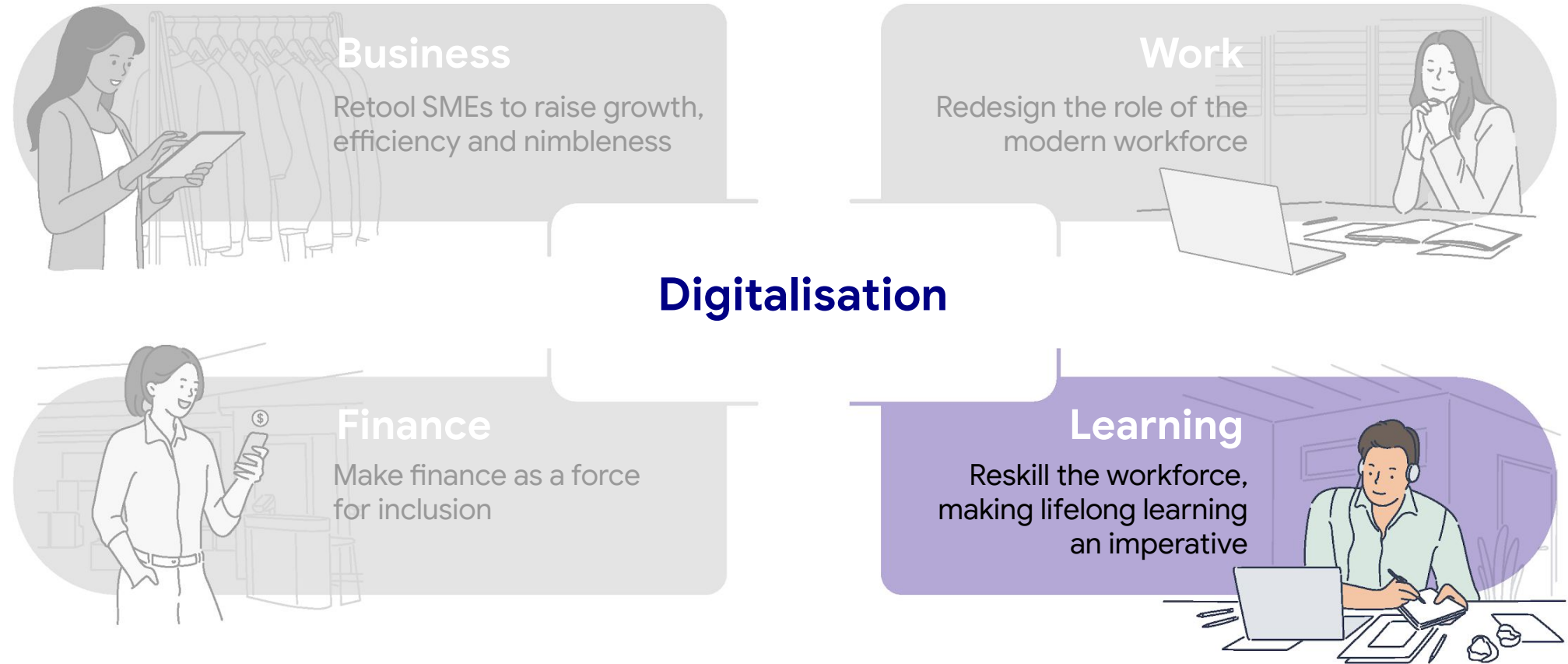
- #1** Household Distractions
- #2** Lack of Motivation
- #3** Team Management

ASEAN

- #1** Internet Quality
- #2** Physical Proximity
- #3** Household Distractions



COVID-19 is changing the way we learn



Learning: Students and educators alike pivoted to online education tools during the pandemic

Despite the significant difficulties involved in shifting to online education methods and tools, a substantial majority of youths and educators believe increased online education usage will outlast COVID-19



Students and educators increased online education tool adoption

82% of full-time students increased adoption of online education tools

65% of educators increased adoption of online education tools

High stickiness of usage despite difficulties involved

75% of full-time students found remote learning difficult

Despite these difficulties...

>65% of students and educators believe their increased usage of online education will last beyond COVID-19

Learning: Beyond students, Singapore workers have embraced lifelong learning during the pandemic

Our research found that active workers in Singapore embraced lifelong learning, utilising new tools such as online learning, while actively upskilling themselves and improving their incomes

These findings corroborate with last year's ASEAN Youth Survey, which shows that Singapore youths have a growth mindset and strong spirit of lifelong learning¹

Among Singapore active workers:

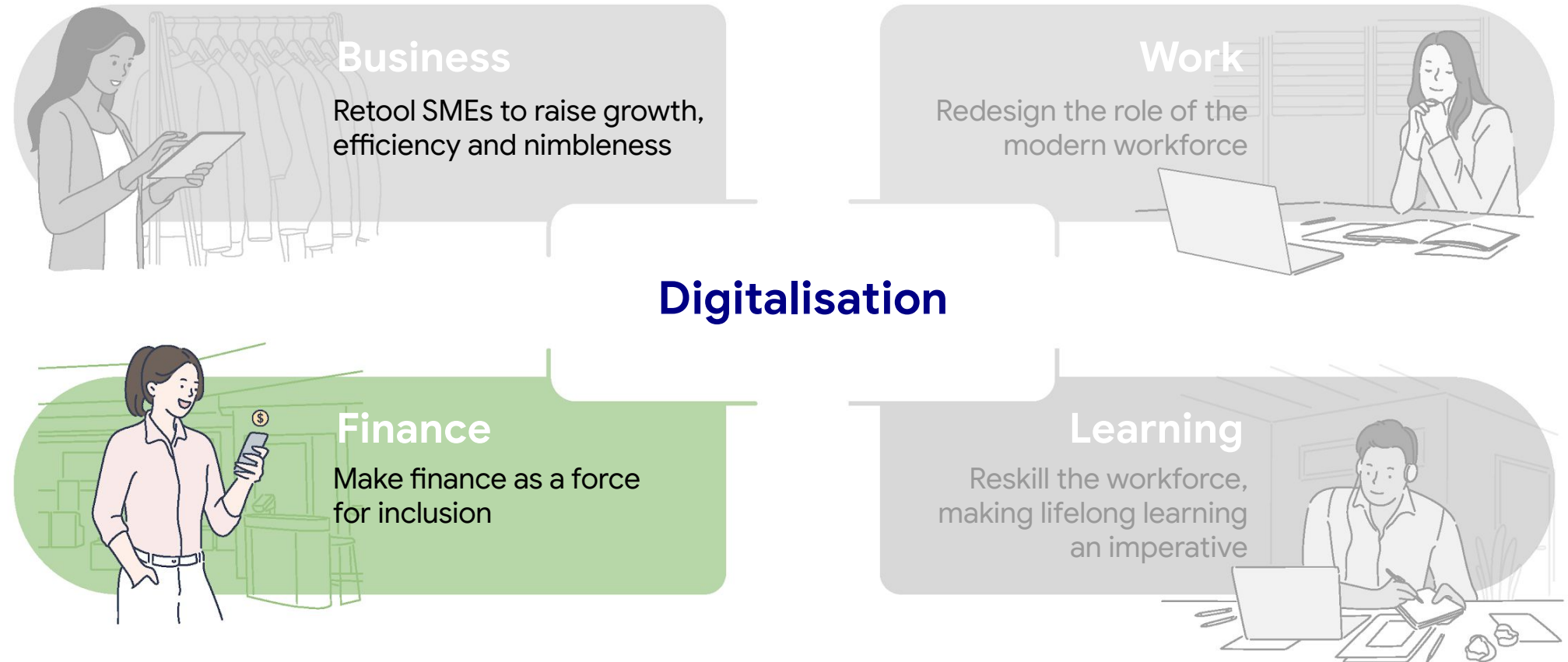
43% of Singapore active workers increased usage of online learning

50% of Singapore active workers picked up new skills or learnt new ways to improve their income



1) See link to ASEAN Youth Survey 2019 report [here](#). In particular, 52% of Singapore youths believe that their current education and skills will need to be constantly updated

COVID-19 is changing the way we conduct finance



Finance: More tech-powered

COVID-19 has nudged Singapore youths to increase their adoption of e-payments solutions¹

Among Singapore youths surveyed:

37% started using e-payments¹ more during COVID-19

59% of those who increased usage of e-payments will continue to do so permanently

Entrepreneurs, workers in food and accommodation, wholesale and retail and charities and social enterprises are most likely to increase e-payments adoption.

This is consistent with what we see on the ground, together with the Singapore government's push to increase adoption of e-payments solutions among Singapore hawkers for instance.



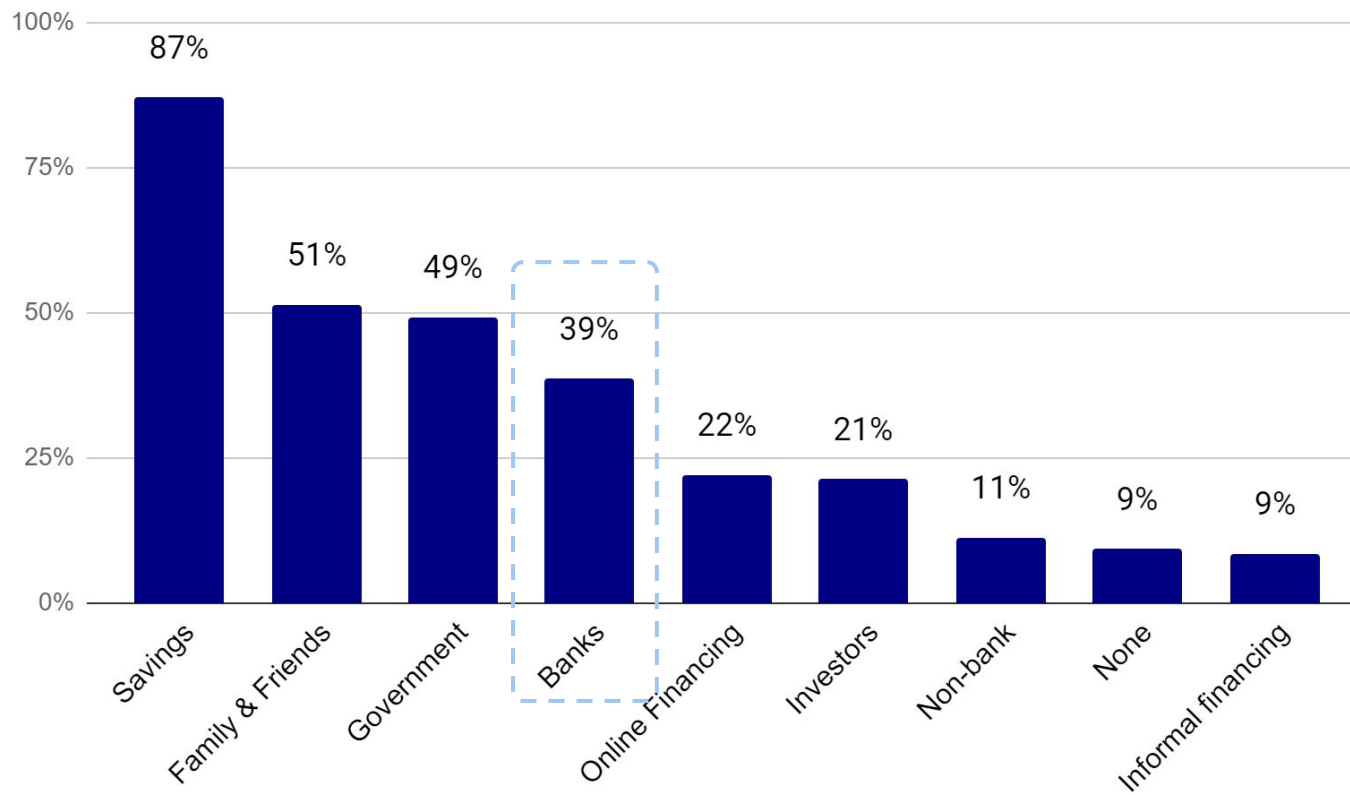
¹) We define e-payments as usage of either e-wallets or e-banking

Finance: Usage of banks relatively limited even in Singapore

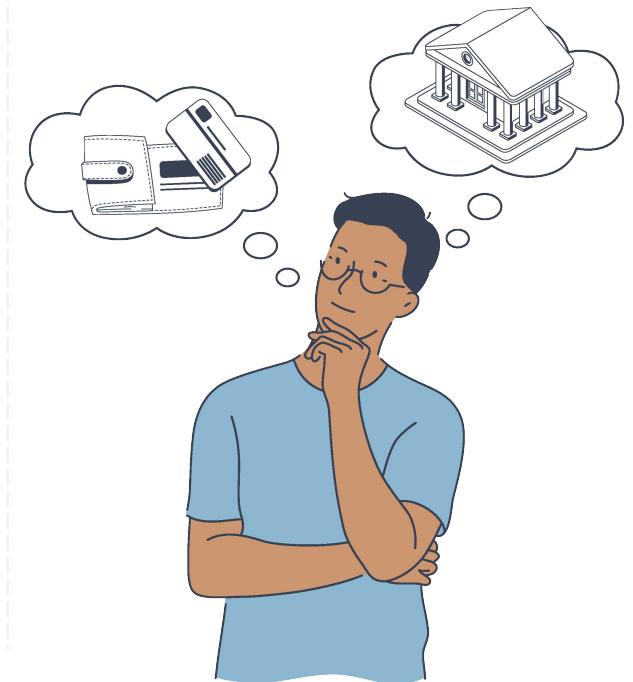
There is space for alternative finance to fill in the funding gaps

These sources of funding have become more important for me during COVID-19

% share of Singapore youths with funding constraints



Government funding has helped youths in Singapore tide through cash flow issues. Usage of banks as a financing source is relatively limited even in well-banked Singapore (#4 source).



Finance: The pandemic has accelerated the need for inclusive finance to cater to the underserved in ASEAN

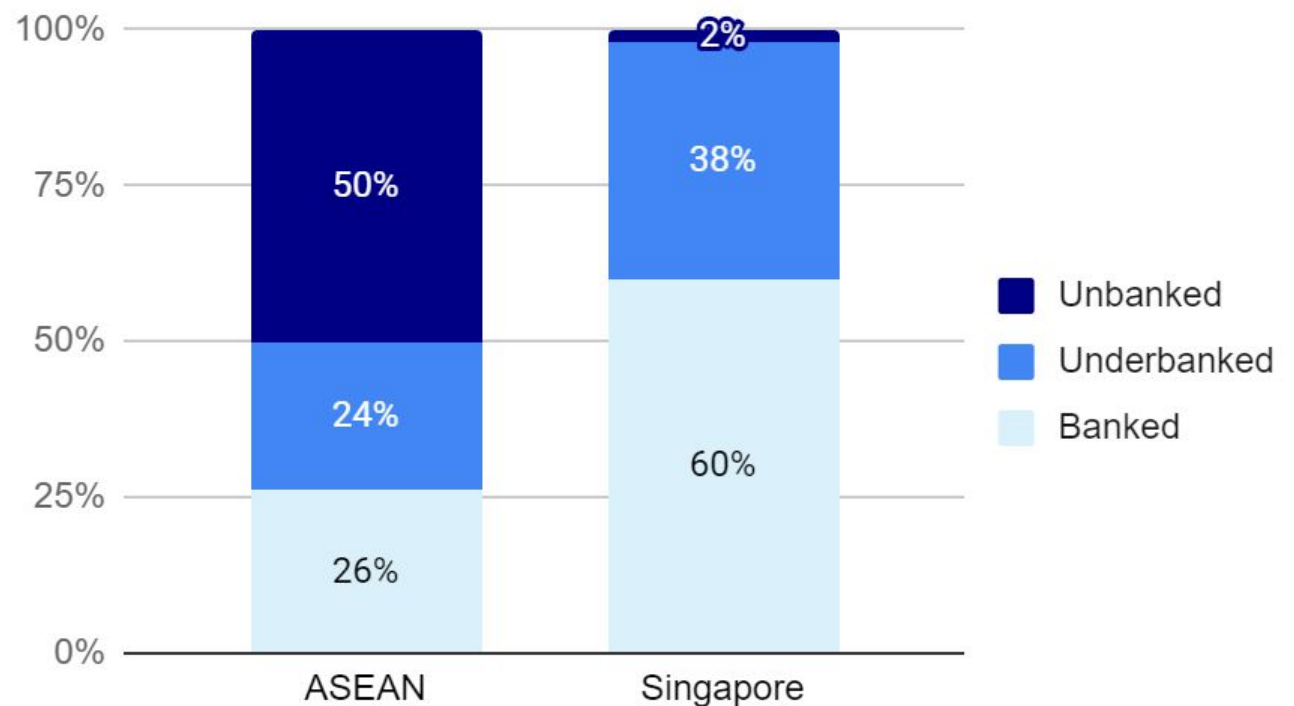
Our findings are consistent with research that shows that there is still a significant underbanked population in Singapore.¹

Technology can play a key role in enabling financial institutions to assess credit worthiness of this underserved population, and the rise in digital footprint and e-payment adoption post-COVID can further propel digital lending and other digital financial services to promote inclusion.

This is even more pertinent across the rest of ASEAN, where more than 70% of the adult population are either underbanked or unbanked.¹

Over 70% of Southeast Asia's population is under- or unbanked¹

% share of those over 18 years old



Note: Unbanked refers to having no access to basic financial services (a bank account). Underbanked refers to those not well-served in financial services or have unmet needs (e.g. no access to credit cards, underinsured, no long-term savings products). Banked refers to those well-served in financial services needs (e.g. have access to credit cards, insured or have investment products).

1) Source: Bain - Fulfilling its Promise, the Future of Southeast Asia's Digital Financial Services (see link [here](#)); Note: Population of individuals above age 18

CONCLUSION

Leaving no one behind through
the seismic transformation



Inclusive digital transformation

While COVID-19 has accelerated transformation, it has also exposed vulnerable segments within the population. In particular, our research finds that youths who lack digital skills or who face high internet cost found it especially difficult to work remotely during COVID-19. Although funding was not a significant constraint in aggregate, certain groups such as entrepreneurs faced greater difficulty in obtaining financing.

Top Binding Constraints to remote working or learning



Digital skills

76% of Singapore youths who lack digital skills struggled with remote working.



Internet Cost

71% of Singapore youths who faced high internet cost struggled with remote working

Those in education (including students), the gig economy and food and accommodation sectors struggled more with lack of digital skills

Those who face the greatest funding challenges tend to work in:



Entrepreneurs



Gig economy



Wholesale and retail



Food and accommodation

Closing 3 gaps to ensure that nobody is left behind

Building for an inclusive, durable and sustainable post-pandemic future

As the country marches on towards economic transformation, it is crucial to double down to ensure that nobody is left behind. In particular, 3 gaps need to be closed to ensure inclusive growth, namely digital access, digital skills and funding.

Digital access: The pandemic has exposed the need to provide equitable access to affordable internet and devices. The Singapore government has existing policies in place such as fibre broadband subsidies for eligible households, together with providing personal laptops for students. It's heartening that the government plans to do even more on this front.

Digital skills: The post-COVID19 world will demand greater nimbleness from our youths in a fast transforming environment, as we've shown in our research. As such, it is important to transform the education system further, to build and cultivate resilience among the people here.

Funding gaps: Lastly, improving financial access to the underserved segments in Singapore can increase their ability to withstand future economic shocks. As we've highlighted, technology can play an important part in filling in these gaps.

The good news is that Singapore is well-placed to capture many of the post-COVID opportunities highlighted, with supportive policies already moving in the right direction even before the pandemic struck. These challenges call for even greater collaboration between the public, private and social sectors.



DIGITAL ACCESS

Access to affordable internet and devices



DIGITAL SKILLS

Basic digital literacy for all

Growth mindset / resilience



FUNDING GAPS

Short-term:
government support
e.g. social safety net

Long-term:
Improve financial inclusion



APPENDIX

Appendix: Survey methodology

ASEAN Youth Survey - June 2020:

- The results of this report are largely based on the Annual ASEAN Youth Survey, conducted in partnership with the World Economic Forum.
 - The survey was fielded through the Garena and Shopee platform in June 2020, and focuses on youths aged 16 to 35.
 - In total, we received 68,600 completed responses from across ASEAN, and 2,100 completed responses from Singapore
-

ASEAN Seller Survey - 2019:

- In 2019, we surveyed 42,000 e-commerce entrepreneurs through the Shopee platform to better understand the economic and social impact of e-commerce. We received close to 1,000 responses from Singapore alone.
- We asked questions ranging from revenue growth pre and post-selling on e-commerce, and also how their customer locations have changed.

Appendix: Previous Research

Reports from Sea Insights - Sea's Research and Public Policy Unit

1. ASEAN Youth Survey 2020 - The True Test of Resilience & Adaptability: see [link](#)
2. Reimagining SME Recovery in Indonesia (2020): see [link](#)
3. Uncovering Thailand's Hidden Assets Through E-commerce (2019): see [link](#)
4. ASEAN Youth Survey 2019 - ASEAN Youths and the Future of Work: see [link](#)
5. What do Indonesian youth think about jobs in the age of disruption (2019): see [link](#)
6. Youth x Entrepreneurship in Thailand 4.0 (2019): see [link](#)

For more of our research, go to www.medium.com/seainsights