

# ShopBack eyes S-E Asia's US\$60m e-commerce market

Room to grow even with a 50% month-on-month growth in shopping transactions on its platform since last August

By Jacquelyn Cheok  
jaccheok@sph.com.sg  
@JacCheokBT

## Singapore

SHOPBACK, a Singapore startup that offers a "novel approach to online shopping in Asia" – providing users cashback when they shop at affiliated online stores – is looking to tap into the US\$60 million e-commerce market that is South-east Asia.

Since its launch in August 2014, the NUS Enterprise-backed venture has raised over US\$500,000 in seed funding from Accel-X and other investors, and amassed some 30,000 users in Singapore and Malaysia.

ShopBack said that it is now looking to expand into regional markets.

"Shoppers can enjoy up to 50 per cent in cashback when they shop with our over 300 merchants such as Zalora, Apple and Emirates . . . and this is on top of existing discounts and credit card rebates," Henry Chan, one of the startup's six co-founders, told BT.

Once payment is made, the user's cashback will be added to his ShopBack account within a few days, which can then be "cashed out" and transferred to his PayPal or local bank account after one to two months.

The late cash-out is to prevent users from buying the item online, getting the cashback, and then returning the item for a refund, BT has learnt.

While cashback is a concept popular in the US and Europe – major players include Ebates and Mr Rebates – it is less known here, said Mr Chan, and hence an opportunity for ShopBack to "present the concept in a user-friendly and accessible manner".

To cater to the Singapore market for example, merchants on its platform are a mix of local and foreign brands which pay a commission to ShopBack for each referred sale.

"We then pass the bulk of the commission back to the customer," said Mr Chan.

Even with a 50 per cent month-on-month growth in shopping transactions on its platform since last August, Singapore's e-commerce industry is relatively young, Mr Chan said, accounting for only 3 per cent of all retail sales in Singapore.

Vinnie Lauria, managing partner of venture capital firm Golden Gate Ventures, agreed: "e-commerce is still leaps and bounds behind its time in Singapore; there's still a lot of the market that needs to buy an item online for the first time."

Moreover, online payment methods continue to be perceived as difficult, he said. "People don't trust the security of credit cards online. Many times you need a bank key to process a transaction, which slows down the buying process, while others prefer to just work in cash."



The ShopBack founding team are (clockwise from top left) Henry Chan, Joel Leong, Bryan Chua, Lai Shanru, Samantha Soh and Derrick Goh