



Orchard Road fends off competition by focusing on tourist dollar

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SINGAPORE: A slew of new suburban malls opening this year has increased the stakes in Singapore's already competitive retail scene, threatening to take the shine away from prime shopping belt Orchard Road at a time when overall retail spending is relatively muted.

But the Orchard Road Business Association is undeterred, saying it plans to focus increasingly on pulling in the tourist dollar.

OneKM mall in Tanjong Katong is one of at least four suburban shopping joints that have sprung up in 2014. Like other neighbourhood malls, it counts on being able to give nearby residents their shopping fix without them having to head to town. It also prides itself as a lifestyle and knowledge hub.

But despite more suburban malls emerging, the Orchard Road Business Association believes Singapore's prime shopping belt has a unique place that cannot be easily toppled, especially as tourists are more likely to head to Orchard Road for retail therapy than to a neighbourhood mall.

The Association wants to capitalise on this. Said its executive director Mr Steven Goh: "We may want to concentrate on bringing more China tourists to Singapore. That is one area that we are currently exploring with the Singapore Tourism Board and how to make that promotion work."

One thing the Association has done that suburban malls cannot easily do as well is to pedestrianise the roads for shoppers. That means not just turning a street meant for cars into one meant for people, but also introducing activities there to create buzz.

Retail analysts said increasing footfall to Orchard Road definitely will not hurt businesses, but getting shoppers to spend is another story.

Said Associate Professor Prem Shamdasani, from the Department of Marketing at National University of Singapore Business School: "Prime Orchard Road retailers have to work really hard, in many ways. Firstly, to really enhance the customer experience, to offer more targeted promotions, more unique, personalised value propositions. They probably will also have to leverage on technology and data analytics to offer more relevant and much more valuable offerings to their clients."

Indeed, whether it is glitzy Orchard Road or suburban malls, analysts said increased competition means more emphasis needs to be placed on accurately servicing a mall's specific clientele.

"I highly recommend that the malls tune themselves to the communities and serve the communities. A lot of shopping malls are becoming real estate investment products," suggests Associate Professor **Lynda Wee**, from Nanyang Technological University's Division of Marketing and International Business. "As a result, they look at dividends. They bring in tenants that are tried and tested, and so our malls run the risk of looking the same."

The Singapore Retailers Association also warns that there may be more malls than needed. Its vice president, Mr R Dhinakaran, said: "The rentals may go down because not that many takers of the shops are going to be there in future. Because if they lose money, business is not there, there is no point for them to open the shop."

The Singapore Retailers Association expects consumer spending in 2015 to be subdued, which means businesses may consolidate and shrink the number of outlets they operate. - CNA/xy

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