



Life

Mega luxury store opens amid retail slump

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Is the opening of the 20,000 sq ft Pedder on Scotts store a smart or risky move? Gladys Chung and Melissa Heng report

Luxury multi-brand footwear and accessories retailer Pedder Group is pulling out all the stops with its new 20,000 sq ft Pedder on Scotts store at Scotts Square that opens today.

The concept store is the group's largest free-standing one in Asia. The biggest standalone On Pedder stores in Hong Kong and China stand at 3,500 sq ft and 3,000 sq ft respectively.

Founded in 2003, the Hong Kong-based Pedder Group is part of the Lane Crawford Joyce Group and operates more than 50 stores and shop-in-shops across Greater China, Singapore and Jakarta.

Pedder on Scotts takes up the entire second floor at Scotts Square - the size of 20 four-room HDB flats - and stocks more than 100 designer and mid-priced brands of shoes, bags and accessories.

It is an interesting time to secure retail space, not just based on cost, but availability. Our group has always used challenging times in the retail market to expand our retail footprint.

PEDDER GROUP PRESIDENT PETER HARRIS

About 40 per cent of the line-up - brands such as American high-street label Sam Edelman, British shoemakers George Cleverley and Foster & Sons, as well as Lock & Co Hatters, one of the oldest milliners in England - are exclusive to the store. At least 10 brands are new to the market.

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Store highlights

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Pedder on Scotts will carry limited-edition shoes from sports brands.

ON PEDDER MEN'S STORE

The first dedicated men's shop outside of HongKong, it features 35 designer labels. Six of them – Italian label Giuseppe Zanotti, British shoemaker George Cleverley, made-in-Italy Joshua Sanders, Florence-based perfume house Lorenzo Villorosi, British milliner Lock & Co. Hatters and Japanese cult brand Tomorrowland – are exclusive.

Prices start from \$360 for a pair of casual Vince shoes.

COOL KIDS

This section is filled with 20 designer labels as well as streetwear brands Vans, [Reebok](#) and Onitsuka Tiger. Look out for the miniature versions of signature flats and boots from Charlotte Olympia, Sam Edelman and Stuart Weitzman.

Also available in the section are limited-edition crystal-encrusted Little TwinStar and My Melody phone cases, clutches and jewellery to mark the iconic Sanrio's 40th anniversary.

Prices start from \$30 for a pair of Havaianas sandals.

SPORTS

Sportswear gets the fashion stamp of approval here. There are limited-edition collections from Adidas, [Nike](#), Vans and Converse; as well as the cult running shoe label Athletic Propulsion Labs, which has been banned by the [NBA](#) because of an unfair advantage its soles give athletes.

Prices start from \$69 for a pair of Converse classic sneakers.

POP-UP SHOPS

There will be pop-up kiosks showcasing new brands and collaborations. The first one is by multi-brand beauty retailer Escentials, where brands such as Fornasetti candles, Maison Francis Kurkdjian and Memo fragrances are stocked. This pop-up store will stay open till December.

DESIGNER APPEARANCES

From now till January, a string of designers will be hosted at the store during exclusive shopping events. Later this month, British shoe designer Nicholas Kirkwood will present 10 styles from his 1980s arcade culture-inspired 10th anniversary collection. It will be his second visit here.

The line-up also includes sports shoe brand Athletic Propulsion Labs' co-founders Adam and Ryan Goldston, as well as Italian designer Rene Caovilla (in December); and New York-based designer Paul Andrew (in January).

THE COFFEE ACADEMICS

Opening at the end of next month, the Hong Kong-based brand will run a 3,000 sq ft cafe at Pedder on Scotts. The boutique coffee house will also serve brunch, lunch and dinner. There are special sections within the cafe where diners can blend their own coffee and explore the different ways coffee can be brewed.

ART INSTALLATIONS

A space at the store is dedicated to temporary art exhibitions.

The first one is helmed by Singapore designer Theseus Chan. He has been designing On Pedder's marketing collaterals and in-house magazine, Pedderzine since 2007.

Titled Deformed, the exhibition features the latest issue of Chan's annual art and design publication, Werk, which also features young Japanese artist Masaho Anotani.

The store is divided into seven zones - including a section for children and men (both are firsts for On Pedder stores outside Hong Kong), a cafe, as well as space for art exhibitions and pop-up stores.

On Pedder previously had a 4,800 sq ft store at Scotts Square for four years. It closed in June for renovations while a temporary store was opened on the ground floor.

Pedder Group had been planning for Pedder on Scotts for two years. On Pedder also has a 2,000 sq ft store at Ngee Ann City.

In an exclusive interview with Life, Pedder Group president Peter Harris says: "We see in all our retail stores that customers are now shopping vertically across price points and products that suit their lifestyle needs.

"When you talk about luxury now, it applies to a broad section of fashion. The designer footwear that they're looking for could be the perfect sandals to take on holiday or a pair of sports shoes.

"We want to offer a broader range of footwear and accessories, which cannot be done well with the retail space and format we had at Scotts Square previously."

Industry players that Life spoke to are surprised at Pedder Group's bold move because the local retail market is not exactly looking rosy.

Mr John Ng, general manager and director of multi-brand retailer Sidefame Singapore, which distributes brands such as Antepima, Marimekko and G-Star, says Pedder Group is clearly "optimistic".

He adds: "The current retail scene along Orchard Road is terrible. There are fewer shoppers in the malls here as the Singapore dollar is strong; tourists find it more expensive to shop here, while locals find it cheaper to shop overseas.

"I believe that most of the stores are now reaping sales that are 20 per cent less than those in the previous year.

"But Pedder Group is an experienced retailer and I hope it succeeds."

Mr Sam Benjamin, director of fashion retailer FJ Benjamin's luxury division, says: "On Pedder is a good retailer so I'm sure it has done its homework. Having said that, it's an ambitious project, especially in this climate."

Mr Steven Lam, managing director of Hugo Boss South-east Asia, notes: "During times of market weakness come opportunities for brands with financial and marketing capabilities to increase market share in terms of customers, property and human resource. I believe that On Pedder has got a great clientele and it operates in a niche but profitable market.

"The success of its new space will depend on its ability to bring in interesting merchandise that is otherwise not readily available online or in Singapore."

Indeed, Mr Harris says the company has good reason to open a huge store in Singapore now: "It is an interesting time to secure retail space, not only based on cost, but also availability.

"Our group has always used challenging times in the retail market to expand our retail footprint, like what we did in the one to two years post-2008 and 2009 when the regional market was depressed."

The group expanded its shoes and accessories department at the Lane Crawford store in Canton Road, Hong Kong - from 7,000 sq ft to well over 30,000 sq ft in 2011.

Referring to the Canton Road space and the 40,000-sq-ft shoes, bags and accessories department in the Lane Crawford store at Shanghai Times Square, Mr Harris adds that 20,000-plus sq ft of retail space is "rather typical" of what the group operates throughout the region.

Ms **Lynda Wee**, adjunct associate professor at the Nanyang Business School, says: "On Pedder has more bargaining power as it knows Scotts Square is seeking a winning brand to pull the mall up. So, perhaps, the retailer secured a really special deal for a win-win partnership."

Pedder Group and Scotts Square's landlord Wheelock Properties declined to reveal rental rates.

Since it opened in 2012, Scotts Square has seen many of its tenants come and go, such as Sincere Fine Watches and Anne Fontaine in the last year.

Previous reports in The Straits Times have cited the relatively small size of the mall and the limited number of brands available there as reasons for it not doing well.

On why Scotts Square's location - which is just off the main Orchard Road shopping belt - works for Pedder Group's behemoth of a store, Mr Harris says: "We were looking for a certain level of square footage that is easily accessible. The mall is close to Orchard Road and tucked between Hyatt hotel and Orchard Road, so there is an awful lot of traffic by Scotts Square.

"Pedder on Scotts also has a high degree of visibility both from Scotts Road and Orchard Road with the large outdoor signage that wraps the building on level two."

He adds that the previous On Pedder store was in the mall for four years, so it already has a following.

While On Pedder's [Takashimaya Shopping Centre](#) store has been around since 1996 and has a large regular clientele, Pedder Group has tried to raise the profile of its Scotts Square store by holding exclusive events for regulars where designers such as Victoria Beckham, Charlotte Olympia, Sophia Webster, Gianvito Rossi and Edgardo Osorio of Aquazzura have made appearances, taking photos with shoppers and autographing bags and shoes.

For the official opening of Pedder on Scotts on Oct 16, British shoe designer Nicholas Kirkwood will be there to present his 10-piece 10th anniversary collection, a collaboration with Singapore designer Theseus Chan. Appearances by other designers have also been planned until January.

Mr Harris says that the [Takashimaya Shopping Centre](#) store selection is smaller as it is edited for a fashion-focused clientele. This is in line with the rest of the mall's luxury brand tenants.

Pedder on Scotts offers both high fashion and relatively affordable lifestyle items - such as sports shoes - targeted at a broader base of consumers in their early 20s and older. The starting price points at this store are also lower - from \$50 for a pair of Havaianas slippers.

At the end of the day, Mr Harris believes that the products at Pedder on Scotts will be a big enough draw for shoppers to visit.

He says: "In all our markets that are challenged at the moment as a consequence of global economic conditions, sales of footwear and accessories seem to perform better than other categories.

"This is due to the fact that these items are more accessible in terms of price in relation to apparel and they can be worn in different ways, so one can refresh his or her wardrobe without spending lots of money.

"Then, there is the feel-good factor of wearing new shoes and many women now view shoes as collectible items. In a tough market, this is a category that can show surprising growth."

Mr Harris, who is in his early 50s, formed Pedder Group in 2003 to capitalise on designer footwear, bags and accessories business within Lane Crawford.

Before that, the Australian was vice-president of general merchandise at Lane Crawford. He joined the company in 1995 as a merchandise manager in footwear and accessories.

In South-east Asia, Singapore is the most important market for the group as the business is "highly profitable with a sizeable population that shops".

Mr Harris declines to reveal Pedder Group's sales figures, but adds that footwear makes up 70 per cent of the

group's revenue. Pedder Group's number of stores in the region has grown from around 45 last year to more than 50 this year.

Still, Dr Seshan Ramaswami, associate professor of marketing education at the [Singapore Management University](#), describes Pedder on Scotts as a "bold and risky decision".

He points out the competition from online retailers "who do not have to deal with the costs of a showroom" and shoppers "who may use the outlet to try on and examine products and then look to get a better deal on that same item online".

To deal with that, Mr Harris says Pedder Group has online shopping sites for Lane Crawford, as well as independent partner brand sites such as Christian Louboutin, Stuart Weitzman and Pedder Red, all of which deliver to Singapore.

And in view of the currency fluctuations that have spurred Singaporeans to look for better deals overseas, he says the group tries to be "competitive in areas of pricing".

"The group also focuses on brand and style exclusivity, early delivery programmes, and customer contact with the brand through the designers' presence in Singapore."

Ms Bettina Kam, 28, an advertising sales manager, used to shop at On Pedder, but recently stopped as she has been shopping online or directly from designer boutiques.

But she says she is keen to see what new and exclusive items Pedder on Scotts will offer.

"If there are good in-store promotions, I would definitely buy from the store. I want to see how much variety it has and if it carries items that I cannot find anywhere else," she says.

The children's section of Pedder on Scotts is filled with 20 designer labels as well as streetwear labels such as Vans and Reebok.

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