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Malls out to reel in young shoppers

Young people have less spending power but make up for it in numbers

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Young people in Singapore are the new darlings of retailers, going by the efforts made by malls to woo them.

While they lack earning power, they have "staying power" — they linger longer and hang out in groups.

The 1980s saw a rash of malls, but only a few became youth hangouts. There were the Centrepoint Kids, and a teen haven nestled at Far East Plaza, still a popular hangout.

Today, it is the "malls the merrier" for young peoples, whose pick of hip places includes The Heeren, Cathy Cineleisure, Square 2 and new player Iluma at Victoria Street.

Other malls with youth enclaves include Marina Square, Suntec City and Bugis Junction.

Not to be outdone, Ngee Ann City and Orchard Central are also carving out space for the younger clientele.

By the end of the year, Ngee Ann City will have a lifestyle cluster called Eighth Floor, comprising 19 hip stores and food

after Tokyo's trendy Aoyama district.

The new Orchard Central — its soft opening will take place this Thursday — has a retail section of more than 30 small stalls called The Ramp, which is a platform for budding entrepreneurs to showcase their wares.

The country just became a giant shopping mall, but I'm not complaining," said private university student Maia Goh, 23, a confessed shopaholic who shops for clothes online or at Orchard Road.

Retailers and mall operators agree that the youth dollar can be a burgeoning one, provided the right buzz can be created.

"This is definitely a growing market. Youth these days are more independent and will choose their own hangout places and what they will spend on," said Cathy Organisation's chief executive officer Suhaimi Rafiq.

The company owns two youth-oriented malls, Cathy Cineleisure and The Cathy, which target those aged between 14 and 35.

Ms Chua Chor Hoon, senior director and head of South-east Asia research for property consultancy DTZ Debenham Leung, said it is a common strategy for malls to differentiate themselves and target niche groups, like youth, tech buffs or high-end fashion fans.

ented mall: entertainment outlets like cinemas, gaming arcades, karaoke, cheap and unusual food and beverage outlets, and one-of-a-kind shops selling edgy fashion.

Location and the competition may be decisive factors.

"Youth today are fashion-conscious and have more spending power due to more affluent and dotting parents.

"Malls that are near educational institutions have a ready catchment of students," Ms Chua said.

While their spending power may not match that of working adults, they make up for it in numbers since they hang out in groups.

At Cathy Cineleisure and The Cathy, the average time spent by young people in the malls is 50 per cent higher than that at some other malls, said Mr Suhaimi.

But young people are more selective about what they spend on and are also more sensitive to trends, said a spokesman for Iluma, the new seven-storey mall in the Bugis area that caters to the youth, tertiary students and young professionals.

"It's not so easy or straightforward to tap on the youth market successfully," she said.

Still, retailers are banking on the willingness of young people to spend despite the economic downturn.

FuncDeko, a popular shop in Far East Plaza selling vintage fashion and knick-knacks, said: "Youth today are resourceful and have the time to get the cheapest deals from shops, blogshops and flea markets."

Indeed, online shopping is a big competitor for the youth dollar, said Dr Lynda Wee, chief executive officer of retail consultancy and training firm Bootstrap.

"They have more options. They may not spend their dollar at the mall. But they want to hang out, so malls have to be more like social hubs selling services too," she said.

Ms Elm Chew, founder of pioneering streetwear store, 77th Street, felt that what will attract young people are the "intangibles". These include a sense of association, vibrancy, buzz and high energy.

Dr Wee agreed. "Malls that have targeted youth have not quite raised the bar," she said. She cited youth-oriented malls and areas like APM Mall in Hong Kong and Harajuku in Tokyo as having the "it" factor.

Successful youth-oriented malls like APM do not keep to the regular hours of the working adult. Its retail shops stay open till midnight, its restaurants go on till 2am, and its entertainment and karaoke outlets open till dawn.

Undergraduate Sufian Rahiman, 24, bemoaned the fact that there are too many big international labels here, rather than smaller independent designers.

"There are very few mid-price options for young men who want classic and fashionable clothes," he said.

There is also a perception that Singapore's retail scene is saturated.

But, going by their pitch, mall operators and retailers seem determined to cater to the youth-oriented crowd. Nor are they worried about the increasing competition.

"The cake is big enough for everyone who can improve and do their best," said Ms Chew.

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YOUTH-ORIENTED RETAILERS



Charmaine Tan, 26, and Lynette Foo, 26

Owners/designers of bag shop Baggage at Far East Plaza since 2007. About 70 per cent of their customers are under 25, and the average youth customer spends \$30 to \$60.

How they appeal to the youth: We try to be price-sensitive. We also design our bags to keep up with fashion trends, and offer discount cards and promotions to polytechnic students.

The disadvantage of targeting the youth crowd: Non-working youngsters' spending power is dependent on their pocket money, so they are more price-sensitive.



Joe Chew, 28

Owner of beachwear and casual apparel shop Toss, at Far East Plaza since 1993. He has also opened an outlet at Iluma. About 70 per cent of his customers are under 25 and spend an average of \$40.

How he appeals to the youth market: Everything is designed and manufactured by ourselves. We also ensure exclusivity by making only a few pieces of each design.

The pros and cons of targeting the youth crowd: The spending power of youth is less subject to fluctuations. But they will shop significantly less during exam periods.



Aaron Lim, 23

Manager of streetwear shop Sexy Diamond, which opened at The Heeren earlier this month. Most of his customers are under 25 and spend an average of \$80.

Why he set up Sexy Diamond: My partner and I saw this brand in Taiwan and felt that it had a lot of potential because it is inspired by hip-hop.

How he appeals to the youth market: We try to maintain exclusivity, so we bring in limited numbers and we don't restock whatever is sold out.