



The Marina Bay Sands IR. BLOOMBERG

CHANCE TO HONE RETAIL SKILLS

Want to devise effective marketing strategies for your business at the coming integrated resorts? Two American experts with luxury retail experience in Las Vegas and Macau will be speaking at two-day workshops here next month and March.

Organised by retail consultancy Bootstrap, the workshops are targeted at retail managers and supervisors with minimal IR experience. They will cover the evolution of the IR, trend forecasting and the profile of IR visitors.

Ms Jean Scott and Mr David Schubach, who have over 30 years of experience in luxury eyewear retail, will be the facilitators. Bootstrap chief executive Dr Lynda Wee will share local marketing strategies.

Course fees are from \$610 after funding from the Workforce Development Agency's Skills Re-development Programme.



www.bootstrap.com.sg
More information here

ORCHARD ROAD VS MARINA BAY SANDS

The stakes are high ...

Retailers confident, however, even as they talk of gearing up

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SINGAPORE — Style maven Dr Georgia Lee recently revealed that she gets sent new outfits from her favourite brands to try on. But that's not all the luxury labels do for their prized customers.

Flying in designs unavailable in Singapore from overseas, having a seamstress onsite while a customer tries on a outfit for alteration, reserving newly-arrived items for her to preview — these are some ways top-end retailers go the extra mile for big spenders, according to industry insiders.

But with an increasingly competitive luxury retail scene and the integrated resorts set to open next year, will Orchard Road tenants have to up their game? Will there be a need for those present in both Orchard and the IRs to differentiate their outlets?

The Marina Bay Sands (MBS) integrated resort will add 800,000 square feet of retail and restaurant space in the Central Business District. Many posh labels with a presence in Orchard have signed on as tenants, including Salvatore Ferragamo, Gucci, Fendi and Louis Vuitton.

Resorts World at Sentosa has yet to reveal its tenant list but its vice-president of resort operations Noel Hawkes reportedly said last month that offerings will include Universal Studios Singapore theme park merchandise, designer furniture boutiques and international brands that are "luxury must-haves for our casino patrons".

By virtue of RWS' link bridge with VivoCity mall on the mainland, however, some industry experts believe there will be less emphasis on retail for the IR.

NOT QUITE THE SAME PIE

So, do retailers face a risk of cannibalisation or the prospect of more brands and outlets competing for the same customers? This will be inevitable in the early days, said Dr Lynda Wee, who runs retail consultancy Bootstrap. Orchard Road regulars will visit MBS' mall out of curiosity and vice versa but, "when things stabilise, the cannibalisation rate should be lower".

It is possible shoppers would eventually form two distinct segments. MBS is positioned as a conference and business travel destination, "so Orchard Road regulars may avoid the place due to this crowd", said Dr Wee.

Conversely, time-stretched MBS travellers might have too many dining and shopping options in the IR to "wander out of the 'magic kingdom's walls'."

Orchard Road retailers are showing no fear of the IRs for now, due in large part to the street's recent makeover. Three malls — ION Orchard, Orchard Central and 313@Somerset — opened this year and familiar fixtures like Paragon Shopping Centre and Mandarin Gallery have been spruced up.

The regeneration will continue with the opening of a four-storey Knightsbridge store at the Grand Park Orchard hotel and the youth-oriented *Scape Park next year, as well as Scotts Square in 2011, said Mrs Sng Ngoi May, chairman of the Orchard Road Business Association.

MORE PERKS AT ORCHARD?

Another "encouraging" sign is Orchard Road retailers' willingness to work together, as seen by the newly-launched free shuttle service jointly sponsored by 12 malls, said Mrs Sng.

That said, there is still room for Singapore's most



The ION Orchard. BLOOMBERG

famous shopping thoroughfare to deepen its appeal — by extending opening hours to tie in with conference events and offering even more perks to shoppers, said Dr Wee.

Orchard retailers could start delivering to customers' hotels or even their home countries; they could offer GST-free rates to save tourists the hassle of filling up GST forms; and ensure shops are always well-stocked, she said.

Another suggestion by a Mandarin Gallery tenant: More variety. Orchard Road needs jazzed up "software" to complement the good infrastructure, said Ms Vivienne Wee, owner of multi-label boutique Envy, who has no plans to open at the IRs. Orchard Road malls are too "identical" and could do with more independent retailers like in London.

"People who actually look for good things to sell — this part is lacking in Orchard Road," she said. "The danger is if the IR comes up with a concept like that. Then crowds may go there because everyone is bored with (the usual brands)."

LUXURY BRANDS WORK HARDER TO PLEASE

The luxury labels, meanwhile, have not needed the IRs to prompt an improvement in service; the economic downturn has been reason enough.

"In 2009, the luxury business in general declined," said Ferragamo's Asia-Pacific chief executive officer Paul Cadman in an email interview. "In Singapore and globally we have seen softer retail sales. This has made us all work harder to think of our valued clients, how to please them, design new and interesting products, give better service."

Given the royal treatment already lavished on big spenders, some industry insiders are not sure what more can be done. Hold a private preview at a client's residence? Open a store beyond its operating hours?

"If a customer is big enough, we will," said a source who declined to be named.

"Staff will know if a regular customer likes a certain style, fabric or colour. And we'll call the client to say, 'Hey, this item is coming in, would you like to come in for a preview?'" said another insider.

What about varying what is offered at each outlet? Unlikely, as uniformity usually works to the advantage of top brands.

While Ferragamo's store in Paragon Shopping Centre will be the flagship "because of size", the selection at both its Orchard Road and MBS outlets would be similar, said Mr Cadman. The addition of MBS to Singapore's retail infrastructure presents an "opportunity" to develop its distribution, and present its product assortments in categories from shoes and leather, to ready-to-wear, he said.

Besides, it makes no difference whether customers shop in Orchard or MBS, "so long as they buy my brand", added an industry insider.



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