



S'pore retailers splurging on renovation & re-branding

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SINGAPORE: Singapore retailers are spending big bucks on major renovations and re-branding to keep customers shopping at their outlets.

Industry watchers say the competitive climate is forcing retailers to take a second look at their business strategy.

Home-grown department store Tangs invested S\$45 million in a three-year transformation on its 80th anniversary. It expanded retail space by 25 per cent, which includes 14 flagship stores such as Tom Ford Beauty and Aesop.

Foo Tiang Sooi, CEO of Tangs said: "We decided to embark on this transformation project because we see the changing landscape of retail, both from competition as well as the fact that customer preferences have changed. They are a lot more affluent and savvy and through online and social media they are also able to have better judgement and variety of choices available to them."

Brand consultancy A S Louken said heritage brands in particular, recognise the need for change.

Sixty per cent of their clients are family-run businesses, such as Polar Puffs & Cakes and On Cheong Jewellery.

Most of them run by second-generation leaders trying to find solutions to stay up-to-date.

This is spurring demand for A S Louken's line of work. Revenue for them has doubled over the last year.

But today's "brand-saturated" market means identifying a consumer's wants and needs is not so straightforward any more.

Luke Lim, CEO at A S Louken said: "We typically will tell our clients that you need to leverage what is core to you - your competitive advantage. Leverage that and build a distinctive space that is differentiated. Once that has been identified, communicate that space clearly. One message, one brand."

For retailers, tough competition is also forcing them to think deeply about who their customers are and how to retain them.

Lynda Wee, adjunct associate professor at Nanyang Technological University's Nanyang Business School said: "It forces them to be more focused, more niche, looking at them, knowing what they want to growing alongside them. They're getting more affluent, they're getting more discerning. I can see them moving from a mainstream department store to a more niche, more targeted, more premium kind of department store concept in the likes of Neiman Marcus, Bloomingdale."

Industry watchers add that competition today is both for brands and location.

Another heritage name, Robinsons, is moving to its flagship store and a larger space this year.

It will house some 20 new-to-market brands in the 154-year-old department store.

- CNA/xq

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