



DIY or die: Singapore's brick and mortars turn to experiential shopping to survive

Some stores on the lion city's high street allow for the personalisation of bags, jewellery, and ice cream.

As a growing number of establishments in Singapore close up shop after falling to the might of e-commerce, analysts are placing their bets that experiential retail is set to give Singaporeans a reason to go beyond their online shopping apps, visit malls again, and breathe life into the struggling sector.

"Retailing has always involved the constant refreshing of offerings

The Shoppes at Marina Bay Sands drew inspiration from a digital walk-in wardrobe.



and concepts to retain and grow customer followings," Huey Ying Tay, JLL head of research & consultancy told *Singapore Business Review*. "But the rise of e-commerce giants has brought the competition to a whole new playing field and retailers now have to relearn the art of retailing and be ever more creative and nimble in exploring strategies to bring foot traffic back to the stores."

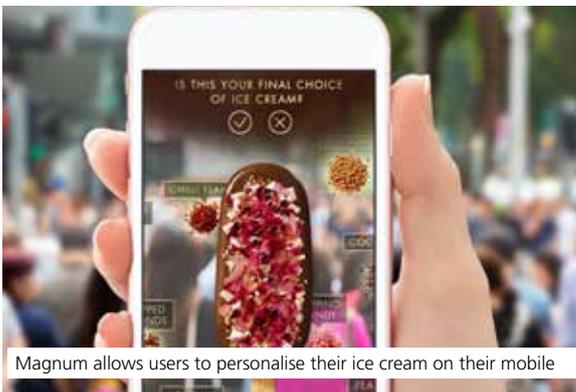
The e-commerce phenomenon has been riding on the back of Singapore's high mobile penetration rates and expansive internet coverage with online sales expected to hit S\$10b (\$7.4b) within 2017 to 2020, according to BMI Research, as retail giants like Lazada, Amazon, and Taobao increasingly knock on Singapore as a gateway to Asia.

For brick and mortar retailers, however, it's a whole other story. Although vacancy has narrowed slightly to 7.4% QoQ in Q4 from

8.2% after three straight quarters of decline, retailers are still treading cautiously and holding back expansion plans amidst slowing sales and supply risks poised to last up until 2019 that have killed off some of the lion city's best loved brands.

In fact, clothing brand Hang Ten has closed more than a third of its stores in just over a year, just like Raoul who shut down its last store in 2016, as the extinction has not left traditional shopping areas like Orchard Road unscathed. Furniture and home decor store iwannagohome also reduced its outlets in Tanglin Mall and Great World City. Foreign clothing brands Celio and New Look have also been bearing the brunt of unmet sales targets as it closed down stores, adding to a growing list of brands brought to its knees by online retail.

"To combat the convenience and reach offered by e-commerce,



Magnum allows users to personalise their ice cream on their mobile



Gucci store at ION Orchard

retailers need to provide consumers with compelling reasons to visit the physical stores. One possible strategy is to offer in-store sensory experiences involving the smell, taste, and touch senses, which cannot yet be duplicated via online channels,” Tay added.

Personalisation of shopping

A certain number of stores have been shifting their focus to providing personalised shopping experiences, which was most evident in the luxury brands occupying ION Orchard, according to **Ong Choon Fah**, CEO and head of research and consulting of Edmund Tie & Company. Ice cream brand Magnum, for instance, has launched a campaign for the personalisation of its ice cream products through Augmented Reality using only a smartphone camera which consumers can then redeem at selected stores for a discounted price.

But nowhere is this trend perhaps more evident than in fashion where retailers are giving their users more freedom to dress and accessorise themselves. Gucci, for example, has also opened a do-it-yourself section in its ION Orchard place as it enables customers to personalise their Dionysus bags with various design patches from butterflies, roses, and peonies.

Similarly, the Shoppes at Marina Bay Sands drew inspiration from a digital walk-in wardrobe with the launch of the Virtual Closet which comes with interactive digital mirrors in a 360 view as well as a themed photobooth to enhance the shopping experience for the fashionista. British luxury jewellery brand Monica

Vinader is also allowing its customers to personalise their jewellery pieces using a same-day engraving service.

The trend towards experiential fashion experiences has also been picking up elsewhere in the world, noted **Wendy Low**, executive director and head of retail for Knight Frank Singapore. Chanel’s beauty focused pop-up concept, the Coco Café has launched in Hong Kong where shoppers could try out a wide array of beauty products whilst enjoying a Parisian dinner-style setting at the same time. Nordstrom also opened a tech-enabled menswear store in New York where digital screens in its tailoring section features an avatar which displays how shoppers look like when they try on the brand’s custom-made jackets.

In Shanghai, stores like Starbucks Reserve Roastery and Alibaba’s Hema have increasingly leveraged on Augmented Reality technologies to bring retailing to a brand new level, noted Ong. “Memorable, engaging experiences are key. Although online shopping is convenient and often more economical, most consumers will never be content with just sitting at home and clicking on webpages,” said Colliers International head of research for Singapore **Tricia Song**.

Technology is similarly making it easier for retailers to offer enhanced shopping experiences in Singapore as shown when Cold Storage opened a cashierless store at Fusionopolis featuring self-checkouts, smart scales, and electronic newstands, noted International Grocery Distribution Asia programme director **Shirley Zhu**.



Huey Ying Tay



Ong Choon Fah



Wendy Low



Shirley Zhu



Tricia Song

NTUC FairPrice has also developed a mobile app for its SingPost Centre store allowing shoppers to navigate the store and locate products more easily, Zhu added.

Click-and-collect lounges have also been gaining popularity in the city state, noted Tay, with brands like Decathlon, Eu Yan Sang, and Uniqlo creating spaces for the provision of convenient pick up points for online purchases as retailers bid to attract footfall to physical stores whilst generating online sales.

Sustaining the hype

As brands continue to craft increasingly creative ways to enhance the shopping experience, the embattled retail sector is slowly gaining its footing after sales rose 8.6% YoY in February buoyed by demand for food, clothes, as well as growing footfall in department stores, supermarkets, and hypermarkets.

However, such gimmicks can only hold a shopper’s attention for so long—retailers must work relentlessly to differentiate their store offerings from the rest to draw consistent interest and footfall which they can monetise in the long run.

“To stay in the game, retailers would need to continually refresh their sensory offerings in order to continually engage and retain their customers. This strategy would also need to be adopted concurrently with other in-store strategies,” said Tay.

Although experiential retail has been gaining ground in recent months, it also remains in a nascent phase that has yet to achieve the scope necessary to achieve its sustainability, suggested Song. *Sandra Sendangan*



The Shoppes at Marina Bay Sands