

# New game plan needed for Orchard's retailers

One year in, the pandemic has had an uneven impact on businesses. Suburban malls, for instance, have fared better than malls catering to tourists, thanks to domestic demand. With border closures still largely keeping visitors at bay, retailers at tourist hotspot Orchard Road will need to shift gears to keep cash registers ringing, highlights NUS' Institute of Real Estate and Urban Studies (IREUS). **BY NISHA RAMCHANDANI**

Singapore's iconic shopping belt Orchard Road has always been a popular haunt among tourists. As such, the vacancy rate has generally risen when tourism spend takes a hit.

According to data collated by IREUS, the vacancy rate of private sector retail space in the Orchard planning area rose from 4.4 per cent in Q4 2013 to 5.6 per cent in Q4 2014 as spend on shopping by tourists slid about 9 per cent to S\$975 million in Q4 2014.

As the pandemic spread last year, Singapore shut its borders to tourists in Q1 2020, starting with China. According to IREUS deputy director Lee Nai Jia, Chinese tourists are the biggest spenders here, with receipts totaling S\$900 million in 2019 before the virus outbreak.

The lockdown and various safe distancing measures have also made things tough on embattled retailers. The vacancy rate for the Orchard planning area rose 1.2 percentage point quarter-on-quarter to 9.2 per cent in Q2 2020, while tourist spend on shopping plunged to just S\$5 million that quarter.

Despite the gradual re-opening of the economy and stimulus from the government, the challenging operating environment proved unviable, with some retailers – such as household name Robinsons – either throwing in the towel or consolidating.

Establishing travel bubbles between Singapore and Asia Pacific countries such as China, India and Indonesia will be critical in giving retailers on Orchard Road a leg up.

To cope with the slump in tourist sales, retailers at Orchard Road can employ certain strategies, suggests Dr Lee.

- **Work on attracting domestic buyers to boost sales**
- **Go digital. However, competition may also heat up in the virtual domain.**
- **Ensure shoppers abide by safe distancing measures**

