

retailasia

The magazine from Sands Retail Asia / issue 5



CHANEL



03

CHANEL comes to
Marina Bay Sands



04

Skyward in Singapore



RAOUL **05**

Interview with
FJ Benjamin

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vp's**message**



While tender 'green shoots' appear to have been sprouting up in several parts of the world since the last issue of Retail Asia, the

completion of Marina Bay Sands™ three massive hotel towers makes growth in Singapore appear somewhat more sure footed.

As well as celebrating the topping out of the towers, we are also celebrating the start of our retailer roll out in which we will be revealing the fantastic line up of brands poised to open stores at Marina Bay Sands Shoppes®. I'm confident that you'll be impressed by just how accurately our vision for the mall is being brought to life.

And when it comes to having a vision, there are few companies in Asia that can compare with this issue's featured retailer, the

Singapore-based FJ Benjamin. Read what it takes to stay ahead of the game in Asia from this 50 year industry veteran in our exclusive interview.

Enjoy. •

Regards

David Sylvester
Vice President,
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retailasia

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MACAO & SINGAPORE

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GETTING DOWN TO BUSINESS



The first stop on our recent European 'tour', the FT Business of Luxury summit in Monte Carlo proved once again to be the perfect opportunity to catch up with many industry friends. Joining over 400 other senior luxury sector executives and corporate decision-makers at the two-day event, it was a rare and valuable treat to hear some of the industry's leading lights share their thoughts on new trends currently shaping the global luxury sector.

From the moment the summit kicked off with an address from Bernard Arnault, head of LVMH Mötet Hennessy Louis Vuitton, the emerging new economy was the talk on everyone's lips. And with discussion of potential new business models from Diego Della Valle of Tod's Group, Angela Ahrendts of Burberry and Joshua Schulman of Jimmy Choo, there was certainly no shortage of lively conversation.

Equally lively was the celebration hosted by the Retail and Leisure International team in London only a few days later.

The Global RLI Awards, of which we were once again headline sponsor, brought together a great swathe of retailers from across the globe to pay



tribute to the companies behind some of the most exciting international shopping and retail destinations. And with interest in our Marina Bay Sands development obviously running high, we're looking forward to seeing several people again very soon in Singapore. •

Retailer roll out: CHANEL to open at Marina Bay Sands

Luxury French fashion house CHANEL has announced it will open a unique concept boutique at Marina Bay Sands, Singapore, boosting its presence in Southeast Asia. The new fashion boutique will be a prominent fixture encompassing 7,600 square feet of space spread over 2 levels and will showcase the brand's distinctive line of ready to wear women's clothing and footwear as well as accessories including bags, eyewear, costume jewellery, as well as CHANEL's fragrance and beauty products.

"Chanel is very excited to be part of the Marina Bay Sands concept. It is a great opportunity to join the ultimate house of luxury with a truly innovative and creative retail environment. Singapore has a young, progressive and energetic retail scene," said Mr. Vincent Shaw, President of CHANEL Asia Pacific. "With a dynamic environment, Marina Bay Sands presented Chanel with the perfect opportunity, in line with our brand's heritage, creativity, modernity and accessibility."

The concept boutique will feature a stunning new look. It will be designed by legendary New York-based architect and longtime CHANEL collaborator, Peter Marino, the creative genius behind the interactive black-and-white signature design of the house's boutiques worldwide.

"Given the architecture of Marina Bay Sands, Chanel decided it had to employ the best architects to create a luxurious and practical environment to fit harmoniously with the Marina Bay Sands concept. Peter Marino Architects were hence contacted to create a stunning, modern and engaging unique boutique," said Mr. Shaw.

"Marina Bay Sands' vision for Singapore has always been to create a spectacular retail experience so we are delighted and honoured that CHANEL has chosen Marina Bay Sands Shoppes for such an exciting store," says David Sylvester. "This unique store by a quintessential luxury brand like CHANEL is recognition of Marina Bay Sands success in achieving its vision."

"Chanel does not believe in mass distribution and is discerning in deciding where the boutiques are placed to ensure the right consumer experience and service. With that in mind, Marina Bay Sands met many criteria by focusing not only on the local market consumers, but also on being able to showcase the Chanel brand to a wider Asian audience in a truly unique Asian venue," said Mr. Shaw.





Hotel Towers Topped Out

The unprecedented pace of development over the last few months at our Marina Bay Sands site was halted for a brief moment last month when Las Vegas Sands Corp.'s Chairman, Mr. Sheldon Adelson arrived in town to lead the celebrations marking the completion of the integrated resort's three 55-storey hotel towers.

Accompanied by senior company executives, members of the Singapore government and other distinguished guests, Mr. Adelson officiated the milestone event in front of some 120 regional and local media, all hungry to hear how the future landmark is progressing.

So how is it progressing?

Running parallel to the work on the interior and exterior of the hotel tower, which is well underway, the roof is now taking shape on the Sands Expo & Convention Centre and on the casino - inside of which work is also coming along on schedule. But it is the next critical phase of construction on The Sands SkyPark - the world's largest cantilevered public observation deck - that will undoubtedly garner the most attention.

Using technology normally employed in building bridges, individual pieces of the 7,000-tonne structure will each be hoisted some 200 metres to the top of the towers where they will be joined together to create a deck that is longer horizontally than the Eiffel Tower is tall. Watch this space for updates on the progress of The Sands SkyPark. We can't even begin to imagine how spectacular the view is going to be! •





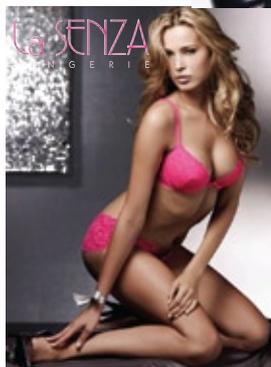
FJ BENJAMIN

Singapore-based retailing powerhouse FJ Benjamin is credited with opening the first luxury boutique in Asia and has since gone on to amass a portfolio of luxury and lifestyle brands that encompasses some of the world's best known labels. Celebrating their 50th year in the retail industry this year and having recently announced plans to open three stores in Marina Bay Sands Shoppes, with further announcements on the horizon, we caught up with Executive Director, Mr. Douglas Benjamin, to find out more.

Q: If anyone knows retail in Singapore, it has to be you. What is it about Singapore as a market that makes it different from others in Asia?

I think Singapore has two primary points of difference. Firstly, from an infrastructure standpoint the actual retail landscape here is not one commonly found in other major cities. Whilst we have all the brands and names in retail that you might expect in an international hub, they are physically centered along one main shopping street. It's not like in other cities such as Hong Kong where you have multiple clusters of retail. In Singapore we have just this one grouping with smaller outlying malls that serve their local communities, none of which would be considered a shopping destination.

Secondly, the consumers here have their own defining characteristics. I think it's easy sometimes to fall into the trap of lumping markets together in Asia in terms of consumer behaviour but whilst we might be close geographically to other countries, there are marked differences. Luxury, for example, is not new to Singapore so consumers here are well versed in purchasing high quality goods - they really do know what quality means. However, they are also strongly driven by value rather than say Chinese shoppers who are driven by perceived status. I think this explains why luxury brands are successful here because a product that is truly good quality represents good value. Similarly, the desire for value for money also means that affordable lifestyle brands thrive here too.



Q: Presumably you already have successful stores in Singapore's current retail centre. Why then has FJ Benjamin decided to expand outside of that area by opening stores in Marina Bay?

Retail is ALL about location and retailers are always on the lookout for the newest and latest hot spot to place a store. For us, rejuvenating locations is an important part of



GUESS

our strategy so naturally when Sands Retail Asia first told us of their plans our interest was piqued. We have seen the malls in their Macao properties so we knew that the offering would be something special. The great thing with Marina Bay Sands Shoppes and other new locations that are opening here is that they offer a totally new option for how we can present our brands. I think that Singapore is ready for that. I know that retailers certainly are.

Q: It sounds like you have some interesting plans for your new stores. Care to share?

We are still in the process of finalising designs for the GUESS, RAOUL and La Senza stores that we will open at Marina Bay Sands Shoppes, but I can tell you that



RAOUL

in line with the unique environment being created there, we are looking to do something different – possibly with a different product line-up than is otherwise available. From what I hear within the industry, we are not the only one taking full advantage of the mall's

uniqueness as a stage to show our brands off.

Q: Finally, we have to ask. What is your forecast for the retail sector in Singapore?

I think it is accepted that Asia as a whole has not been as hard hit by the downturn as say the US or Europe. Stores are still full although admittedly, current consumer spending is fuelled by the incentives that are on offer. But what this does demonstrate is that people do still have money to spend. Looking forward, I am inclined to agree with predictions that we will see an upturn at the end of this year and as sentiment strengthens, which we are already starting to see, I think that retailers will feel more sure footed early next year. Singapore is very forward looking and is currently going through tremendous change which, backed by a government that is totally committed to seeing those changes succeed, I believe is good reason to feel confident. •

GEARING UP MACAO FOR A/W 2009



Whilst the weather in Macao might still be hitting the mid 30's, plans are already well underway for the coming Autumn/Winter season with campaigns especially designed to drive traffic and, more importantly, sales for both The Grand Canal Shoppes and The Shoppes at Four Seasons in the run up to the festive season.

If you haven't already indicated your intent to participate in The Grand Canal Shoppes A/W 2009 catalogue which is scheduled to launch in September, time is fast running out. Given the success of the Spring Summer catalogue, we strongly urge you to take full advantage of this opportunity to raise awareness of your new seasonal merchandise. Timed to coincide with the launch of the catalogue, The Grand Canal Shoppes will also launch a fully reimbursable gift certificate programme. More details on that will be in this month's Marketing Update newsletter so be sure to look out for it!

A final call for action also goes out to retailers in The Shoppes at Four Seasons to join in the A/W 2009 marketing campaign activities which as well as consumer promotions, exclusive trunk shows and visual merchandising opportunities, include a significant media relations component. Do contact your Mall Marketing team as soon as possible if you would like to get involved or have any questions about how you can boost your participation through additional marketing vehicles including the new Level 2 lightboxes which are available for your use free of charge!

Retailers at The Shoppes at Four Seasons should additionally

remember that our 2009 guest 'Shopping Package' initiative is now running. Designed to tempt would be shoppers from Mainland China, the two pronged guest package includes fully reimbursable 'Shopping Cash Vouchers' AND a 'Shopper Reward Voucher Booklet' featuring retailer offers. If you are participating, be sure to remind customers visiting your store that they can take advantage of your offer.

And finally, with our electronic 'wayfinder' directory now averaging 2 million clicks per month, we have launched a brand new monthly promotions page to act as an additional channel for retailers in The Grand Canal Shoppes to get details of their special offers and events out there – at NO COST! The cut off date for submitting information is the 15th of each month with updates going live on the 1st of the following month. Mark your calendars NOW. •



Hey BIG \$pender!

In the midst of a global recession, luxury is returning to its roots



Historically, luxury thrived on the ordinary purchases of extraordinary people, but recently found its numbers in the extraordinary purchases of ordinary people. However, with the financial crisis on everyone's mind, customers who would 'treat' themselves occasionally have undoubtedly been lost and luxury brands are once again discovering their original customers, for whom luxury items are just an everyday commodity.

A new set of rules

Of course, where there is an evolution in the mind of consumers – as there certainly will have been in those customers who have been loyal to the brand just as those who are new to it – there will be an evolution in the way they consume, and luxury brands will need to find the new playgrounds of their customers.

But not only will the customers of luxury brands change; brands will no doubt change as a result, in particular to battle with new challenges within the market. For example, the older generation of a brand such as Louis Vuitton never had to face the challenge of the internet, but today it is an ever present part of society, and the

new generation must use these new ways to communicate with their customers.

No more bling bling

The most prominent trend in the luxury market, though, will be to find ways to stand out from the rest. But although brand recognition is increasingly important because of the intense number of messages consumers receive each day, being bigger, louder, and shinier might not be the way forward for luxury brands. People like Patrick Thomas, general manager of the Hermes group, seem to think that discretion will win the day in the end. With globalisation came mass marketing and a certain dissolution of brands in order to be recognised and loved by all. That meant being louder and generating more 'bling' to create appeal for those wanting to demonstrate to others that they could afford a luxury item.

But in a recent interview for French newspaper Les Echos, Thomas explained that, "there will be a segmentation in brands: those that choose luxury on today's terms, and those that remain loyal to their craft and quality."

Perhaps it's because 15 years ago, a luxury product was just that: a piece of very expensive clothing or

jewellery from a high-end brand. But today, luxury encompasses almost everything, from mobile phones to the service industry, and instead of a product, it has become a different type of commodity: it's time, it's family, friends, culture, and the environment. It's a way of life; one that's hard to give up.

The new luxury

Luxury is not just about 'having' anymore. In fact, the word 'elegance' has its roots in the latin word eligere, which means to choose, and that's what money can buy nowadays – the ability to choose anything, to choose better than others, and to choose things that others don't, and can't, have. Robert Frank, author of Richistan, explains this new development by the rise in Chinese and Russian buyers: "The challenge for today's rich is to set themselves apart from the merely affluent. They want things nobody else can afford, experience, or, preferably, even imagine."

Luxury is no longer about having. It's about being and choosing how to be the best. Luxury doesn't have a price. Or rather, price isn't necessarily its most defining characteristic. In a nutshell, luxury has become the art of living. •

Luxury in China

One way to look at the Chinese luxury market is to imagine an entire society that is grouped together inside a rubber band. Everyone is inside the elastic band, huddled together – to go outside it would make one an outcast. But even though everyone is happy to stand together, some individuals wish to claim their own personality and become more than just another face in the crowd.

And so they begin to push and extend the borders of the rubber band, to test how far they can stretch it before it pops back and forces them back into the centre, or leaves them outside the rubber band. The further you can push the rubber band, the more important you are.

In China, there is an elite class

of consumers who want to 'show off', but the question for them is how to 'show' their wealth without putting other people 'off'.

The answer is that they must turn to well-known brands that enjoy wide popularity (even if they aren't easily accessible for the average consumer) in order to demonstrate their wealth. Little-known brands mean nothing in China – arrive at a party with the latest handbag from a new, elite boutique in Paris and you are seen as either stupid (why buy an expensive handbag from an unknown label?), or pretentious (why are you placing yourself as an outsider?). But arrive in a new Audi, which are favoured by government officials, and people look up to you.

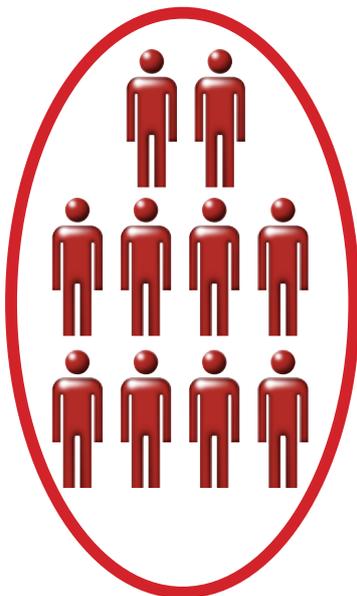
The definition of what is inside and outside this rubber band is

fluid. It changes as tastes and cultural ideas evolve. People such as government leaders and the country's wealthiest individuals set the boundaries of what is acceptable for businessmen and executives in China. Younger consumers look to the stars of music, film, and sports for their cues on the limits to conspicuous consumption. A successful luxury brand in China will leverage these opinion leaders to establish itself as a socially acceptable yet elite brand. •

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Hey Big \$pender and Luxury in China are reproduced with permission. © Synovate 2009



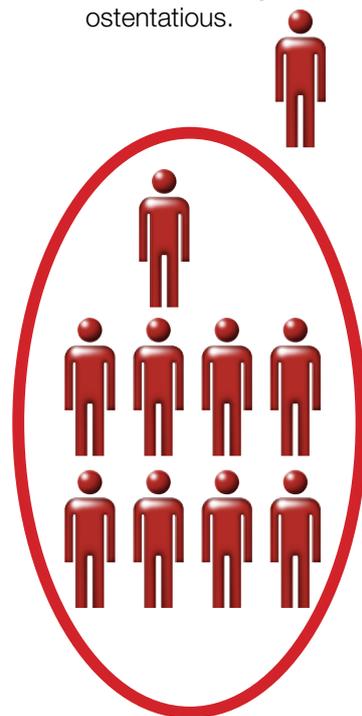
The "rubber band" binds society together – representing shared cultural values and lifestyle preferences...



To show-off, one must demonstrate how far you can stretch within the "rubber band"...



But **not break** away and detach from the group, which is seen as weird, strange and ostentatious.





shows
concerts
exhibitions
expositions
conferences
showcase

Between major public holidays, international sporting events, large industry trade shows and big name acts, the coming months are packed with opportunities worth leveraging. Add to this a raft of specially created Autumn/Winter promotions and it looks like a busy time ahead for our Mall Marketing teams.

You'll see we've included several key campaign dates on the calendar but don't worry, if you aren't able to participate in our existing promotions or would just prefer to create your own, ask your Mall Marketing contact who will happily help you achieve your objectives.

And if you happen to be in Singapore for the Formula 1, be sure to let us know so we can give you an update on our newest development in person.

september 2009

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	13 ABC	The 13 th Asian Battery Conference	The 13 th Asian Battery Conference	The 13 th Asian Battery Conference	The 13 th Asian Battery Conference Fall/Winter 2009 Campaign at The Shoppes at Four Seasons begins	Macao International Fireworks Display Contest
	Singapore Retailers' Association Annual Conference	Singapore Retailers' Association Annual Conference	Singapore Retailers' Association Annual Conference	SRIC 2009 Singapore Retail Industry Conference		Macao International Fireworks Display Contest
		GCS Wayfinder Promotion Deadline		Macao Golf Open Games Convention Asia in Singapore	Macao Golf Open Games Convention Asia in Singapore	Macao International Fireworks Display Contest Macao Golf Open Games Convention Asia in Singapore Oktoberfest begins
					Marine Money Asia Week in Singapore Formula 1 Night Race in Singapore	Marine Money Asia Week in Singapore Formula 1 Night Race in Singapore Meeting and Incentives Forum Asia
Formula 1 Night Race in Singapore Meeting and Incentives Forum Asia	Meeting and Incentives Forum Asia MEETING & INCENTIVES FORUMS	Singapore Human Capital Summit	Singapore Human Capital Summit			

■ Macao events

■ Singapore events

Join the growing list of internationally-renowned luxury brands who will make this exciting development a dream destination for shoppers the world over.

Bally • Blancpain • Bottega Veneta • Breguet • Burberry
Bvlgari • Chanel • Ferragamo • Gucci • Hublot
Omega • Patek Philippe • Tiffany & Co. • Yves Saint Laurent

The background of the advertisement is a night-time photograph of the Marina Bay Sands hotel in Singapore. The three towers of the hotel are illuminated, and their glass facades reflect the city skyline. The sky is dark with a few stars visible. In the foreground, there is a large pool of water that reflects the lights from the hotel and the sky. The overall atmosphere is one of luxury and modern architecture.

MARINA BAY
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SINGAPORE
SHOPPES