

People have complained about slow lifts and the annoyance of having to walk the entire level to get to the escalators at Cineleisure Orchard. Cineleisure will undoubtedly require in-depth market research on youth shopping habits and the brands resonating with them to develop exciting ideas, say the writers. ST PHOTO: GAVIN FOO



# Revamp of Cineleisure needed to lure youth back to Orchard Road

The mall has been in decline for years, even before Covid-19 hit. It stands out as efforts to rejuvenate Singapore's main shopping belt get under way.

**Vanessa Liu and Wang Peng**

With crowds of people teeming across Orchard Road since Singapore's tourism rebound and lifting of Covid-19 restrictions, the mighty shopping belt is roaring back to life.

Business is so good, landlords have raised rents by 7.4 per cent year on year in the last quarter of 2022, at a faster pace than the 6.7 per cent uptick in retail space rentals in fringe and suburban areas and at a higher premium over other centrally located spaces in Marina Centre, City Hall and Bugis.

Property firm Frank Knight even expects Orchard Road to continue leading the recovery in rents for the rest of 2023.

## THE CINELEISURE GHOST TOWN

But in this thriving ecosystem, an oddball stands out: Cineleisure Orchard. It remains firmly implanted in people's minds as the "in" place to be for older millennials reminiscing about their adolescence some 20 years ago spent heading to the cinema for dates and grabbing dinner at one of the fast-food outlets there.

Many Singaporeans have moved on since. The trouble is, Cineleisure hasn't.

For years, people have

complained about slow lifts and the annoyance of having to walk the entire level to get to the escalators.

The mall's odd-shaped design, perhaps intended to spread out footfall, was less a liability when it was peppered with fast fashion, comics and gaming stores frequented by the same target demographic group.

Even the Grange Road open-air carpark drawing in midnight moviegoers has vanished, killing the shopping mall's key value proposition of convenience.

But Cineleisure's decline can be mainly attributed to its tight coupling of fortunes with the cinema industry and its curious reliance on Cathay Cineplexes as its anchor tenant to draw crowds, despite falling numbers of moviegoers in Singapore since 2017.

While the pandemic fast-tracked the cinema's demise, with attendance dropping precipitously by 74 per cent, the writing was on the wall as streaming services like

Netflix and Disney+ made their aggressive entry into Singapore homes with competitive pricing and on-demand movies. Almost one in three Singapore households have a video-on-demand subscription today, with this number projected to rise to two in five by 2027.

In short, that old model employed in the 2000s – depending solely on a cinema to attract shoppers – is dead.

## ATTRACTING GEN Z SHOPPERS

Cineleisure and Orchard Road more broadly can arguably do better to relook how to attract the Gen Z Singapore shopper, an important demographic forming almost 40 per cent of all shoppers according to a Media Marketing publication, who will shape the future of retail as their spending powers increase with age.

Young Gen Z shoppers in the United States after all, are said to be a "saving grace" for malls by influencing an additional US\$450.5 billion (S\$600 billion) in spending by others, according to market research firm eMarketer.

More than half also say they are also fond of heading to a shopping centre where they can spend time with their friends rather than shop online. The same might well apply in Singapore.

This growing segment could be a draw for Singapore, which had earmarked half a billion dollars to kick-start the tourism sector since 2022. Visitors aged 25 to 34 made up 25 per cent of all inbound travel to Singapore from February to July 2022.

## CINELEISURE NEEDS A WINNING CONCEPT

There are scores of examples where older malls were successfully demolished and rebuilt or revamped to attract a youthful crowd that Cineleisure can look to for inspiration.

Taking a leaf from CapitaLand's Funan, which underwent a \$560 million renovation in 2016 to transform itself into a "phygital" mall with an omnichannel experience, Cineleisure likewise must offer a distinct theme and unique identifier to stand out from the crowd.

By building an indoor cycling path, a climbing wall, green spaces, as well as a co-living facility, while continuing to house many consumer electronics brands like Xiaomi, DJI, Dyson and Bose, Funan is able to project itself as a one-of-a-kind lifestyle destination for the young, digitally savvy, sporty and environmentally conscientious shopper through thoughtful mall structure and a deliberate tenant mix.

Cineleisure similarly needs to carve out its own identity to get Gen Z back. It must avoid appearing like another cookie-cutter shopping centre at all costs.

One possibility lies in Cineleisure doubling down as a must-go destination for movies, with the mall revamped to become a cinematic and entertainment centre. Stores like Disney, Nintendo and retailers capitalising on new releases to sell movie merchandise might draw crowds. They can exploit the interest generated by Disney's

planned release of over 30 blockbusters in 2023, including the Marvels and the Little Mermaid, and the roll-out of a new Minion Land at Universal Studios Singapore in 2024 to attract footfall.

Structurally, it would not hurt for Cineleisure to set aside an event venue and community-centric space where young people can listen to buskers, watch special performances and spend time with friends.

Cineleisure also needs a clear answer to how it intends to meet the competition from e-commerce. Sales from this channel are expected to grow to US\$14 billion in 2027 – up from US\$9 billion in 2022 – according to a study released by Facebook's parent company Meta and consultancy Bain and Company.

Would it include giving space to giant e-tailers like Lazada or Shopee to showcase their products during the festive season and key shopping calendar days like Singles' Day in the way Raffles City and Funan have? Perhaps.

But a critical part of the plan must also be a social media strategy, where loyal customers and casual shoppers can check out ongoing events and discounts, which is currently woefully absent for Cineleisure.

Often overlooked but key to Cineleisure's revamp is also knowing what not to do. For example, it cannot replicate what iconic malls like Ion Orchard have in terms of a broad-based positioning with luxury brands like Dior, Louis Vuitton and Harry Winston above ground to attract a better-heeled clientele. It should also ditch the old 1990s playbook where a department store or a supermarket is engaged as an anchor tenant to draw traffic.

In short, the ambitious makeover of Cineleisure has the potential to send a strong signal on appealing to Gen Z and set a powerful example for other struggling malls such as Far East Plaza, \*Scape, and Queensway.

This is particularly true if the redevelopment also works on enhancing all-weather access for greater synergy with the cluster of Somerset malls in 313@somerset, The Centrepoint and Mandarin Gallery, and the nearby MRT station.

Cineleisure should not give up on attracting Gen Z shoppers. Short of requiring Cineleisure's mall management to include Gen Zers in their management team the way Funan did, Cineleisure will undoubtedly require in-depth market research on youth shopping habits and the brands resonating with them to develop exciting ideas that appeal to their sensibilities and the tenant mix that attracts them.

• Vanessa Liu is head (marketing programmes) and associate professor at the School of Business, Singapore University of Social Sciences. Wang Peng is lecturer at the School of Business, Singapore University of Social Sciences.