

Business Case: Digitalising Heritage - One Kampong Gelam

General Information

Kampong Glam, a Malay heritage site in Arab Street, will be undergoing a digital makeover as part a plan to transform the retail sector. One Kampong Gelam, the business association of the area, aims to lift the appeal of the area by creating a richer and more immersive retail experience. Merchants say the move is critical amid the rising popularity of online shopping, as the number of visitors to Kampong Glam has declined by up to 40 per cent over the last 10 years.

This makeover will involve merchants adopting Online-to-Offline (O2O) strategies, where they create e-Commerce presence and use it to attract footfall to their physical stores. Other strategies involve using data analytics to provide personalised promotions to consumers and building out the logistics capabilities of the area to provide value-added services such as affordable and timely shipping of bulky goods to consumers' homes.

Issues Encountered

- Managing an e-Commerce presence provides different challenges from traditional retail shops and merchants will need new supply chain strategies to support and integrate e-Commerce.
 - Retailers need to provide a seamless experience for the customer from their online store to their physical location. Customers' online behaviour and preferences should be tracked, and this information should be available to retail assistants to provide customised service and relevant advice. Customers need to be incentivised to consent to this kind of information collection, possibly with membership accounts which offer good deals.
 - Stores may be better served by having an off-site inventory warehouse, streamlining the amount of goods available in the physical store, treating it as a contact and discovery centre, and delivering goods from the warehouse to the customer when ordered.
- To service a higher volume of deliveries, the Kampong Glam area will need to develop new supply chain strategies.
 - The area has many narrow, one-way streets, some of which are closed off during weekends (see Figure 1: Map of Kampong Glam from STB and Figure 2: Kampong Glam Road Closure Information). Hence, home delivery service and greater e-Commerce volumes will provide logistical challenges, such as how logistics service providers can collect goods for delivery from the stores. Consolidating pickups and deliveries at a nearby consolidation point may be a viable solution, which would bring its own set of challenges – how should goods be transported to the location, especially bulky goods like furniture and carpets?

- Should deliveries be handled by a traditional logistics provider, or would an 'uberisation' of the delivery model provide cost savings by providing a more flexible fleet of drivers which can resize to accommodate variations in demand?



Figure 1: Map of Kampong Glam from STB

The car-free zone was initiated by the One Kampong Gelam business association.

What: Closed for outdoor dining

When: every Friday (6pm to midnight); Saturday and Sunday (12pm to midnight)

- Bali Lane (commenced on 26 December 2014)
- Baghdad Street (commenced on 1 January 2016)
- Bussorah Street (commenced on 26 December 2014)

Figure 2: Kampong Glam Road Closure Information

Requirements

We would like the participants to provide specific recommendations based on the case and any relevant information found from other sources. It should include usage of internal and external data from the retailers, logistics provider and Government sources. Additionally, it might also be useful to use case studies of other countries or areas who have successfully implemented such strategies.

1. To identify one key inventory management or logistics issue the brick and mortar stores in Kampong Glam will face as they attempt to implement O2O and e-Commerce strategies. For the issue identified, the participants

should provide an explanation on why this issue is important, and a recommendation for how the stores, business association or other parties involved can resolve the issue.

As a starting point, participants can consider one of the following areas:

- a. How will stores handle inventory management when there are both physical sales and e-Commerce sales happening at the same time? Do the stores need to adopt new inventory management strategies?
- b. Considering the constraints of the Kampong Glam area such as the small roads and road closure timings, how should pickups of delivery goods be handled? Analyse the Kampong Glam space and provide a recommendation of a suitable consolidation point where logistics providers could pick up and deliver goods. Given the varied nature of the goods involved, from carpets to clothing, how should goods be transported between the stores and the consolidation point?
- c. How can the stores arrange for timely and affordable deliveries to customers homes? If a traditional logistics provider approach is chosen, how should the store owners contact the logistics provider? Would 'uberisation' of the delivery model work, where jobs are offered to a pool of freelancers?

Open House

The Open House will be on:

3 May (Thursday), 2pm

4 May (Friday), 2pm

Address: 201 Henderson Road, #04-09/10, Apex@Henderson, 159545.

Contact Person: Jocelin Liow

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Team leader to send email to the contact person in advance regarding the number of persons going to the open house.