



Fahrenheit 88, formerly KL Plaza, is an example of an older mall which has bounced back following major reinvestment

Reviving underperforming shopping malls

Layout, marketing, location and accessibility are vital to the success of a shopping centre

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EVERY now and then we come across shopping malls which are either totally abandoned, unfinished or have only a handful of retailers and patrons.

In some cases, floors are blacked out indicating they are totally inactive and unpatronised.

In the shopping industry, we call these “underperforming” or “distressed” assets – in layman’s terms, “dead malls”. However, we still see new malls crop up every year – in other words, while some malls are in distress, more are being born.

But if we make a careful observation, many malls are actually “surviving” rather than being in totally “distressed” state. You would be surprised how resilient malls can be. Especially in Kuala Lumpur’s Golden Triangle, in the Bukit Bintang/Imbi Road vicinity, where many malls we once thought were dying have pulled through economic crises and are going strong.

Dinosaur malls

Their glory days may be gone due to strong competition but they are still active. Think of malls as being like dinosaurs in the Jurassic world: As the saying goes, “Life finds a way”. Go around your neighbourhood and you will find “surviving” malls

and only a handful of dead malls.

Not only do T. Rex malls not die but some have also been resurrected. In just the past few years, major reinvestments were made in some older malls and they came back in a massive way – Sunway Putra Mall (formerly The Mall), Viva Home (formerly UE3), Fahrenheit 88 (formerly KL Plaza).

Here, some of these “undead” malls have been made alive and their performance is being closely monitored by industry players. How successful can these turnaround malls be?

Overall, there are key factors vital to a mall’s success. These include the direction of the mall owner/management team, the retail or merchandise mix in the mall as well as layout, marketing, location and accessibility.

It is important for mall owners and management to have a firm direction, to meet the needs of a captive market segment, whether the immediate neighbourhood, the high-end market, the mid-level market or the masses.

Some malls have failed simply because they have fallen short of this important objective and become “dead” due to the unrealistic aspirations of mall owners and/or management for high rentals and brand names. Much also depends on the professionalism and experience of the management team – whether it has the commitment and enthusiasm to carry off the mall’s strategic plans.

Having said that, not all mall management teams have the necessary experience or exposure. To this end, the training of mall personnel is essential.

In the long term, malls must consider securing trades which are magnets, to attract patrons. Again, some malls do not succeed because their merchandise mix does not cater for their captive markets; for example, they offer high-end merchandise in a lower-income location.

On the other hand, small neighbourhood malls can be highly successful because they cater for the surrounding residents – families or a predominantly student population – with basic services like a supermarket, fast food, a laundromat, tailoring alterations or key-making.

Offer something new

Malls must keep themselves fresh and new, and offer the discerning shopper of today USP (unique selling points), be it a new retailer or F&B outlet in the country, a theme park or children’s activity centre.

The mall’s layout needs careful planning, too. Many malls have failed due to confusing layouts or dead corners where it is both difficult to rent out and for businesses to survive. This will entail realistic architects at the planning stage who are willing to consult practitioners about the practicality of their designs.

It goes without saying location and accessibility are crucial. This is because shoppers have a choice of so many malls and they will not have the patience for

the extra effort it would take to reach a mall at the back of beyond or which is a nightmare due to traffic congestion.

So definitely location, location, location is one of the key factors in a mall’s success and this has to match the captive market segment.

In these days of intense competition, mall owners/management must be willing to allocate a mall marketing budget. For example, advertising and events will go a long way towards attracting and retaining loyal patrons.

Right ambience

A “happening” mall with the right ambience is always more attractive than an inactive one with no events.

In the end, it is the survival of the fittest as competition among shopping malls intensifies.

This is also a matter of perseverance as once mall owners/management identify their Achilles’ heel and are willing and able to spend money to rectify it, the mall may pull itself out of distress and even successfully rebrand itself.

So the next time you pass a “dead” mall or an “undead” mall, remember – they can actually live longer than any of us. Some day, with the right timing and the right direction, they will soar like an eagle. [FocusM](#)

YL Lum is treasurer of the Malaysia Shopping Malls Association (Persatuan Pengurusan Kompleks Malaysia).



Unoccupied retail lots at a ‘dead’ mall in SS2, Petaling Jaya