

Malaysian shopping malls evolved from street-shop supermarkets and department stores in the 1970s to integrated mega-malls spanning two million sq ft in net lettable area some 30-40 years later.

These monolithic marketplaces are “kings of variety” – satisfying a convergence of physical and emotional needs and wants (shopping, food, entertainment, social, leisure) under one roof.

The digital age under Industry 4.0, however, brings convenience at the click of a finger – smartphones, cloud storage, Internet of Things (IoT), wearables, big data analytics, and e-shopping enable us to shop anytime, anywhere, easily.

How will this impact malls?

Transformation

Malaysia is home to 32.38 million people, with more than half being e-commerce users who contributed US\$1.31 bil (RM5.47 bil) e-commerce revenue so far this year. This is expected to grow to US\$2.53 bil by 2022.

As a comparison, the estimated gross retail sales in the country last year was US\$104.7 bil. Thus, e-commerce overall still does not make up a large percentage of retail sales, although it is expected to grow in the future.

Malaysia’s adoption of e-retail has been much slower than that of China, due to the lack of advancement in technology and prevalence of digital payment. Annual visitor traffic to top e-commerce platforms is below that of major malls in the Klang Valley, but again, this is expected to grow.

The emergence of websites such as Lazada, 11street, Shopee, Lelong.com, Carousell and many more, topped with fast and free delivery, attractive discounts and free return policies continue to push consumers from “bricks” to “clicks”.

In terms of time, money and energy, clicks have a strong edge. However, in terms of interaction, emotions and memory, bricks prevail.

Convenience

Numerous shopper experience sessions conducted by Stratos show that the most enjoyable experiences are where basic conveniences are met, and where people can connect with their family and friends physically. Due to the hot weather, lack of comfortable outdoor recreation places and security concerns, Malaysians also like to spend leisure time in air-conditioned places such as malls. This does not change with the digital revolution.

Thus the key task for shopping malls is the design of spaces that enhance these basic conveniences and enable fruitful social interaction.

Mall developers have to re-look at the design of each shopper facility and service to ensure that the shopper’s experience is at the core of the design approach. While it is always assumed that one has to “get the basics right”, it is also still

How ‘bricks and clicks’ drive shopping malls

- Malaysia’s adoption of e-retail has been much slower than that of China
- Five main influences are behind new-age consumers’ purchasing behaviour



To adapt to the online shopping age, malls are looking at increasing their food & beverage mix and reducing other categories such as fashion



by Susan Fong

common to run into a series of frustrating incidences with regard to shopper facilities and services at a modern mall. These include:

- Insufficient car park bays;
- Car park ingress/egress and circulation issues;
- Non-strategic or non-visible locations of elevators and escalators;
- Insufficient provision and inadequate maintenance of elevators and escalators;
- Location and size of surau;
- Insufficient provision and inadequate maintenance of washrooms;
- Lack of baby’s and mother’s nursing rooms or they are not well-equipped;
- Poor customer service; and
- Safety and security issues in the car park and mall.

Retail spaces in Malaysia are also increasingly incorporating more place-making elements that promote people’s health, happiness and well-being. For example, Eco World’s Labs’ series of retail spaces stand out with their strong recreational elements such as parks and community-centric sports facilities. Other new developments such as Sunway’s Citrine Hub and Gamuda Land’s Quayside Mall and Village Square are also incorporating community-centric outdoor recreational elements.

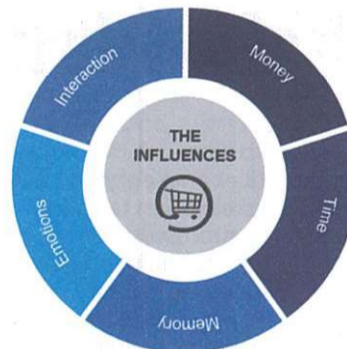
In Bangkok, Central Festival Eastville mall is a good example of a suburban mall which incorporates attractively designed community spaces such as a garden, children’s playground, pets’ park, jogging and cycling trails, for shoppers to enjoy. Its bookstore anchor tenant, B2S Think Space, provides patrons with reading/IT zones, children’s play area, café, co-working space, as well as events and workshops. It has transformed the mall into not just a place for shopping, eating and traditional entertainment (cinexplex), but for people to conduct their daily activities and hobbies, such as work, study, play, sports and recreation. In other words, a place for people to

Consumer Purchasing Journey – Key Customer Concerns

	Customer concerns	Travel time Parking woes	Personal data protection	Mall / shop layout and product placement Stamina	Pricing Fitting room queues Salesperson knowledge	“Physical basket” weight	Customer service Queuing	Immediate ownership Follow-up service
OFFLINE	Physical Process	Travel to a physical store	Loyalty card registration (optional)	Physical search	Physical product examination	Add to physical shopping trolley/basket	Cashier payment	Travel to the next destination
	Steps	Tests	Register	Browse	Inspect	Collect	Checkout	Post purchase
ONLINE	Virtual Process	PC/smartphone/tablet usage	Website / App registration	Virtual search	Product information and customer reviews	Add to virtual shopping cart	Online payment	Product delivery and follow-ups
	Customer concerns	Internet connection Technological savviness	Personal data protection	Website/ apps layout	Pricing No physical quality checking	Website/ apps layout	Ease of payment and security Bulk purchase savings	Delivery time and security Return policy Follow-up service Actual quality

Source: Stratos Consulting Group Sdn Bhd

The Influences of Consumer Purchasing Behaviour



Source: Co-Creation Workshop by Stratos Consulting Group Sdn Bhd

live out their daily experience.

In Bangkok city centre where tourists prevail, EmQuartier mall has also incorporated a strong recreational and experiential element in the form of a beautifully designed Quartier Water Garden (semi-outdoor garden with waterfall and children’s adventure park). This attracts both tourists and locals.

Complementing each other

To adapt to the online shopping age, malls are increasingly looking at increasing their food & beverage mix, to as high as 40% of total trade mix, and reducing other categories such as fashion.

Meanwhile, many retailers worldwide have realised the benefits of honing the synergistic

relationship between bricks and clicks, developing omni-channels to create a seamless shopping experience for consumers. Such complementary offers will get more common in shopping malls.

- Alibaba Group is rolling out cashless and unattended convenience stores such as Hema grocery stores, Tao Café convenience store as well as its first brick-and-mortar shopping mall in Hangzhou, China, dubbed More Mall.
- Amazon has continued to delve into traditional retail by acquiring organic food chain company, Whole Foods Market.
- Starbucks partnered with Alibaba to build an in-store

“augmented reality” experience for its Shanghai Reserve Roastery in December last year. A specialised page opens on the Taobao app when one enters the store, with one of its main features being a visual explanation of the roasting process. Customers get virtual badges in the app by scanning items in the store.

- Unmanned BingoBox convenience stores, originating in China, are now open at Bukit Ceylon and Shell Jalan Tun Razak, both in Kuala Lumpur.
- South Korean retail giant Lotte launched its first online shopping website in October 2016, while Isetan opened its first online store on Tmall Global the following month. Not falling behind, more big boys such as AEON launched AeonEshop.com in Vietnam in January 2017 while IKEA launched its online store in Japan in April 2017. On the home front, 1 Utama in the Klang Valley, recently launched its online mall OneShop. **FocusM**

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