

THE COVID-19 RESPONSE: A LEARNING EXPERIENCE WITH MALLS IN CHINA

Key Takeaways



BACKGROUND



- The shopping mall industry in China was one of the earliest to feel the impact of social and movement restrictions imposed to combat the Covid-19 pandemic.
- It was also one of the earliest in the world to return to business on a significant scale after a lockdown period that lasted between a month and slightly more than 2 months across different cities and provinces.
- Further along the road to recovery, the second or third wave of outbreak in other countries is only just beginning to peak.
- Faced with immense challenges on many fronts, shopping centre operators in China undertook various measures to remain as relevant as ever in the minds of consumers. The crisis has also triggered an important shift in mindset within the industry.
- Knight Frank Malaysia and Stratos Consulting Group had thus initiated an exchange of ideas and experiences between key industry leaders in China and Malaysia last month. Facilitated with the support of the Malaysia Shopping Malls Association (PPK Malaysia) and its counterpart in China, Mall China, this private session was held on May 19, 2020, and had culminated in a valuable learning experience for the shopping mall industry in Malaysia.
- This document outlines the key takeaways from the session. We hope you find the following content useful in helping to overcome this challenging period. Together, we will not only survive, but thrive.

PANELISTS



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HEALTH & SAFETY MEASURES



	China	Malaysia
<p>Temperature Detection and Social Distancing – Shoppers and staff entering malls must pass temperature checks and maintain physical distance. To stand in designated boxes while lining up and while inside all lifts.</p>	✓	✓
<p>Wear a mask – All shoppers entering and leaving shopping malls must wear masks. Persons who fail to comply are not allowed to enter.</p>	✓	✓
<p>Regular disinfection – Conduct thorough sanitisation and deep cleaning every few hours in common areas including lift buttons, escalators, door handles etc.</p>	✓	✓
<p>Preventive tools and equipment provided (such as sanitiser / free mask) – Provide free masks to staff and make hand sanitiser available in shopping malls to prevent virus from spreading.</p>	✓	✓
<p>Suspension of air conditioning services – Turn off centralised air condition in buildings to prevent contamination via ventilation system.</p>	✓	✗
<p>Registering personal data – Keep all customer data such as name, phone number and body temperature readings to enable easier tracing by local public health authorities when needed.</p>	✓	✓
<p>Reducing no. of entrances – Opening only limited entrances, control total number of walk-in customers.</p>	✓	✓

Financial Assistance

- Partial rental rebate for tenants that provide essential services and full rental rebate for non-essential or experiential trades such as cinema, therapy centres, entertainment / edutainment.
- Rebate period can be as long as four months, and is subjected to landlord's decision on a case-to-case basis.
- Other forms of relief can be included into the rebate package, for eg. waiving 50% of rent for fitness centre while the remaining rent is converted to free fitness memberships to the landlord.
- Flexible credit terms for rent payment.

Other Assistance

- Free meals, masks and other medical protective equipment for all shopping mall frontliners.
- Free insurance coverage for shopping mall staff.
- Free training for both malls' and retailers' staff.
- Worker co-sharing platform between mall management and tenants.

In China

- The Wuhan city government collaborated with major e-wallet operators, shopping malls and retailers to launch an e-voucher giveaway worth 2.3 billion yuan in April.
- Wuhan World City mall also launched its own e-voucher giveaway worth 2 million yuan in conjunction with Mother's Day.
- Yuexing Group gave out 3 billion yuan worth of vouchers in conjunction with the May 5 shopping festival in Shanghai.
- Other provincial and city governments had also given out various types of vouchers to boost the retail and tourism sectors.



Yuexing Group's May 5 Shopping Festival encompassed more than a hundred events, with the participation of more than a thousand brands and more than ten thousand shops. The Group also gave out more than a billion yuan worth of vouchers. Hence it was called the 'hundred, thousand, ten thousand, and billion' plan.

MARKETING & SALES CAMPAIGNS



In Malaysia

- Both Sunway Malls and 1 Utama launched voucher redemption campaigns for physical as well as online platforms.
- 1 Utama introduced a free food delivery campaign for online orders; while Sunway Malls provided parking rebates at their malls.
- Social media became a primary channel for marketing, with messaging on safety and hygiene as well as corporate social responsibility efforts taking centre stage.

SUNWAY VELOCITY Mall

THE 100 REWARDS

5 JUN - 5 JUL 2020

Redeem Cash Vouchers **INSTANTLY** when you spend RM100!

CASH VOUCHER
Redeem RM20 Shopping Cash Vouchers when you spend RM100*
*in a maximum of two (2) receipts.

FREE PARKING
Get Free Parking Simply spend above RM200**
**in a maximum of three (3) receipts.

GET MORE WITH SUNWAY PALS

- PALS MEMBER**
Get extra 200 Pals Points** with minimum 100 Pals Points earned in 2 receipts*
**maximum of 2000
- NEW SIGN UPS**
Get 200 Pals Points** when you use sign up code **VMRISEUP20**
**maximum of 2000

* While stocks last. **Valid only for 1 Utama period only. * Receipts from Parkson, Aeon, Bluebird, Priva, bill payments, card refunds, and installment plan payments are strictly NOT eligible for redemption. **For full terms & conditions, visit <http://www.sunwayvelocity.com/100rewards> for more info.

SUNWAY PYRAMID

RM10 OFF*

Download the **Sunway Pyramid mobile app** to get your promo code now!
*Limited redemptions only

SUNWAY PYRAMID

Spend min. RM200 via Sunway Pyramid's online store to receive

- EXCLUSIVE CASH VOUCHERS***
- METAL STRAW***

*Items will be sent along with your parcel. While stocks last. Other T&Cs apply.

Exciting ONESHOP e-vouchers up for grabs!
EXCLUSIVELY FOR ONECARD MEMBERS

Shop At Store & Get E-Vouchers Online
15 April - 31 May 2020

- Spend RM20 - RM49.99 get ONESHOP E-Voucher RM5
- Spend RM50 and above get ONESHOP E-Voucher RM10

* Valid for single receipt transaction, unlimited vouchers up for grabs * Applicable for all ONECARD participating outlets, terms apply

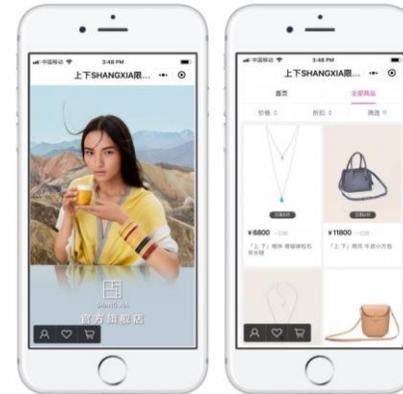
In China

E-commerce

- Ride on to popular e-commerce and social media platforms such as WeChat, Tmall, Meituan, Xiaohongshu etc.
- Utilising in-house e-commerce and membership platforms
- Activities
 - Web-based e-commerce sales
 - Social media e-commerce sales through chat groups
 - Food ordering and delivery
 - Livestream promotion and sales
 - Educational livestream
 - Fitness livestream
 - Co-branded online games

Health & Safety

- QR code visitor registration
- Smart security
- Robot cleaners



WeChat Mini program for e-commerce
Source: jingdaily.com

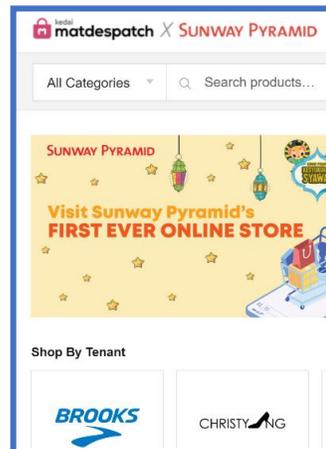


Cleaning robot in use at Yuexing Group's Global Harbour shopping mall in Shanghai
Source: news.winshang.com

In Malaysia

E-commerce

- Collaborate with existing platforms (eg. Sunway Pyramid and Kedai Matdespatch).
- Utilising in-house e-commerce platforms (eg. One Shop by 1 Utama)
- Enhanced engagement through social media, namely on Facebook and Instagram
- Activities
 - Web-based e-commerce sales
 - Food ordering and delivery
 - Home-based contests



Health & Safety

- QR code visitor registration
- Thermal scanners



Key Shifts in Approaches

- Accelerated amalgamation of online and offline retail in the no-touch environment.
- From a 'landlord mindset' to a 'platform mindset'.
- From a 'tenant mindset' to a 'promotional mindset'.
- From the quest to maximise business efficiency to the quest to maximise social capital.
- From an emphasis on trendiness to an emphasis on community service.
- From being seen as the key component of urban development and economic growth, to being seen as the essential provider of community services and infrastructure.
- Fine and precise positioning and trade mix planning, with key considerations given towards potential tenants' operational capacity, risk-prevention ability and online and offline interaction.
- More elaborate and comfortable architectural space, with better interaction between indoor and outdoor spaces.

THANK YOU!



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