

- **Carefully** planned events drive traffic, sales and build a mall's visibility
- **Malls** spend an average of 27 sen per sq ft of net lettable area per month on marketing alone



by Yip Wai Fong

The past few months have passed in a flurry of festivities and holidays where shopping malls transformed themselves with numerous shades of colour and festive décor for the seasonal celebrations, typical of our Malaysian cultural heritage.

Of course, these transformations are complementary with events and promotions as these are part and parcel of what makes a mall alive and thriving. Carefully planned events drive traffic, sales and build a mall's visibility.

In a 2018 survey of shopping malls in the country carried out by the Shopping Malls Association (PPK Malaysia), malls spend an average of 27 sen per sq ft of net lettable area (NLA) per month on marketing alone.

For example, if a shopping mall has an average size of 520,000 sq ft of NLA, the mall spends about RM140,000 on marketing per month on average.

The survey, involving 47 mall operators, also found that 46% of the marketing spending was in organising events and promotions, and another 20% was on visual merchandising (VM) and decorations.

'Experiential' or just doing the basics right?



Large shopping malls like Suria KLCC have adjoining convention complexes

So during the festive seasons, a makeover and the accompanying events are staples for malls. Especially in the age of Instagram, having a "wow" factor in festive deco can take malls to the next exciting and talked-about level - the virtual level where word-of-mouth spreads not just swiftly but online visually and virally.

Targeting families

The survey also found that 77% of the malls in the sample target families first and foremost.

This makes festive events the perfect recipe for malls - there are activities and entertainment and for all ages, and with promotions being tied in, it makes festive shopping a breeze and a convenience.

Targeting families also inspires other types of events such as cartoon characters, games and performances, fitness /challenge events and talent contests.

The latter two also draw in the 'singles' crowd other than families, another primary target market for 36% of the malls surveyed.

'Singles' - defined as unmarried young people and adults - are also likely to be drawn to malls for 'Meet the Celebrity' events.

What's been discussed so far happen regularly, but not as often as on a monthly basis. After all, we have just about four major festive seasons in a year. Celebration events are usually very expensive to organise.

To maximise turnout, 'Fitness/Challenge' themed events have to be timed for school holidays or long holidays.

So what fills malls' space every other day? It's usually the roadshows and sales and promotions of various individual retailers.

Some of the roadshows are organised by the in-house retailers, others may be external such as car dealers or property players as shopping malls are condu-

cive to sales pitch of big ticket items.

Also not to be forgotten, a third component in the effort to sustain a mall's visibility and attraction is public relations and advertising.

A total of 25.2% of the spending in marketing is in this. In other words, social media, advertising and other marketing efforts actually come in second in terms of money spent, after events and promotions.

Creating interesting events

As shoppers become increasingly spoiled for choice, malls are also in a challenge to create ever interesting and impactful events to carve a distinctive image for themselves.

One of the tried and tested ways is to have a convention space where large-scale events can be organised and its traffic be directed back to the malls.

Large shopping malls - think

Suria KLCC and Sunway Pyramid - have adjoining convention complexes. This model has worked well for them.

Another example, one that is without a convention hall, is to tie into a specific theme and have the event organised regularly enough that it becomes the mall's iconic identity.

Think The Pavilion Kuala Lumpur - every August the annual KL Fashion Week takes place there, making Pavilion synonymous with the local high fashion.

That Pavilion Kuala Lumpur is situated in the central tourist district in Kuala Lumpur also makes a lot of sense for it to be the venue of the event, but by being the venue every year, fashion becomes one of its strong identities.

While Suria KLCC, Sunway Pyramid and Pavilion Kuala Lumpur have the advantage of space, what's not to be overlooked is that organising successful and appealing events relies on a strong sense of connection with the community it is reaching out to.

Having the advantage of space no doubt makes a venue more attractive, but having an intimate understanding of the retailers and their shoppers will make sure the other details, apart from size of the space, and fresh approaches can be tailored to the needs of its targeted retailers and shoppers.

Bazaars

For instance, quite a number of malls have bazaars on certain days of the week or month. Bazaars attract a broad range of people in general, but if the mall is located in a neighbourhood of young families, it would make more sense to organise side events for kids during the bazaar days.

With the side events, in-house retailers of children's clothing, costumes, toys and such can be invited as sponsors and participating retailers.

What if there is a high number of 'singles' in the neighbourhood? A food bazaar may be the most obvious choice to draw them in, but what if instead of a generic food fare, the bazaar is themed on eating healthy, with fresh food outlets, wellness services and products being the vendors?

Even certain corporate social responsibility messages such as environmental sustainability may fit in perfectly with the right sponsors and retailers. Rather than a normal bazaar, it has now a theme and is giving a certain character to the mall and its community.

The buzzword of malls nowadays is 'experiential' - about being able to offer an experience for shoppers at an almost all-knowing level.

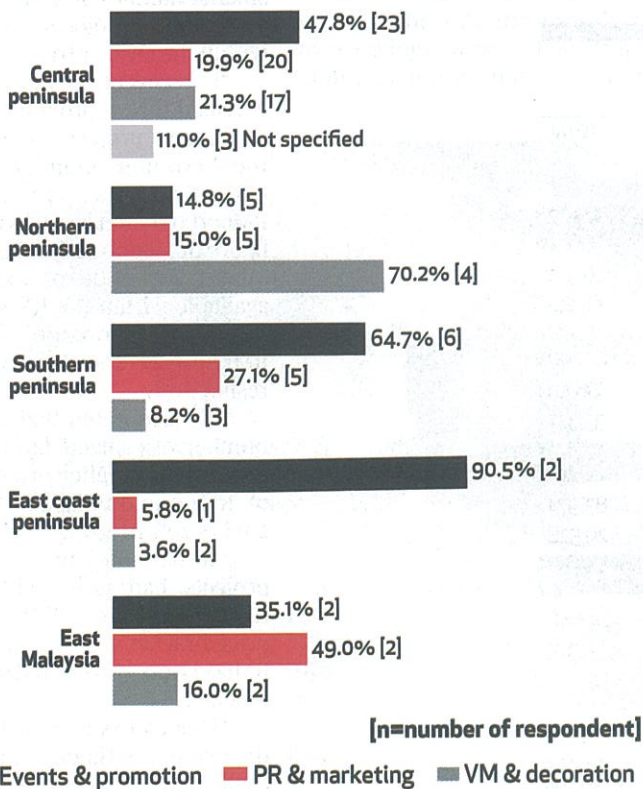
Perhaps at its very basic foundation is to really know the target market, or the regular shopper very well, and being able to offer excellent customer services.

Not all innovations will succeed, but the ones that do, due to a very informed position, may stand a much better chance.

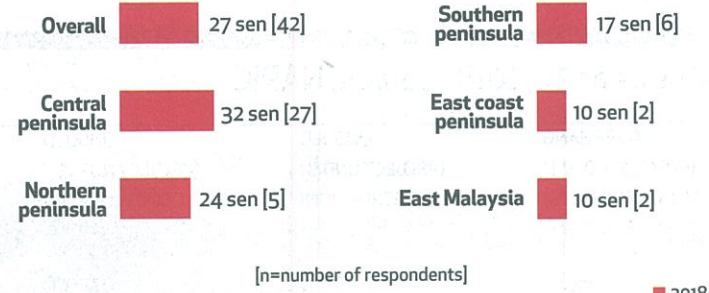
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Yip Wai Fong is the database analyst at Stratos Consulting Group Sdn Bhd

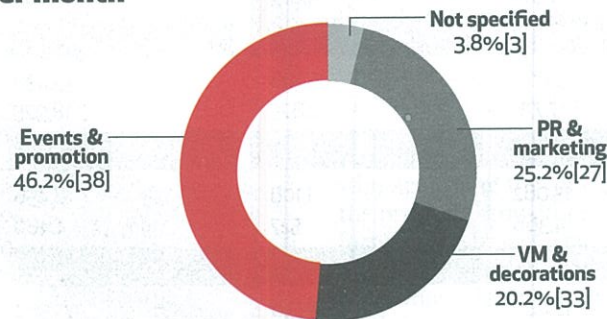
Breakdown of marketing cost per sq ft of NLA per month by region



Average marketing cost per sq ft of NLA per month



Breakdown of marketing cost per sq ft of NLA per month



Source: Stratos Consulting Group