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Reinventing shopping malls

Malls continue to grow

PPKM's statistics indicated that the number of malls and retail centres increased by approximately 3% in 2022 compared to 2020, albeit this was at a slower pace compared to pre-pandemic. Although there were naturally many resultant delays from the past few years, there are several malls now coming on stream both inside and outside the Klang Valley within the next two years, offering shoppers yet more choices in merchandise, services and facilities.

Within this growth, competition amongst malls is keen and all vie to attract shoppers by offering experiential shopping, with Malaysian malls becoming well-known for their festive ambience and events resulting from novel ideas and creativity, imagination and ingenuity. The core principle remains that to continue to attract more and loyal shoppers, mall visits need to be memorable, tapping into shoppers' senses as well as the digital experience.

Increasing operational costs

Even as shopping malls have somewhat revived, not all are performing well - with all malls being negatively impacted by increasing operational expenditures like high electricity guarantees imposed by the Electricity Commission, rising compliance and new licensing fees, rising costs in the supply chain, reduction of normal working hours, minimum wages and shortage of labour etc. To revive our economy, the private sector looks forward to working together with the public sector which needs to take a holistic look at facilitating businesses.

Shopping malls are all still on the journey of recovery and by no means, are there yet but the key factor is for malls to be adaptable to change and reinvent themselves continuously.

of more hybrid working arrangements between the home and office, malls and retail centres are also seeing more co-working spaces. To coin a whimsical rhyme:

*A mall is not just for shopping!
From sky-diving with eyes a-popping,
We have urban farming to café-hopping,
For anything, we are not stopping!
From badminton courts to rock climbing walls,
From co-working spaces to concert halls,
Whether at neighbourhood malls or megamalls,
Surely, we have 'em all!*

Within this new environment, malls will reinvent themselves, remodelling their business and marketing strategies to align and synergise with the constant changes and to tap all the growth opportunities these changes can offer.

Sustainability

Once synonymous with conspicuous consumption, malls are increasingly embracing sustainability, and promoting eco-conscious shopping experiences. Shopping malls can play a pivotal role in encouraging shoppers and the local community to create awareness about the sustainability of their environment.

More importantly, and in short, sustainability in malls also means re-modelling building operations to better manage energy with renewable sources, rain harvesting for recycling of non-potable uses and waste recycling to conserve the environment. Other measures would include incorporating green leases, fit-outs and procurement, with all these contributing to a more responsible and eco-friendly retail landscape.



Mall perspectives

TAN SRI TEO CHIANG KOK
President



3%

increase in number of malls in 2022

VR

adoption for marketing campaigns

As the trite proverb goes, necessity is the mother of invention but for shopping malls, circumstances have become the mother of re-invention, the focus of our recent conference.

The shopping mall and retail industry have undoubtedly been impacted by the recent challenging years of the pandemic. For all the negative impacts it has caused, the pandemic has actually hastened technological advances, some of which include digitalising many mundane processes in shopping malls and retail like cashless payment methods, creating Augmented Reality (AR) in shopping, automation and Artificial Intelligence (AI) for retail and building operations and even adopting Virtual Reality (VR) for marketing campaigns and more.

Although online shopping spiked during the pandemic as it was virtually the only way to shop, it has since declined with more people adopting omni channels. For example, shoppers may check out merchandise online, continue it on a mobile app and complete the purchase in a physical store at shopping malls. Therefore, retailers will do well to adopt both online and physical shopping models in the new retail environment.

Studies have shown without doubt, that despite the rise of e-commerce,

shoppers ultimately prefer the tactile and personal experience of visiting shopping malls - to see and be seen. After all, we are social beings and nothing beats in-person interaction and camaraderie outings with friends and colleagues. Malls are meeting places for friends and family outings, entertainment and dining. So it is even more important that shopping malls should empower all stakeholders to embrace change and adapt to the evolving needs of consumers.

Shoppers have also become more health-conscious and into leisure activities so with the changing landscape, shopping malls are now more versatile and diversified, offering myriad services and facilities, becoming the community spaces in their respective locations. With the trend