

Malls outside the Klang Valley thriving

- **The shopping** mall scene in regions beyond the Klang Valley is becoming more active
- **Influx** of East Asian tourists have contributed to the success of some shopping malls in Sabah



**Guest
writer**

by
Anthony Dylan

NEWs and analyses about Malaysia's shopping mall industry more often than not revolves around what is occurring in the Klang Valley.

Whilst it is a given that the Klang Valley is the shopping mall heartland of Malaysia, it cannot be denied that the northern region, East Coast and also the southern region have also begun to become more active.

These three regions along with the central region, which includes the Klang Valley, are considered the hub and spoke of retail and shopping mall hotbeds.

Mainland focus

It is interesting to note that in Penang, the focus has started once again to shift from the congested island onto the mainland, especially with the opening of Southeast Asia's longest bridge, the Sultan Abdul Halim Mu'Azam Shah bridge, which is Penang's second.

This one connects the south of Penang island to Batu Kawan on the mainland. It is here where the opportunity of a regional retail pull will likely occur. Already, Design Village in Penang has broken barriers by being the first mover of a homegrown outlet mall.

IKEA will open its doors nearby next year (based on its website). It is likely that a shopping mall will be built with IKEA being the anchor.

In the south, the recent opening of Paradigm Mall Johor Bahru and IKEA Tebrau last year augurs well for Johor.

This year, Mid Valley SouthKey Megamall in Johor Bahru will open its doors. Tebrau was already known for AEON Tebrau City Shopping Mall and with IKEA next door, Tebrau seems to be getting stronger as a regional locality for shopping.

In the East Coast, the magnet lies in Kuantan. Following the footsteps of the highly successful East Coast Mall, Kuantan City



An artist's impression of the Mid Valley SouthKey Megamall which is opening its doors this year



Kuantan City Mall recently opened its doors

Mall recently opened its doors with names like Jaya Grocer, MBO Cinemas and Sports Direct; all of which are first entrants into the East Coast region of Peninsular Malaysia.

Kuantan enjoys good highway connectivity to Terengganu and even Kelantan. Similarly to Johor, it enjoys a "three-day" weekend as the state would have working days from Sunday to Thursday whilst the federal offices and most of the private sector would do the normal Monday to Friday.

Both shopping malls are side by side and Kuantan has become the focal point for shopping not only in Pahang but also across the neighbouring eastern states of Terengganu and Kelantan.

Boom in East Malaysia

Sabah and Sarawak, located on Borneo island and separated by the South China Sea from Peninsular Malaysia, have also recently seen a boom in shopping mall activity.

In Kota Kinabalu, the huge influx of East Asian tourists from China, Japan and Korea as well as new business opportunities have contributed to the success of Imago Shopping Mall and Suria Sabah.

However, for the purpose of



One of the most popular shopping malls in Kuching is The Spring Shopping Mall

this article, I would like to draw our attention to Kuching, the capital of Sarawak.

Of late, the city is seeing a bit of action in terms of shopping mall offerings. Older ones like The Electra House, Kuching Plaza, Wisma Hopoh, Sarawak Plaza, Riverside Shopping Complex and Wisma Tun Jugah have been challenged aggressively by the new ones.

The first shopping mall in Kuching was The Electra House. It opened in 1965 and had a huge clock tower outside its premises where many would adjust their watches.

The first modern shopping mall in Kuching opened in 1980. Kuching Plaza was deemed to be modern as it had the first sets of moving vertical transportation in a mall. The one-man escalators were a novelty then and it was also the first to be fully air-conditioned.

It was subsequently closed for some time now and has since been retrofitted and renamed Plaza Aurora with its use yet to be determined.

Kuching today has a population of over 350,000 people within the city. If you were to include Samarahan as well as Padawan, you would be looking at

a total population of over 700,000 people.

The current list includes many strata-styled malls which seemed to be very common before the opening of The Spring Shopping Mall. Of those strata types, the one still holding strong is Wisma Saberka which is quite nicely managed as an IT destination despite having been opened in 1985.

It is important to also note that the Strata Management Act 2013 is only applicable in Peninsular Malaysia and the Federal Territory of Labuan.

As such stratified shopping malls in Sabah and Sarawak are not governed by the same law. The best managed neighbourhood shopping mall is Green Heights Mall which has about 50,000 sq ft of nett lettable area (NLA). It is anchored by a premium supermarket, Cold Storage, which is also the only Cold Storage supermarket in Sarawak.

The most popular shopping malls in Kuching today are The Spring which opened in 2008 with 350,000 sq ft of lettable area; The Boulevard which opened in 2007 and has since expanded to 720,000 sq ft in 2012; Plaza Merdeka which opened in 2012 (350,000 sq ft); City One Megamall

which opened in 2012 (650,000 sq ft); Summer Mall which opened in 2013 (800,000 sq ft) and Vivacity which opened in 2015 (820,000 sq ft).

Together, these popular shopping malls represent close to four million sq ft of NLA for a population of about 700,000 people in Metropolitan Kuching.

That's close to six sq ft per capita just with the popular shopping malls and excluding the other arcades and hypermarkets. Soon in Q2, Aeon Central Park will open its doors with another 820,000 sq ft of space and rivals VivaCity. This would also be Sarawak and Kuching's first foreign-branded design and managed shopping mall.

Homegrown brands

Kuching, like the rest of Sarawak, is very different from the retail scene in Peninsular Malaysia. There are very strong homegrown supermarkets like H&L, Servay, Unaco, Choice, Ta Kiong and Everrise which are located in many shophouses and have also started to open in shopping malls.

However, with department stores it is not so. The strongest department store in Kuching is still Parkson. But Aeon will soon provide a very strong statement when it opens.

There are also notable homegrown brands which are possible opportunities for expansion as they have also started to spread over to Peninsular Malaysia. These are Supersave, Level Up Fitness and SugarBun. It is also a known fact that Everrise is looking for their first supermarket site in the Klang Valley.

The demographic market here is also very diverse and polarisation is minimal. The way of life and the respect for diversity means that openness is a valuable trait.

You can easily see this in the kopitiams throughout the city where people of different faiths and ethnicity sit together without issues. Most of the population live within a 2-5km radius of their favourite shopping mall.

A shopping mall is still very much an outing activity for families or groups of friends. There are varied choices for shopping malls as well as chic cafes, eateries and supermarkets.

Retail growth in Kuching is expected to move at its own pace. International brands like H&M, Uniqlo, Mango, Terranova, Cotton On, Esprit, Sephora, Harvey Norman and Sports Direct have followed strong Malaysian brands like Brands, Pardini, Bonia and Mr DIY into Kuching.

Like in many places, the similarity in a challenging market is always about the experience.

The process of consumer behaviour leading to purchases and thereafter remains the key element in differentiation. The key to success is always with the understanding of the market a shopping mall serves. It should always think about fulfilling the gap of the retail market and provide for the aspirations of the community it resides in. **FOCUSM**

Anthony Dylan is a member of the Shopping Mall Association (PPK) Malaysia