

Membership Info

New Members

All Board members and Honourable members Mr. Raymond Kwok, Mr. Michael Tien, Dr. Roger C.K. Chan, Professor Rebecca L.H. Chiu, Professor Eddie C.M. Hui, Professor Sin Yat Ming and Dr. T.M. Kwong welcome the following new members :

Fellow Members (Upgrade)

Chan Cacim
Li Chung Ho
Lai Yuen Mei
Lei Wing See
Soo Yam Piu

Full Members

Chu Kai Ming Kevin
Choi Yat Hong Raymond
Wong Ka Kui
Hung Kwong Louie Lucian
Leung Ka Yuk

Associate Members

Lo Pui Shan
Wan Ho Kan

Student Members

Yau Ching Nam

Membership Application

Our Membership is open to any individual person who is a practitioner in shopping centre industry. Students who have enrolled in the course of shopping centre management at HKU School of Professional and Continuing Education (HKU Space) will also be considered.

Grade of Membership	Annual Fee
Fellow Member	HK \$ 1,650
Full Member	HK \$ 1,100
Associate Member	HK \$ 720
Student Member	HK \$ 280

Online application can be completed at the following link:

www.iscm.org.hk



Upcoming

Study Tour

Shenzhen One-day Study Tour

Date: 13 Oct 2018 (Sat)

Time: 9:00 am - 6:30 pm

Itinerary: Muji Hotel, Mixc World, Uniwalk and Hey Tea



Registration link:

<https://goo.gl/forms/mvS2Z5P6dxjNBGnf1>



Deadline : 10 October 2018

Seminar

Transit Oriented Development – Inception of Shopping Malls Seminar

Speaker: Ms. Sharon Liu, Chief Town Planning Manager, the MTR Corporation

Date: 26 Oct 2018 (Fri)

Time: 7-8:30 pm

Venue: Best Bamboos Education - School For Talents, 4/F, Star House, 3 Salisbury Road, Tsim Sha Tsui, Kowloon



Registration link:

<https://goo.gl/forms/i4n3kvDKYNq5zTDZ2>



Deadline : 23 October 2018

Give us Feedback

Email : secretariat@iscm.org.hk

Website : www.iscm.org.hk



商場管理學會 Institute of Shopping Centre Management



The Board

Chairman	Baldwin Ko
Vice Chairman	Chris Keung
Vice Chairman	Michelle Lee
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Treasurer	Katherine Ho
Honorary Secretary	Victor Ng
Director of Training	Louis Lee
Director of Membership	Margaret Lau
Director of Marketing & Promotions	Angie Chung
Director of Study Tour	Wilson Lam

Editorial

This issue begins with the message from our newly selected Vice Chairman, Ms. Michelle, who shares with us her growth journey with the Institute. She is optimistic with the retail landscape of Hong Kong and yet she encourages the industry peers to grasp the opportunities to join, to learn and to share knowledge with the Institute.

Our Chairman, Mr Baldwin Ko, has represented the Institute to attend the CASC Conference held in Indonesia. We have here a summary of his sharing with the attendees.

Additionally, we have prepared two feature stories, one on the trends of Taiwan-style fruit tea and the one on the impact of assessing if the New Shenzhen shopping centres a weekend destination for Hong Kong travelers.

We wish you enjoy reading this issue. Please share with us your comments.

Thank you.

Message from the Institute



It is my honour to be elected as Vice-Chairman (Internal Affairs) for year 2018-2020, after serving in the position of Honorary Secretary and Chairman of Publication Committee in past years. This new role is more than a challenge but indeed a great opportunity for me to work together with other board members even more closely, with our shared mission to bring ISCM to the next level.

The retail momentum in Hong Kong this year sounds to rebound and retail sales statistics has revealed a bottom-up scene too. However, the future business environment of shopping centres still possess numerous uncertainties ranging from global political sentiments, online retailing challenges to digital transformation and generation change. Shopping centre industry professionals have to embrace these while the most powerful weapon to encounter is to equip ourselves by continual learning and exchange. This is also the key objective of ISCM's establishment since the early years. Over the years, our seminars and events did offer great platform for training and sharing of excellent practice and ideas amongst industry counterparts.

ISCM is approaching its 15th anniversary in 2019, and a series of activities are already in the pipeline, and all board and committee members strive to deliver more unique experience to ISCM members and friends. We also engage in more collaborations and supporting efforts with other related institutes and organisations both in Hong Kong and overseas with an aim to broaden the exchange platform and create more synergy within the whole industry.

Our Chairman, Mr. Baldwin Ko has attended Council of Asian Shopping Centers (CASC) annual conference held on 25-27 September in Indonesia and shared country reports with other CASC country members. Other upcoming activities are of substantiated engagement level including study tour to Shenzhen malls, CSR activities for under-privileged children with the joining effort of retailers, etc.

Our seminars are of a wide range of interest from entrepreneur series to mall planning which are dynamics and engaging. The annual major event, the 15th anniversary annual dinner, will be held in April 2019 and the preparation is already in full swing. With the overwhelming response in past years, this coming annual dinner will be convened in an even larger venue and we hope to accommodate more guests and friends.

All the above cannot be successful without our members' ongoing support and feedback. We look forward to seeing you at our activities soon.

Vice Chairman
Michelle Lee

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CASC Conference 2018 Asia's Shopping Centres: "The Next is Now"

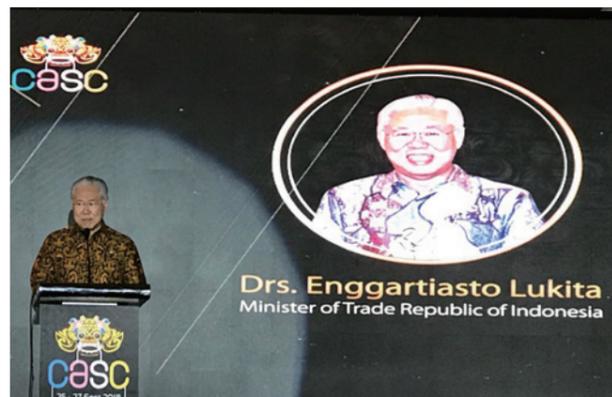
In the rise of new technology like e-Commerce, big data and artificial intelligence which have been rapidly developed, the shopping centres landscape around the globe has been evolving. At the Council of Asian Shopping Centre (CASC) Conference 2018 hosted in Bali, Indonesia from 25 to 27 September 2018, over 250 representatives from shopping centres across Asia have shared their knowledge and experiences under the theme "Asia's shopping centre: The Next is Now",

Our Chairman of ISCM, Mr. Baldwin Ko shared the up-to-date retail market trend of Hong Kong and he further reassured that Hong Kong will remain the top destination for mainland visitors in the next few years in view of the proven record growth in the number of mainland visitor arrivals. Additionally, he quoted industry figures that the rents of major shopping malls across all districts have recorded a 2% year-on-year increase in Q2 2018. He concluded that digital transformation of the retail industry is not always meant to be a challenge for malls. Rather, it presents new opportunities for malls to capture value and stay relevant for 21st-century shoppers.

Throughout the conference, three primary channels have been mentioned in which malls are leveraging technology — "Innovation", "Big Data" and "Marketing 4.0". Mall operators should keep a close eye on the big data collected from the customers and different marketing methods from positioning the mall as a trade centre to becoming a lifestyle centre with the function of socialisation, "Marketing 4.0" empowers the customers become an advocate to share the same value built by the shopping mall with its visitors.

Work hard, play hard. After the conference, a Bali Fun Tour has taken the participating members to different well-known attractions in Bali including GWK Cultural Park which offers a lavish Indonesian cultural heritage under the sunshine weather. Members also enjoyed a delicious seafood meal at Menega & Sakura near the beach.

The CASC 2019 will be held in Kuala Lumpur, Malaysia.



Dr. Enggartiasto Lukita, Minister of Trade Republic of Indonesia, kicked off the opening ceremony of CASC Conference 2018.



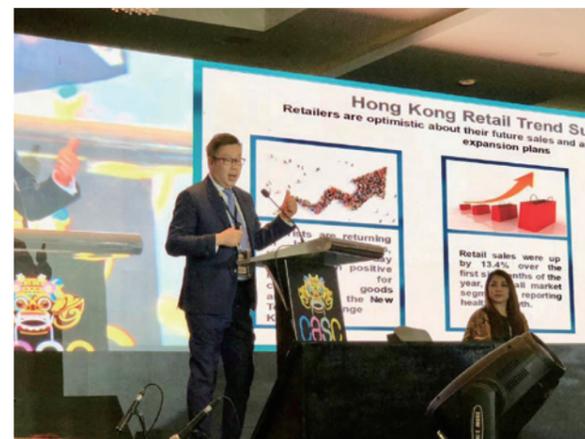
Current council members include China Shopping Center Development Association of Mall China, Institute of Shopping Centre Management of Hong Kong, Indonesia Shopping Centers Management Association, Japan Council of Shopping Centers, Malaysia Shopping Malls Association and Taiwan Council of Shopping Centers while our Institute is one of the founding members of CASC.



Mr. Baldwin Ko (2nd from the left) joined the panel discussion with the Mr. Victor Guo, President of China Shopping Centre Development Association of Mall China (2nd from right) and Mr. Jeff Tsai, Chairman of Taiwan Council of Shopping Centres (left).



CASC Council Members joined the opening ceremony.



Mr. Baldwin Ko, Chairman of Institute of Shopping Centre Management, presented at the CASC Conference.



Over 250 representatives from shopping centres across Asia participated in the Conference.

Seminar : Digital Media and Online business

Online shopping has been understood as rival of brick-and-mortar Shopping Centre. This view is however changing when applications of "online to offline" are proven successful. Mr. Larry Luk, Chief Digital Officer of L' Oreal Group, gave a great presentation to our members and industry peers on 6 Sept 2018. At the beginning, Mr. Luk introduced various product lines of L' Oreal Group in order to let the attendees have better knowledge of the beauty business. He then shared several marketing cases with the use of social media and succeeded in drawing customer awareness to the final promotion activity at shopping centres.

Additionally, Mr. Luk presented an insightful slide "Understand Customer Journey with Key Touchpoints

Clarifications" which explained the four stages of understanding customer from awareness, consideration, purchase to engagement of different cosmetic customer groups. He stressed that "word of mouth" plays an important role in awareness and consideration stage that digital marketers try every effort to spread the "word of mouth" of their products. He also mentioned that the younger generation tended to visit cosmetic boutiques whereas the mature group preferred department store.

After the sharing of Mr. Luk, all the participants are believed to have learned more about the beauty retail business. It is key for our leasing and marketing team to embrace their strategies accordingly and tap on the O2O trends.

Additionally, Mr. Luk presented an insightful slide "Understand Customer Journey with Key Touchpoints



Our Chairman Mr. Baldwin Ko (1st from the left), and our Director of Training Mr. Louis Lee (1st from the right) presented the souvenir to Mr. Luk (2nd from the left)



Mr. Larry Luk, Chief Digital Officer of L' Oreal Group

Taiwan-style fruit teas "a hit" in this summer

More than a decade ago, the Taiwanese bubble tea mania swept over Hong Kong, followed by the arrival of Gong Cha. In recent years, some brands have brought the Taiwanese tea culture into Hong Kong and it has been well-received by tea lovers in town.

In this past summer, Taiwan-style fruit teas have been a hit in Hong Kong. The new varieties are more delectable and healthier, as they contain natural ingredients such as freshly brewed tea, milk and fresh fruits, instead of tea powder and milk powder that are commonly used in earlier generations of Taiwan-style drinks. Meanwhile, a mainland fruit tea chain has launched a new drink with cheese crust that appeals to tea lovers from Hong Kong who travel across the border, and the brand is set to open its first outlet in Hong Kong.

Health-conscious trends

As Professor Leo Sin Yat-Ming, Part-time lecturer at the Faculty of Business Administration of the Chinese University of Hong Kong, remarks that Taiwan is a popular travel destination among Hong Kong people, who love its food culture and are receptive to Taiwan-style drinks. He notes that the variety of Taiwanese bubble tea was limited in the past, but it has been expanding in recent years with new additions that cater more to Hong Kong people's taste. While sugar is used as the main flavouring in old-style bubble tea, new Taiwan-style drink stores offer fresher tastes by replacing sugar with black sugar in bubble tea, and offering fruit tea made from fresh fruits to tap into the health-conscious trends.

Yifang Taiwan Fruit Tea, for example, one of the largest outlet networks in Taiwan, has opened seven outlets in Hong Kong. The store's signature drink "Yifang Fruit Tea" highlights the natural and healthy

ingredients of the drinks. HEYTEA to be opened soon has its Cheese Jin Feng tea the signature drink which is a Taiwanese oolong tea with a distinct tea flavour enhanced by a rich crust of cheese. Both are new tastes, like many Taiwan Tea

Trades, notes that Taiwanese bubble tea was widely popular in Hong Kong more than a decade ago; however, the craze has subsided in recent years as there are constantly new beverage concepts emerging in the market. It was not until

style drink stores that have landed in Hong Kong in recent years are instilling creative elements like new ingredients into their drinks, with the black sugar bubble tea being a stand-out product. In addition, Taiwan-style drink stores emphasise

drinks remain a novelty on the market for only two to three years on average. While some Taiwan-style drink brands operate through franchising in Hong Kong, they are faced with stern challenges once the drink mania subsides, as high rentals in the city

Young generation willing to spend

Professor Sin also thinks that market demand is the key driving force of the drink mania. "While there were no bubble tea stores in Ma On Shan in the past, four to five bubble tea stores have opened in the district in recent years. It is an indication of market demand." He pinpoints that the public is self-conscious and avoids excess sugar in their diet, which has led to declining sales of soft drinks in recent years. The decreased consumption of soft drinks and the shift towards other cold drinks among consumers in summer have contributed to the increased sales of Taiwan-style drinks.

As he points out, young people are the main target customers of Taiwan-style drinks. As they are faced with issues like skyrocketing property prices and low upward mobility, they are more focused on pleasure than the older generations, which results in a greater willingness to spend on dining and the pursuit of instant gratification.

He adds that mid-priced and mid- to low-priced drinks would benefit most from this trend, which accounts for the growing numbers of bubble tea stores, sushi restaurants and Japanese ramen restaurants in recent years.



Shops, which are well received especially by the younger generation.

Black sugar bubble tea a new fond

Simon Wong, President of Hong Kong Federation of Restaurants and Related

Ten Ren Tea introduced the Taiwanese tea culture into Hong Kong and opened a network of outlets across the city that the Taiwan-style drink mania was revived.

As he points out, Taiwan-style drinks are targeted at young consumers. Taiwan-

attractive presentation of their drinks, which appeals to the youth and caters to the culture of "checking in" and "selfie" among Hong Kong people.

Wong believes that given the fast-changing beverage trends in Hong Kong, new

pose difficulties for maintaining outlets in popular areas. He notes that apart from Taiwan-style varieties, Korean and mainland drink stores also impress with their unique characteristics, and drink brands from the two countries are set to land in Hong Kong in the future.

New Shenzhen shopping centres - a weekend destination for Hong Kong travellers

The recent years have seen the opening of various large-scale shopping centres with eclectic offerings of entertainment, arts and culture, pop trends and shopping in Shenzhen, which has attracted visitors from Hong Kong to spend their weekends and holidays up north.

Some scholars believe that with the popularity of online retail in the mainland, shopping centres must feature a distinctive trade mix with an emphasis on customer experience in order to retain customers. As beverage comprises the majority of Hong Kong people's spending in the mainland, it has limited impact on retail in Hong Kong. In addition, the opening of the Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge, as well as the Greater Bay Area initiative, are set to boost the number of short-stay travellers to Hong Kong. In the long run, local shopping centres must maintain the premium quality of Hong Kong products and services in order to draw mainland shoppers to Hong Kong.

Attractive venues to younger generation

In September last year, Mixc World opened in Nanshan District, Shenzhen, with the "Bubblecoat Elephant" installation by AllRightsReserved as a highlight of its unveiling. The next shopping centre to open was Uniwalk, the largest shopping centre in Shenzhen. The seven-storey complex includes 400 stores and 100 restaurants, making it the top choice for Hong Kong visitors who love Haidilao Hot Po. UpperHills features the MUJI Hotel as a focal point; the shopping centre will host 300 stores, and it is divided into thematic zones including the living experience zone, Loft town and shopping street. Among the new shopping centres, the OCT LOFT stands out as the most attractive venue to young people from Hong Kong.

Professor Terence Chong, Executive Director, Lau Chor Tak Institute of Global Economics and Finance and Associate



The opening of various large-scale shopping centres in Shenzhen have attracted visitors from Hong Kong to spend their weekends and holidays up north

Professor of Economics, The Chinese University of Hong Kong, remarks that there are three types of shopping centres in the mainland at present, including old-style local shopping centres, shopping centres offering primarily mainland brands in their trade mix, and large-scale cosmopolitan shopping centres. The last variety shares the same retail focus as its Hong Kong counterparts in centring on luxury retail, though the mainland venues have lower visitor flows in general.

He pinpoints that mainland shopping centres fall short in certain areas despite their rapid development. For instance, there is insufficient air-conditioning in mainland shopping centres in summer where the

temperature is maintained at just below 25.5 ° C. Cultural differences between the mainland and Hong Kong are also at play. As mainland shopping centres spotlight culture and creativity as a selling point, they mainly cater to local youth and have somewhat limited appeal to Hong Kong people.

Mainland shopping malls facing challenges

Eddie Hui, Professor of Real Estate at the Department of Building and Real Estate, the Hong Kong Polytechnic University, points out that mainland shopping centres face greater challenges from online retail than Hong Kong shopping centres. This has driven mainland shopping centres

power. Shopping centres in the mainland also have lower rentals and operating costs than shopping centres in Hong Kong, which has attracted some young Hong Kong entrepreneurs to open their shops in the mainland.

He remarks that the completion of new and unique shopping centres in the mainland has encouraged Hong Kong people to cross the border for holidays. As their spending is centred around dining, it has limited impact on retail in Hong Kong. The innovation of mainland shopping centres has not undermined mainland visitors' desire to go shopping in Hong Kong, since Hong Kong is known for its offerings of in-season products of reliable quality and comparatively low prices. The selection of duty-free products from overseas is also a strong pull to female travellers from the mainland, who visit Hong Kong for shopping sprees of the latest cosmetics products. While similar products are on offer in the shopping centres in both the mainland and Hong Kong, mainland consumers are more inclined to go shopping in Hong Kong.

Proven quality is key

According to the government statistics, Hong Kong's total retail sales value recorded a year-on-year increase of 13.4% in the first half of this year. Jewellery, clothing and cosmetics continued to record a double-digit increase. The Hong Kong Retail Management Association (HKRMA) mentions that the figures reflect the high base figure of the second half of last year and the onset of the impact of the China-US trade war on consumer attitudes. The depreciation of renminbi is another factor affecting retail sales. A 10% year-on-year increase is estimated for this year.

The HKRMA believes that the launch of the Express Rail Link in the late September and the opening of the Hong Kong-Zhuhai-Macao Bridge will drive up the number of short-stay travellers to Hong Kong. It may see to a new high in the number of visitors and stimulate local retail. In addition,

mainland travellers like to visit Hong Kong for shopping due to the proven quality of Hong Kong brand products. In recent years, they have extended their shopping sprees from street stores to shopping centres, as they spend a good part of their holidays shopping at the venues.

Continual appeal as a shopping destination

Kwan Cheuk Chiu, Director, ACE Centre for Business and Economic Research remarks that the completion of new large-scale shopping centres in the mainland will not impact retail in Hong Kong, since Hong Kong products are acclaimed for their quality. As many mainland residents are accustomed to shopping in Hong Kong, there has been a continuous increase in the number of individual visitors to Hong Kong who return to the mainland on the same day. With the forthcoming opening of the Hong Kong-Zhuhai-Macao Bridge and the launch of the Express Rail Link, the commute between the mainland and Hong Kong is shortened and it is expected to propel more mainland shoppers to visit Hong Kong. As he states, the number of mainland visitors to Hong Kong may reach a new high this year, which reflects the continual appeal of Hong Kong as a shopping destination.

In the long run, Hong Kong shopping centres must cater to the actual shopping needs of visiting travellers in order to consolidate their position. In the past, the majority of mainland customers visited Hong Kong to shop for gold jewellery, while they have shifted to shopping for daily essentials and cosmetics at present. Shopping centres and retailers have to tailor their offerings, so as to attract residents in the region to visit Hong Kong for shopping on a regular basis.