

Membership Info

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, Dr. T.M. Kwong, Mr. Jimmy C.W. Wong, Mr. Kendrew C.Y. Leung welcome the following new members:

Full Members

Ms So Wai Ling
Mr Tsui Chi Wang Calvin

Associate Member

Ms Ng Wai Yee

Student Member

Mr. Lai Lap Kei Clement

Mall Q&A



**Q: What is "illegal structure"?
何謂「僭建物」?**

The term "illegal structure" has widely attracted the attention from the media and the public because even some senior government officials are recently accused of permitting illegal structures to exist in their residences. While the issue will continue to be the "talk of the town" for a while, it will be useful if the meaning of "illegal structure" can be legally examined. It is our honour to have invited Mr. Maurice Lee, legal adviser of ISCM, to explore the law relating to illegal structure.

近期「僭建物」一詞引起廣泛報導及市民關注，因為高官及名人接連因「僭建風波」成為頭條新聞。有些市民不明白「僭建」法律，以致很容易「中招」。今期很榮幸邀請到敝學會法律顧問李偉民律師講解一下有關僭建的法律問題。

Please read the article through the following hyperlink 請按以下連結參閱全文:

English version:
http://iscm.org.hk/internal/Illegal_structure_eng.pdf

中文版本:
http://iscm.org.hk/internal/Illegal_structure_chinese.pdf

You are welcome to email us any questions regarding mall management. Please send your question to contactus@iscm.org.hk



商場管理學會
Institute of Shopping Centre Management

The Board

Chairman	Maureen Fung
Vice-Chairman	Irene Fisher
Vice-Chairman	Victor Wong
Vice-Chairman	Teresa Shiu
Treasurer	Denise Fung
Honorary Secretary	Victor Ng

Editorial

Dear Members & Friends,

It is our great pleasure to share with you the latest issue of our newsletter. In this issue, we look at how malls operators decorated and promoted their malls to increase footfall during the Christmas time, and introduce a growing popular marketing tool, WeChat, among shopping malls and retailers. We also continue to report two of our well-received seminars held on November and December 2012.

In last December, a new shopping mall Domain under the management of Hong Kong Housing Authority was opened in Yau Tong and we have had an interview with Mr. Albert Lee, Deputy Director (Estate Management) of Housing Department, who walked us around Domain.

What's new in this issue is that we have invited our legal advisor, Mr. Maurice Lee, to contribute us an article on a hot topic— "The Law of Illegal Structure". The full article can be downloaded via www.iscm.org.hk where you can learn more about our Institute as well. We hope you enjoy this newsletter as much as we do, and look forward to your feedback.

May we also take this opportunity to wish you a joyous season and a happy New Year.

Message from the Institute

Merry Christmas and Happy New Year!

Again we're in the season where malls and façades are all with adorable twinkles and glittering ding-a-lings! Pay your visit to one of your favorite malls in this festive season, you may find yourself exhaling your exclamation with the glistening angels dancing ballet together with magicians playing on fire and freeing the pigeons; or having a private moment in your child-time lego-land; or drowning yourself in a bazaar with merry-go-round spark-ling with rubies and Christmas reds. It's all about fancies and joy in each and every winter - who cares about the doomsday prophecy?



It's a high time for we the shopping malls experts, who stirred up cheerful moods and emotions, in demonstrating how desires and hopes can be fulfilled. Visitors looking for fun, joy, warmth, romance, wonderful feast, a taste of shopaholics and even the comfort responding to the nature's call... it's pretty sure these "Alices" in their wonderlands get what they want under our festive lullabies.

It's pretty special as well that, in recent years, the industry has yet reminded our fellow citizens that fortune of enjoyment may not be for granted. We see more and more crossovers among charities and malls, aiming to share our happiness and fun from the tiny roofs of our malls to every corner of the city - reaching the needed and the left-behinds. Standing at the frontier, we as well promote as hard as we can that visitors should care about our mother earth as much as they consume it.

Spending your time in a shopping mall seems controversial - people enjoy describing it as evil as a machine of materialistic consumption; but with a splash of passion, we humanize the place from a point of sale to a celebration of love and care among families and friends.

Wish you all a warm and happy 2013.

Irene Fisher
Vice Chairman

Contact Us

The Editor

Institute of Shopping Centre Management
P.O.Box No. 1300, General Post Office
Email: contactus@iscm.org.hk

Address:

Institute of Shopping Centre Management,
P.O. Box No. 1300, General Post Office.

General Enquiry: contactus@iscm.org.hk

Membership Enquiry: membership@iscm.org.hk

Contents

Message from the Institute/Editorial	1	Focus Feature	4
Seminar & Visits	2	Current Market News	6
New Marketing Tools	3	Membership Info / Mall Q & A	8

Seminar & Visits

The Rise of Luxury Shopping Malls in China

by Ms. Maureen Fung, General Manager, Leasing, Sun Hung Kai Properties, 12 November 2012



Over 70 industry practitioners attended the seminar.

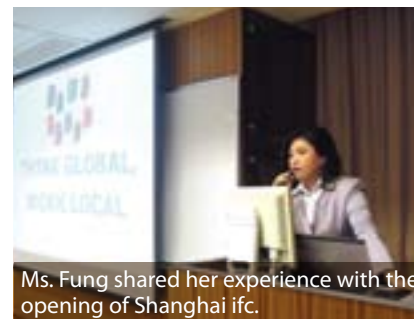
In view of the rapid growth of China's luxury goods market, many Hong Kong developers have opened their luxury shopping centres on the mainland. To stay ahead of the intense competition, the mall operators must keep a close watch on the constant changes in the mainland market. Our founding Chairman Ms. Maureen Fung who is also General Manager (Leasing) of Sun Hung Kai Properties, spoke about the rise of luxury shopping malls on the mainland at a seminar on 12 November 2012. She also shared her experience with the opening of Shanghai ifc. Many members and industry professionals

attended the seminar.

Ms. Fung pinpointed the idea of "Retail is detail", which stresses that luxury is an experience. The focus on details is key to building a top tier luxury shopping mall, where the lighting, decor and facilities must carry a unique style and a sense of luxury for the consumers. She referred to Shanghai ifc as an example. The diamond-shaped exterior of the shopping centre symbolises ever-lasting perfection. On the sides of the front entrance, Louis Vuitton and Cartier sparkle in the gold and silver colours, in an allusion to the Chinese concept of gold and silver for

riches in the house. The large mirror outdoor is also a standout feature. She added that the interior of the shopping centre is modelled after the opera house while the use of natural lighting adds to the sense of comfort at the atrium.

She noted that there are cultural differences between the various cities on the mainland. Local culture, lifestyles and consumption patterns are major factors to consider in creating a winning trade mix. She believed that unique promotions are also key to expanding the customer base. The shopping centre has held an array of events such as the showcase of *Along the River During the Qingming Festival*, micro-sculpture exhibition, and Rolls-Royce fair, which drew enthusiastic response from visitors.



Ms. Fung shared her experience with the opening of Shanghai ifc.

Visit to Energizing Kowloon East Office (EKEO)

by Ms. Vivian Lai, Senior Place Making Manager, EKEO, 13 December 2012

Kowloon East encompasses the Kai Tak Development Zone, Kwun Tong and the business district in Kowloon Bay, with a total area of 488 hectares. The district is set to receive a facelift with the launch of the "Energizing Kowloon East" redevelopment project. We had organised a guided tour for 23 participants to the "Energizing Kowloon East Office" in Kwun Tong on 13 December 2012. Ms. Vivian Lai, Senior Place Making Manager, EKEO, was the speaker on the tour.

The first stop was the carnival hosted by the Energizing Kowloon East team at Tsun Yip Street Playground, which was an excellent example of the revitalisation

of sports ground with carnivals and other events. It was followed by detailed discussion in the office. At the talk, Ms. Lai shared the planning concepts and latest news of the project, including the revitalisation of parks and sports grounds in the district into public resting areas of art and culture.

In addition, the promenade will be revamped as an arts zone with performance venues for art groups, which will attract a wide range of visitors during holidays. The government is also considering the construction of a monorail for connecting different areas within Kowloon East. The participants took a keen interest in the progress of

the project and asked many questions during the Q&A session. Some also shared their views on the transportation planning in Kowloon East, and on how to boost the number of visitors to the promenade.



Mr. Louis Lee, Chairman of Training Committee, presented a souvenir to Ms. Lai.

New Marketing Tools

WeChat Instant Messenger Targets Young Customers



Social media platforms like Facebook, Weibo and Twitter are bringing people closer, and they have become platforms for interaction between shopping malls and their customers. Nowadays, many people are smart phone users and they spend considerable time on instant messaging with their contacts. In view of this, mall marketers have turned to WeChat, a new mobile instant-message application for marketing and publicity.

For its hold-to-talk voice messaging, WeChat has become hugely popular since its launch one year ago. The number of users in Hong Kong has reached one million, and the number of users in China, Hong Kong and Taiwan has reached over 100 million in total. To this end, some shopping malls in Hong Kong have opened their official WeChat accounts for sending instant updates of special offers and other information to young customers, who frequently surf online with their smart phones. The message reception rate is 100%.

apm in Kwun Tong was one of the first shopping malls to open a WeChat account. The mall had held a promotional event of phone case redemption for attracting new fans for apm and WeChat earlier. It also teamed up with WeChat in hosting concerts at the venue for attracting young shoppers.

Harbour City in Tsim Sha Tsui delivers news of promotional offers and retailers to its fans through WeChat on a daily basis. The WeChat QR Code is also posted at the front entrance of the shopping centre, which allows easy scanning for smart phones for shoppers who want to become WeChat members. There were also Christmas-themed WeChat events and activities, including limited edition calendars for shoppers who sent their photos of the venue's decor to its WeChat account.

Metro City Plaza, Langham Place, The One have also joined forces with WeChat in their publicity endeavours. Shoppers who download WeChat and like the shopping centre's Facebook page at the venue may redeem free gifts like



ice-cream cones and chocolates. Apart from shopping malls, retailers and restaurant chains have also followed suit in using instant messaging for marketing. KFC, Groupon and PlayStation have opened their official WeChat accounts for delivering news and updates via text, images and voice messaging.

Brands like Starbucks and Nike are even using WeChat to target the mainland market. Starbucks in China has launched a one-on-one wake-up service for its WeChat groups. The wake-up call plays selected tunes according to the user's WeChat status, which serves as a form of soft-selling for the brand.

Focus Feature

Domain An Integrated Mall and New Hub for Young Shoppers



Domain is set to become a new hub in Yau Tong.

Domain, a Hong Kong Housing Authority (HKHA)'s new shopping mall, offers a diverse trade mix with trendy shop units for smaller retailers and social enterprises. It is set to become a new hub in Yau Tong.

Domain opened in September last year and it is one of the commercial facilities of the Yau Tong Estate Redevelopment Phase 4. Spanning a total floor area of 45,000 square metres on eight storeys, Domain is positioned as a young, trendy and chic mall and a large-scale retail

complex that caters to the needs and tastes of different shoppers. With over 150 shops, the mall is divided into six themed zones. They include Grab & Go Domain, a cluster of fast food shops on the MTR Floor; Princess Domains, a selection of skincare and cosmetics retailers on LG2; Hip Domain, an array of fashion retailers on G/F and 1/F; Family Domain on 2/F, offering a wide range of household items; Teens Domain on 3/F, an all-round stop of toy shops and book stores; and the roof top garden Party Domain.

The mall's exterior glass curtain lends a sense of spaciousness to the stylish complex. To promote harmony in the community, a 700-square-metre shopping zone "Zone D" is designed to provide a platform for small businesses and encourage young operators to unleash their potential. Inspired by the small and trendy shops in Mong Kok, the zone provides small retail 23 units sized between 5 and 9 square metres. They are leased to young operators and social enterprisers at affordable rates. The tenants are also offered flexible lease terms with a three-month notice period.

As Mr. Albert Lee, Deputy Director (Estate Management) of Housing Department remarks, the mall is located in proximity to housing estates and disciplined service quarters, and it serves the population of 100,000 in the district. As many of these local residents are young families, Domain's positioning as a young and trendy mall will capitalise on the business opportunities. The mall features a variety of shop composition, with 70% of the tenants making their first entries to HKHA's shopping centres. The mall will create new synergy with the shopping centres of housing estates in the area. He elaborates: "For instance, Park' n Shop and Sincere have joined hands and opened the lifestyle mega store, SUPA DEPA. The upper floor is a Japanese-styled supermarket, while the lower floor is a market of household items and new brands. The mall boasts a relaxing roof top garden, with an outdoor restaurant and a play zone for family shoppers."

To target young families who enjoy



The roof top garden Party Domain is believed to be a draw to family shoppers.

dining out, the mall has over 40 restaurants and shops offering a diversity of dining options. "They include Food Republic, Peace Cuisine and Kenting Tea House, popular and reasonably priced eateries that are classier than fast food chains." Mr. Lee notes that 30% of the floor area has been rented out to selected eateries. Domain stands out among other shopping centres in the area for its fine selection of dining options, and the eateries have been top performers in business revenue so far.

At present, Domain attracts over 30,000 daily visitors on weekdays and over 40,000 on weekends. During the holidays, 40% of the visitors are cross-district shoppers. The mall also aims to attract residents along the MTR Kwun Tong line and from Hong Kong Island East. For wider publicity, Domain has produced a micro-film featuring the mall's mascots, and the mall has been featured in local dining and travel magazines. There are also guided tours to Domain for residents of local housing estates.



The mall's exterior glass curtain lends a sense of spaciousness to the stylish complex.

About Domain:

- **Position :**
Young and trendy
- **Total floor area:**
8 storeys, 45,000 square metres
- **Highlights:**
Zone D for small businesses & social enterprises
40 restaurants in special theme
Roof top garden
- **Target visitors:**
Residents in Yau Tong, along MTR Kwun Tong line and from Hong Kong Island East
- **Daily footfall:**
over 30,000 daily visitors on weekdays and over 40,000 on weekends



Mr. Albert Lee, Deputy Director (Estate Management) of Housing Department

Current Market News

Globalised Shopping Experience to Attract Local Consumers



During the past Christmas, apm had invited an internationally renowned artist to create six large-scale interactive installations on the theme of Christmas royal troops.



The outdoor circus of Harbour City had been a hotspot for photo-shooting.

For a strong boost to holiday spending, many shopping mall operators revamped the themed events at their properties this past Christmas. Beyond diverse performances and interactive elements, the festive events carried rich global flavours, such as European acrobatics troupe, European circus and castle with medieval touches, LEGO Christmas Village and others. These events created a brand new shopping experience and enriched the Christmas atmosphere, boosting

both the number of visitors and spending.

The Christmas decorations at large-scale shopping malls were more diverse than ever this year, and many featured foreign sceneries and elements to enhance the shopping experience for attracting new customers. For example, apm in Kwun Tong invited the over 100-year-old Geschwister Weisheit troupe from Germany to perform the play, Santa Claus is Coming to Town, on high

wire at 15 metres from the ground at the venue. The shopping centre also invited an internationally renowned artist to create six large-scale interactive installations on the theme of Christmas royal troops.

The decorations at Harbour City in Tsim Sha Tsui were based on the theme of outdoor circus. The fantasy land sparkled in red and white, accentuated by gold sparkles and special sound effects. Apart from Christmas trees and reindeers, there were other highlights such as an 8-foot high carousel and rabbits clad in playing card costumes. A hotspot for photo-shooting, the set-up complemented the new brands at the shopping centre and successfully drew new visitors and spending.

At the nearby 1881 Heritage, the shopping mall presented the city's largest outdoor Giant Teddy Bear and a large-scale vintage fireplace. Standing at five feet, the Giant Teddy Bear was clad in a faux mink coat reminiscent of European royalty costume. Besides, the 10-foot medieval European style Christmas tree glowed with rotating candlelight. It shone on the Victorian-style architecture of 1881 Heritage, giving it a classic European atmosphere.

Other than the LEGOLAND in Malaysia,



Christmas deco at Tai Po Mega Mall

Globalised Shopping Experience to Attract Local Consumers



A spectacular Christmas attraction in Central



ifc in Central created life-like snow flakes.

the LEGO Christmas Village in Times Square was a popular destination for shoppers in Hong Kong during the festive season. The Christmas Village was comprised by 11 LEGO themed houses, trains, trams and gardens, made with one million LEGO pieces that are 20 times larger than the usual size. The 20 x LEGO world was one of the hotspots for photo-shooting in town this past Christmas.

At ifc in Central, the shopping mall brought the special model of snowflake machine, which was featured in blockbusters like the 007 and Harry Potter series, to create life-like snowflake at the venue. At Olympian City, renowned Korean music group NANTA gave their debut performance at a shopping mall, while spending rewards drew large crowds of shoppers. Tai Po Mega Mall also invited the Hungarian trampoline

performing group Walkings to give a stunning performance for the audience.

The magnificent Christmas decor and dazzling performances boosted the number of visitors and spending for many large-scale shopping centres during Christmas. Ms. Maureen Fung Sau-yim, founding chairman of Institute of Shopping Centre Management, said that many Hong Kong people visited the shopping centres during the cold weather in December, where they rejoiced in the festivity, the entertaining performances and special promotions. In addition, shopping tour groups from the mainland have become a main source of revenue for many shopping centres, and their visits to Hong Kong during the holidays gave a strong stimulus to the venues.



Times Square had built a Christmas Village with one million LEGO pieces.