

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

Li Ying Hao
Yung Man Wai Yannis

Full Members

Sin Soo Yan
Yeung Samuel
Yuen Tsz Shun

Associate Members

Lui Wing Shan
Wong Ki Yam Michael

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



Institute News

CSR Caring for the Elderlies

ISCM has always been actively involved in CSR related activities and regularly organises exciting events to give back to the community.

In the hope of spreading joy and love, ISCM members were pleased to give back to the community by taking part in an elderly home visit on a Saturday before the Chinese New Year holiday.

We were grateful to have Ms. Maureen Fung, our Founding Chairman, along with institute members and industry friends, packed and delivered gifts to the residents of the On Luk Nursing Centre. This was a truly heart-warming occasion for all.

Above all, we would like to express our sincere gratitude to the following sponsors for their generous support:

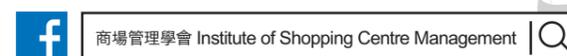
Noodles from Ajisen Ramen
Scarves from Japan Home Centre
Chinese cakes from Kee Wah Bakery Limited
Chinese tea from Gong Fu Teahouse (Hong Kong)
Healthy pills from Catalog Hong Kong



Give us Feedback

Email : secretariat@iscm.org.hk

Website : www.iscm.org.hk



The Board

Chairman	Baldwin Ko
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Editorial

This is a special edition to celebrate the 15th Anniversary of ISCM. This issue begins with a message from our Chairman Mr. Baldwin Ko on reviewing his joining the Institute as one of the founding members and his taking up the chairmanship in the past 2 years.

One of our key missions is to serve as the learning platform for the industry. In light of this, a number of seminars with different topics were held from January to April for our members and industry practitioners. Besides, one of our highlight activities in the first quarter was delivering CNY gifts to residents of the On Luk Nursing Centre Limited arranged by our CSR Committee. For the second quarter, the spotlight should be on our 15th Anniversary Annual Dinner to be held on 26 April and here we share with you a prelude.

Last but not the least, our issue prepares two feature stories, one on the opening of the first Don Don Donki store in Hong Kong and its insights on the retail market whereas the other examines the recent emergence of kids-friendly restaurants.

We wish you enjoy reading this issue and look forward to receiving your comments.

Message from the Institute



Back in 2003, I was invited by our Founding Chairman Ms. Maureen Fung, together with a few seasoned industry members, to form the Institute of Shopping Centre Management (ISCM), which was the first of its kind in Hong Kong. I am deeply honoured to have witnessed the growth of our institute and the industry support it has garnered over the years.

I would like to take this opportunity to thank Maureen for her dedication and tireless effort in fostering the development of the ISCM. Additionally, I would like to express my gratitude to our honourable members, board members and committee members for their support and the new ideas that they have brought and continue to bring to the institute.

In its fifteenth year of operation, the ISCM continues to encourage collaboration with local and international professional bodies in order to exchange insights and raise the bar of professionalism for our industry at large. Through our participation in the Council of Asian Shopping Centres (CASC) since 2008, our institute has worked to strengthen ties in the Asia Pacific region, and we also organised the annual CASC Conference in 2009 and 2017. This international conference helps foster and consolidate connections between our industry and our counterparts across Asia.

Despite the upswings and downswings over the years, I have always believed that challenges can also be windows of opportunity. What we have in Hong Kong is, first, a stable economy with near-full employment, a pro for local consumption, and second, prospective opportunities from the development of the Greater Bay Area, especially regarding inbound tourism. Third, the application of various new technologies will certainly lead to more business opportunities.

Looking forward, as shopping centre management professionals we should be well prepared to maintain Hong Kong's reputation as Asia's shopping paradise.

How can we make sure? First, we industry members should always learn from one another. Second, we can draw on our own capabilities as well as complementing each other's strengths, and network to build more win-win platforms for the industry.

What are the possible channels? I encourage you to go ahead and sign up with the ISCM and join our seminars and study tours! I think if you join us as well as your other industry peers, you will quickly see the wonderful benefits we offer.

Baldwin Ko
Chairman (2018-2020)

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Shopping Malls - The Heart of Smart Cities 15th Anniversary Annual Dinner

ISCM will celebrate its 15th Anniversary in the evening of 26 April at the Grand Ballroom of JW Marriott Hotel. Hundreds of industry friends mark our anniversary dinner as their can't-miss annual event as they know well that it is a platform of

connections and ideas to hone their craft, expand their horizons, and solidify their place in this fast-moving industry.

This year, we are much honoured to have Mr. Frank Chan Fan JP, the Secretary

for Transport and Housing of the HKSAR Government, as the guest of honour. We are also delighted to have representatives from Invest Hong Kong and Tourism Commission joining and celebrating with us on this big day.



Industry friends will be treated to an evening of fabulous food and drinks and warm friendship



More than that, our Honorable Members from the Chinese University of Hong Kong and the University of Hong Kong, as well as the leaders from professional institutes across Asia including Taiwan Council of Shopping Centers, Chartered Institute of Housing Asia Pacific Branch, The Hong Kong Association of Property Management Companies Limited, Hong Kong Institute of Certified Property Managers, The Hong Kong Institute of Facility Management, The Hong Kong Institute of Housing, Hong Kong Institute

of Marketing, Hong Kong Institute of Real Estate Administrators. The Hong Kong Institute of Surveyors and Hong Kong Advisory Board, RICS are all our special guests.

We shall continue our charity fundraising initiative. In addition to the closed tender, our Board Members have made their first attempt to bake our own Taiwanese pineapple cakes for charity sale. Our beneficiary will be Hong Kong Sheng Kung Hui Welfare Council

Limited established in 1966, which has been dedicating its efforts in serving the community especially the socially disadvantaged groups, by providing multifaceted services to individuals across all ages and socioeconomic backgrounds in line with its service philosophy.

Last but not least, we would like to express our gratitude to our title sponsors and all the gift sponsors who make the evening fill with joy and laughter.

Sponsors

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A Platform for Knowledge Exchange

Our Institute has long been focusing on our mission to encourage knowledge exchange. We strive to amplify the existing strengths of our industry members and to extend them into new areas and opportunities. We hold roughly one seminar a month and a wide range of topics would be covered.

In the first quarter of this year, we have had seminar topics ranging from the interior design trends of shopping centres and luxury brands, the basics and application of AI to practical business operations like the application of restaurant licence in shopping centre and talent management.

We are pleased to learn that nearly 200 industry members have joined our seminar on the application of restaurant licence in shopping centres, with Sr Christopher Wong, the Former Chairman of Building Surveying Professional Group of RICS (HK) our guest speaker. This was also by far one of the biggest classes.



Mr. Taka Tsukiyasu (2nd from the left), Director of GARDE Co., Ltd and Project Manager of GARDE Co., Ltd, Mr. Johnny Lau (3rd from the right), touched on the interior design trends of shopping centres and luxury brands in our upcoming seminar. They also shared insights on the ways to transform and renovate traditional retail enterprises.



Mr. Samson Tai (2nd from the left), EXCO Member of Artificial Intelligence Specialist Group, Hong Kong Computer Society and Mr. Ryan Lau (left), member of iLEAP, Hong Kong Computer Society shared their insights upon the basics of AI, its applications and shared real life cases involving the use of AI at Elements in the evening of 28 March.



In the evening of 18 March, Sr Christopher Wong, the Former Chairman of Building Surveying Professional Group of RICS(HK), shared with the participants different types of restaurant licence in shopping centres and the key ways to grow their F&B business by expanding seating in shopping centres.



On 5 February, Mr. Thomas Mok (3rd from the left, first row), a seasoned performance consultant in the Human Resources field, along with two interns, Ms. Cynthia Fung and Mr. Ivan Tang, shared their invaluable insights and experiences on working with Millennials in the most efficient and beneficial way.

Popular Japanese Mega 24-hour discount store Don Don Donki coming to Hong Kong

In light of the uncertain external economic environment, the retail industry relies heavily on local consumption. 2019 is believed to be an utterly challenging year. Don Quijote Co., Ltd. (Don Quijote), an enterprise with large-scale discount chained stores in Japan, has been gearing up for entering the market in Hong Kong fervently. The first branch will be opened in Mira Place at Tsim Sha Tsui in mid-2019, covering about 15,000 square feet whereas its second 50,000-square-foot outlet is slated to open in OP Mall, a new shopping centre in Tsuen Wan West.

Targeting both locals and travellers

Japanese megastore Don Quijote is one of the favourite shopping destinations among Hong Kong travellers in Japan. A broad variety of products, from cosmetics, daily sundries to snacks and home appliances, are available at low prices while the stores operate 24 hours a day. Recently, Don Quijote posted recruitment ads on a local job portal confirmed the opening of a Don Don Donki (驚安の殿堂) store in Hong Kong soon which have immediately caught public attention.

It was reported that Henderson Investment (0097) has acquired some retail business of Japan's FamilyMart UNY Holdings Co., Limited (FamilyMart UNY) in Hong Kong, including APITA and UNY, both of which are premium Japanese-style general merchandise stores. Subsequently, FamilyMart UNY has become the single largest shareholder of Don Quijote through acquisition. Hence, it is entirely logical that Don Quijote's chained stores join the shopping malls of Henderson Land Development Company Limited.

The new Don Quijote store will take over the basement space of Mira Place Two facing Nathan Road in Tsim Sha Tsui. The retail sector generally believes that this Japanese brand not only targets overseas visitors, but also local

consumers. In addition, the Mainland has dedicated much effort to anti-corruption in recent years, leading to the drop in demand for luxury goods. Ever since the commencement of operation of the Hong Kong-Zhuhai-Macao Bridge and Hong Kong-Shenzhen-Guangzhou Express Rail Link, non-overnight visitors have consumed more daily necessities in Hong

proximity to transportation hubs, such as Tsim Sha Tsui and Jordan, where the Express Rail is highly accessible, are no longer available. The shop vacancy rate at Tsim Sha Tsui drops from the highest 6% to about 3% today. On the other hand, there are more shops selling cosmetics, health food and drugs in the districts near the Hong Kong-Zhuhai-Macao Bridge,

and socks have occupied the shops which sold luxury goods previously.

Poon believes that Don Quijote craves the best site so as to arouse public attention. Larger floor space is also necessary to accommodate a broad variety of goods. He points to the fact that a chained store company normally opens three flagship

among one another for store locations. Some possible competitors are Best Mart 360° (2360), which has earlier indicated their intention to expand business; and MINISO, which sells sundry items at around HK\$10 to \$20. On the other hand, Mannings, Wellcome and PARKnSHOP may speed up their expansion by opening more branches when rental rates

long-term issues have yet to resolve. In the coming year, China and the United States will still be engaging in the trade war game. In addition, China is in a time of adverse economic conditions and the retail industry in Hong Kong relies heavily on consumption by mainlanders. Therefore, he mentions that even the retail sales in Hong Kong can achieve growth, it can only be a single-digit increment. "To achieve good performances amid adverse market conditions, retailers have to be exceptionally unique and remarkable," says Professor Sin.

Will Don Quijote be a unique choice to Hong Kong people? Professor Sin, also the Honorable Member of the Institute of Shopping Centre Management (ISCM), deduces that it all depends on the market position of Don Quijote after it has launched its first chain store in Hong Kong, "As the retail space in Hong Kong is rather limited, what matters most is the merchandise assortment which appeals to local customers." He believes that the first store of Don Quijote, which covers 15,000 square feet, can project a striking ambience in town. Whether customers find the store attractive depends on the types of merchandise offered. Leo adds that the frequent collaboration between chained store companies like Don Quijote and local property developers may exert a profound impact on Hong Kong retailers.

Currently, Don Quijote has over 160 locations throughout Japan, with 3 stores in Singapore (branded as Don Don Donki), 1 in Thailand and 2 in Hawaii. New stores are to be expected in Taiwan, the Philippines and Malaysia. The first store in Hong Kong is set to open in July this year while the recruitment ads indicated that the opening hours of this Hong Kong brand will be from 7am to midnight.



The first Don Don Donki Hong Kong store is slated to open in July 2019 in Tsim Sha Tsui.



Kong, which appears to be favourable to Don Quijote as it offers products at bargain prices, ranging from daily sundries to food products.

Shop vacancy rate down from the peak

The circumstances of local retail shop leasing have already reflected that the retail business in Hong Kong focuses on daily necessities. Poon Chi-ming, General Manager of Centaline Commercial, states that the vacant shops at densely populated districts which are in close

such as Tuen Mun and Yuen Long.

Poon stresses that the drop in demand for luxury items by mainlanders has led to the surge of the shop vacancy rate to over 8% in the core shopping area at Causeway Bay. Now, the rate has dropped to about 3%. Recently, some new shops like beverage stores have opened in Hong Kong, as such stores have to be located at small shop spaces with high traffic flows, resulting in more small shops being leased in Causeway Bay. Besides, more tenants selling clothes, sportswear, shoes

stores, one in Kowloon, one in Hong Kong Island and one in the New Territories. If a brand opts for floor space with over 10,000 square feet, it is subject to the availability of combinable areas, like the combination of the ground floor, first floor and second floor or basement.

"The buoyant consumption of daily necessities is favourable to retailers selling low- and mid-priced sundry goods," says Poon. He expects that some competitors similar to Don Quijote in terms of the nature of merchandise may compete

appear to be more reasonable and the consumption of daily necessities keeps rising vigorously.

Projecting a striking ambience

The retail sector anticipated the overall retail market will become more stable or grow slightly. Professor Leo Sin Yat-ming, Honorary Institute Fellow of the Asia-Pacific Institute of Business at the Business School of the Chinese University of Hong Kong, asserts that the US-China trade war can only address basic and short-term issues, whereas some

Kids friendly a trump card for local catering business?

In light of uncertain economic prospects and surging rental costs, in addition to the usual low season right before Mother's Day, food and beverages (F&B) companies have put tremendous effort in boosting sales through promotion in the first half-year. To catch public attention in a rather stagnant market, restaurant owners have racked their brains to make their brands stand out. On the other hand, some parent-child restaurants opened at the end of 2018 and earlier this year. Can these brand-new type of catering services compete with other counterparts successfully? We can only draw a conclusion after observing their performance this year.

Pull and push factors

To sum up the opinions from the F&B sector, the business grew steadily during the peak season of the immediately preceding Chinese New Year. However, some restaurants owners also noticed their customers were more prudent in spending. This year, less consumer spending in large amounts was observed compared to that in the same period last year. Wong Ka-wo, Chairman of the Hong Kong Federation of Restaurants & Related Trades Limited, anticipates that the F&B sector can hardly achieve significant growth this year. In fact, he is worried about the possible decline of the overall performance. "The US-China trade war has yet to resolve, though the Hong Kong-Zhuhai-Macao Bridge brings a lot of tourists to Hong Kong daily, it also deters local consumers from spending."

In recent years, the newly emerged parent-child restaurants have become more and more prevalent, do they stand a chance to excel in the F&B market? Wong believes that it is by no means easy to run a parent-child restaurant, such kind of catering services can hardly be a significant trendsetter. "Comparatively, parent-child restaurants need a larger space for running their business; however, they can only operate in the stores or lots with low traffic flows due to skyrocketing rental rates. Even they operate in a



Could the newly emerged parent-child restaurants stand a chance to excel in the F&B market?

shopping mall, they can only occupy a corner space," said Wong. He stresses that this kind of restaurants focuses mainly on parent-child activities, but not the provision of high-quality dishes.

Wong mentions that even a restaurant is not heavily invested, it takes great pains to run the business due to the rental pressure on tenants, "The restaurant owners should choose a site with less rent burden and put more efforts in

promotion, particularly implementing more promotional events in the district." Besides, parent-child restaurants should concentrate on running the business at weekends and on public holidays. Wong said, "Retailers should carry out as many retail activities or other types of events as possible, given that they are in line with the main theme of the restaurant. In such a way, they can generate more revenues and enhance their rental affordability."

Brand-new catering concepts

Poon Chi-ming, General Manager of Centaline Commercial, states that stabilisation of shop rental rates can lead to the gradual proliferation of consumer brands of daily sundries. Over the past two years, the F & B market has been diversified into different brand-new types of restaurants, which can boost traffic flows and tenants' rent affordability. In particular, parent-child restaurants need larger spaces for operation while one of

the feasible options is shopping malls which can accommodate more spacious shops. "The rental rate of the retail sites near the escalators on the first, second and third floors is lower as they are not the most sought-after locations. If restaurants open there, they can draw more customers to the shopping mall."

Among the local parent-child restaurants, Mr. Tree from Taiwan has played a role model in showing how to sustain the business by blending different kinds of associated activities with catering services, triggering off the rapid emergence of parent-child restaurants in Hong Kong.

In 2016, Mr. Tree opened its first branch in D2Place at Lai Chi Kok, drawing considerable attention from family segments in Hong Kong. The restaurant covers over 6,000 square feet. The entire floor space is equally divided into the dining area and the game area. Only children aged under six are allowed to play in the game area, which is further divided into a number of zones according to different age groups, covering a toy zone, a sand pool, and a signature ball pit comprising 50,000 balls. Shortly after its opening, the restaurant was always fully booked. Last year, more parent-child activities were introduced, such as extra courses, summer camps, birthday parties and sales of children products. Such business diversification enables restaurant owners to tap new sources of revenues and sustain its profitability.

The second branch of Mr. Tree opened in the Windsor House at Causeway Bay earlier this year. Covering 6,000 square feet, the total floor area is just the same as that of the first branch. The theme of this restaurant is sports-oriented. Apart from a ball pit, a water pool and a climbing wall are also installed. Today, Mr. Tree is collaborating with some brands of nursery and children products, such as Toys"R"Us and GOO.N. Toys"R"Us provides free toys for Mr. Tree. In return, the two brands can enjoy a lower shelf-space fee when selling

their products in the retail area of the restaurant, and the members of these two brands can also enjoy discount offers at Mr. Tree.

Mr. Tree revealed earlier that more than one shopping mall has invited them to discuss the possibility of shop leasing, which reflects that parent-child restaurants appeal to shopping malls to a certain extent. Not only has the craze triggered by Mr. Tree fostered the opening of restaurants with large game zones and catering services in various districts, but also aroused the interest of other restaurants in installing a mini play area to attract family segments. From Jamie's Italian with a strong lineup of famous chefs, to restaurants with usable outdoor spaces, restaurant owners are now more willing to spare more extra space for accommodating toys and game facilities.

The parent-child concept is also translated into a rich array of elements in a restaurant. Recently, another parent-child restaurant, Origami Kids Café, has opened in Kai Tak Cruise Terminal Park. The approach of the restaurant is getting close to nature. Apart from the toys mostly made of wood, the slide and sand pool are also made of wood, and the tableware is made of bamboo. In general, parent-child restaurants do not focus on food quality, but Origami Kids Café has invited Michelin one-star chefs to prepare Hangzhou cuisine, whetting the appetite of both adults and children for sumptuous gourmet delicacies.



The parent-child concept is also translated into a rich array of elements in a restaurant and Origami Kids Café is one of them using nature as one of the key concepts.