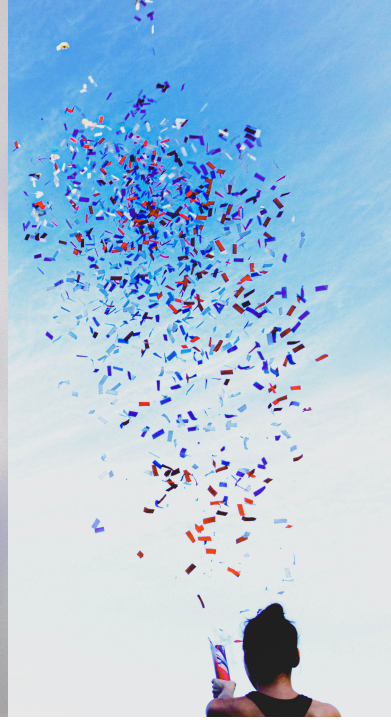


INSTORE

*Monthly Retail Newsletter by
NTL*

April 2020

Inside the Issue



INFORMED

This month we have our Executive Director, Ungku Suseela's thoughts about how retail is affected by Covid-19

IN DETAIL

Retailers are rising to the occasion, get a sneak peek into what they are doing to help the Malaysian community

WHAT'S IN?

Every month, this newsletter will highlight updates on retailers, retail spaces and brands, both locally and regionally.

IN THAILAND

A look into a new F&B concept in Thailand by our ETC Bangkok office.



COVID 19:IMPACT ON MALAYSIAN RETAILERS & HOW THEY ARE RESPONDING

by Ungku Suseela

When COVID-19 first started infecting people at the end of last year, most Malaysians didn't expect it to reach Malaysia. Unfortunately, it did. In March, two unprecedented things happened. The first was that COVID-19 was declared a global pandemic, and the second was that the Malaysian government issued the Movement Control Order (MCO) on the 18th of March. Ultimately, the rising infections in Malaysia and the MCO has pushed retailers into a never before seen environment. Which begs the question: How are they coping?

Without a doubt, it has been difficult. The MCO states that only essential services like F&B, groceries, postal services, clinics, pharmacies and a handful of others were allowed to operate during the MCO. This left many other retailers like fashion, lifestyle, sports and other trade categories stranded with high operation costs like rent and payroll - with no way of earning sales. And after two extensions, things only seem to be getting worse for retailers. However, some shopping centre developers have stepped up, for example, Sunway and Pavilion provided "rent relief" for non-essential retailers for the duration of the MCO. But is this enough? Probably not, as most retailers still have to contend with zero sales.

Moving Online

However, there was a caveat. Online shopping was still allowed during the MCO. And this is where we see the most significant change in shopping behaviour during the pandemic - more people were going online to shop. According to the Malaysian Digital Association, since the implementation of the MCO, there was a massive surge in online activities, tied explicitly to online shopping. However, not all retailers can jump on this bandwagon. Most traditional retailers do not have the infrastructure to change their business models into an online format, mainly because Malaysians were only given two days to prepare for the MCO. But sites like Lazada and Shopee immediately saw huge spikes on their platforms as soon as the implementation of the MCO happened. However, this doesn't mean that all online retailers do well. For example, in the UK, online shopping for clothing dropped by 20%, as people focused on buying essentials.

With global experts still saying that one lockdown isn't enough to contain the virus, I suspect that more retailers will have to look into how they can transform their business models into online formats as soon as possible. Their survival depends on it.

Essential Retailers

During the MCO, grocery shops and pharmacies are having unprecedented increase in sales as people have started to panic-buy essentials. But are they coping very well? While they are allowed to open, the government has implemented stringent guidelines on how they are allowed to operate. For example, everything must be sanitised daily, and grocery store patrons are not allowed to shop in large numbers at any given time. Large hypermarkets like Giant or Tesco need to close off certain sections like their fashion and electrical departments – where they have higher margins. So it's been difficult for them too. Supply also seems to be an issue as grocery stores continue to have fewer products on their shelves, with each passing day.

In fact, some grocery stores even needed to suspend their online deliveries due to overwhelming demand. A study by the Malaysian Digital Association saw a surge of 600% for online grocery traffic since the third week of March.

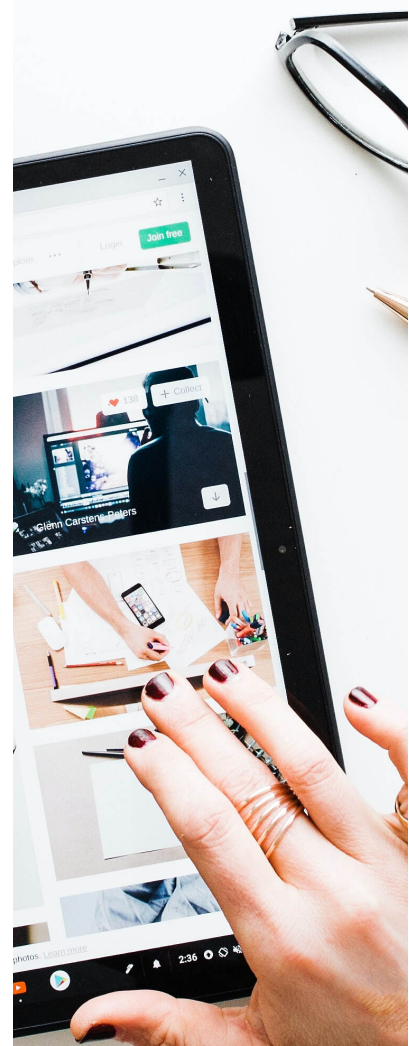
In a sense, no Malaysian retailer has been left unscathed by the MCO. And even though it seems like it's "business as usual" for essential retailers, they still face challenges to operate effectively.

Hope for a better tomorrow

While things seem to be at a loss, it doesn't mean there is nothing to look forward to. Malaysian retailers are known for surviving through many a crisis, like the 1997 - 1998 and 2008 - 2009 financial crises, and they came back stronger.

However, it might take some time to adjust. COVID-19 is going to be around for the foreseeable future and to survive both retailers and shopping centre owners have to work together and adapt the way they do business. Coming together during this crisis is critical for everyone's survival.

“Coming together during this crisis is critical for everyone's survival.”



IN DETAIL

COVID-19: MALAYSIAN RETAILERS ARE GOING ABOVE AND BEYOND

by *NTL Team*

Malaysian retailers may be negatively affected by the Movement Control Order (MCO), but they are championing for more positivity with their actions. Despite suffering setbacks in operations, many Malaysian retailers have decided to give back to their communities and those in need. Showing all Malaysians that they're not just about making sales.

It was reported in the New Straits Times that Nando's Malaysia has decided to give all front line COVID-19 workers a 40% discount for takeaways, to show their "appreciation for the selfless and tireless efforts made by front line workers to protect and serve the nation." And it doesn't stop there, Nando's has also donated over RM 50,000 to both front line workers and vulnerable communities in Malaysia.

The New Straits Times quoted Ms Mac Chung Lynn's Group CEO of Nando's Malaysia: "In these unprecedented times, Nando's is guided by our values and belief that we can change lives, one chicken at a time. When the MCO was announced, our restaurant managers immediately rallied together to show their support and donated to police officers, hospitals and riders within their community. This inspired us to do more and to remind others that we're in this together,".

It was also reported by the Malay Mail that myBurgerLab had decided to pay their part-time staff to help the elderly with errands during the MCO:

"if you know a grandma/grandpa or anyone whose mobility is restricted and needs help with grocery shopping, please do let us know. We at myBurgerLab will pay for the Geeks (staff) time as it's our small way of giving back" - myBurgerLab.

All customers need to do is to fill a form in <https://bit.ly/mBLGeekAssist> to put in a request, and myBurgerLab will assess whether they can help, ensuring that priority cases will be attended to first. Many people have commented on myBurgerLab's Instagram post saying that it's an "amazing initiative".

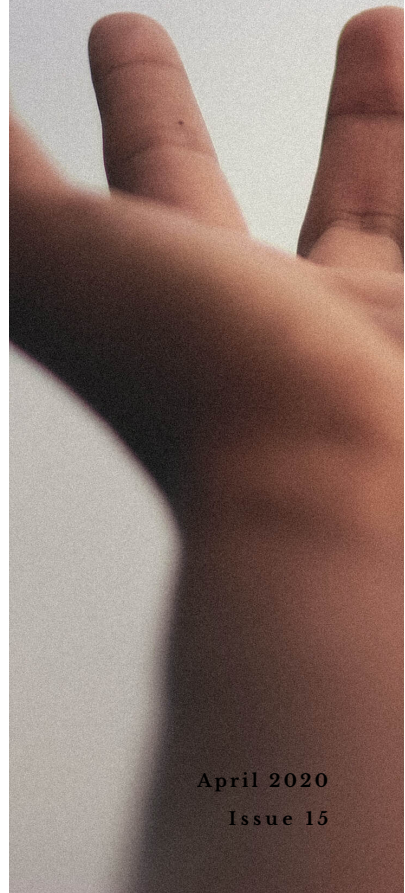
Besides just F&B retailers, fashion players are also coming up with ways to help out during the pandemic. The Star reported that MODA (Malaysian Official Designers Association) which is headed by Melinda Looi, is working with Internet retailer, Fashion Valet and Imaret (Islamic Medical Association Of Malaysia). All three organisations are working together to collect funds, sew and distribute PPE gowns to hospitals.

"Hospitals are in urgent need of more PPE hospital gowns. PPE hospital gowns are very important to protect them when dealing with patients or screening patients so that they don't contract the virus themselves" - MODA.

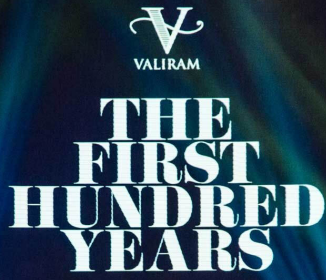
The gowns will be sewn by the likes of eminent fashion labels like Melinda Looi herself, Khoon Hooi, Key Ng and Celeste Thoi.

While the battle against COVID 19 is still in its early stages, it seems that Malaysian retailers are playing a significant role in providing some relief to those in need and the front line workers.

NTL would like to congratulate and applaud them for their efforts. NTL would also like to continue to feature amazing retailers who go above and beyond in future newsletters.



WHAT'S IN?



VALIRAM: THE FIRST 100 YEARS

NTL would like to congratulate the Valiram Group for their first 100 years of operations. The 'Valiram : The First Hundred Years' commemorates a century's journey of three generations in the Valiram family in becoming a leading homegrown, luxury and lifestyle retail specialist.

The book was put together by the brand's executive directors and brothers Sharan, Ashvin and Mukesh Valiram, along with their mother Datin Champa Valiram, as a tribute to their late father Datuk Jethanand Valiram. It records the family's humble beginnings in the early 19th century from Hyderabad and how an enterprise grew into a retail conglomerate, spanning the Asia-Pacific region.

The publication was presented at an event with 500 guests comprising family, friends and Valiram's business partners. The event was officiated by Sultan of Selangor, Sultan Sharafuddin Idris Shah, and he was presented with the first edition, numbered V0001.

Read more [here](#).



SPANISH JEWELLERY BRAND OPENS CONCEPT FLAGSHIP STORE IN KL

Tous opened a new concept Flagship store at Suria KLCC, marking the brand's 100-year anniversary this year.

This is the only store in Asia and the only country after Spain to have a flagship store. As part of their efforts to strengthen its presence in Asia, Tous has established a joint venture with Habib Group.

This store allows customers to view more collections including the exclusive Vita collection at the heritage' area showcasing 18k gold, diamonds and natural gemstone jewellery. Handbags and small leather products, watches, scarves and perfumes can also be found at this store.

Tous stores are also available in Pavillion KL, IOI City Mall and Sunway Pyramid.

Read more [here](#).

WHAT'S IN?

GUCCI'S BEAUTY BOUTIQUE NOW OPEN IN KLCC

Gucci opened its first beauty-stand-alone store in Malaysia in December 2019 in KLCC.

This new beauty boutique offers a wide range of luxury fragrances and lipsticks; including the newest fragrance line called The Alchemist's Garden, featuring seven perfumes, four scented oils, three scented water and a scented candle.

Perfumer Alberto Morillas turns plant extracts into seven distinct scents, with oud, amber, violet, iris, mimosa, rose or wood as hero ingredients. Meanwhile the four perfumed oils scented with rose, oud, wood or violet and the scented waters each contains cypress, lavender or wood elements.

Read more [here](#).

KL'S KSL ESPLANADE MALL REVEALS ANCHOR TENANTS

KL Esplanade Mall has unveiled a list of confirmed tenants for the development.

Scheduled to open in South Klang in 2021, occupancy rate is at is currently at 65%, tenanted to more than 100 brands. At 650,000 sf, the mall will be complemented by more than 300 local and international stores and a number of large format retailers. Committed anchor tenants include TGV Cinemas, Daiso, Energex Park, Loon Sing Restaurant, Houzone, Next Gen, Mr DIY, Happy Fish Swim School, Ashley Furniture HomeStore, Tone & Mann, Karaoke Manekineko, FOS and Toyworld.

Read more [here](#).



WEAR WITH PRIDE- AIR ASIA & PESTLE MORTAR CLOTHING

Pestle & Mortar Clothing recently launched the capsule collection, a collaboration with Air Asia celebrating Southeast Asia, its culture and people.

Designed by 7 Southeast Asian designers from Malaysia, the collection brings together the staples in sportswear and athleisure such as drawstring pants and shorts, loose, unisex t-shirts, casual printed jackets, vests and trendy caps.

The designers have drawn inspiration from the diverse cultures and flora and fauna of Southeast Asia and translated these into everyday pieces. The aim is to spark conversations through their designs and show the world what Southeast Asia is capable of. The collection will be available for purchase on selected AirAsia flights and Major Drop at Sunway Pyramid and Midvalley, and online at pestlemortarclothing.com and ourshop.com.

Read more [here](#).

WHAT'S IN?

FRUITAS TO LAUNCH NEW FRESH FOODS CONCEPTS

With 1,068 stores across the country, Philippine F&B kiosk operator Frutas Holdings will be launching 2 new concepts in addition to their popular fresh-fruit shakes concept : A fast-growing grilled chicken market segment and a store concept under Babot's Farm brand.

Frutas' grilled chicken will be offered through the existing kiosk network and new solus stores to be opened in strategic locations, leveraging on its recently acquired Heat Stroke Grill and Kuxina Ihaw na. On the other hand, Babot's Farm is a collection of fresh products including buko beverage line, a new soy range under Soy and Bean, featuring products from the company's recent acquisitions The Tofu Store and fresh dairy.

Read more [here](#).

'JEWELLER TO THE STARS' MOUAWAD EYES ASIAN ROLLOUT

Mouawad Group is planning to open stores across Asia, and will begin expanding in Asia Pacific next year and roll out stores across a subsequent decade.

Headquartered in Dubai and Geneva, the brand targets key markets like China, Hong Kong, Singapore, Indonesia and Malaysia as part of their expansion plans. Mouawad Group is a 130-year old family-owned company, currently run by three brothers of the fourth generation.

Known for selling jewellery, watches and artworks to A-list clientele, the brand is dubbed Jewellers to the stars.

Read more [here](#).

TAIWAN'S CHUN FUN HOW OPENS IN SINGAPORE

Chun Fun How, a Taiwanese bubble-tea chain, will launch their flagship store at the Esplanade in Singapore.

Currently the brand has 14 outlets in Taiwan, franchise outlets in Hong Kong and Canada, and plans to expand in Indonesia and Singapore.

As the coronavirus outbreak continues, the floral-themed store will only offer takeaway drinks for the time being, with heavy emphasis on sanitisation. However, the brand is expected to offer new drinks and menu items exclusive to the Singapore market.

Read more [here](#).

STARBUCKS JAPAN TO OPEN GREENHOUSE STORE IN THEME PARK



Opening in western Tokyo, Starbucks Japan will be launching a greenhouse store, set in a theme park. The Starbucks Greenhouse Café occupies 1,500sqm within the Hana Biyori greenhouse operated by Yomiuriland park. The store will feature colourful flower chandeliers and abundant greenery and

large aquarium tanks as a central feature. The café will also present an audio-visual experience filled with digital and real flora several times a day.

Read more [here](#).

IN THAILAND

SIZZLER GRAB-AND-GO, A NEW F&B CONCEPT COMES TO THAILAND

by ETC Team



Sizzler unveiled its first 'Grab-and-Go' store at the BTS Saladaeng in response to people's need for quick, healthy and easy meals. The brand's goal is to offer nutrient-rich food which is easily accessible to those working in Silom. The concept by 'Sizzler Grab-and-Go' was launched in a high traffic area where residents and commuters in Silom can grab food from its store at the BTS Saladaeng Station. The food is packed in environmentally friendly materials, and the design reflects its health-oriented concept. At the Sizzler Grab-and-Go Store, there is a wide selection of healthy food, including salad, sandwiches, fruit juice, and also vegan options.

The starting price is at 79 Baht which is affordable for its target market. The first store at BTS Saladaeng Station will be used as a template for SLRT Company Limited for its next marketing plan and future business model.

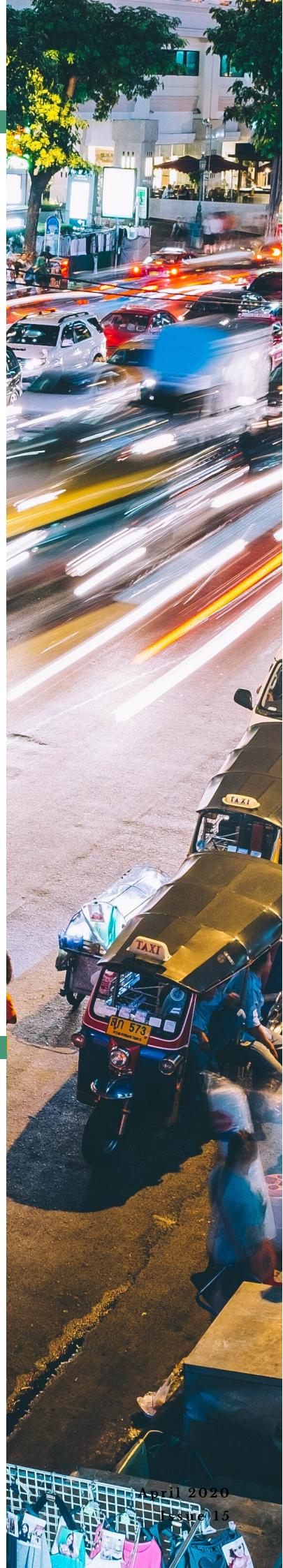
For enquiries on the above article, kindly contact (neeranuch.k@etcthailand.co.th)

ABOUT NTL & THE ETC GROUP

Established in 2000, Nawawi Tie Leung (formerly known as DTZ Nawawi Tie Leung), is a prominent property consulting firm in Malaysia which is part of the Edmund Tie & Company (SEA) (ETC) with offices in Singapore, Malaysia and Thailand. NTL has a proven track record in retail development consultancy and leasing throughout the South East Asian region.

Our distinctive Asian philosophy based on trust, integrity, collaboration and reciprocity allows us to create value for our clients and stakeholders that exceed their expectations.

As a member of ETC, we are supported by some 500 experienced professionals across our network. Our expertise covers a comprehensive range of property services, including commercial agency and occupier services, residential agency, retail property services, investment sales, valuations, property management, and research & consulting.



THANK YOU FOR READING INSTORE

*A Monthly Retail Newsletter by
NTL*



Issue 15

Nawawi Tie Leung Real Estate
Consultants Sdn Bhd (“NTL”)
(formerly known as DTZ Nawawi
Tie Leung Sdn Bhd) Suite 34.01
Level 34 Menara Citibank, 165
Jalan Ampang, 50450 Kuala
Lumpur, Malaysia

Website : www.ntl.my

Facebook : Nawawi Tie Leung

**FOR MORE
ENQUIRIES:
03-2161 7228
RETAIL@NTL.MY**



DISCLAIMER : THE INFORMATION CONTAINED IN THIS DOCUMENT ('THE MATERIALS') IS SUBJECT TO CHANGE WITHOUT PRIOR NOTICE AND IS PROVIDED SOLELY FOR GENERAL INFORMATION PURPOSES ONLY. WHILE ALL REASONABLE SKILL AND CARE HAS BEEN TAKEN IN THE PRODUCTION OF THE MATERIALS, NTL MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED REGARDING THE COMPLETENESS, ACCURACY, CORRECTNESS, RELIABILITY, SUITABILITY, OR AVAILABILITY OF THE MATERIALS AND THE COMPANY IS UNDER NO OBLIGATION TO SUBSEQUENTLY CORRECT IT. YOU SHOULD NOT RELY ON THE MATERIALS AS A BASIS FOR MAKING ANY LEGAL, BUSINESS OR ANY OTHER DECISIONS. ANY DISCLOSURE, USE, COPYING, DISSEMINATION, OR CIRCULATION OF THE MATERIALS IS STRICTLY PROHIBITED UNLESS WITH PRIOR CONSENT FROM THE COMPANY.