

## Hoping for year-end shopping spree

PETALING JAYA: With Deepavali and Christmas just around the corner, the year-end festive and shopping season will be the lifeline retailers have been waiting for after almost a year of slow sales, say retailer groups.

The festive shopping period, which may stretch until Chinese New Year in February 2022, will also traditionally see a slew of discounts and promotions to perk up consumer spending.

Although the country's borders remain closed, retailers said Malaysians will opt to travel and spend locally as more movement is happening now with interstate travel allowed.

However, they are warning consumers to expect slight price hikes and shortages of certain goods in view of supply issues.

Malaysian Retailers Association vice-president Datuk Ameer Ali Mydin said he was optimistic because retailers were set to benefit from several factors that stimulate domestic shopping.

"The year-end holiday season is usually one of the biggest spending times for many Malaysians, who will travel overseas for getaways and shopping. But all these (overseas trips) are not going to be possible.

"What's usually spent outside of Malaysia will happen here instead. Malaysians will travel and spend domestically," he said.

After not having travelled much in the past 18 months, the public's pent-up demand for shopping would be unleashed and that would be a boost for retailers, added Ameer, especially with the impending Deepavali, Christmas and year-end holiday.

"This will be the silver lining that we have been waiting for," he said.

**According to the Statistics Department, in 2020, 42.3% of domestic tourists visited a place for shopping, ahead of 32% who visited friends and relatives, holiday and leisure (16.9%), medical treatment or wellness (4.2%) and entertainment and special events (1.7%).**

Shopping also made up over half of the expenditure by domestic tourists at 52.6% followed by food and beverage (18.6%), automotive fuel (9.0%), transportation (6.2%) and accommodation (5.2%).

Citing an example, Ameer, who is also the president of the Bumiputera Retailers Organisation said the usual Deepavali celebration used to see some Indian communities fly to India for their festive shopping and preparations.

“Also, over the last few years, there had been Indian retailers who came to Malaysia in the guise of attending an exhibition but actually selling their goods, which has been a concern among local retailers.

“However, (since travellers are not allowed in) I foresee that our retailers will enjoy brisk business this Deepavali and during the year-end holiday season,” he said.

He noted that both the tourism players and retailers had the advantage as fully vaccinated citizens were eager to travel and spend again.

“Certainly, things will not go back to the pre-pandemic times so soon, as the people’s spending power will be less following the pandemic fallout,” he said.

The Mydin managing director also said that foot traffic at malls had been increasing following the easing of the standard operating procedures for those fully vaccinated.

Malaysia Retail Chain Association secretary-general Stan Singh said the coming months were crucial for retailers alike to fill in the gaps following the various lockdowns and restrictions to certain businesses.

“They would want to push for sales to clear their backlog or excessive stocks,” he said.

When it comes to festive decorations, Stan said that almost all retailers will traditionally follow suit to deck up their premises in a bid to attract customers.

He added that retailers had been working extra hard on visual merchandising and looking into shopfront displays with sales and promotions.

The urgency is to bring in customers and push for sales that were stymied by the pandemic.

Sunway Malls and Theme Park chief executive officer HC Chan also agreed that the fourth quarter was the most significant time of the year for retailers and malls.

“Traditionally, it sees strong buying driven by the festivity and school holidays. And that momentum is sustained into the first quarter of the following year.

“The prolonged MCO had certainly dampened demand. Businesses are hoping to gain from the pent-up demand,” he said.

At Sunway Malls, Chan said the September figures indicated a 50% to 60% of retail normality when benchmarked against the same period last year.

“We reckon to achieve 80% range of normality in Q4 2021,” he said, adding that retailers have scaled up promotions to entice consumers back into stores while adhering faithfully to safety protocols.

Chan noted that festive decorations would remain commonplace at malls albeit in a modest sense to reflect the prevailing sentiments of the pandemic.

“It is important to have some degree of festive relevancy. The prevailing thought is shifting expenditure rather than cutting expenditure.

“The savings from decoration are then channelled into shopper rewards, redemption (offers) and community aid projects,” he said.

“This is certainly a more incisive and innovative approach in aiding business recovery.”

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