

Studio City set to turn Macau into a 'luxury shopping mecca'

by Natalie Leung in Hong Kong

The Mall at Studio City, which is expected to be opened in 2011 in Cotai, is set to turn Macau into a "shopping mecca" by appealing to Chinese consumers' "strong brands consciousness", said head of the luxury retail developer in Hong Kong yesterday.

Taubman Asia, the mall owner for Studio City's two-level shopping centre project, held a press briefing in its Hong Kong office yesterday to announce the 23 luxury brands which have committed to open flagship stores at The Mall. The stores will occupy about three quarters of the entire 600,000 square foot leasable space.

According to president of Taubman Asia, Morgan Parker, Macau represents "the very best" access portal to China's luxury consumption market thanks to its specific casino element.

"Of all the various forms of retailing, casino retailing ranks at or near the top when it comes to luxury sales productivity," Mr Parker told the media.

The research done by the developer showed that Chinese consumers already represent 18 percent of global luxury sales. And by 2014, they will become the largest group of luxury consumers in the world, surpassing Europe and the United States.

The Mall, which is a component of an integrated casino resort, will become the "show piece" of the project, Mr Parker said. Its location next to the Lotus Bridge immigration checkpoint and the light rail transit will make the shopping centre



President of Taubman Asia, Morgan Parker, introduced to the media the retail mall of the Macao Studio City project yesterday using a model on display in his Hong Kong office showroom.

a "meeting point" along the Cotai Strip, he added.

The president said he was confident about building a "luxury retail hub in the SAR" because of the "growing appetite of world class products".

"We found that no matter where you are in the world, people want the same thing. It's a global demand. Even ordinary people want to own luxury brand products," he said.

Mr Parker said Chinese consumers now represent the biggest tourist shoppers because of the "lack of prod-

ucts in the mainland".

"The Chinese consumer group is incredibly brand conscious. They look at brands as a symbol of success and the easiest way to differentiate themselves from the other millions," the president said.

"It's also a way to satisfy the Asian cultural instinct or value consciousness at the same time," he added.

Other completed shopping malls currently located on the Cotai Strip are The Venetian Macao's Grand Canal Shoppes and The Four Seasons Shoppes, not to men-

tion those which are still under construction in the same area.

But for Mr Parker, they are all "highly complementary" to The Mall at Studio City.

"What we've been creating on the Cotai Strip is a critical mass of 20 world class hotels and casinos that create a huge people pump. And this critical mass also stands for retail," he said.

The Grand Canal Shoppes, according to Mr Parker, does not have luxury brands but is a "retail mix" that is mainly for the "mid market position".

As for The Shoppes at Four Seasons, he said it has famous luxury brands but the format is "more akin to the airport", adding "people won't go to small stores if next door there is a full store with a full range of products".

Although Taubman Asia will target the Chinese consumer group, Mr Parker said the Chinese government's latest restriction to reduce the number of visits mainlanders can make into Macau was "terrific news" for his business as it will lead to an increased dura-

tion of stay.

"The government has actually facilitated what Macau needs which is a more sophisticated and stable tourism pattern," he said.

"When you change the rules of how people come in, they have to behave differently. When people have more time, they will have more time to shop, eat and go to shows," he added.

According to the company research, in 2006 tourists stayed for an average of 1.2 days in Macau and many of them did not even check into a hotel but spent all night gambling.

In 2008, Mr Parker said the duration increased to 1.8 days and is forecast to be 2.5 days and eventually at 2.8 days for 2011 when Studio City is expected to be completed.

The Mall at Studio City will be able to be reached without entering the casino floor which was designed for the increased number of visitors that don't come to gamble, said Mr Parker.

Apart from possible competition, another challenge retailers at The Mall may face is finding sufficient manpower to fill positions.

However, Mr Parker said he was confident that by 2011, Macau will have grown and the retail market will have developed the most sophisticated resource or recruitment strategies to handle the issue.

The Mall at Studio City, housing about 140 stores upon its completion in 2011, is a major component of the US\$2.5 billion Macao Studio City project which will have its casino operated by Melco Crown Entertainment.