



# Parker's plan

The man driving Taubman into Asia says

Macau has what it takes to be a shopping

destination, up there with the world's best





**Morgan Parker  
believes Taubman's  
shops at Macao  
Studio City will  
break records  
once they open  
in end-2009.**





A

fter two decades as a journalist, it's not hard to recognize a master salesman. Although we are sitting here in his office at Pacific Place for a specific purpose – to talk about the business of leasing retail space to luxury brands – I sense that Morgan Parker would be just as comfortable talking about selling ice to Eskimos. He is tall, has long hair and, although dressed in an immaculate suit and well-spoken, looks like he could have been the front man for a rock band if he had so desired.

Nevertheless, Parker chose Taubman, the leading operator of high-end retail space in the US, to build a career with. He chose well. Taubman may not be the biggest operator of retail space – dare we say mall manager – in the world, but it is arguably the most respected by the world's top luxury brands. With good reason: Taubman's assets (malls) are the most productive in the world's biggest shopping market. These guys know how to find well-heeled shoppers, bring them in to a mall, drive them into a store, and keep them coming back for more. If you were the boss of Louis Vuitton or Blancpain, you would love the way they operate, too, and you would buy Parker's ice.

Parker is indeed a man on a mission. He is bringing the 58-year-old Taubman to Asia, with projects in Korea and in Macau, at the Macao Studio City project on Cotai. So I decide to ask a few leading questions, and then sit back and let the tape roll.

First up is the Venetian. Parker starts off complimentary. "The opening of the Venetian means that there is a context now for people to make decisions about the future of their business in Macau," he says. "No longer is it a conversation that takes place on another planet. The people who own these world-famous brands are now able to visit Macau, look around, and get a sense of what the future holds for them."

Parker gives a nod to the other retail operators around town, most notably Wynn and Hongkong Land (building at One Central). Then he gets to the differentiating point. "What we plan to do is to de-fragment luxury retailing in Macau, by bringing all of the top brands into one location, creating one home for luxury in Macau. There are a few good brands here and few there, but we will have them all in one home."

What Taubman plans to do, more specifically, is create and manage a 700,000-sq-ft ultra-luxury retail space within Macao Studio City, the project being built a few doors down from the Venetian on Cotai. It will open around the end of

2009. Technically speaking, MSC is not on the "Cotai Strip" (a name trademarked by the Venetian). It is "Where Cotai Begins" (a name trademarked by MSC), next to the Lotus Bridge connecting to Zhuhai's Hengqin island.

By the time MSC opens, it will be surrounded by more than 2 million sq ft of retail space being leased by the Venetian, at both its own Grand Canal Shoppes and at the Cotai Central project being built across the road.

This doesn't bother Parker in the least. "The Venetian is a different product fundamentally," he says. "Where they top out is where we start. It's a perfect complement. We hope they will do it successfully, because Cotai needs to succeed as a whole. Ours will all be flagship stores. Every product these brands make will be there. They will be big."

Glossing over the presence of major brands at the Four Seasons Mall attached to the Venetian, which will open mid-year, Parker is convinced of his project's success. "We will break a lot of records with MSC. We will have the highest complement of luxury retailers in one space that's ever been built – bigger than anything in Hong Kong. And we will open them all with a bang from day one. We are convincing the world's biggest names to come to Macau and open shops that they would never have considered for Hong Kong – huge, luxurious stores, flagships. They are committing now, more than two years out, while Cotai is still a construction site."

Then he gets the gloves off. "The reason they are coming in is because they trust us. We are the world's most respected retail manager, and we are specialists in what we are doing. Everyone else in Macau, with the exception of Hongkong Land at One Central, is in a different business: casinos, conventions, etc. You even hear them talk publicly about how retail is a non-core asset, which doesn't exactly inspire confidence in a retailer – imagine, thinking that your landlord could be some Chinese hedge fund in a few years' time, would that make you confident about the project?"

The drawing boards come out, and Parker is in his element, explaining the fundamentals of shopping theory. "We know how to do retail within integrated resorts. They are a different concept. It's not just about getting people in; you have to get them around," he explains.

"Look at the diagram: there is only one circulation system. This is important, in that it ensures traffic will go past everyone. We have a clear target: 80 percent of customers must see 80 percent of the stores."

Parker delights in pointing out that integrated resorts with casinos at their core are different than traditional shopping malls, as Taubman has become something of a specialist in this space.

