Calling readers: Mohamad Baharudin, 67, the owner of Pustaka Buku Pertama at Pertama Complex in Kuala Lumpur, says business has been affected for some time. — CHAN TAK KONG/The Star

Rising above the slump

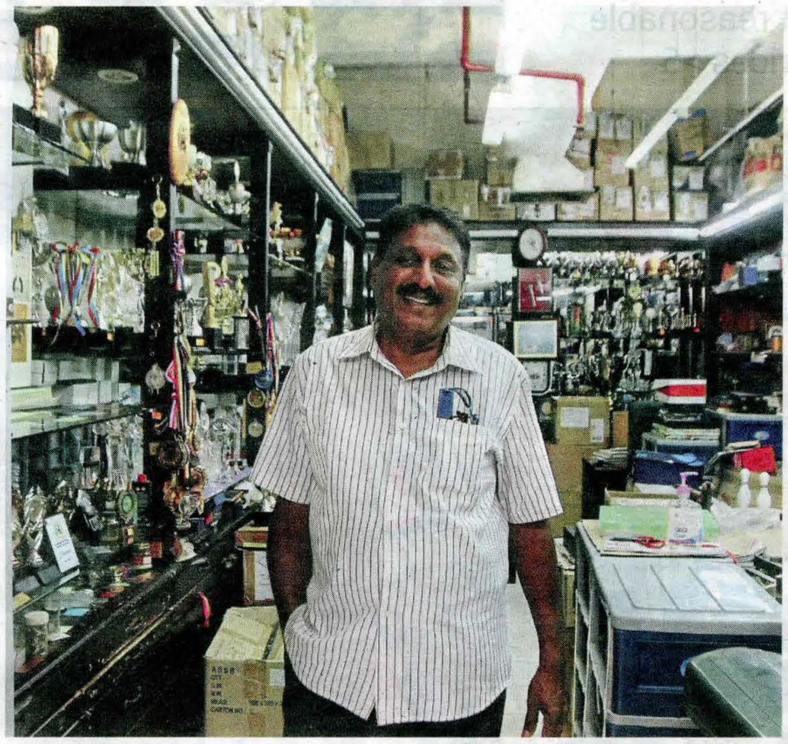
Business owners in two of Kuala Lumpur's oldest shopping complexes have persisted through tough times and continue to keep their doors open mostly thanks to regular customers. They hope that more will be done to return these malls to their former glory. >2&3

Slow days even before pandemic

Old-time businesses in Kuala Lumpur reeling from effects of tax, minimum wage implementation

Stories by BAVANI M
bavanim@thestar.com.my

Pertama Complex's food court and eateries contribute to the higher footfall there these days. — Photos: CHAN TAK KONG and LOW LAY PHON/The Star



Maniam says the implementation of the RM1,500 minimum wage has made things worse for his struggling business.

SINCE the shop opened at 10am, only two people have walked in, looking for something to buy.

One was a regular customer, while the other was someone who was merely there to kill time.

It was already past noon, and for Mohamad Baharudin, 67, the owner of Pustaka Buku Pertama, this has been a regular occurrence despite borders having reopened on April 1.

The bookstore in Pertama Complex in Jalan Tuanku Abdul Rahman, Kuala Lumpur, has been around for 40 years.

"It's been slow, but then again, things have been that way since 2015 when the goods and service tax (GST) was introduced to replace the sales and service tax," he said.

"Although GST for books was eventually abolished, we still suffered as the prices for other things went up and our customers started cutting down on their expenses," Mohamad recalled.

His regular customers who used to buy 10 books at a time, reduced their purchases to two, he said.

As many magazine companies closed down, the shop's regular magazine readers stopped coming too.

"It seemed like people just stopped reading," he added.

Covid-19 pandemic movement restrictions over the past two years pushed older shopping centres into a sorry state – a far cry from when they first opened their doors.

"The movement control order period was the worst time in our lives," said Mohamad.

Pertama Complex opened in 1976 while Campbell Complex, which is across the street at Jalan Dang Wangi, was completed in 1973.

Three years after its opening, Campbell Complex caught fire on April 8 and had to be closed down for massive repairs.

Mohamad said that when Campbell Complex was being repaired, many retailers moved to Pertama.

"The place was bustling and people came into my shop non-stop. We were so busy and the place was crowded all the time," he recalled.

Now, after almost 50 years, he said although business was not like that anymore, more people did start visiting the complex when the management started bringing in mobile phone merchants.

Razali says Campbell's office tower, retail space and hotel will undergo changes to make it more appealing to the younger market.

Also recalling the glory days was Maniam Thoraikannu, 68, who owns a trophy shop called American Trophies Sports House at Pertama Complex.

"I rented the shop in the early 1970s, and later bought the unit. It was the best of times.

"Demand for trophies and souvenirs were high and we were the best in the business," he said.

However, business took a dip in 2015 and the shop had been struggling since.

"It's been one thing after another. The recent announcement of the RM1,500 minimum wage has made things worse.

"We have been here for 40 years.

"We will hang on for as long as

Retailers cautiously optimistic despite crowds at malls

Teo: Mixed-use integrated projects are key to future developments.

Lim cautions that the retail recovery may not be sustainable.

Mustakim: Fashion, pharmaceutical, optical and F&B did well, and spending was strong for the month of April.

MALLS in Kuala Lumpur are seeing huge crowds even on weekdays, which was not the case even before the Covid-19 pandemic.

Most shopping complexes are experiencing long queues, packed food courts, crowded restaurants and full parking bays.

It makes one wonder whether the people are actually buying goods or just window shoppers.

Malaysia Shopping Malls Association president Tan Sri Teo Chiang Kok attributes this phenomenon to the malls' location and target market.

"Malls are in various stages of recovery; some are better off than others, depending on their location and their shopper target market," he said.

"Footfall has recovered with some exceeding pre-Covid-19, besides cursory feedback indicating good and confident recovery.

"In some popular malls, it definitely does not look like just window shopping.

"People are buying goods and patronising food and beverage (F&B) outlets, which are crowded even during non-peak hours," he added.

On the migration of some fashion brands to online platforms and the popularity of brick-and-mortar shops, Teo said there was always change in the retail and mall industry.

"Some leave and other new ones open, which happens all the time even before the Covid-19 pandemic.

"Brick-and-mortar shops are definitely still relevant.

"Online businesses have opened up physical stores because you need both online and physical facilities to better serve customers, especially for 'try, touch, feel and fit' products," he explained.

To remain competitive and relevant, Teo said these shops had to pivot quickly to any changes in consumer trends.

Based on the association's data, he said there were currently some 458 malls with 155.7 million sq ft space in Malaysia as at the end of 2020.

With the inclusion of other retail centres such as stand-alone hypermarkets, department stores, supermarkets and bazaars, he said the number now was 701 with a total of 185.8 million sq ft space.

Teo agreed that new developments should incorporate malls into their projects.

"Providing service and shopping elements are crucial to meeting all the needs and expectations of those working and living in mixed-use integrated developments," he emphasised.

He also said that no malls had closed down due to the pandemic.

"Businesses are reopening and in various recovery and revival stages. Some are in the consolidation phase, requiring the closure of less-performing outlets.

"It is the nature of malls to constantly change and pivot to reposition themselves with new shops and merchandise," he added.

On the popularity of online shopping, Teo reiterated that malls were still relevant, especially neighbourhood malls, based on consumer shopping habits during the movement control order.

He said high street malls in the central business district or select locations for fashion and other types of high-end merchandise were important within the retail landscape.

Although retail sales have been encouraging and foot traffic data has gone up to the level of pre-pandemic days, Malaysia Retailers Association president Datuk Andrew Lim Tatt Keong has cautioned that it may not be sustainable.

"We had good Chinese New Year and Hari Raya sales this year, similar to 2019.

"The RM10,000 Employee Provident Fund special withdrawals helped stimulate consumer demand but now we are seeing a slowdown, which is also pretty normal after a festival," he said.

Lim, however, expressed concern over rising inflation, cost increases due to labour shortage and the higher minimum wage.

Echoing his view is Bumiputera Retailers Organisation secretary-general Mohamed Mustakim Manaf, who said that across the board, fashion, pharmaceutical, optical and F&B did well, and spending was strong in April.

"But will it last? We saw a drop in (spending) last May.

"In the F&B industry, there are many competitors and these entrepreneurs face many challenges, particularly the labour shortage," he said.

"Buying power is there but operating expenses are a huge challenge.

"These businesses need to make enough to cover the losses suffered in the last two years."

Expressing concern for the long haul, Mohamed said malls depended largely on tourists and it also depended on content.

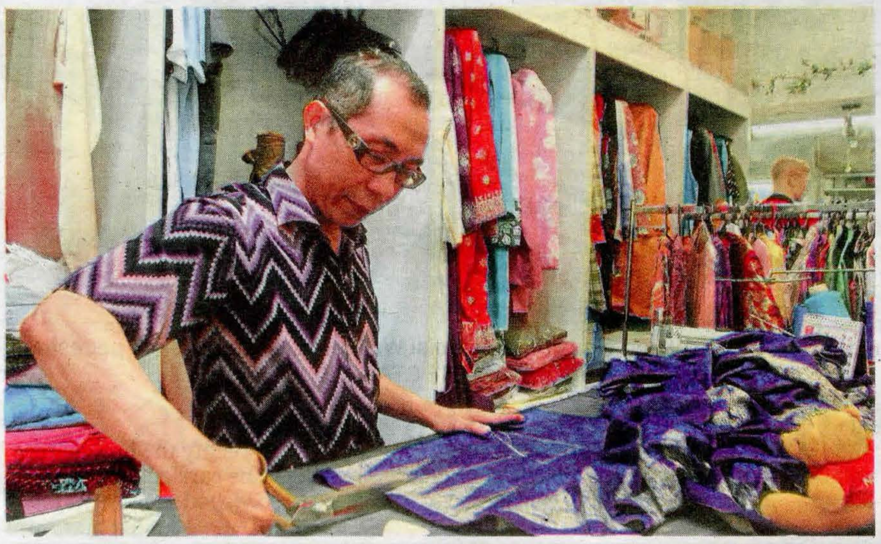
"We already have many malls in the city and many more are soon to come.

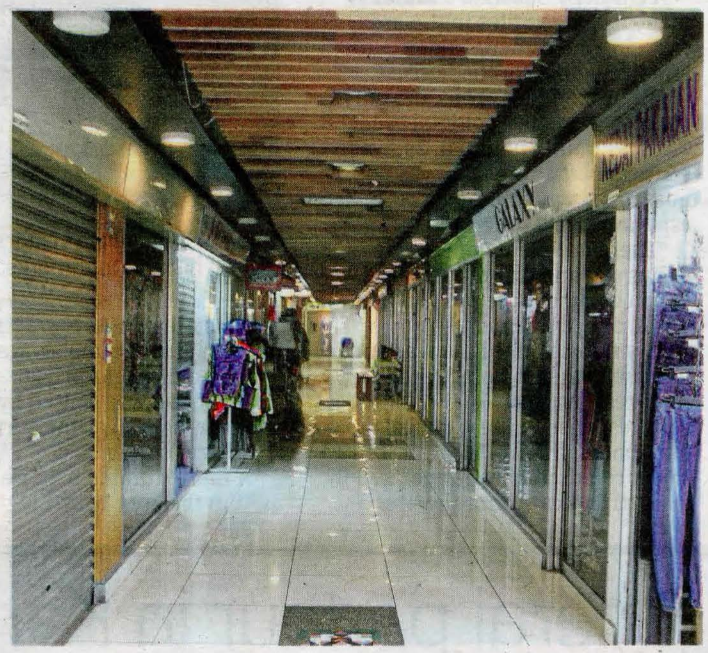
"Without tourists, our (domestic) market is too small.

"So ultimately it boils down to content.

"Consumers will eventually gravitate towards the ones that have the best variety," he said.

Ho relies on his regular customers to sustain his business.





Mohamad says Campbell Complex management needs to promote the place to bring more customers to the premises. (Right) At Campbell Complex, a fair number of shop lots are shuttered these days.

we can," said Maniam.

The shopowners said the shortage of workers and the government's move to increase minimum wage by 25% from RM1,200 to RM1,500 had caused their business to suffer.

Lim Sai Nee, 62, used to work as a supervisor at the video games arcade in Pertama Complex in 1978. When the shop closed, her boss rented out the premises to tailors.

"He allowed me to stay on to keep an eye on things and the tailoring business here was good right up until the movement control order was implemented," she said, adding that now that borders had reopened, the tailors hoped for business to pick up soon.

Just like Pertama Book Store, Pusat Jam Pertama – a shop selling watches and sunglasses – has been surviving on the goodwill of its regular customers.

"Some 60% of our customers are regulars who come to service or repair their watches," said owner Desmond Chaw.

"We have been here for 33 years, so our reputation speaks for itself," he added.

The shopowners at Pertama Complex acknowledged that the mall's current mix of businesses made it still relevant.

Of late, old businesses have given way to modern mobile phone shops while the mall's food court and eateries draw in the lunch and teatime crowds from nearby offices.

At Campbell Complex, business is slow with a number of shops still closed while some have gone out of business.

One particular shop, however, is still going strong, even after over 30 years in business.

Campbell Optometrist owner Ho Hon Seng, 71, relies on his regular customers to sustain his business.

"Young people won't come here because there is nothing for them here. The newer malls have so many things under one roof," he said.

However, De Muz Collection which is well-known for its designer fashion gowns, and vintage shoe outlet Vo Tops Leather are still going strong at the complex.

"We have a regular clientele, but it would be nice to see young and new faces here," said Mohamad Musullini, owner of De Muz Collection.

"The management has to promote the complex, and perhaps open a food court," he said, pointing out that there were no eateries in the building.

Good news for the business proprietors at Campbell Complex though – things are about to change.

Shapadu Grand Campbell Sdn Bhd senior manager Razali Yahaya said the complex's office tower, retail space and hotel would be undergoing improvements to make Campbell Complex more appealing to the younger market.

"Our hotel, opened seven years ago, starts from the 13th floor up to the 19th floor. We have plans to turn this into a wedding venue where people can host their weddings and have guests stay at the hotel for the after-party.

"We also have plans to rent out shop units to wedding planners, wedding gown experts and restaurants to turn this into a one-stop wedding centre," he added.

The management also intends to rent out the building's rooftop space, on the 20th floor, to concert organisers.

"We had a concert last month featuring the rock group Search and it did very well," Razali said, adding that more are in the pipeline.

Lim (right) says tailors are hoping business will pick up now that borders have reopened.

Chaw says 60% of his customers are regulars who come to service or repair their watches.