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## Which shopping malls are recovering faster in China?

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A new report by Cosmose AI, an offline behavioral tech company, shows how brands can navigate the reality of the "revenge shopping" retail scene in China. Image credit: Shutterstock

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China's retail traffic began to rebound in mid-February, but how can brands bank on this opportunity?

Cosmose AI, an offline behavioral technology company, has analyzed bricks-and-mortar retail traffic from January to March. The study is based on data gathered from more than 360,000 stores, including 600-plus luxury and beauty brands, and major shopping malls in mainland China, [Hong Kong](#) and Macau. Its clients include [LVMH](#), [Richemont](#), [L'Oral](#) and Walmart.

The fresh data offers a glimpse into how brands can navigate the reality of China's "revenge shopping" retail scene.

On a macro scale, the report highlights a few essential trends:

- Regionally: mainland China is recovering faster than Hong Kong and Macau, and is expected to return to pre-pandemic levels by June.
- Category-wise: traffic at beauty stores is recovering faster than luxury stores, but it does not mean higher transaction values compared to luxury goods.
- City-wise: new-tier cities such as Hangzhou, Chengdu and Chongqing are recovering faster than first-tier cities including Beijing, Shanghai, Shenzhen and Guangzhou. The political capital of the country, Beijing, has lagged behind them all.
- For both luxury and beauty, traffic was at 60 percent pre-pandemic levels for all cities except Beijing by the end of March.
- Shanghai, China's economic hub, has recovered significantly faster than most cities.

The report also shares key takeaways on how high-end malls are recovering:

- Shopping malls within the same cities recovered differently.

- In Beijing: **SKP Beijing** bounced back by the end of March, which was the quickest, followed by China World Mall, while the traffic at Yintai Cent In01 has not shown much promise.
- In Shanghai: **Plaza 66** has already reached 70.4 percent of its pre-**COVID-19** traffic, followed by IAPM Mall and HKRI Taikoo Hui, both more than 67 percent, while the IFC Mall has only recovered 55.6 percent of its traffic.
- In Chengdu: all malls show similar traffic trends. **IFS International Finance Center** bounced back to 58.3 percent of its previous level by the end of March, followed by Yuanyang Taiguli and Renhe Spring Plaza, while Chicony Square dropped steeply during the pandemic and has only recovered 49.3 percent of its traffic.

Commenting on the reason for the differences in recovery speed from mall to mall, Cosmose AI founder/CEO Miron Mironiuk, said: "During times of uncertainty we turn to our closest friends, the same applies to retail. Shopping malls and **luxury brands** who were the No. 1 choice for shoppers before the crisis regained customers first."

On the other hand, malls and brands that were struggling before the pandemic are now at a greater disadvantage than ever before.

CHINA'S POST-COVID-19 fashion market is likely to turn into a "survival of the fittest" contest.

The hopes of an early recovery is not going to happen to every single player operating in China, but only for those that had plenty of pre-pandemic cash reserves and a longer-term investment strategy. These players are likely to not only bounce back quicker, but more importantly, survive.

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