



Travel retail is a priority for Majid Al Futtaim, which seeks to attract a larger share of Middle East tourism spending at its malls, writes **Dennis Daniel**

# Creating primary retailtainment destinations for tourists

In 2013, UAE-based conglomerate Majid Al Futtaim (MAF) Group recorded an 8% growth in the number of people visiting its Dubai malls and a combined 175 million visitors to its malls across the region. Tourists visiting Dubai contributed to 20-25% of the footfall in its shopping malls and leisure and entertainment centres.

MAF's family entertainment centre Magic Planet attracted 6 million visitors across the GCC in 2013. Among these visitors, 20-25% was tourists. During the same period, over 65% of the 1.2 million visitors at Ski Dubai, the indoor ski resort in Mall of the Emirates, were tourists.

Iyad Malas, CEO, Majid Al Futtaim Group, says tourism is a priority when it comes to its mall development and retail mix. As a result, MAF malls are designed to be primary shopping, leisure and entertainment destinations for tourists and residents alike.

"We have created destinations that have international tourist appeal. Our malls offer compelling entertainment for all ages that drives footfall and results in more time spent by families at the mall, which in-turn drives sales. Furthermore, the presence of hotels connected to

our malls – at Mall of the Emirates, City Centre Deira and City Centre Bahrain – also drives traffic, increases dwell time and consequently sales. Visitors staying at these hotels spend a great deal of time in our malls and generally make multiple visits throughout their stay," says Malas.

Omar El Banna, marketing and sales director at Majid Al Futtaim- Leisure & Entertainment, points out that MAF's leisure and entertainment offerings are changing the landscape of the Middle East's tourism industry by offering international tourists multiple reasons to visit the region. Magic Planet, which has 17 outlets across the Middle East, recorded a 19% increase of revenue in the UAE in 2013 over 2012, and 23% increase of revenue in Egypt during the same period. MAF's other leisure and entertainment components such as Ski Dubai and iFly, the indoor skydiving simulator in Mirdif City Centre, remain tourist hotspots all year round.

"The growing popularity of Magic Planet has encouraged us to expand it outside MAF malls, and we are scouting



Iyad Malas

for locations in Abu Dhabi, Saudi Arabia and Qatar. Ski Dubai, which attracted over 1 million visitors in 2013, is hugely popular with tourists from all over the world and all year around. It attracts a lot of western tourists during winter and Christmas holidays, and a larger number of Arab tourists during Eid holidays. We aim to replicate Ski Dubai's success

in Egypt when we launch Ski Egypt located inside Mall of Egypt in early 2016," says El Banna.

Internationally, MAF malls have witnessed a noticeable increase in Chinese and Russian tourists over the recent years. From across the Middle East, MAF malls receive the largest number of visitors from Saudi Arabia, followed by a substantial number of visitors from Qatar and the rest of the GCC.

To cater to the specific needs of its tourist customers, MAF runs dedicated tourism programmes to boost spending in its malls. This includes complimentary shuttle bus services, multilingual guest services staff and mall brochures, and targeted advertising campaigns during key

promotional periods in overseas markets.

“Given the strong purchasing power and increased inbound tourism efforts of China and Russia, these two audiences have the greatest growth potential. Additionally, we have also seen a rise in guests from India and Africa. Many of our shopping malls have dedicated tourism programmes to cater to the specific needs of our visiting guests. Mall of the Emirates, for example, has recognised key occasions such as Chinese New Year, celebrating Chinese culture and creating targeted promotions for Chinese tourists,” explains Malas.

“Furthermore, we work very closely with the Dubai Economic Department (DED) to provide customers from across the world with tailored packages and deals throughout shopping festivals all year round. These special promotions during Dubai Shopping Festival (DSF), Dubai Summer Surprises (DSS) and even during Eid times have proven hugely successful for us,” adds Malas.

El Banna points out that for sustained tourism spending, potential tourists need to be informed regularly about new attractions to keep them interested in MAF’s offerings. To achieve this, MAF has partnered with global tour operators to market its latest offers and attractions.

“We’ve appointed marketing and sales representatives in strategic markets such as India, China and Russia, and the main objective is to work with tour operators and introduce tourists to our new attractions in Ski Dubai such as Snow Penguins and Snow Bullet. As a result of such initiatives, we’ve observed that tourists planning a visit to Dubai demand that their tour operators include our new attractions to their itineraries. Furthermore, these new attractions have increased the average dwell time in Ski Dubai from 60-90 minutes to over 120 minutes,” says El Banna.

### **In line with the Middle East’s tourism vision**

In the lead up to Expo 2020 and the Dubai’s vision to attract 20 million tourists by 2020, Majid Al Futtaim has announced an investment of \$0.8 billion (AED3 billion) in expanding its existing assets and develop new ones. This will



**Mall of the Emirates – Fashion District**

include a new luxury hotel and a new mid-market hotel at Mall of the Emirates, a new luxury hotel at City Centre Deira; upgrading two existing hotels; major enhancements to Mall of the Emirates and the recently announced shopping mall in the International Media Production Zone.

Mall of the Emirates is undergoing a multi-phase redevelopment worth \$0.2 billion (AED1 billion) – called Evolution 2015 – including a new fashion district, luxury retail options, sports and leisure precincts as well as dining and entertainment concepts. Sharjah City Centre is set to undergo a \$54 million (AED200 million) redevelopment which will expand the mall and enhancing its family entertainment offer by introducing a 12-screen VOX Cinemas.

“Since our inception in 1992, we have played an instrumental role in building the economy and elevating Dubai to become a top global tourist destination. Hosting Expo 2020 is a significant boost for the retail and tourism sectors, with millions of additional visitors expected throughout the six-month event period. The MAF Group’s tourism strategy is intertwined with Dubai’s vision to attract 20 million visitors by 2020,” says Malas.

Malas says the next few years will see Majid Al Futtaim exploring new opportunities around the region by

investing in projects that can enhance the retail and tourism sectors of neighbouring markets.

In Oman, MAF’s Muscat City Centre and Qurum City Centre malls are currently undergoing a redevelopment worth approximately \$29 million (AED 107.8), which will create new family leisure and entertainment destinations at each mall. In December 2013, MAF announced its plans to develop Oman’s largest shopping and entertainment destination, Mall of Oman, which is currently in the planning and design stage and expected to commence construction in 2016. In

Lebanon, MAF has completed the first phase of the 2.5 million sqft Waterfront City development, which is expected to boost the country’s tourism. In Egypt, MAF is investing \$680 million in the development of Mall of Egypt, a flagship shopping mall in Cairo.

“We have a solid MENA expansion strategy in place, which will see us doubling the size of our business by 2018. All our malls are built to cater to a defined customer base and as such they offer the flexibility for renovation and expansion. We follow a very proactive approach in managing our malls to quickly adapt to new trends and address the preferences of all types of consumers, including tourists,” says Malas. ■



**Omar El Banna**