The Future of Retailing in Malaysia to 2018

Comprehensive data overview of the market, with retail sales value and forecasts to 2018

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Summary

"The Future of Retailing in Malaysia to 2018" is based upon an extensive, cross-country, industry research program which brings together Conlumino's research, modelling, and analysis expertise in order to develop uniquely detailed market data. It provides detailed quantitative analysis of past and future trends - crucially providing retail sales data not just by channel and by product, but showing product sales through different channels. This allows marketers interested in retailing to determine how to account for the development of retail trade overall and to know which channels are showing growth for which products in the coming years.

Data sets are provided for 2008 through to 2018, with actuals being provided from 2008-2013. All initial market sizing and analysis is conducted in local currency in order to ensure local trends are reflected in the data before conversion into other currencies.

Key Findings

- General retailers hold the largest share of retail sales in 2013, and will continue to dominate the market in 2018
- Online channel is set to post a double digit growth in the forecast period, 2013–2018, followed by duty free retailers.
- Cosmetics and toiletries and Apparel, accessories, luggage and leather goods are expected to grow the fastest over the next five years

Reasons to Buy

- "The Future of Retailing in Malaysia to 2018" is a detailed databook providing comprehensive analysis of the category and channel trends in the Malaysia retail market. Also helps to know the share of sales between different products in key channels and how this will develop
- The report provides both qualitative and quantitative insights of the changing retail dynamics across various product segments across different channels; with in-depth analysis of 26 product categories and 17 retail channels.
- This report provides detailed data on the size and development of retail sales of individual product types through specific retail channels and formats in Malaysia. It provides a detailed and comprehensive quantitative analysis of the trends affecting market development through both historic and forecast data.

1. Malaysia Retail Sales Overview

This section of the report provides an insight into Malaysian retail sales at channel level. It considers four key channel groups: online, specialist retailers, general retailers and value retailers.

Data is presented in three ways: at overview level, by breaking down each channel group by the channels that it is made of, and by breaking down each channel by the category groups that are sold through it.

1.1 Retail Categories Overview

In 2013, food and grocery was the largest category group accounting for x% of total Malaysian retail sales, which represented a value of MYRx billion. Food and grocery was the fastest-growing category group during the review period, registering a CAGR of x% and is expected to remain so during the forecast period with a CAGR of x%.

Figure 1: Malaysia Overall Retail Sales and Forecast (MYR bn), by Category Group, 2008–2018

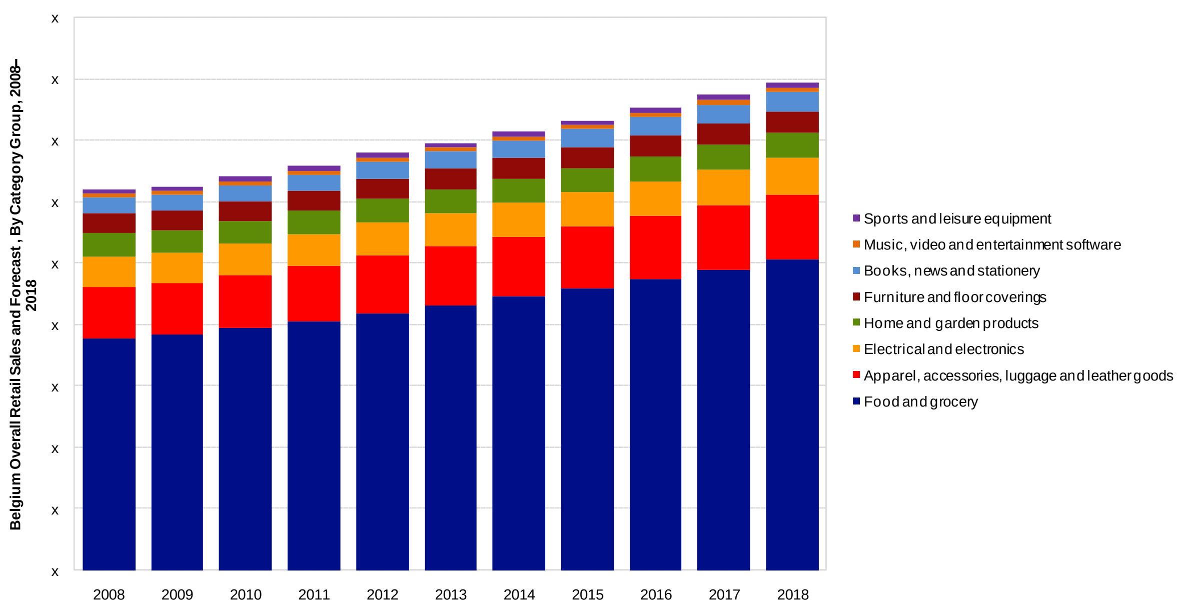

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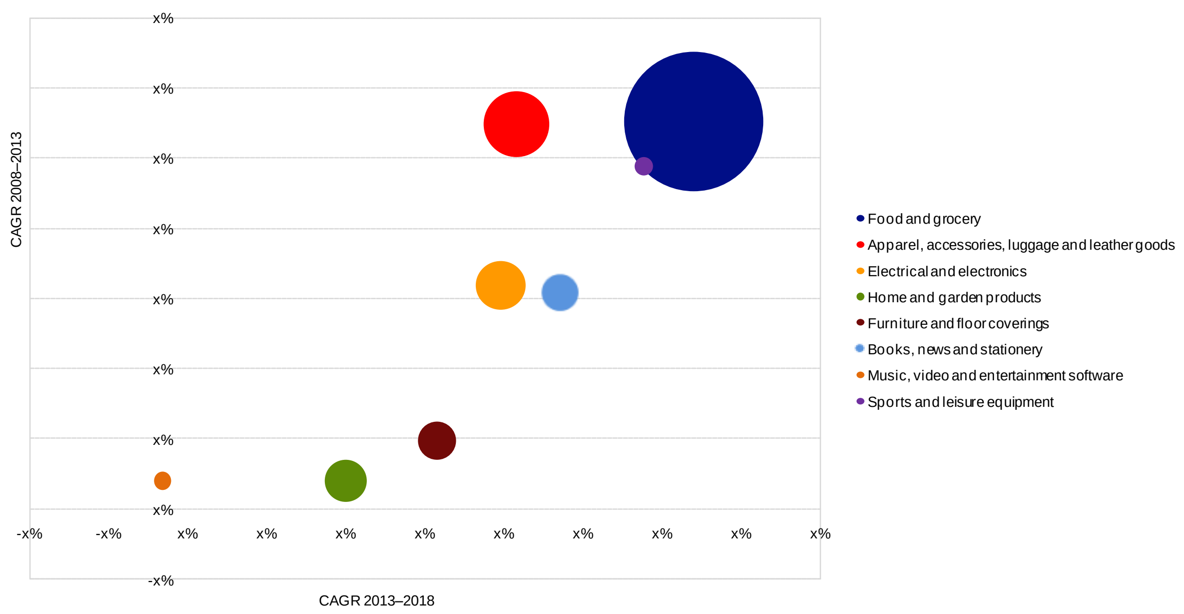
Figure 2: Malaysia Overall Retail Market Dynamics, by Category, 2008–2018



Source: Conlumino © Conlumino

Table 1: Malaysia Overall Retail Sales (US$ bn), by Category Group, 2013–2018

Category group	2013	2014	2015	2016	2017	2018	CAGR (%) 2013 – 2018
Food and grocery							
Apparel, accessories, luggage and leather goods							
Electrical and electronics							
Home and garden products							
Furniture and floor coverings							
Books, news and stationery							
Music, video and entertainment software							
Sports and leisure equipment							
Overall							

Source: Conlumino © Conlumino

2. Category Group Analysis: Apparel, Accessories, Luggage and Leather Goods

This chapter considers the Malaysian apparel, accessories, luggage and leather goods category group. Data is presented by breaking down the group by the categories it is made of, and the channels the category group is sold through.

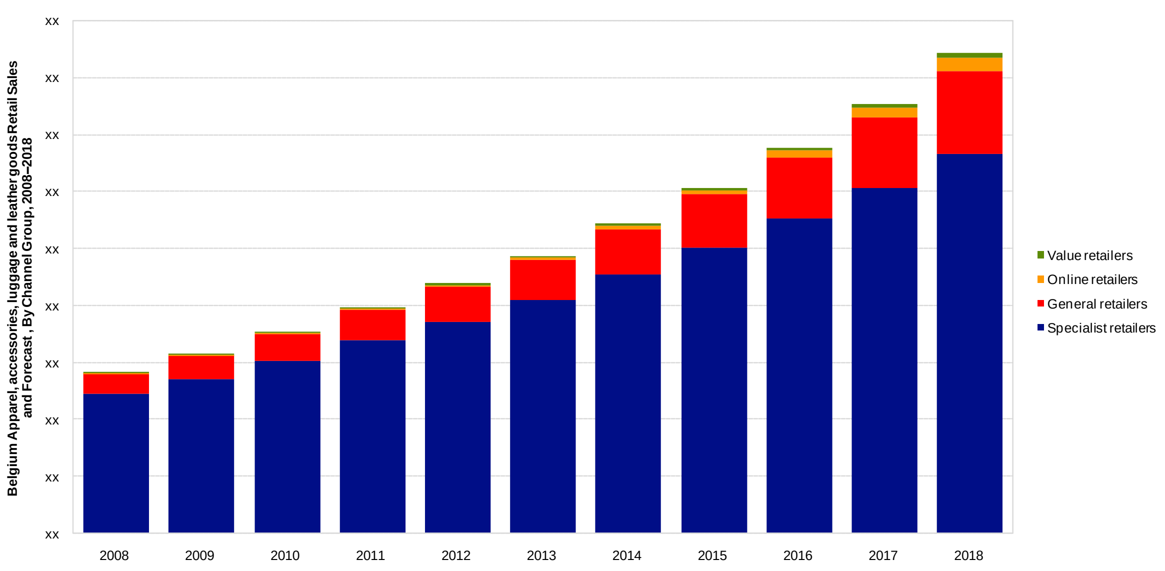
2.1 Apparel, Accessories, Luggage and Leather Goods Category Overview

2.1.1 Apparel, Accessories, Luggage and Leather Goods by Channel

The apparel, accessories, luggage and leather goods product category, contributed x% towards total retail sales, in 2013, registering retail sales of MYRx million. The category group is expected to grow at a pace of x% during the forecast period, and register retail sales of MYRx million in 2018.

Specialist retailers formed the dominant sales channel, with retail revenues of MYRx million selling x% of the product category in 2013.

Figure 5: Malaysia Apparel, Accessories, Luggage and Leather Goods Retail Sales and Forecast (MYR mn), by Channel Group, 2008–2018



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3. Channel Group Analysis: General Retailers

This chapter considers the Malaysian general retailers channel group. Data is presented by breaking down the group by the channels it is made of, and the category groups that are sold through the channel.

3.1 General Retailers Overview

3.1.1 General Retailers by Channel

General retailers registered sales revenues of MYRx million in 2013, with a contribution of x% towards total retail sales. During the review period, the channel grew at a CAGR of x% and is expected to record a CAGR of x% during the forecast period.

Convenience Stores (including Independents) and Gas Stations was the largest channel contributing x% towards the channel group revenues in 2012, with sales of MYRx million, which is expected to reach MYRx million by 2018. Hypermarkets, supermarkets and hard-discounters followed with a share of x% or MYRx million in 2013, which is projected to reach MYRx million during the forecast period.

Figure 68: Malaysia General Retailers Sales and Forecast (MYR mn), by Channel, 2008–2018

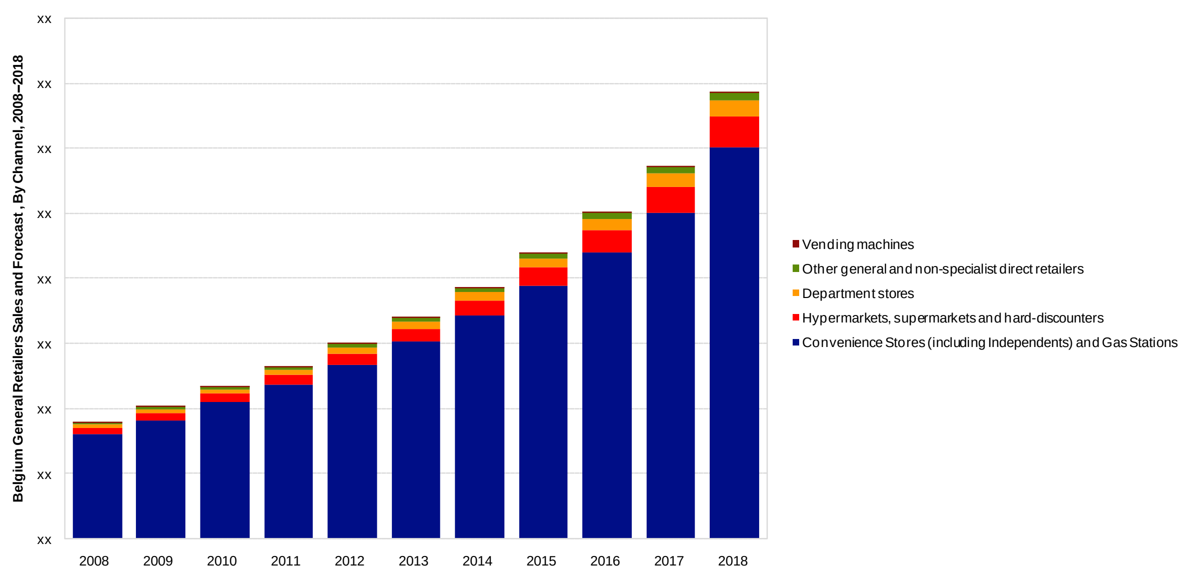

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Figure 69: Malaysia General Retailers Market Dynamics, by Channel, 2008–2018

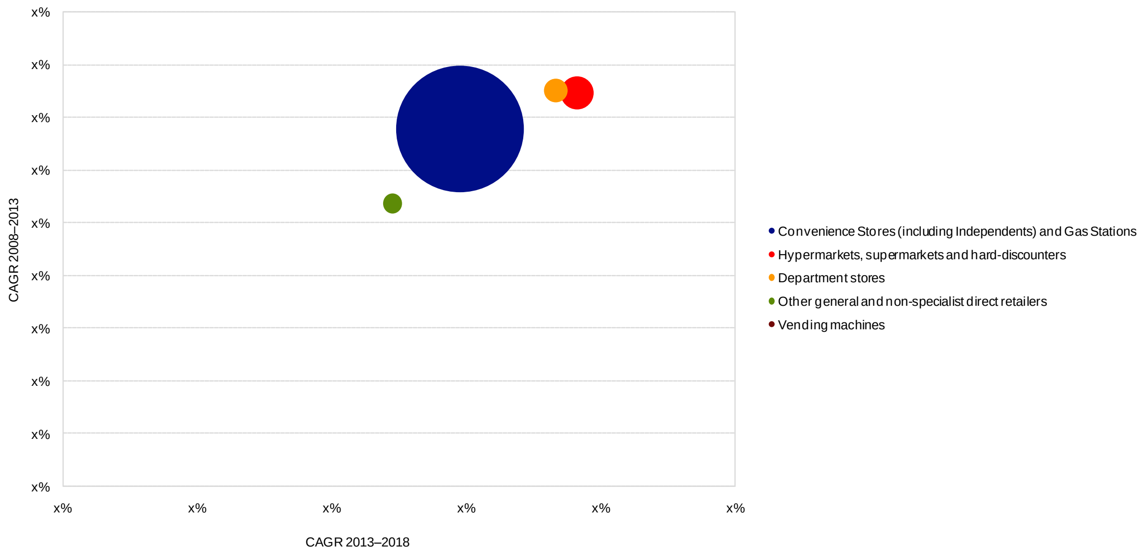

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Table 236: Malaysia General Retailers Sales (MYR mn), by Channel, 2013–2018

Channel group	2013	2014	2015	2016	2017	2018	CAGR (%) 2013 – 2018
Convenience Stores (including Independents) and Gas Stations							
Hypermarkets, supermarkets and hard-discounters							
Department stores							
Other general and non-specialist direct retailers							
Vending machines							
Overall							

Source: Conlumino © Conlumino

Summary Methodology

Overview

All data in this series of retail reports from Conlumino is rigorously sourced using a comprehensive, standardized methodology. This methodology ensures that all data is thoroughly researched and cross–checked against a number of sources and validation processes. At the core of this methodology is a triangulated market sizing approach, which ensures that results from different sources and approaches, including Conlumino's own industry surveys, are compared and a final consensus number between these inputs is derived. In addition, standardized processes and quality controls across the entire data collection, analysis and publication process ensure compliance and cross–checking of the data occurs at each stage of the methodology.

The triangulated market sizing method

The triangulation method ensures that the results from three distinct phases of the research are brought together and cross–compared before finalized market numbers are derived:

1. **Existing internal resources**: as retail data is compiled using a rolling annual program of industry research, the first stage of producing the data is to review the existing internal information, both from the last major data release, as well as that which has been collected on an ongoing basis throughout the year. This includes inputs about market as well as individual retailer performance. These sources are then reviewed and incorporated into data collection processes and databases before the second intensive phase of desk research.

2. **Extensive desk research**: this phase of the methodology incorporates the main phase of secondary research. This research is initially conducted across a wealth of information sources, as listed below. In addition, the results of any relevant surveys from other Conlumino projects are also fed into data collection sheets. Online industry surveys can include industry opinion surveys of retailers' — and their suppliers' — sentiment and consumer surveys of purchasing and retail behavior. Secondary sources include, but are not limited to, the following:

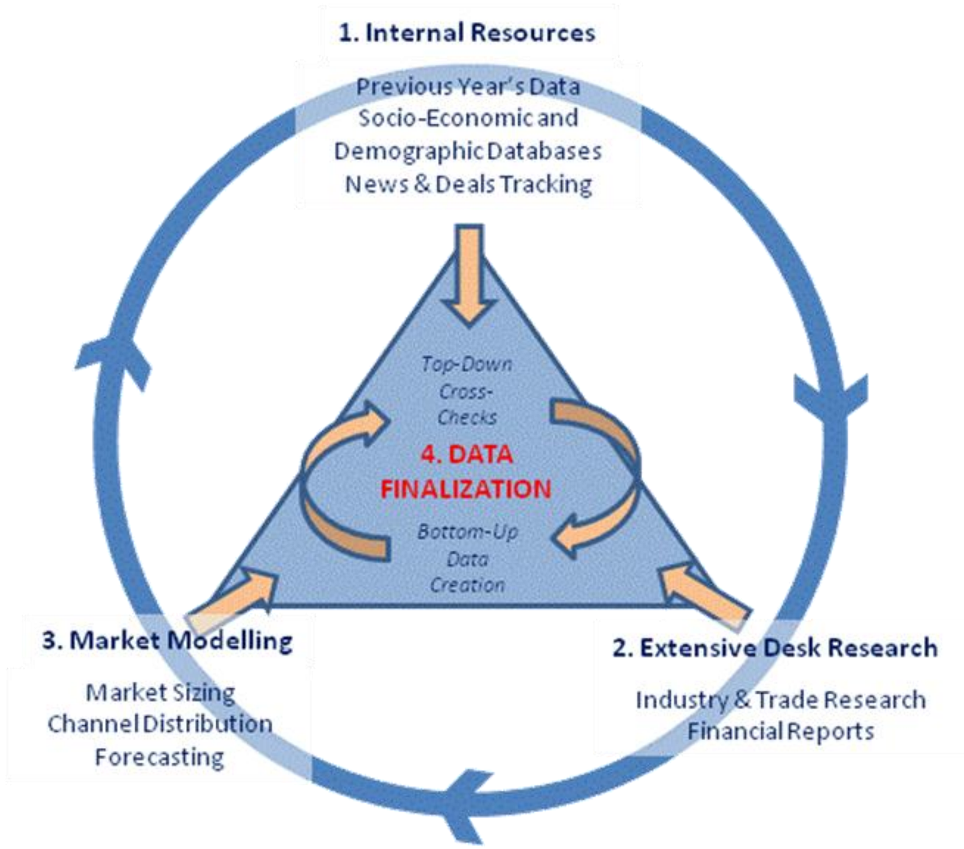
   a. Industry surveys
   b. Industry and trade association research
   c. Trade portals
   d. Company filings and analyst presentations
   e. Broker and investment analyst reports
   f. International organizations
   g. Government statistics
   h. Retail media
   i. National Press, including both business and consumer titles

3. **Market modeling:** the next stage in the process is to feed the results of the above into market models, which also include drive–based forecasting tools — which analyze drivers such as disposable income, product uptake, macro–economic drivers and market momentum — in order to fill in any gaps in the data and update forecast numbers. At this stage, the market models also look to update channel distribution data sets. For example, information

found at the research and trend monitoring stage on online retail sales would directly affect the channel distribution models.

4. **Data finalization**: the final stage of the process is the true triangulation of all the previous inputs. At this stage data is created using the inputs to hand in a bottom–up fashion, starting with the inputs from each of the previous three stages of the process for each data point to be published. This is done for all the product, channel and country combinations covered in the data. At this stage, therefore, the project analysts are constantly evaluating and deciding upon the relative merits of each of the inputs from the research processes. Once a triangulated set of data has been finalized, these outputs are then thoroughly cross–checked using a series of top–down checks which review the data against a series of reference benchmarking, including known overall retail sizes, growth trends and per–capita spending rates.

Figure 1: The Triangulated Market Sizing Methodology



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Industry surveys in the creation of retail market data

Stage 2 of the above process includes using the outputs of Conlumino's surveys of consumers' packaged goods consumption and industry opinion. Every year Conlumino completes a large scale survey, with over 120,000 responses, covering CPG purchasing and consumption habits in 10 core retail markets around the globe. This major study, cross-referenced against the primary telephone research of product market sizes by country, provides outputs against which relevant retail market data, focusing on the grocery channel and core products in this channel are assessed. It should be noted that overall, this feeds research into 3 of the 25 product categories covered. In addition, any other suitable surveys conducted by Conlumino which also provide information on retail markets are mined for information to be put into the data finalization process.

Quality control and standardized processes

Crucial to the function of the above method is the adoption of strict definitions for all products and channels, and adherence to a standardized process at each and every stage in the methodology. By following this approach all data is made cross-comparable across countries to ensure that analysis adds to the understanding of market dynamics and trends.

The key elements of this approach are:

- **Strict channel definitions:** the definition of each channel is the same in every country;
- **Strict product definitions:** the definition of each product is the same in every country;
- **Standardized processes:**
  - ***Data capture*** – all data received as part of the research is captured in standardized files and in a standard format. Any workings that analysts carry out on inputs, for example to correct for misalignment in category coverage, are also covered in these sheets
  - ***Data creation*** – all modeling and forecasting approaches are standardized in order to ensure consistency
  - ***Finalization and verification*** – systematic methods and approaches are used to finalize data points
- **Country by country research structure:** all research is conducted country by country in order to ensure that market data reflect local market trends and contexts
- **Data checks during "bottom-up" creation:** during the data creation and finalization stage analysts refer back to initial sources and inputs in order to ensure accuracy in the data
- **Top down data audits and cross-checks:** a large series of cross-checks across all the different dimensions of the final data sets are run in order to identify any outliers or trends that do not fit with Conlumino's market understanding, as well as to conduct specific analyses against set proofing criteria, such as abnormal growth rate changes, verifying data at both the overall and detailed level against research inputs and checking per capita spends against other analysis of consumers' spending in a country
- **Hierarchical review processes:** finally, all of the above processes are subject to a hierarchical review process which ensures that not only the core analysts within a team look at the data, but that at each stage data is passed through several management layers in order that queries and data review and sign-off are completed before any final data can be published

Related Reports

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Conlumino Global Retail offers a comprehensive 360° view of the retail landscape. A team of analysts, with more than 200 years of combined experience, help you identify and understand the most current retail trends.

Last year hundreds of retail businesses across the globe used our research to make critical business decisions.

Disclaimer

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