



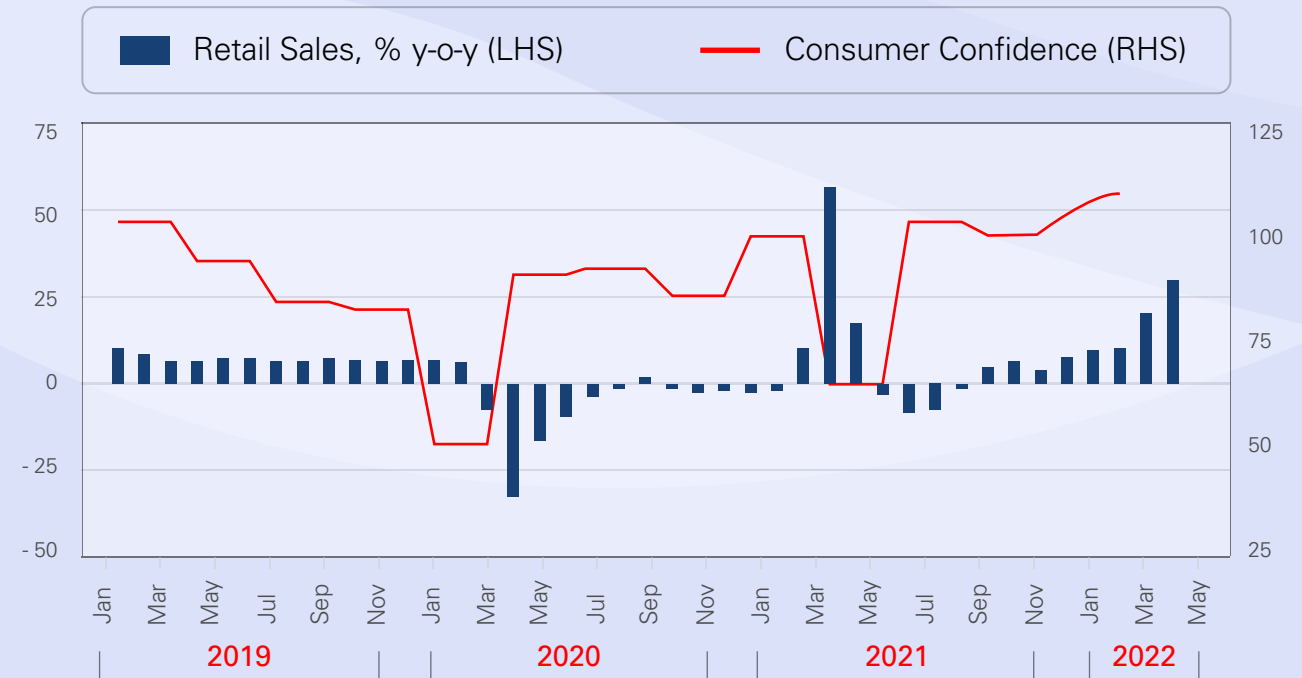
Post-Pandemic Recovery

West **vs** East Malaysia 2022



Introduction

After a modest recovery in 2021, Malaysia has been showing promising signs of strong growth and recovery in 2022. Consumer outlook and spending have steadily improved supported by robust domestic demand. The reopening of borders to tourists in April 2022 has also had a positive impact on the economy. Latest data from retail sales also show signs of strong recovery with May 2022 recording impressive growth at 29.9%, the highest it has been since 2019.



Source: Department Of Statistics Malaysia, Malaysian Institute Of Economic Research

To further understand Malaysia’s post-pandemic recovery, in this report we compare recovery trends across major cities in West and East Malaysia.



Methodology

Timeline:

Pre-Covid: 2019

JAN - JUN

Early Recovery: 2021

JAN - JUN

Post-Covid: 2022

JAN - JUN

Cities:

West Malaysia



East Malaysia



We compared the footfall trends to different categories for the above-mentioned cities.

Pre-Covid vs Post-Covid: Footfall Comparison vs. 2019



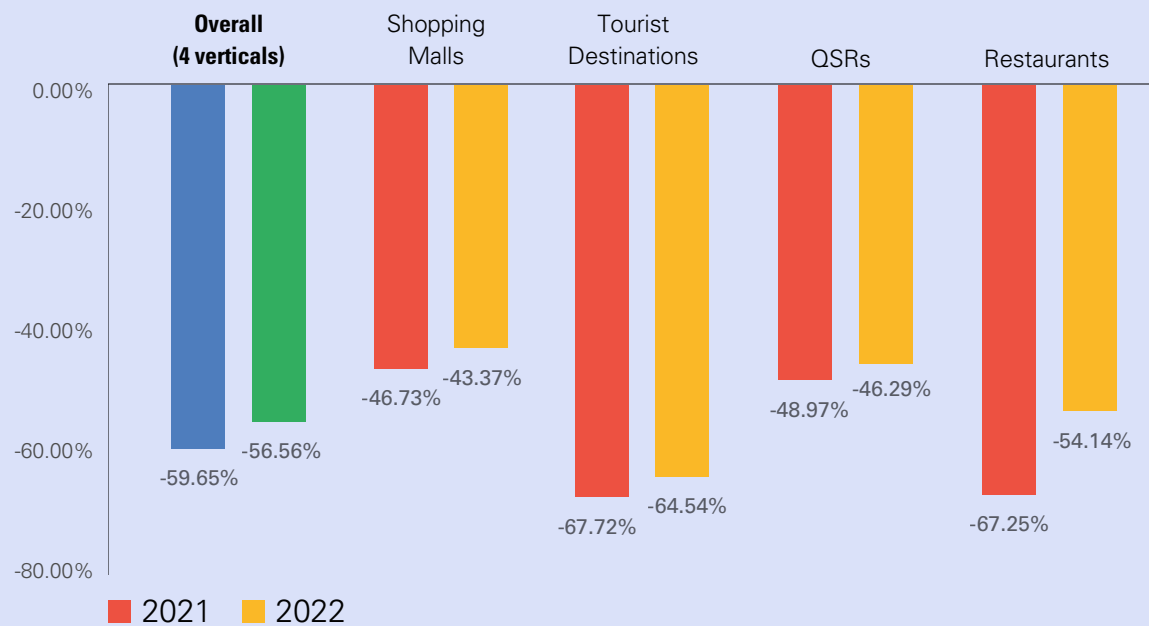
Despite a late start in 2022, tourism shows promising signs of growth compared to other categories with a 10% recovery in 2022.



Shopping malls follow tourism with a 6% recovery compared to 2021.



Overall, recovery across the 4 verticals is at a modest 3.09% when comparing 2022 vs. 2021.



Footfall Comparison vs. 2019 (2019 numbers as baseline)



Comparative Study



1. Tourist Destinations

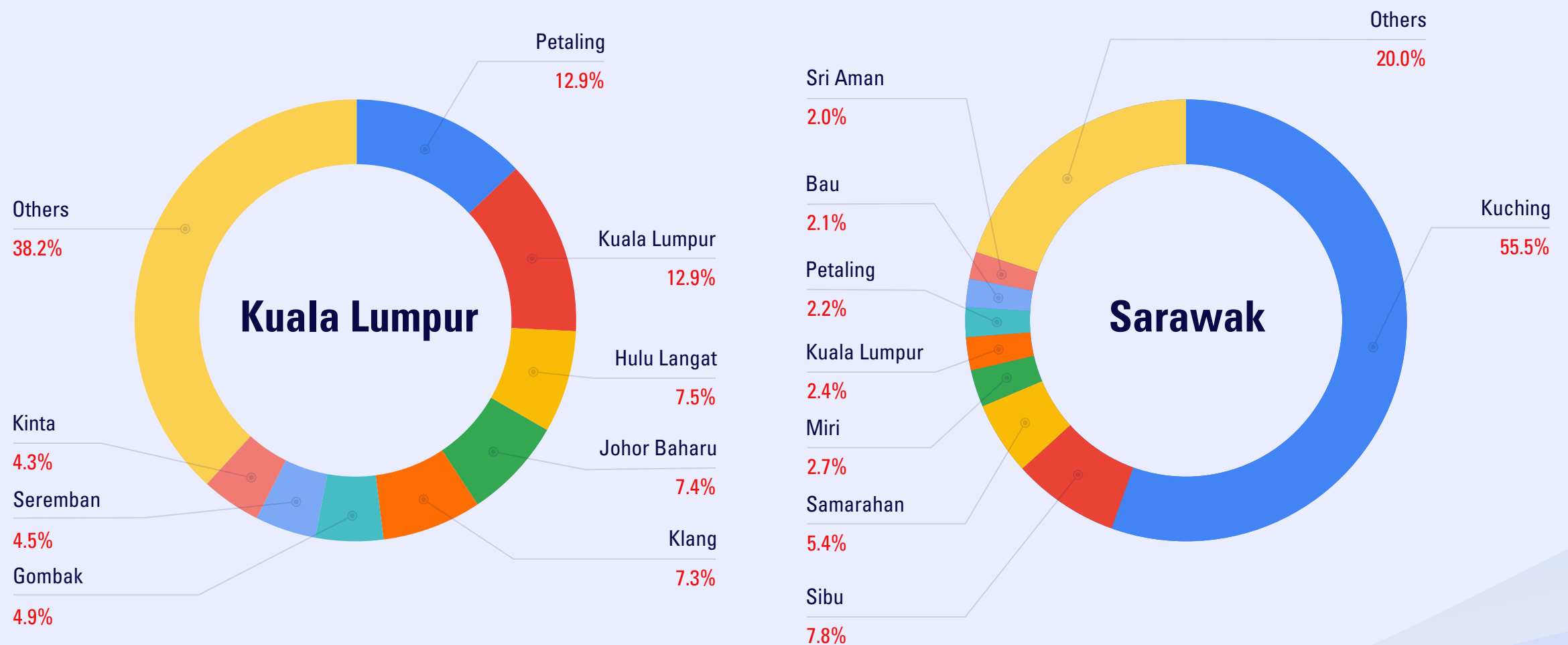
We analysed the footfall from both domestic as well as international visitors to five cities.

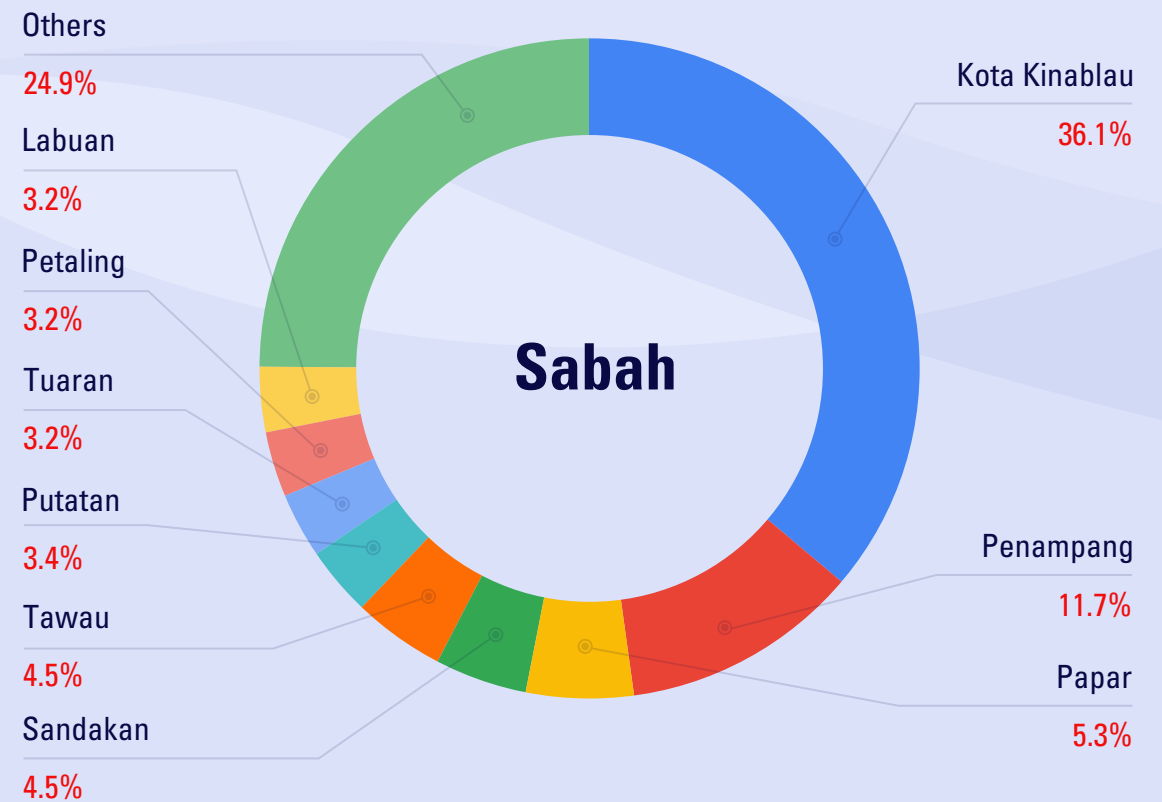
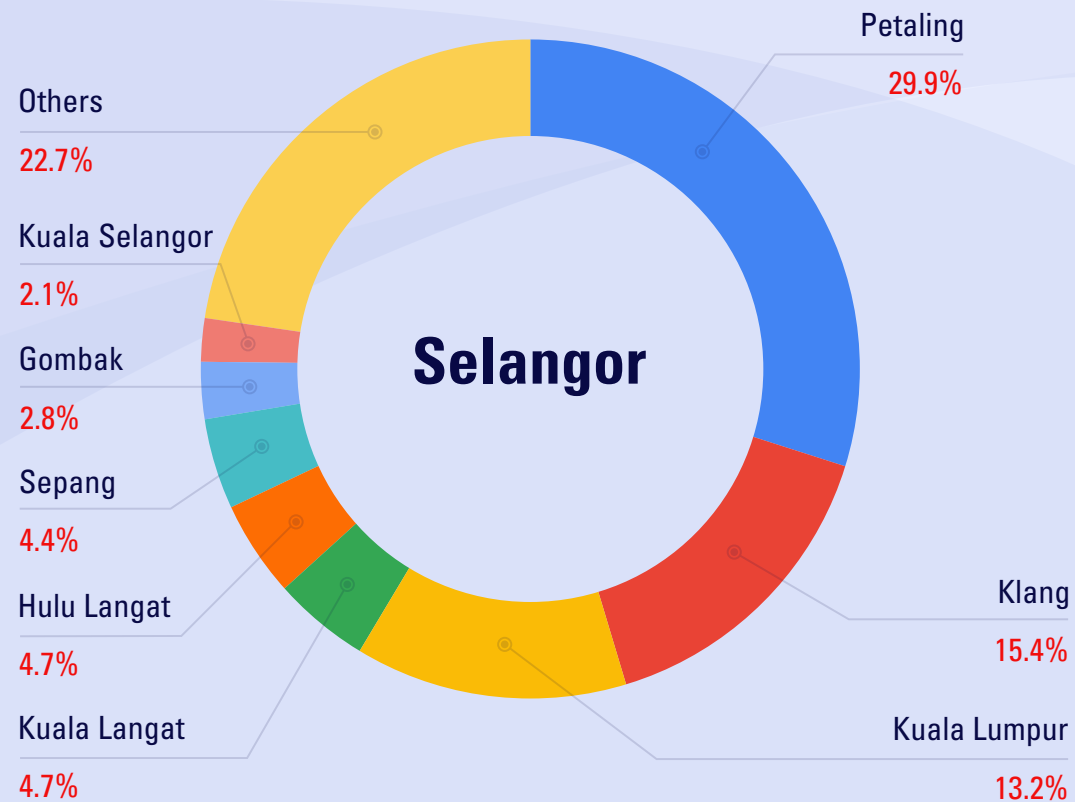


Where are tourists coming from?

To further understand the travel preferences and origin locations of the tourists, we individually analysed footfall in each of the five cities.

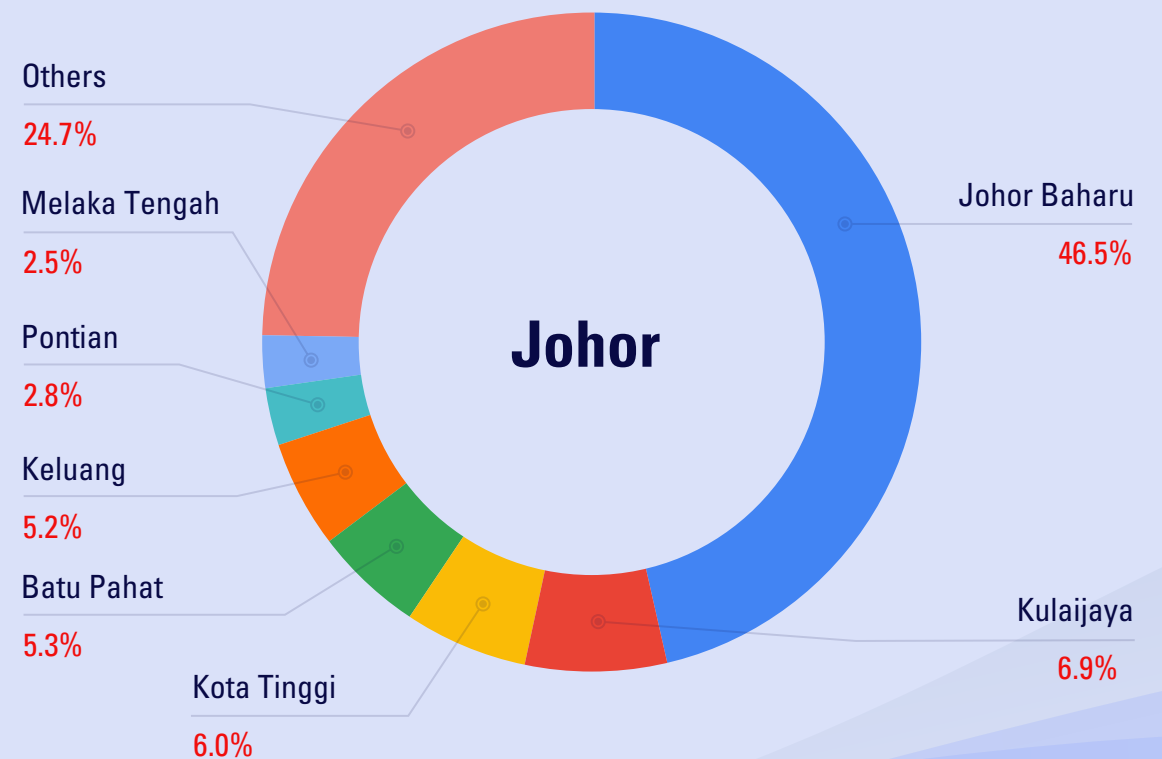
A. Domestic Tourists





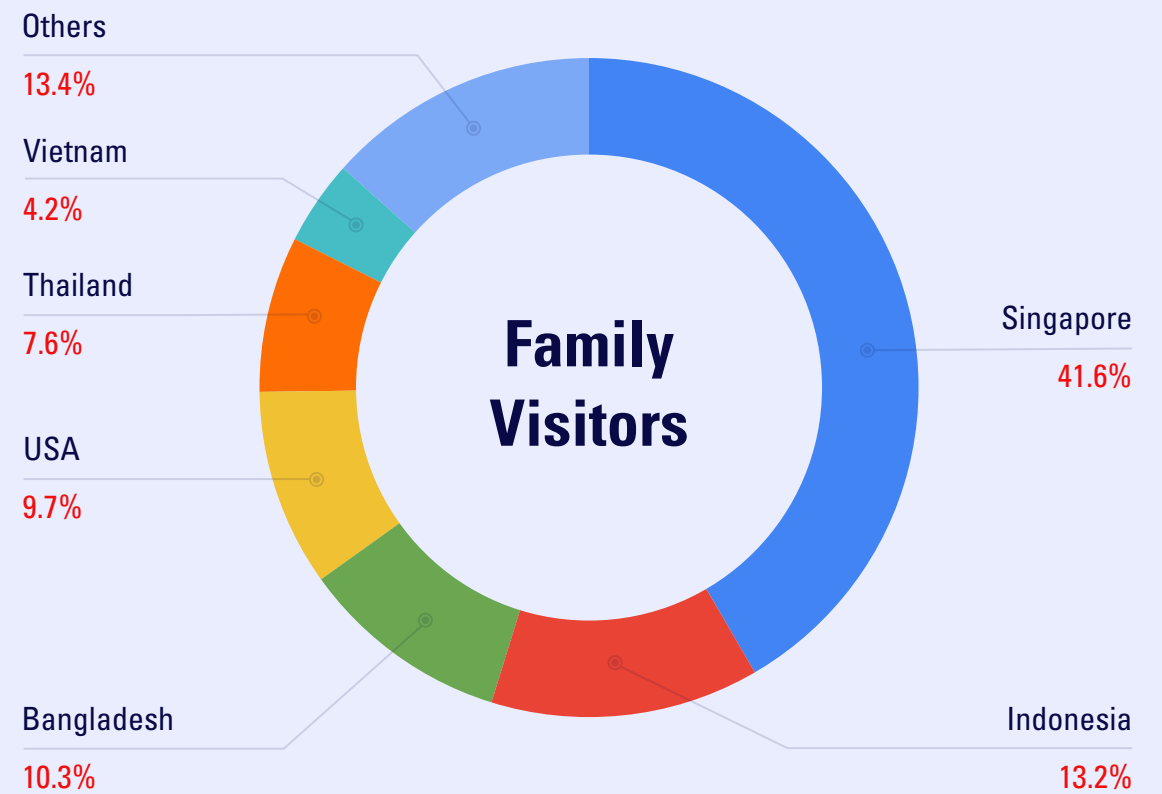
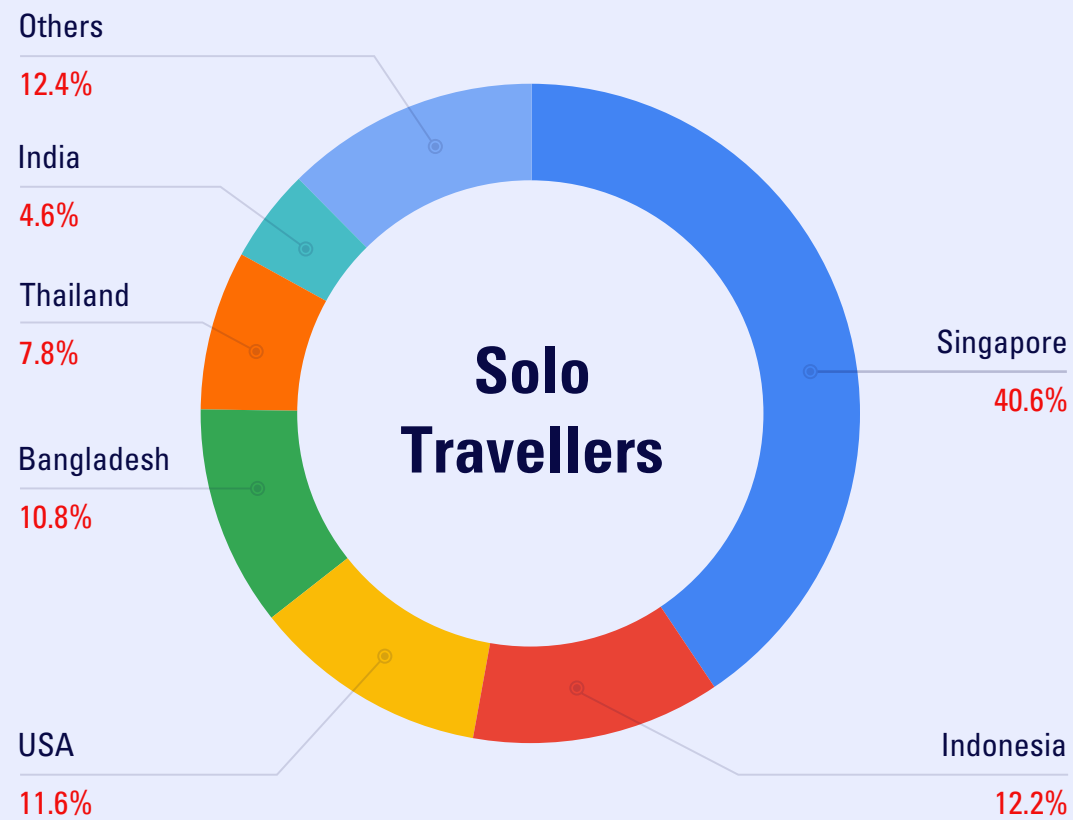
Insights:

- Visitors to all major cities except for Kuala Lumpur were from nearby cities and towns, while Kuala Lumpur attracted crowds from across the country.
- Almost a quarter of visitors to Kuala Lumpur were international visitors, the highest among all the cities.



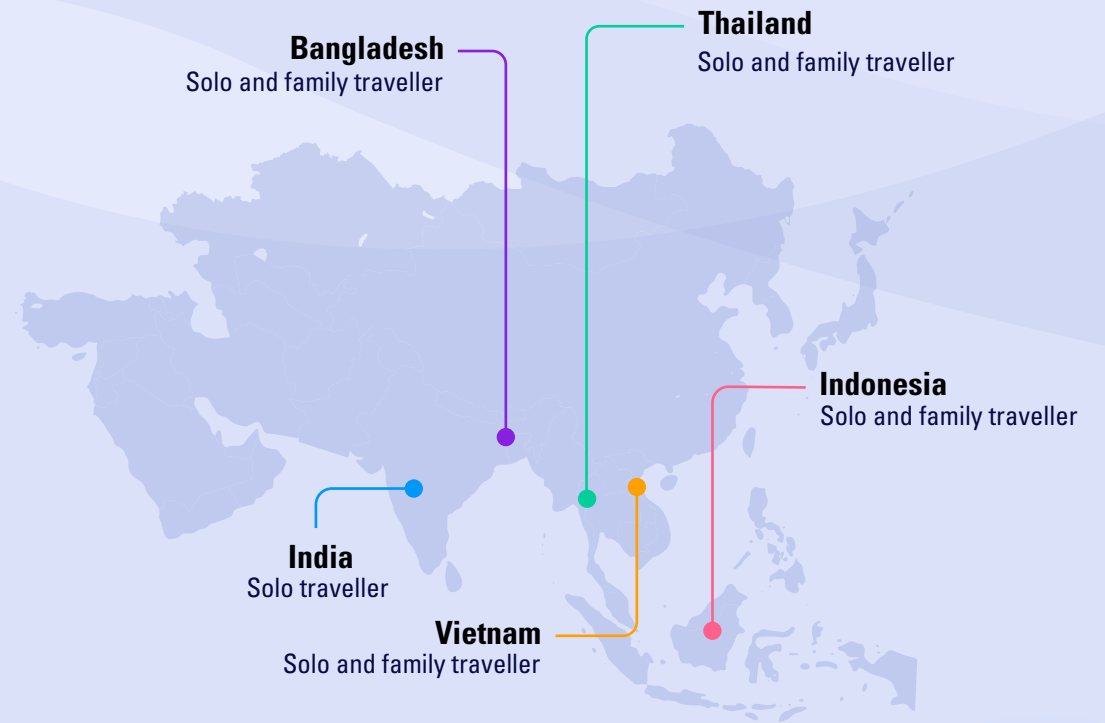
B. International Tourists

While studying International tourists we also wanted to differentiate them into two groups, family visitors and solo travellers. Solo travellers could also be visiting on business trips while family visitors most likely are on holiday.



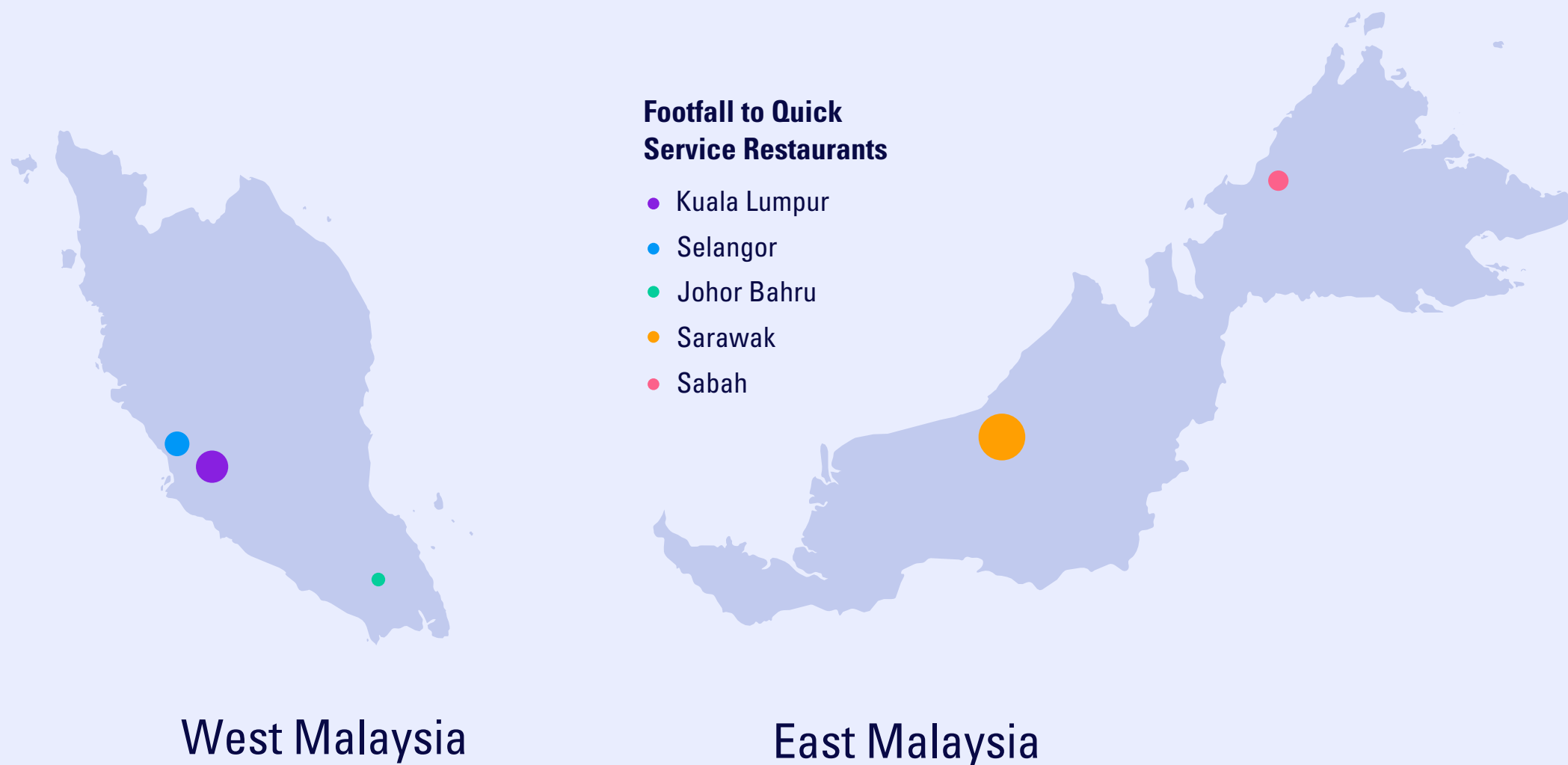
Insights:

- The majority of travellers from both the family and solo categories were from Singapore. This could be due to the proximity of the two countries, with Kuala Lumpur being only a few hours' drive away. This also means less exposure to crowds at airports, reducing the risk of Covid-19 exposure.
- There were a significant number of travellers from neighboring countries of Indonesia, Bangladesh, Vietnam, and Thailand from both solo and family traveller categories. Indian travellers were mostly solo travellers and likely on work-related visits.
- Overall most visitors were from neighboring countries in Southeast Asia, except for visitors from the US and India.



2. Quick Service Restaurants (QSRs)

Malaysia is known for its street food and popular street food specialties. We analysed the footfall of visitors to multiple quick-service restaurants



Insights:

- Surprisingly, quick-service restaurants in Sarawak attracted more visitors than those in Kuala Lumpur. Sarawak is famous for its diverse culture and local cuisine. Kuching especially is known for its street food. This could be a reason for the high volume of footfall to QSRs in Sarawak.
- Johor ranked the lowest among the cities studied.



3. Brand Affinity - Kuala Lumpur

Kuala Lumpur recorded the most footfall across the categories and was popular with both international as well as domestic visitors. We analysed footfall to understand the **top brands across four categories:**

A. Shopping Mall:

The Gardens Mall, Suria KLCC,
and Mid Valley Megamall



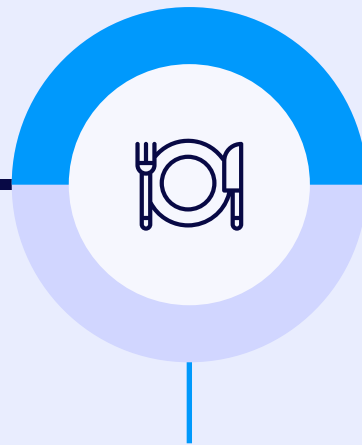
B. Quick Service Restaurants:

Subway, Kenny Roger's Roasters,
and Burger King



C. Restaurants:

Pusat Penjaja Pasaram Kota,
Restoran Wan Fo Yuan and Ikopi



D. Tourist Destination:

Merdeka Square and Taman
Burung Kuala Lumpur



Key Takeaways and Conclusion

- Among the categories studied, Tourism and Shopping Malls have recovered the most. Following shopping malls, quick-service restaurants showed promising signs of recovery as well. Restaurants have not attracted as many visitors as expected and this could be because delivery/take-out options are still preferred over closed indoor seating.
- West Malaysia has shown better performance overall due to the overwhelming popularity of Kuala Lumpur, attracting both tourists as well as business visitors.
- While all categories analysed have shown signs of recovery, tourism especially shows strong signs of recovery. The Malaysian government's Tourism Recovery Plan 2022 could also have boosted domestic tourism with offers and rebates on hotel bookings and stays for domestic visitors.

Key Takeaways and Conclusion

Data shows increasing consumer confidence, spending, and recovery across categories in Malaysia. While it has not reached pre-pandemic levels, the growth has not slowed due to rising inflation which is a positive sign for businesses. However, trends continue to evolve in a fast-changing environment making data intelligence crucial for better decision-making.

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