



Illustration by Nilesh Juvalekar



NAJEEB KUNIL
IS THE EXECUTIVE
DIRECTOR AT PPZ.

let data speak

*Retail is becoming an increasingly data rich environment as more of the business goes digital, creating many more data capture opportunities. The challenge for retailers is to capture the right data, process at the right speed and take appropriate action.**

In recent years, there has been a major shift in consumer behavior in India, and companies are constantly striving to track these changes and try to build a more holistic customer experience.

We live in times where any information is available literally at our fingertips. Easy access to information is an imperative for businesses, especially for an uncompromised facet called 'speed.' With each passing day, the pace of business is accelerating, and being aware

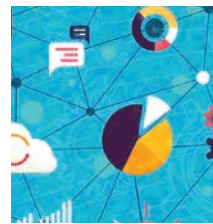
of all aspects of your business—anytime, anywhere—is mandatory to remain relevant.

Knowledge about your business or business intelligence not only provides an edge, but also enables you to take quick, timely, and informed decisions on the go. This is all the more the case with retail businesses, which are

unpredictable and dynamic. However, developers/investors have seen retail as the most lucrative annuity income-based real estate class. Tracking consumer behavior and performance on a daily basis will immensely help retail businesses strategize long-term plans as well as make quick rectifications. With hundreds of shopping malls having come up across the country in nearly a decade, the need for analyzing data for better efficiency—which then leads to success—is never more imperative than now.

Also, this segment is attracting more interest than ever before in terms of FDI, new labor laws, and more operational hours. Hence, transparency and professional management have become the need of the hour. As we also know, REIT (Real Estate Investment Trust) is to be a reality soon; this platform has been conceptualized to protect retail investors and offer them an opportunity to own a piece of India's most successful annuity income-based assets. This also becomes a compelling reason to create robust systems to ensure accurate and transparent data.

This comfort and trust being built with both institutional and retail investors will only come with process-driven management and an in-depth data analytical approach to managing assets. This is where real-time data



REIT has been conceptualized to protect retail investors and offer them an opportunity to own a piece of India's most successful annuity income-based assets.

analytics plays an extremely pivotal role, especially in the shopping mall business.

As we are all aware, retail business is growing to be a predominantly partnership approach rather than that of a lessor-lessee one, wherein it is in the developers' interest to ensure that the retailer trades well within their shopping mall. The developers, in turn, enjoy the upside of 'turnover rent' or 'revenue sharing' that has a proven track record. To ensure that all additional incentivized incomes are measured, collated, and analyzed accurately, data management becomes an extremely critical part of owning an annuity-based income asset.

PPZ BUDGETING HOME x

www.aousetech.com/ppz/budget/default.aspx?status=center_selected

HOME PPZ BUDGETING DEMO MUMBAI

INCOME **EXPENSE**

INCOME

RETAILER REVENUE

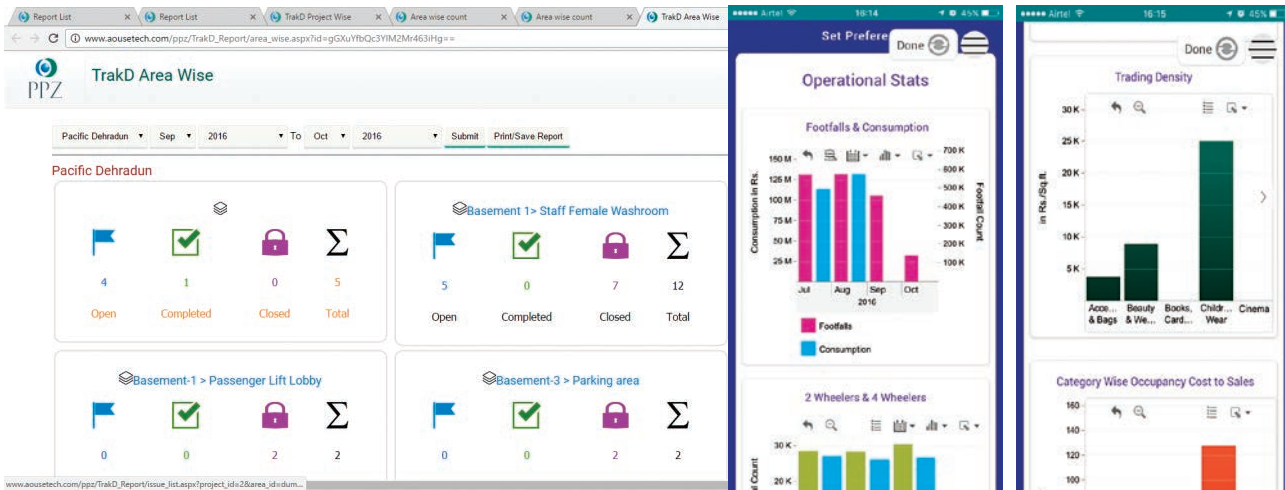
RETAILER CHARGEBACK

MARKETING REVENUE

PARKING REVENUE

OTHER REVENUE

KIOSK REVENUES



data: the backbone

With a high number of consumers walking into a shopping mall, thousands of employees, hundreds of crores being traded amongst all tenants and various units of operational consumption, one thing you can be assured of is the fact you are sitting on priceless data, waiting to be tapped into. This can be either relegated to archives or utilized well.

In today’s ‘lightning-speed expectations’, data is the backbone to any consumer-driven product. Shopping malls are a classic example; different forms of data are available, through various modes such as:

- Footfalls
- Two- and four-wheeler counts or turnarounds in a day
- Retail category sales
- Utility units consumption
- Operational monitoring
- Other income generators
- Exit surveys (RSI and CSI)
- Cross-platform marketing (OHH and Online)

With a plethora of activities to track comes the million-dollar question—how best to make use of the information available?

The smart way is to capture relevant data, and create dashboards that enable quick action on the way forward,

towards the key objectives and vision of the business. For example, data on consumption at the center seen against that corresponding to the same month the previous year helps in analyzing growth in income.

If the number of footfalls has gone down and consumption increased, it means the per person spend has gone up and the center has quality customers. The footfalls and sales pattern of various retailers indicate which scheme, category, or event has worked in a particular month. The number of two- and four-wheelers on a daily, weekly, and monthly basis help analyze the trend of parking consumption and requirements.

The ones mentioned above and other information aid well-informed decisions and rectifications on the go, which in turn help to keep a track on the center growth year on year.



In today’s ‘lightning-speed expectations’, data is the backbone to any consumer-driven product.

biggest challenge

With exposure to the online boom in the last couple of years, the bricks and mortar operator has learnt that getting to know the customers' behavioral pattern is the key to engaging them within the shopping mall. One thing online players have is data, and they know how to use it best. What offline players have is an opportunity to create valuable experiences and the vision to adapt data early enough, to fight the war between two compelling platforms. The worldwide trend seems to be a well-developed combination of both offered to the end customer because as always 'customer is king'.

Capturing data is a big concern owing to the lack of requisite infrastructure, which is mostly the case in India—it has either not been designed upfront or the need for creating it not understood. The infrastructure includes both hardware and software:

hardware

- High-speed fibre optic network
- WiFi based beacons
- Footfall counters
- Car parking management systems
- Smart metering systems
- Smart handhelds (tab's or smartphones)
- Video conferencing facilities
- Biometrics systems
- RFID access points
- Heat-mapping cameras

software

- Automated Daily Sales Report software (ADSR)
- Exit survey modules (CSI/RSI)
- Tenant fit-out modules
- Operational snagging platform
- Financial modules
- HRIS modules
- Loyalty programs
- Car parking management
- Food court management
- Entertainment management
- Inventory management (stores, kiosks and SOH)

- Gaming and entertainment platform
- Omni-channel retailing

All of these are either time consuming or investment intensive, and have always been a barrier for the developer. It is not too far away, when these will become the criteria for any international brand or institutional investor to evaluate new opportunities in the annuity income-based asset class.

Over and above these barriers, there are also issues regarding collating information from the direct source, as they are either fragmented or confidential. Retailers, who are the biggest source for data tapping, are fairly open with their data as long as it is restricted to sales. Operational data is captured through various platforms and is close to accurate, but quite fragmented and labor intensive. The real challenge is posed by the consumers because only 30-40% of the data can be tapped and the rest are guesstimates. Within India, different regions have different behavioral patterns which makes it more difficult to make predictions.

About a year ago, there was resistance from operational teams to shift from Excel or manual spreadsheets to software-based systems, but the approach is slowly changing. The benefits of a technology-enabled system any day wins over the mundane way of working and reporting.

the big change

So far, automation has been limited to facilities in any asset wherein the upkeep and functioning of various equipment are being monitored by software-enabled systems. This seems to be a basic requisite now, and the need is to have

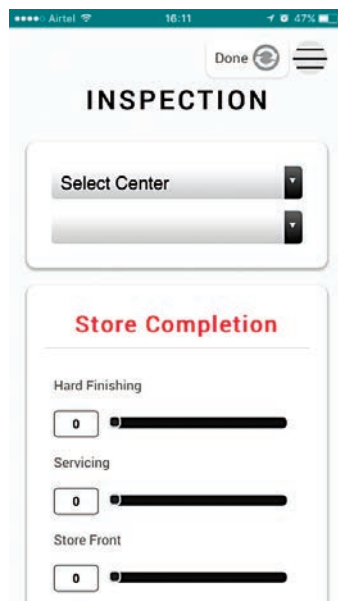


The bricks and mortar operator has learnt that getting to know the customers' behavioral pattern is the key to engaging them within the shopping mall.

real-time intelligence at your fingertips which serves as a live window to the assets performance.

- Over the last five years, Property Zone (PPZ) has been developing in-house tools to enable managing our malls across the country. Some of these platforms are built in house and some in collaboration with the finest in the world. Some of the products already in the market include PASCAL, PPZ's in-house developed platform that offers retailer database, shopping mall database, exit surveys, financial budgeting, car park management, operational monitoring, and loyalty programs.
- Inventory management, food court and entertainment management, omni-channel retailing, and heat-mapping analysis are among those being introduced in the next six months.

The two most tangible effects of software adoption have been efficiency enhancement and accuracy. The number of



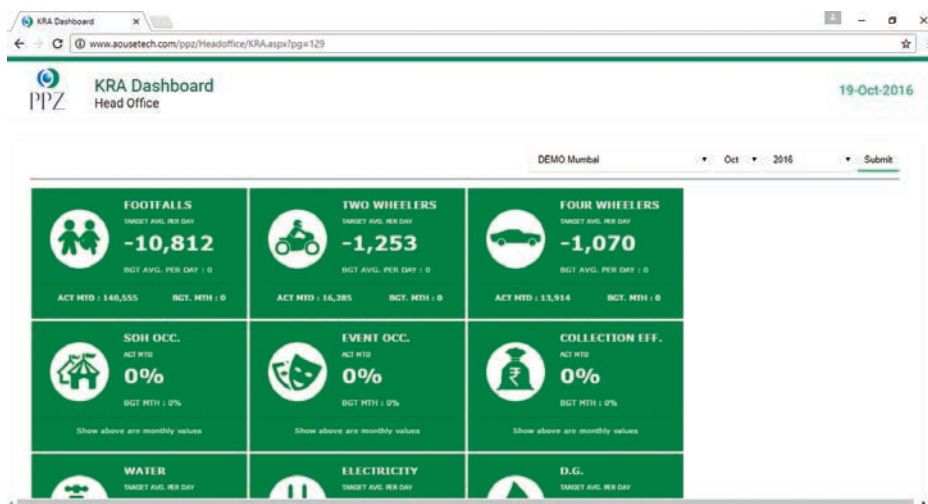
people required for management of tasks has gone down considerably. User acceptance and change of mindset take management to the next level where the teams are hands on with information.

Reduction of manual intervention in maintaining data leads to reducing the risk of errors. Various reports are available on smartphones with real-time access to data and there is no dependence on people.

data is 'king'

Data analytics in the retail real estate segment in India is at a nascent stage and all the stakeholders are striving to create better experiential spaces for their end users. This industry has learnt the importance and use of data that is extrapolated correctly, and new avenues are being explored to further

monetize this. Data without analytics is meaningless, but we are yet to see how the bricks and mortar segment deliver their stakeholders the best valued return using data analytics. ■



<http://www.pwc.co.uk/data-analytics/industries/data-and-analytics-in-the-retail-sector.html>