

Reviving Dead Malls

Anand Sundaram, CEO, Pioneer Property Zone, reveals the secrets of bringing back on track underperforming malls

Successful shopping centres are the life of an urban society. These are places that impart 'life' to any urban fabric. These are the consumption centres where customers spend quality time with friends and families and buy goods and services, retail businesses thrive, the mall promoters see quality returns for their investments and start working on enhancement or renovation plans, and all these boost the GDP of the region.

On the other hand, under-performing malls have an equally negative impact. The customers do not wish to go to such centres, which impact the retailers' business that, in turn, adversely impacts the developer's returns on the investments on that asset. Overall, such buildings start becoming the eye sores of modern urban society.

Turning around centres does require concerted efforts of many specialists working in tandem towards reviving the centre. History suggests that most such centres get just one shot at a turn-around.

Bringing Them Back on Track

Unfortunately, most reports suggest that there are more of the under-performing malls in the country today than the ones that perform. How do we get such malls to be back on track again and be the drivers of the GDP? There is no simple answer or an easy fix. Such a turnaround requires financial will backed by the managerial will to convert this into a successful business and needs the collective pooling of specialists across disciplines. And a lot of effort to ensure that we get it right at the very first instance when such initiatives are being taken, as customers may not give this centre a second chance for revival.

Many approach a turnaround in a sequential manner. Some advocate that the design be altered first, others believe that improving the day-to-day operations should be the first area to receive attention, while many others maintain that getting in the right retailers will do the trick. The question we ask at PPZ is: why is it that, in the first place, retailers do not wish to be present at this



centre? It generally transpires that they do not believe there will be adequate consumption at that centre, given the combination of various parameters such as design, mix, management and marketing.

In reality, a turnaround is a combination of all such efforts and more. Simply focusing on leasing to turnaround a centre would be akin to wanting to change the engine of a car with the hope that it can compete in a race. We really need to look at the entire building and the business together as one entity along all dimensions and make changes along all these aspects of a value chain.

While researching the market in one city, for example, we found that our client loved the large mall that had opened recently in their area. However, they did not like the time it took to park their cars; they found the size too intimidating to a point when they did not feel too comfortable, and were confused by the maze of corridors and secondary circulation.

What emerged was a clear need for convenience shopping, where the customer could dramatically cut down the time spent in parking in the underbelly of the mall, and instead spend more quality time with the family/group on the retail floors. Also, focusing on a few categories only at this small centre gave a clear sense of differentiation, where the small centre that was being turned around had a clear positioning and could be so marketed.

The design team had a clear mandate. They had to re-engineer and re-design the overall façade and the arrival area to be much more inviting and peppy, while the access and egress to the parking needed to be now