



Gold standard

Industry leaders on the best practices in mall management

BY SHIV JOSHI



Mall design is changing to include lots of open spaces.



RETAIL IS AT THE CORE OF THIS BUSINESS. IF YOU DON'T KNOW WHAT MAKES RETAIL TICK, HOW WILL YOU RUN A SUCCESSFUL SHOPPING CENTRE?"

S. RAGHUNANDAN, CEO, VIRTUOUS RETAIL

Inorbit also undertakes various activities such as make-up marathons, new product launches and cross-brand promotions to maximise the marketing exposure for retail brands associated with it. "We also try and provide solutions to the difficulties faced by our retailers by making small provisions such as temporary storage spaces, signage and providing space for their promotional events. These efforts result in better operational efficiency and improve sales as well," Mahajan explained.

Raghunandan agrees wholeheartedly. He feels that the only way shopping centres can succeed is by understanding retail and adding value to retailers. "What I've been trying to do all these years and will do now at VR as well is to get my team to understand retail better. To me, that is the core of this business. If you don't know what makes retail tick, how will you run a successful centre? At the end of the day, we are not retailers but we will certainly add value and give inputs based on customer feedback, our own

observations and on how others in the same centre are performing so that the retailer can up his game," he said. By sharing knowledge with each other about what works and what doesn't in a particular centre, both the retailer and the centre can increase their effectiveness and gain. At the end of the day, if the retailer does well, it will bring more monies to the mall's pockets since most mall are now into a profit-sharing arrangement.

Following these best practices together make for good mall management, which determines a mall's success. "Mall management is all about an effective management system which can deliver a fantastic shopping experience at the same time maximising the business potential for the retail partners. This is an amalgamation of best practices in all the spheres of mall management including, zoning, tenant mix, promotional Events, ambience management, marketing, infrastructure management and facilities management," said Mahajan. And one cannot simply focus on any of these aspects in isolation. It has to be a holistic approach. "Our malls are evolving into community centres, bringing the people of the catchment and the city together, while providing for long term profitability and annuity for those developers, who get it right, from a holistic perspective," said Sahgal of Beyond Squarefeet.

What's driving this new approach is the shift from a developer mindset to an institutional mindset. And that is because a lot large investors are entering the scene. They look at malls as a long-term plan with long term yields. Large developers too are doing this but the shift is happening slowly but steadily. And how well mall are embracing this new way of thinking is what separates great malls from the good ones. **REI**



Malls in India are following in the footsteps of malls like this one from America in terms of scale and approach.



BUILDING A STRONG RELATIONSHIP WITH THE RETAIL PARTNERS IN A MALL HELPS IN DEVELOPING THE BUSINESS."

RAJNEESH MAHAJAN, COO, INORBIT MALLS

4 Focus on experience. "There is shopping and what I call beyond shopping, which is all part of the greater holistic shopping centre approach. Retail is moving in the direction of being experiential. Likewise, a centre also has to provide that experience," said Raghunandan. Providing a great experience once again involves great ambience, good facilities, and a wide variety of offerings and services to its customers. The quality of staff interaction also forms a huge part of experience and malls are now hiring the best from hospitality to

5 manage their guest relations. Part of creating a great experience is leading malls to increase their community involvement. They not only organise activities that appeal to the community but also seek active feedback from their shoppers. Malls monitor customer feedback on a regular basis for suggestions or alterations which can be accommodated in its improvement plans.

High engagement with retailers. High customer engagement is now a given. But the best of malls don't ignore its retail partners. It is equally important to engage

with retailers. "Monthly tenant and retailer and developer and retailer interaction programmes not only encourage healthy bilateral relations but transparency too," said Rajpurohit. Good shopping centres have moved away from a transaction mindset to relationship-based one and are finding new ways to create a successful partnership in a centre.

Inorbit Malls has on an ground connect with its retail partners on a constant basis. "This is to know more about their retail performance at our mall and at other retail interfaces. Regular interaction is also important for the marketing teams to be able to plan joint promotional activities," said Rajneesh Mahajan, COO, Inorbit Malls. Inorbit also regularly arranges business review meetings with its retail brand partners. "All things considered a strong relationship with the retail partners helps in developing our business," he added.

Mukesh Kumar, vice president, Infiniti Malls

The success of a mall does not only come from housing the biggest and best brand mix, but also by setting up new standards and procedures in the mall that will provide a platform to differentiate its products and services from its competitors, by ensuring a complete experience to its guest.

As the organised retail grows and the market gets more and more competitive, I believe that consumers and retailers will be attracted to malls that are professionally managed.

This change has caused mall managements to play a more significant roll.

The key factors that will result in a successful mall management are:-

- Positioning and profiling of a mall: Even a well-designed mall can fail if this isn't done right.
- Zoning: Formulating the right tenant mix and placement in the mall, keeping its catchment in mind.
- Promotions and events: Activities like food festivals, exhibitions and celebrity visits increase foot traffic and in turn sales volumes. Such activities may also act as differentiators for a mall.
- Brand visibility.
- Facility Management: Infrastructure, traffic and ambiance management, maintenance and upkeep of the facility, constant upgrading of the facility and technology.



Surjit Singh Rajpurohit, CEO, Neptune Magnet Mall, Bhandup

Good mall management is the most critical factor in a mall's sustainability. With numerous malls cropping up in every nook and corner of the city, customers are spoiled for choice. This makes it vital for the management to carefully position and market the mall accordingly. Creative customer engagement programmes, playing upon the 'Unique Selling Proposition' of the mall etc makes all the difference. However, providing basic facilities like security, parking, cleanliness, lighting, proper restrooms is equally important.



Siddharth Sahgal, managing director, Beyond Squarefeet Mall Management

There are lot of factors influencing the success of a mall. But customers are really the key. Everything that we do should revolve around the customer, even when we intend to build a mall- we need to start with knowing our customer. It's all about passion to provide a fantastic experience, to bring in the right customers and retain them with variety of events, ambiances, retail offerings so they keep coming back for more.



Aditya Sikri, CEO Procare Mall Management (Mantri Square), Bengaluru

There are a many significant factors that contribute to the success of a mall. The retail scenario in India is rapidly changing in terms of consumer taste, shopping habits, increasing spending power of consumers. Amidst the evolving retail landscape, the role of an efficient mall management holds great importance to keep a pace with the growing competition.

Mall management is a broad term and encapsulates multiple functions beginning from ensuring the right tenant mix, organising and planning promotional activities and events, facility management and professional financial management to name a few. An efficient mall management plays a pivotal role in the success of a mall. It's all about creating a destination with the right mix of retail, entertainment, F&B along with leisure options. Today, it's all about creating an experience.





Malls are now community centres which host activities that are beyond shopping.



“TO BUILD A PROFITABLE MALL, YOU HAVE TO START AT THE VERY BEGINNING — ONE HAS TO FIRST HAVE A VISION FOR THE MALL ONE WANTS TO PUT UP.”

ANAND SUNDARAM, CEO, PPZ

not number of kilometres,” Sahgal said. Other questions the research should attempt to answer are: Will the mall be sustainable in terms of land cost and financial modelling? Who else is building a mall in the same catchment? What is the positioning of the other malls in the same catchment? Are they repositioning, reorienting, refurbishing or becoming obsolete? What is the USP that we are creating, that will bring customers to our mall and re-

tain them? What brands are desired by the catchment? (as opposed to imposing the brands on customers) What brand partners can we bring in? Are these brand partners really aggressive about long term customer service and quality or just temporary phasing turn over oriented brands?

3 Well-thought out design. “World class designs and interiors are now also a USP of the new age shopping

destinations of India,” said Aditya Sikri, CEO, Procare Mall Management (Mantri Square), Bengaluru. It had been standard practice to first hire an architect and then get the design vision. However, since design of the mall depends on several things such as the location itself and the positioning, it’s important to first get architect on board only after the vision and research because the inputs from these two steps will have actually dictate design.

“Several aspects have to be taken into consideration while designing in terms of number of entries, exits, how efficient is it in terms of costs, retailers needs, service needs. It’s not just footfalls. What is the store front-high low? The height of bays based on vehicle sizes. Planning of things like circulation, corridor sizes, atriums, how much car bays, allocation for back of the house amenities are best practices that global architects bringing into the country,” informed Sundaram.

The different uses within the retail space have to be taken into consideration. For instance, at Surat, Virtuous Retail (VR) planned its shopping centre to be a community centre, which meant frequent community events, which were a big focus right from the design development stage.

The team had planned for a dedicated events space complete with fit outs and digital infrastructure so that brands could come and plug and play. Providing for a lot of active open spaces is another best practice in design.

Giving an example of VR Surat the company’s CEO S Raghunandan said, “I have never seen any developer in the country that has invested in alternate spaces the way this centre has done—whether it’s open spaces, art installations, public spaces, gardens, landscaping to this extent and with that much deliberation,” he said.



The country's malls are undergoing a paradigm shift. In fact, industry insiders don't want to label them as malls anymore: the preferred monikers are retail spaces, community centres or even shopping destinations. And why not, over the years, they have evolved from being mere places where people come to shop into day destinations. And this is

being reflected not just in the way malls operate, but in how they are designed—box-like enclosed structures are making way to shopping centres with vast open spaces with multiple entry and exit points. But getting to this phase wasn't cakewalk; the journey been a difficult one, with a lot of casualties along the way. Modern retail itself was new in the country, so everyone was struggling to find their feet

and arriving at the 'right formula' meant making mistakes and learning from them. But the worst is over and we have come out wiser with a bag of priceless lessons on what works. But it has been observed that malls that have managed to survive the dark period and that continue to thrive are the ones that have diligently followed best practices. We bring you the current top five best practices in building and running malls:

1 Formulating a vision. "To build a profitable mall, you have to start at the very beginning—one has to first have a vision for the mall one wants to put up. This would include details like which asset class, what will the property be—high-end, low-end, regional centre? And also the right land-use optimisation," said Anand Sundaram, CEO, Pioneer Property Zone (PPZ). Without a vision, drawing up a clear roadmap becomes difficult.

2 Thorough research and planning. A close cousin of the first best practice, this is not just a best practice but is now considered basic hygiene. "There are shortcomings pertaining to issues of mall management in India. To overcome these shortcomings, developers must conduct professional mall management practices starting from rigorous feasibility exercise or market research," said Mukesh Kumar, VP, Infiniti Malls. According to Siddharth Sahgal, MD, Beyond Squarefeet Mall Management, research has to be done to get answers to questions like: Does the catchment really need a mall? Who is the customer? The answer to this will then go in to identify the positioning of the mall, considering primary, secondary and tertiary audiences. "In a lot of metro cities globally and in India, this is mostly defined by drive time, and