



SHOPPING CENTRES
ASSOCIATION OF INDIA

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COO's DESK



The festive fervour is on and it is slowly taking the epicentre of growth for retail, as brands/retailers and shopping centres have decked up in the festive flavour to welcome the customers for their festive shopping needs. Gifting as an industry is also seeing a big boost owing to the festivities and it is getting the right push with demands growing all across cities and towns. The demand for festive shopping does not get restricted to a few categories and in fact, is a big push for all categories. Moreover, the growth plays out along varied budgets and helps fulfil the shortcomings of the last few months.

Consumer durable for instance is big on the radar this season and as per reports, the Indian brands are getting a heavy push owing to remarkable sales of consumer durable. There is also a surge in demand for precious metals and that's ruling the charts. The tradition of getting into the merriment and spending on luxury and essentials for the festivities is a big aspect for Indians and the comeback post-2-years of the pandemic certainly makes the celebration extra special this year.

Hope the momentum continues in a roaring spirit and is met with an even more roaring End of Season sale at the end of the year. It will be interesting to see the recovery trajectory henceforth to map the growth post-pandemic.

Happy Diwali and a blessed Dussehra to everyone!

– Anjeev Kumar Srivastava, COO, SCAI



PRC 2022



The session at Phygital Retail Convention 2022, discussed how can retailers capitalise on umpteen opportunities to grow 'occasion wear' category - with different cultures, festivals, ceremonies, corporate and fashion events.

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INDUSTRY UPDATE



Given that retail malls are experiential, more of the future developments want to create destinations. As a result, the retail real estate sector has reached a new level of maturity where smaller sized and lower grade developments are giving way to Grade A malls.

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MARKET WATCH



The daily challenge that shopping center managers face is increasing traffic flow. That's one of the main reasons why they invest time and budget in marketing. Here are a few tested marketing ideas for shopping malls that will help you attract more foot traffic and create a lasting connection with your customers.

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MARKET WATCH



To create a successful food court, an understanding of leasing has to be done closely. In this, different strategies are given that needs to be mind while creating a successful and varied food court in a retail shopping centre.

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REPORT



The policy intivities in India is a major boost to the retail sector of the country. With the evolution of Foreign Direct Investment (FDI) policy, the sector is developing at a fast pace. Below are given the steps that could promote the development of large format retail zones and shopping malls.

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TREND WATCH



From novel technologies to changing consumer attitudes, Applause has selected 10 top retail trends to watch.

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PRC 2022



Fusion Retail Developments: Fusion of Art, Culture, Tradition with Organised Retail



★★★ With growing awareness of global fashion trends, a growing middle class and rising disposable income, the occasion wear market in India has witnessed aggressive growth. Traditionally, the occasion wear market was catered by either the unorganised players or the high-end designers. But, as the fashion and brand conscious young middle class started earning higher disposable income, this segment has emerged to be an attractive market. This

has resulted in a slew of domestic and international brands focusing on this segment. The categories themselves have grown significantly.

Today, in small towns of hinterlands as well as the elite crowd of the metros – are taking to with elan in how they furnish their wardrobes for ‘special occasions’, the way they shop for ‘occasion wear’, and the markets they visit.

The session ‘Fusion Retail Developments- Fusion of Art, Culture, Tradition with Organised Retail’ powered by Omaxe, at Phyigital Retail Convention 2022, discussed how can retailers capitalise on umpteen opportunities to grow ‘occasion wear’ category – with different cultures, festivals, ceremonies, corporate and fashion events.

The session was moderated by Pankaj Renjhen, COO & Jt. Managing Director - Retail Services, ANAROCK. The

Key Highlights

- Identifying the key themes that can help the market grow
- Emerging model of fusion retail developments – fusion of art, culture, tradition with organised retail, fusion of high street markets with features, conveniences, ambiance of small
- Modern retail vs unorganised retail
- Redevelopment of old/traditional markets – necessity, requirement, why and how it is relevant for modern retailers in occasion wear segments
- Promotion of heritage & culture through organised retail
- Justification of rentals in traditional markets and high volumes of business
- Creating a growth marketing mindset; where Phyigital can help and accelerate the process segments in a structured way



other speakers in the panel were:

- **Avnish Kumar**, Director, Neerus
- **Dhruv Kaura**, COO - Tasva, Aditya Birla Fashion & Retail
- **Suvankar Sen**, MD and CEO, Senco Gold and Diamonds
- **Sameer Manglani**, Partner, Meena Bazaar
- **Jatin Goel**, Executive Director, Omaxe
- **Uddhav Poddar**, MD & Group CEO, Bhumika Group

Pankaj Renjhen kickstarted the debate by referring to the Omaxe new project at Chandni Chowk as the new parameter of fusion of art and culture. "Location plays a very significant role in determining the fusion of art, culture, tradition with organised retail. A shopping mall into the crowded street of Chandni Chowk is indeed the new dimension of organised retail, which breaks the

typical stereotype of opening shopping malls into a typically glitzy location," says Renjhen.

"Omaxe Group have been into real estate business from last 34 years and have believed in changing the way how industry moves forward. Keeping this vision in mind, we started the project in Chandni Chowk. We have taken steps in determining, how retail development should happen in India, and the pandemic has taught us that technology will take over the convenience.

Customer satisfaction is the key and therefore be it high street market or shopping malls, we are bound to move forward to more organised retail format. The idea of mall in a location like Chandni chowk is a new revelation. All, we need is to provide a right set of infrastructure, hygiene, conditioning, promotion for

people to come and feel safe and shop as well not letting go the price point, any location can be converted into organised form," says Jatin Goel, Executive Director, Omaxe.

"It is not just commercial development. It is also a commercial activity, which is more of kind of responsibility towards preserving the heritage and culture of our country," he adds further.

EMERGING MODEL OF FUSION RETAIL DEVELOPMENTS

Talking about the fondness of traditional high street (unstructured environment), Renjhen highlights that, food (mainly street food) is a very important component which attracts customer to these markets. Goel explains, "I believe in last 5 years the component of F&B within a



A customer coming to the Karol Bagh store, in comparison to the Chandni Chowk outlet will be different only on parameters of collections. The fusion of newness as come up across all our stores, but 20% of it is catered to a selected audience.

- Sameer Manglani, Partner, Meena Bazaar



There's a space for everyone in the market. I think Indian brands at larger scale has the benefit of the sale. The brands today are designing their production, have their own supply chain and are getting closer to the help, support service provided by the international brands.

- Dhruv Kaura, COO - Tasva, Aditya Birla Fashion & Retail

retail development has been moving upwards as compared to the other segment. There is a reason, people really want to go out and have an experience. Food provides the most important and easy experience. The markets of South Asia in Bangkok and Singapore have beautifully combined the concept of modern retail and street food with walk station. A lot of innovation is also being introduced, for example, how the food is prepared live, showcasing the hygienic manner."

well as eateries, along with something like KFC and McDonalds," Goel added further.

"We are building a mixed-use development whose catchment will not be limited to Udaipur only. Udaipur is a large tourist destination, and the mall is only 400 kms far from Jaipur, another popular tourist destination. Besides, there are many surrounding districts in Rajasthan and Gujarat, whom we will cater to as well. We have got 7 anchor stores in

have a huge, dedicated space for F&B and will also have micro-brewery outlet, the first one in Udaipur. There will be a Chowpatty bazar for the local food in the mall. As far as FEC is considered, we have Trampoline Park, Roller coaster along with many rides which will be a first-time thing in Udaipur. We have dedicated space in mall for the traditional retail as well. One thing which I can assure is that there is huge demand for the international and the fashion brands in Udaipur along with the traditional



"We are building a cluster about 80000 sq.ft. of food area, as food remains our priority. We don't want the nostalgia of the surrounding to go away and we will be having outlets of Chandni Chowk sweets as

mall, and most of them will feature brands which will be launching their first store in the city. Shoppers Stop, Lifestyle, Marks & Spencer's are few brands which will open their first store in Udaipur at Urban Square. We

ones," says Uddhav Poddar, MD & Group, CEO, Bhumika Group.

When asked, how malls can expect the transit audience to visit the shopping center on regular basis, Poddar added,



The idea of mall in a location like Chandni chowk is a new admission. All we need is to provide a right set of infrastructure, hygiene, conditioning, promotion for people to come and feel safe and shop as well not letting go the price point, any location can be converted into organised form.

– Jatin Goel, Executive Director, Omaxe



Ethnic or occasion wear has always been in demand, and this is one category, where people don't come to shop alone. For wedding shopping, often the entire family accompanies the individual for the shopping. So even footfalls and trends are also not a concern.

– Avnish Kumar, Director, Neerus



“There are three districts which are at 35 - 40 minutes driving distance from the mall. We have a data, and we are quite hopeful that 40% of outside city population will also be visiting Udaipur due to the hotel business and moving traffic.”

Samir Manglani, Partner, Meena Bazaar explained the change (cultural perspective) from the retailers’ perspective. “We started ironically around 1970 and since then malls have been a target audience for the retailers. We are in malls as well as high streets and are doing good at both the locations. There are traditional buyers who would prepare both the formats. They can go to the vendors as well as to the brands for their needs.

A customer coming to the Karol Bagh store, in comparison to the Chandni Chowk outlet will be different only on the parameters of collections. The fusion of newness has come up across all our stores. Even our collection has the new infusion, but 20% of it is catered to a selected audience. Apart from this there is no difference as far as consumer behaviour and purchase is concerned,” he added further.

MODERN RETAIL CONCEPTS

Talking about the modern retail concepts and the approach Avnish Kumar, Director, Neerus said, “As far as modern retailing is concerned, we do have formats from 1000-3000 sq.

ft across pan India. Talking of presence in shopping malls, it wasn’t a problem for us. Being an ethnic brand from South India, the response from the mall developers from other regions was very optimistic. Ethnic or occasion wear has always been in demand, and this is one category, where people don’t come to shop alone. For wedding shopping, often the entire family accompanies the individual for the shopping. So even footfalls and trends are also not a concern.”

Adding more on the consumer response and experience and store size, Kumar adds, “Comparing two regions on this, in South India the apprehension is bigger the store, bigger the variety, but probably this is not the trend in North India. You won’t see



It is very important to be available across all formats because every platform has its own unique buyers, which cannot be ignored. Today experience is everything.

– Suvankar Sen, MD and CEO, Senco Gold and Diamonds



We have a huge, dedicated space for F&B and will also have micro-brewery outlet, the first one in Udaipur. There will be a Chowpatty bazar for the local food in the mall. Along with Trampoline Park, Roller coaster and other rides, we have dedicated space for the traditional retail as well.

– Uddhav Poddar, MD & Group CEO, Bhumika Group

a retailer with huge stores in North, whereas in South, we will have a store of 50-60,000 sq ft selling only occasional wear. That is one cultural difference between the regions.

ONLINE AND OFFLINE PURCHASE

Traditional shopping in physical store is an evergreen trend. When asked whether new age customer is opting to take the online shopping route for traditional and occasional wear as well, Suvankar Sen, MD & CEO, Senco Gold and Diamonds answers, "There are few factors that determine the shopping behaviour of the consumer, with first being the occasion itself. Secondly the time, shopping experience and moreover product

satisfaction is very important factors for the buyer.

Jewellery shopping requires time and patience and as it has huge variety. Therefore, it is very important for the retailers to provide each and every detail and significance of the product. With enabled technology, we can reach out to our consumers, with the entire collection and details, even if they are not at the store. At this moment, it is very important to be available across all formats, because every platform has its own unique buyers, which cannot be ignored. Today experience is everything."

MARKET GROWTH AND PURCHASING POWER

Pankaj highlights that the customer mindset has changed, as the fashion

spend also has seen various changes in the past few years. Earlier fashion spend was typically controlled by the financial strength of the family and the elder generation, which is not a common case currently.

"Today younger generation is controlling their own finance and their shopping behaviour totally is based on that," he adds further.

"Ticket size of shopping is very different when it comes to wedding and the family is taking the decision. The budget of the shopping increases in this situation. However, individual and occasion shopping budget is very different from this. Today, Millennials and GenZ shoppers don't want to repeat their jewellery. For this type of

shopping, budget becomes a bigger constraint," said Kumar from Neerus.

When asked what's prompting the sudden jump into the ethnic wear market, despite having lots of unorganized business, Dhruv Kaura, COO, Tasva, Aditya Birla Fashion & Retail says, "The consumer behavior is continuously witnessing a change, and in the last 10-20 years it has solely been the global brands market everywhere. Be it any occasion, depending on the purchase power of the consumer, the perfect choice for shopping has been global brands."

"A lot has changed after the pandemic, as consumer has become more inward looking and are embracing our occasions more confidently. Due to this shift, we see a huge opportunity for the brands and the market in total as well. There are many brands which are moving into the ethnic and traditional wear category," added Kaura.

"There's a space for everyone in the market. I think Indian brands at larger scale has the benefit of the sale. The brands today are designing their production, have their own supply chain and yes, we are getting closer to the help, support service provided by the international brands. Consumer experience is the other parameter, where we need to focus more, Kaura explained further. ■



INDUSTRY UPDATE



15.5 Mn sq. ft. Added Across 16 Malls Since Jan 2020: **Knight Frank India**



★★★ Knight Frank India, in its latest report 'Think India, Think Retail 2022 - Reinventing Indian Shopping Malls' cited that the organised retail sales volume in the top 8 Indian cities is estimated to grow at a CAGR of 17%, from USD 52 billion (bn) in FY 2022 to USD 136 bn by FY 2028. In the same period, potential retail sales in Indian malls are estimated to grow at a CAGR of 29% in the FY 2022 - 28

period reaching USD 39 bn by FY 2028. Retail sales in Indian malls across the top 8 cities grew at a CAGR of approximately 3% to reach USD 8 bn in FY 2022 while in FY 2023, the potential consumption is estimated to surpass the pre - COVID-19 levels to reach USD 11 bn. The organised retail sales volume will grow at an expected CAGR of 24% between FY 2017 and FY 2022 maintaining a healthy

rate of growth despite the pandemic induced slowdown.

For this study, Knight Frank captured 271 operational shopping malls spread across India's key eight metropolitan regions - Ahmedabad, Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, National Capital Region (NCR) and Pune. Based on key success parameters such as small size, vacancy

rate, anchor tenant profile, zoning, mallmanagement, parking facilities and quality of public transportation, the entire mall stock captured has been categorized into 3 broadcategories as shown below:

OVERVIEW

India has a total mall stock of 8.6 mn sq m (92.9mn sq ft) spread across 271 operational

Criteria	Grade A	Grade B	Grade C
Gross Leasable Area sq m (sq ft)	>46,451 (500,000)	9,290-46,451 (100,000-500,000)	<9,290 (<100,000)
Vacancy	0-9%	10-40%	More than 40%
Anchor Tenants	Department Store/ Hypermarket/Gourmet Store	Department Store or Hypermarket	No anchor tenant
Floor-wise Zoning of Brands	Strict Implementation	Part Implementation	No Implementation
Frontage and Visibility	Excellent	Good	Poor
Mall Management*	Excellent	Good	Poor
Parking Facilities	300 vehicles and above	200-300 vehicles	Limited or no parking facilities in the area
Quality of Public Transportation	Direct and easy access from all modes of public transport	Direct and easy access from all modes of public transport	Weak access from all modes of public transport

* Includes Safety and Health protocols (Washrooms/Common Area Maintenance/Safety Equipment Awareness/Security Staff for consumers at every crucial mall check point)

Note: Mall Grading is a combination of the above criteria and not one parameter alone.
Source: Knight Frank Research



contributed 36% (11.5 mn sq. ft) and 21% (6.6 mn sq. ft) respectively.

As per the grade-wise mall stock distribution in top eight cities in India: Grade A malls contributed 39% of the total stock with 36 mn sq ft in H1 2022. High occupancy, strong tenant mix, good positioning and active mall management being the key driving factors. Grade B mall stock, with decent occupancy and tenant mix, contributed 31% with 29.1 mn sq ft. Grade C malls contributed the lowest 30% (nearly 27.8 mn sq ft) during the same period. High vacancy rates, poor tenant mix, and relatively poor mall management impacted the contribution by Grade C malls. Of the total number of 271 operational malls in India, Grade A comprised of 52 malls accounting to 19%. Grade B and C comprised of 35% (94 malls) and 46% (125 malls) respectively.

On an account of the number of malls, Grade A noted a

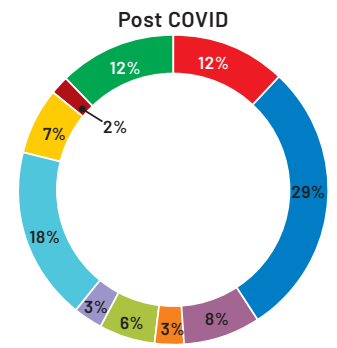
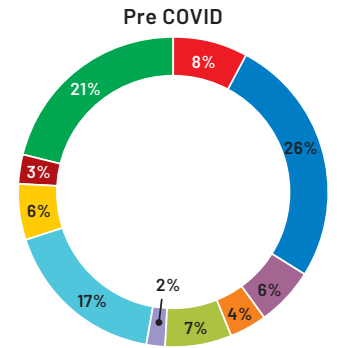
Operational Mall Stock in India (Total Operational Malls: 271)

NCR	2.9 mn sq m	31.7 mn sq ft
Mumbai	1.5 mn sq m	16.1 mn sq ft
Bengaluru	1.4 m sq m	15.2 mn sq. ft
Chennai	0.7 mn sq m	7.5 mn sq ft
Kolkata	0.5 mn sq m	5.6 mn sq m
Ahmedabad	0.2 mn sq m	2.5 mn sq ft
Hyderabad	0.7 mn sq m	7.1 mn sq. ft
Pune	0.7 mn sq m	7.1 mn sq ft

Source: Knight Frank Research
Note: Distribution represents Mall Stock till H1 2022

malls in the top eight markets – Ahmedabad, Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, National Capital Region (NCR) and Pune. As on H1 2022, NCR contributes nearly one-third or 34% of India's total mall stock, which is the highest across the top 8 markets. Mumbai contributes 18% or the second highest mall stock to the top 8 markets while Bengaluru contributes 17%.

As per the grade-wise mall stock distribution in NCR, Grade C malls contributed the highest at 43% to the NCRs total mall stock with 13.6 mn sq ft as of H1 2022. Grade A and Grade B malls



- Accessories
- Apparel
- Beauty
- Department Store
- Electronics
- Entertainment
- Food & Beverage
- Footwear
- Home & Lifestyle
- Others

constant increase in share of total mall supply in the past 12 years. Grade A malls witnessed an increase in share of total supply from 39% before 2010 to 45% after 2018. There has been steady increase in share of Grade A mall supply of, over the last decade. Grade B mall supply registered a marginal growth in share from 27% before 2010 to 29% after 2018. On the contrary, Grade C mall supply recorded a decline in its from 34% before 2010 to 26% after 2018. Grade C malls are still under operation in the country but a vast proportion of this space and are largely strata owned assets. They

are slowly fading away from the organised retail scene and are either being used for commercial purposes or are under various stages of dilapidation.

Sharing an overview on the 'Mall Culture' in India, Shishir Bajjal, Chairman & Managing Director at Knight Frank India said, "The retail real estate sector has reached a new level of maturity where smaller sized and lower grade developments are giving way to Grade A malls. The existing Grade A malls have over 95% occupancy which is indicative of the demand for quality real estate in this segment.



Given that retail malls are experiential, more of the future developments will want to create destinations. Therefore, scale and quality of development would require developers to specialise in

shopping centre development and operations. Like the office segment, post consolidation, retail real estate too will offer great opportunity for investments including REITs in the future."



ORGANIZED RETAIL SALES VOLUME AND CONSUMPTION IN SHOPPING MALLS

The report further forecasted that the organized retail sales volume in the top 8 Indian cities is estimated to grow steadily from USD 52 bn in FY 2022 to USD 136 bn by

FY 2028, at a CAGR of 17%. During the five-year period of FY 2017-2022, sales volume in the organised retail sector grew at a CAGR of 24% reaching USD 52 bn in FY 2022.

During the period of FY 2017-2022, consumption in Indian shopping malls across the

top 8 cities grew at a CAGR of 3% to USD 8 bn by FY 2022. In FY 2023, the potential consumption is estimated to cross the pre COVID-19 levels reaching USD 11 bn. From the long-term perspective, the potential consumption in Indian malls is estimated to grow at a CAGR of 29% in the FY 2022-28 period reaching USD 39 bn by FY 2028.

RETAILER CATEGORY SPLIT COMPARISON

At the end of H1 2022 period, the retailer category split in malls presents a similar picture compared to pre-Covid times. Apparels and accessories are the two categories that have expanded their footprints. From 26% share of apparels

has increased to 29% in malls. Accessories such as books, watches, jewellery, eyewear, and others witnessed a prominent increase from 8% in pre-Covid to 12% in space take-up in malls. Beauty, Footwear and Entertainment categories also registered a marginal growth in category split during the same period. Other categories which include gymnasium and other miscellaneous categories were the worst hit and recorded a gradual decrease from 21% in pre-Covid to 12% in the post-Covid period.

Recovery in Consumption - Region Wise & Category Wise Sales Growth Index

Eastern and northern regions of India witnessed a strong recovery in consumption reaching new heights by crossing pre-pandemic levels in March 2022. The Eastern region registered a significant increase in index value from 100 (as a base index as of March 2019) to an index value of 123 at the end of March 2022. The consumption index in the northern region increased to 118 during the same period. The southern region registered a steady improvement in recovery crossing pre-pandemic levels registering an index value of 108 whereas the western region took the worst hit due to tighter restrictions and consumption was marginally less than pre-pandemic levels (index value of 99) at the end of March 2022. ■

MARKET WATCH



7 Top Marketing Ideas for Shopping Malls

– By Daniela Turcanu

The daily challenge that shopping center managers face is increasing traffic flow. That’s one of the main reasons why they invest time and budget in marketing. Here are a few tested marketing ideas for shopping malls that will help you attract more foot traffic and create a lasting connection with your customers.



1. CREATE A UNIQUE HASHTAG FOR YOUR SHOPPING MALL

Hashtags make it easier to search for conversations and participate in them. Of course, this goes for the private use of social media, but user-generated hashtag campaigns are also something many businesses leverage nowadays. Having a unique hashtag for your shopping mall will help you easily monitor and collect the content that visitors post on social media while sharing their shopping experiences. It’s also a great way to discover your true fans. Here’s a great hashtag campaign guide to help you choose a good hashtag.

Encourage your customers to use your official hashtag and post about their experience at your shopping mall, stores, or interactions with customer service. People enjoy sharing unique products and experiences with their community on social media, which is powerful authentic content you can use in your marketing.

2. ORGANIZE EVENTS ON WEEKENDS AND DURING HOLIDAYS

Marketing actions should target the general public through musical, artistic, and social events. Over the weekend or during holidays, everyone is looking for different events they can go to and enjoy their time off work. Your current unused mall space is large enough to serve as an event venue. This opens up opportunities for community groups and non-profit organizations to hold events year-round and increase foot traffic.

You can also host competitions with attractive prizes. For example, you can leverage photo contests to promote your brand and that of the tenants, as well. You can get lots of user-generated content by asking your customers to take photos or selfies of their experience at your mall. You could also do cross-promotions by asking the store owners to share the pictures on their social media accounts. Finally, gather all that fantastic content on a social wall and allow people to vote for their favorite photo using Reactions.



3. USE SOCIAL MEDIA CHANNELS FOR NEWS AND PROMOTIONS

It would be best if you used all your social media channels to promote new stores, the events you organize, new collections, new movies at the mall's cinema, or the sales and giveaways your tenants are running.

Generating a sense of anticipation and making followers feel they are the first to receive the latest news will guarantee positive reactions. In addition, it will drive people to your shopping mall. If you're searching for inspiration when it comes to great social media content for your shopping mall, make sure you check out the Instagram account of the world's biggest mall. The Dubai Mall does a great job mixing different kinds of engaging content on their social media profiles. They have over 1 million followers on Instagram alone.

4. ENGAGE WEBSITE VISITORS WITH A SOCIAL MEDIA WIDGET

The content you invest time creating for your social media fans should go beyond the platforms you publish it on. For example, a social media widget lets you display content on the shopping mall's website from all your social media accounts.



Every new post published on your company's profiles will be automatically added to the social widget. You can further curate the content, only choosing content around a specific event or campaign. Apart from the content you create, you can use a social media widget to collect and display posts that customers and influencers share on social media. They will make valuable social proof for your website.

5. COMBINE USER-GENERATED CONTENT WITH DIGITAL SIGNAGE

Displaying your social media feed and the user-generated content you collected using your official hashtag on digital

signage is a great way to connect your online and offline marketing efforts. Setting a social media screen benefits your marketing communication strategy in many ways. It enables you to connect with the audience, boost sales and brand awareness, promote your events and tenants, and keep your community engaged.

Here's a great example of how shopping malls across South Africa used social media displays to feature authentic user-generated content from Cadbury's holiday campaign. Cadbury SA encouraged customers and fans to share a message of appreciation using the hashtag #CadburyFestive. The best posts would be featured on billboards throughout the country every Friday. The social displays gave people a good reason to participate in the campaign and share their messages on social media using the official hashtag. Read more about the hashtag marketing campaign.

6. LEVERAGE USER-GENERATED CONTENT IN YOUR ADVERTISING

Product reviews from other people influence us. Existing customers provide social proof for potential ones that your brand is worthy of their time and money. Most importantly, you are now selling your products to the first generation of digital natives. And they are incredibly ad-averse. They prefer authentic, inspiring content echoed by the voices of real people.



Someone might not click on a regular ad for your brand, but they are likely to click on a post their friends have shared about it. Drive conversions with authentic UGC from existing visitors raving about how happy they are visiting your shopping mall, joining events or fun competitions organized by your tenants.

User-generated content lets consumers see what other shoppers say about your shopping mall and can help foster a sense of trust that motivates them to visit and make a purchase.

7. USE INFLUENCERS RELATED TO YOUR TARGET GROUP

When it comes to marketing ideas for shopping malls, influencer marketing cannot be left out. It's a great way to expand your reach. Find a handful of influencers relevant to your market and ask them to promote your hashtag, tweet, retweet, and create content around events happening at your shopping mall. You can even involve your tenants and get influencers to promote new collections or giveaways your brands are organizing.

Involving influencers works great for Ivana Ljušić Ristić, Marketing Manager at Rajiceva Shopping Center. ■

MARKET WATCH



Understanding **Food Court** Leasing Closely

★★★ A successful and varied food court in a retail shopping centre can be a real attraction factor for your customers and shoppers. The tenant mix in the food court should be a 'magnet' for customers to visit and stay longer in the property. Better tenants and attractive fit outs or signage sustain the interest of shop customers.

A retail food court can and usually does sustain the customer interest in the property and extends the visitation time. It can also bring shoppers back to the property more frequently. All of that can then produce an increase in retail sales.

RETAIL SALES BOOSTER
From that formula of extra customer interest and time spent shopping, the



more substantial the sales opportunity for tenants in the property. So, this becomes a retail shop formula linking the retail property's tenants and the landlord with customers. It stands to

reason that a well-structured and positioned food court will help significantly with the success and growth of the retail property.

SUCCESSFUL RETAIL TENANT FORMULA

Think about things in the properties you manage or lease. When the tenants are successful, the landlord benefits as well. So, what can you do in the retail tenant mix and food court to help the tenants with sales and customer attraction?

Here are some ideas to help you create a successful retail food court in your shopping centre that you lease or manage.

→ **Shopping Centre Branding:**
What is the brand of your shopping centre? What is it known for by locals, customers, and tenants? The food court image or design must fit into the overall branding of your O

→ **Standard Lease Terms:**
Generally, and particularly in situations where you are negotiating new leases with the food tenants, consider the duration of leases and whether you should be giving any options as part of the leasing process. You may not want all leases to expire simultaneously in the one food court. It can impact your cash flow and overall property performance.



→ **Retailers Operational**

Hours: Set the operational hours of the property so that all food tenants have a core set of hours where they must trade. That trading window can then integrate into the working hours of the main shopping centre.

→ **Food court**

Marketing Plan: Create a marketing plan for the food court. That marketing plan can be separate from the overall shopping centre and be separately staged in a timeline across the year. The food court could incorporate community, seasonal, and location-based promotions. There can also be a tourism focus to merge into that if your property has an element of tourism in the customer base.

→ **Shop Signage and**

Branding: Set branding and signage rules for the food court zone to ensure that all the tenants adhere to what can happen and be displayed in any promotional sense. When all tenants adhere to signage placement and size rules, the food court can consolidate its image and customer attraction factors.

→ **Alternative Tenant Types**

Maintain a list of alternative tenants in the food court if a vacancy arises. Like it or not, some vacancies



happen, so you should have a strategy to activate if any tenants leave the property or are vacated due to trading problems.

→ **Sales Turnover Figures:**

As part of the lease for the food retailers, ensure that you are getting and will get the turnover figures each

week and month. That will allow you to understand your best tenants and why that could be the case.

→ **Size of Shop and**

Compliance: Food-type tenants occupy space that is not overly large on a shop-by-shop basis, but the shop zone is intense with

fit-out installations, food storage and preparation, displays, and customer-facing sales counters. Ensure that the tenancy is bound to adhere to food and health regulations and licenses that could apply. Ensure that each food tenant supplies all required permits for food storage, supply, and preparation, and all the code-compliant plans for fit-out installation.

So, these ideas will help you create and lease a thriving retail shopping centre food court. You can add to these factors based on your location, tenants, and customer base. Ensure that your food court is leased as a particular location in your retail property. Ensure the area is a natural attraction to support the entire retail property. ■

REPORT



Policy Initiatives for the Retail Sector

★★★ The evolution of India's Foreign Direct Investment (FDI) policy is a step in the right direction for the retail sector.

Two Indian states where retail trade policies have dedicated focus on the development of retail entertainment zones and retail parks are Maharashtra and Andhra Pradesh respectively. The development of retail entertainment zones (REZs) was conceptualized as per the Government of Maharashtra's Retail Trade Policy, 2016. The concept of a REZ was to create a separate zone for retail and recreation with direct access to mass public transport systems. This was to be included in the master plan of the various cities in Maharashtra. These zones were conceptualized with large land parcels for mall development. Since the use was already identified as retail/entertainment, it was anticipated that the land prices would eventually rationalise this particular use. Physical infrastructure such as roads, public transport, and power, which comprise the backbone of a successful retail centre, was included within the master plan. A relaxation in the development control norms would have been favourable to mall



developers. The Andhra Pradesh Retail Parks Policy 2021-26 envisions offering handholding to the retail park developers with a minimum investment of INR 100 crores. A key highlight of the Andhra Pradesh state retail the policy was a single-desk portal for retail park developers to obtain all clearances in a time-bound manner. However, there is a lot more that needs to be done on the ground to ensure adherence to these policies to create a suitable ecosystem that facilitates the development of large international standard shopping malls.

STEPS TO PROMOTE DEVELOPMENT OF LARGE FORMAT RETAIL ZONES AND SHOPPING MALLS

→ Earmarked space for retail developments

- Earmarking spaces in master plans will help raise the standard of shopping mall development in the country. The earmarked spaces for retail/entertainment developments will rationalise the land prices for shopping mall development. This will also help in the planning of infrastructure on road,

public transportation, power, and other fronts in advance, thereby making shopping mall development a lucrative construction proposition for developers.

→ Streamline Development Control Regulations (DCR)

- There is a major disconnect between sanctioned development plans and the requirements of a retail development. While the sanctioned development plans are largely as per the norms governing commercial properties,

the business use, the prerequisites of a retail development such as a shopping mall are very different. For shopping mall developments to be viable and of superior quality, modifications in DCR such as higher ground coverage, recreation ground areas, floor-to-floor heights and parking norms are required to be included in several state plans.

→ **Building Height** – There is a height restriction for buildings which house a multiplex or an auditorium. Retail developments generally do not work at higher levels, and hence to use the entire eligible FSI of the land, alternate commercial use like hotels, service apartments and offices are required to be developed on the upper



floors. The restriction on building heights, after addressing other applicable norms like fire safety, etc., should be relaxed, looking into the capabilities of the Planning Authority. Accordingly, existing rules should be modified to that extent.

INFRASTRUCTURE AS FACILITATOR

A shopping mall should have access to infrastructure that maximizes footfalls. Access to the mall, quality of road infrastructure, parking and availability of different modes of public transport – all play a significant role to determine its fate. Physical infrastructure and transport infrastructure go a long way in determining the attractiveness of a mall for the mass population. If reaching a shopping mall is fraught with several hurdles such as long waiting time for parking, inadequate parking spaces, changing buses or relying on other means of transportation for last mile connectivity after exiting a metro station, it can be tedious for shoppers. Even before the F&B options, tenant mix, central atrium, and other entertainment concepts of a mall can gather eyeballs, it is the

infrastructure angle that plays out in the psyche of mall goers when

they decide which mall to visit. Unlike their international counterparts, shopping malls in India are often plagued with a lack of public transport connectivity to the last mile in many cities. As a result, even if a mall structure is well constructed and can attract a good tenant mix, consumption in the mall is adversely impacted due to limited access. Not only lack of connectivity, it is commonplace in many cities to not upgrade the existing infrastructure in terms of parking facilities or connectivity with foot bridges or road widening. For well performing malls with single digit vacancy, it is imperative to pay attention to these aspects to bring visitors to the footsteps of mall properties. The Dubai Mall, second largest mall in the



world by land area, opened in 2008 and by 2012, the Metro Link and an 820-metre-long elevated air-conditioned footbridge had completed the last mile connectivity to the mall. From 37 million visitors per annum in 2009, the mall attracted 80 million visitors¹ for four consecutive years between 2016 and 2019. With mindful planning, Emaar Malls constructed five more retail link bridges to strengthen road connectivity to the Dubai Mall with the support of the Roads and Transport Authority (RTA). Similarly, West Edmonton Mall, the second most visited mall in Canada continuously invested in increasing parking facilities and held the world record for more than 20,000 parking spaces in 2008. More parkades and parking stalls are also being planned. Moreover, the West Edmonton Mall Transit Centre is a major transit centre of the Edmonton Transit Service provides accessibility to the mall and is being constantly upgraded to enhance capacity by adding new sidewalks etc. for commuters. The Mall of America in Bloomington, Minnesota lies strategically on an Interstate Highway and attracts 80% of its visitors from neighbouring states such as Wisconsin, Iowa, Nebraska, the Dakotas, Illinois, Ohio and Canada, along with Minnesota. Additionally, it is well connected to the Metro transit network with multiple stops and the local bus service, providing accessibility to the mall. This public transport



infrastructure was upgraded with USD 25 mn investment in 2019. Indian malls are a far cry from the above examples. In developed markets, shopping malls are conceptualized as megastructures catering to not just shopping but entertainment and recreation. Many of these properties have a very high percentage of entertainment and recreation area planned apart from the retail area with multiple options for all age groups. Planning and execution for upgrading the infrastructure near the mall site continues while the mall is operational so that it does not get overburdened with an increase in annual visitors. Both, mall operators and local authorities, work on such upgrades in a cohesive way. As a result, most of these mall properties also develop into tourist destinations and attract substantial tourist traffic into their premises. These mall properties often emerge as multi-purpose complexes and a symbol for commercial, cultural, and

social use which enhances their visibility

manifold. Lack of infrastructure near retail land has been a major impediment to creation of investment grade mall assets in India. Investments in better mall planning and continuous infrastructure upgrades should be prioritised beforehand to manage costs during the lifecycle of the project. In India, transportation hubs such as metro stations are being conceptualized and built with a focus on property development in mind. Metro stations cater to daily passengers and neighbouring residential and commercial catchments. The Metro operator's focus on property development initiatives, as seen in cases of Zero Mile Freedom Park Station in Nagpur and HUDA City Centre in Gurugram, ensuring nearby land parcel use is changed to commercial, creates appropriate conditions for organized

retail footprint to flourish. The retail categories include quick serve restaurants (QSR), pharmaceuticals, and convenience stores. Apparel, supermarkets and electronics are also some other categories that have come up near Metro stations in India and a transit-oriented approach helps in the development of these alternate class of mall properties or "transit shopping malls" which can be a viable shopping mall concept in the years to come. Seawoods Grand Central Mall in Navi Mumbai is India's largest Transit Oriented Development (TOD) which is directly connected to Seawoods railway station and is 5 minutes away from Belapur CBD. This mall property is directly accessible from the express highway and close to the proposed Navi Mumbai Metro corridor. We need more such infrastructure and connectivity-enabled developments in our country to chart the next chapter of shopping mall development. ■

TREND WATCH



10 Top Retail Trends to Keep an Eye On

★★★ From novel technologies to changing consumer attitudes, Applause has selected 10 top retail trends to watch.

1. OMNICHANNEL

The COVID-19 pandemic led to an increase in services like BOPIS (buy online, pick up in store), curbside pickup, and BORIS (buy online, return in store). While retailers in many markets have long since resumed brick-and-mortar trading, demand for omnichannel is still high. According to an Applause survey conducted last November, 66% of respondents said they would shop at merchants that offered an omnichannel experience. Moreover, 35.6% said they would actively leave a brand with a poor or unsafe omnichannel shopping experience.

2. SOCIAL COMMERCE

Social commerce – the act of selling products directly over social media channels – will be a clear retail trend. After a three-year plateau, the average daily social media usage of internet users worldwide rose again in 2022, increasing from 145 to 147 minutes per day, data from Statista shows.



The more time consumers spend on social media, the more crucial it becomes that retailers adopt a social commerce strategy. In fact, brands that don't have one are likely to fall behind their competitors – fast. According to an Accenture study, shopping on social networks such as Facebook, TikTok and WeChat is going to grow three times faster than sales from traditional channels over the next three years.

The advantages of social commerce are clear. First, it shortens customer journeys, as consumers can complete

purchases directly on the platform without being directed to an online store. Second, the rise of micro-influencers means that consumers can easily find products relevant to their style and interests. According to a Sprout study, 79% of Gen Zers say they would purchase after seeing an influencer recommendation.

To have the most success with social commerce, brands should avoid “salesy” ads. Instead, they should include user-generated content in their campaigns and create ads that closely resemble

organic content. This way, promotions actively enhance the social media experience rather than posing an annoying distraction.

3. AI/ML FOCUS

It has been cited as a trend for years now, readers are likely bored of seeing AI/ML listed as a top retail trend. Hear us out.

Building truly successful AI applications takes time and companies are still only realizing small pockets of potential value. According to research from Accenture, nearly three quarters of

companies struggle to scale AI because they underestimate the work that goes into training and testing AI properly.

The business advantages are clear to see. Just switching from a traditional contact center solution to one powered by conversational AI can have an average 3-year ROI of 241%, an NPV of \$10.2M and reduce call center cost by 31%, a Forrester study shows.

If retailers are to maximize potential revenue from machine learning-driven personalization campaigns, they need to implement an enterprise AI program.

4. AUGMENTED REALITY (AR)

Since the start of the global pandemic, retailers have looked for new ways to substitute in-store shopping

with immersive online experiences. Cue the rise of AR: with 3D visualizations, product demos and virtual try-ons, consumers can trial items without leaving home.

However, AR is more than a quick fix solution to make up for lost foot traffic. A study by Shopify found that products advertised with AR content saw a 94% higher conversion rate than products without it. Consumers are also less likely to return items, as AR gives shoppers a much better idea of the product and how it fits/suits them. Given its obvious advantages, AR is becoming more than a nice-to-have; 43% consumers in the beauty sector, for example, expect brands to offer AR, according to research from Google.

The more commonplace AR becomes, the more digital quality will play a decisive



role in the brands customers choose. As the director of product management at Google said during an interview: "As technology continues to improve and usage increases, AR will soon become a universal language on the web. The best part will be seeing how brands push the boundaries to deliver amazing and helpful experiences for consumers."

5. DIRECT-TO-CONSUMER (DTC)

With a DTC channel, companies can sell their products or services directly to consumers, eliminating the need for intermediaries like third-party distributors.

In its early days, DTC came about as a democratic form of commerce. Rather than convincing a wholesaler to include their products in its assortment, small brands and startups could sell to consumers via their own ecommerce website. The obvious benefits were higher speed to market, more favorable prices and higher margins.

Nowadays, thanks to the growing consumer shift toward digital, DTC channels are just as valuable for major global brands as smaller players. This is because DTC has become less about direct sales and more about marketing. The larger a company gets, the harder it is to keep brand messaging consistent, as



brands have no control over the customer experience, product descriptions, delivery times, etc. of third-party distributors. A DTC channel is a brand's single point of truth.

6. VISUAL SEARCH

In 2021, Gartner named visual search as one of five technologies set to have a significant impact on digital advertising in the next two to three years.

Instead of typing searches into a search engine, users can take photos instead. In the past, image search functionality was very basic and its use cases minimal. If a consumer had seen an item online or elsewhere, but couldn't find or remember what it was called, visual search gave them a way to find it.

Today, the technology is more sophisticated. Thanks to advancements in AI, retailers can analyze images taken for visual search queries and suggest similar or complementary items. Users can also use images to search for results that are hard to capture in words, such as outfits that mirror a certain style or pattern.

7. LIVESTREAM E-COMMERCE

Through livestream shopping, customer representatives can respond to and execute customer requests in real time.

This trend is particularly popular in China. Livestream commerce was pioneered



by the Chinese retailer Alibaba in 2016 with Taobao Live, which linked an online livestream broadcast with an e-commerce store. Chinese media reported that Alibaba's 2020 Singles' Day event on Taobao Live generated \$7.5 billion in total transaction value in the first 30 minutes alone.

However, this trend is set to turn global. McKinsey predicts that live-commerce-initiated sales could account for as much as 10 to 20 percent of all e-commerce by 2026.

The advantages are clear. Livestream e-commerce accelerates customer journeys from awareness to purchase, especially if one-off coupons are used to create a sense of urgency. By offering new sales formats, brands also differentiate themselves and attract younger consumers.

8. VOICE COMMERCE

As of 2021, nearly one third of US consumers owned a

smartspeaker, according to Statista. This number is likely to grow exponentially. As the Harvard Business Review explains: "voice represents the third key UI and technology platform of the past three decades, following the web in the 1990s and smartphones about 10 years ago."

Buying via voice commerce is the fastest way to shop. If a voice assistant already has a consumer's details, the consumer need only make the command, confirm it and the voice assistant deals with the rest. However, as a report by PwC found, the majority of items bought via are small items that consumers can buy without having to see them physically. More use cases will likely emerge as voice heads towards mass adoption.

9. RECOMMERCE

72% of sellers believe that buying pre-owned items has become more common in the past year, according to eBay's 2021 Recommerce Report.

Consumers (particularly Gen Zs) are becoming increasingly conscious of what they buy, where they buy it, and who they buy it from. In the past year, 80% of Gen Z, 78% of millennials, and 75% of Gen X purchased pre-owned goods, the report shows.

10. SUSTAINABILITY

Following on from #9, a key retail trend is sustainability. According to McKinsey research, two-thirds of UK and German consumers say that it has become more important to them to limit the impact of climate change. To do so, a further 65% say that they will now buy more high-quality products that last longer. Especially for younger consumers, "luxury" is less about premium materials and more about materials that have been created responsibly. Already, more than one-third of global consumers are prepared to spend more money on sustainable items, a study by Simon Kucher & Partners shows. ■

WORKSHOP



Ease To Leasing

★★★ SCAI organized an Online Workshop on Leasing to create Great Malls with Mr. Rajneesh Mahajan, CEO, Inorbit Malls Pvt. Ltd. A 3-hour session was an enriching forum held on the 23rd, September 2022 from 2 PM to 5 PM. This gala event saw a total participation of 109 people.

THE TOPIC OF DISCUSSION

Retail Leasing is exciting, challenging, and fulfilling, all at the same time! Thoughtful and diligent leasing is very critical to the success of any mall. Leasing and more particularly, right and scientific leasing is the lifeline of any mall and ensures its sustainable performance in the long term. Some key tips on how to successfully Lease a Shopping Mall were discussed thoroughly at the workshop.



SCAI IN NEWS



Happy to Announce The **SCAI AP-Telangana Chapter**

The SCAI AP- Telangana Chapter for better collaboration and coordination, to meet and address the interests and potential at both micro and macro level of its members city and state wise in a more focussed way.

HEAD



INDRANEEL MAJUMDAR
Mall Head, Sarath City
Capital Mall, Hyderabad

OFFICE BEARERS



TANVEER SHAIKH
Cluster Director
Nexus Malls



GOPAL MACHANI
Joint Managing Director,
Felicity Mall Nellore



SHARAT BELAVADI
Centre Head,
Inorbit Mall Hyderabad



ABHISHEK JAIN
Owner, Mantra Mall,
Hyderabad



S. ANANTH KUMAR
Director, Ideal Multiplex Pvt
Ltd (AMR Mall), Hyderabad

EVENT GALORE



MGB Felicity Mall hosted Blissful Event on the Occasion of Navaratri

MGB Felicity Mall organized a festive décor on the occasion of Navratri and Dusherra for its patrons. The god's idols were placed inside the mall, for the customers to worship.

The customers came in large numbers to worship and enjoyed the occasion with their family and friends while shopping.

