

# MALL & TALK



JULY 2023 | ISSUE 24



**HAPPY  
MONSOON  
SALE**



**SC  
AI**

SHOPPING CENTRES  
ASSOCIATION OF INDIA

## COO's DESK



Anjeev Kumar Srivastava  
COO, SCAI

Monsoons have made its way into the Indian terrain in its full glory. Now that is a sigh of relief. But it also brings with it a lot of tension owing to waterlogging and other such associated worries. Indoors are a safe haven in this unpredictable scenario and this is where shopping malls can leverage their community base to gain more customers and allow them to spend more time with friends and family indoors. The monsoon food to fashion festivals and even the end-of-season sales and discounts are here and is one of the best ways to attract the right customers. In fact, since the pandemic every shopping centres has been planning their year-long sale calendars way in advance keeping the seasons and the varied customer sentiments in mind. This is proving to be fruitful in establishing the mall as a 'destination'. So, keeping the customer sentiments and the rising needs of the customers in mind, shopping malls have opened their doors for the end of season sales and they are also looking for ways to make it more attractive and lucrative for the customers. EOSS is a frenzy and the whole country is already enjoying the same, so it will be nice to see how this year's offerings bring out the best as it unfolds.

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## COVER STORY



### Fate of Mall Leasing

Mall leasing has been a topic of concern and discussion for the last few years given the pandemic and its aftermath. We take a closer look at what is the current scenario looking like for the industry in the leasing space.

**Arijit Chatterjee, Chief Operating Officer, Junction Mall, Durgapur**



He mentions that the confidence level in the industry is going up and will be further better by FY 25-26. This is fairly observed by looking into demand of increasing average store size by brands. All brands are now focusing more on increasing their average store size, footprints to tier II or III cities, increasing or entering new related or linked categories etc. "For a bigger cut in leasing, we try to be more flexible in terms of lease rentals as other commercial factors are constant. Also, we try to accommodate more promotional spaces for the brand. The demand for retail space has been increasing in recent times. This has helped retail

leasing in India experience an upward trend. Due to rising disposable income and evolving consumer trends, both traditional and modern retail spaces are enjoying rising popularity nationwide. This growth was reflected in the strong demand from the F&B industry, hypermarkets, fashion, and apparel retailers, the report further stated," he mentioned. In Indian context, every region has a diversified consumer behaviour resulting to diversified mix of demand and supply. Accordingly, leasing expectation not only varies in different zone in India, but also from city to city it varies – both in retail space cost and brand mix as well. "But we do campaigns to promote our property. This helps in creating brand awareness, which helps not only in leasing retail space but also to boost non-leading income. Digital media and national print media (Retail Magazines) are major tools we follow," he added.

**Keeping the demand alive**  
**Sanjeev Mehra, Vice President, Quest Properties India Limited, Kolkata**



too hints that the retail industry experiencing a revival after the impact of the COVID-19 pandemic, with unprecedented growth in sales. Additionally, the conflict between Western countries and China may be leading to India becoming a preferred choice for Asia Pacific expansions, which could further boost the industry. The Russia-Ukraine war and retail moving out of Russia seem to be creating opportunities for India as well, making it a desirable destination for leasing activities. He says that these factors suggest that confidence levels in the industry could be increasing. "Regarding leasing costs, during the COVID-19 period, temporary relaxations in rentals were provided on a case-by-case basis. However, to ensure sustainable growth, brands were negotiated to compulsory revenue share terms if they crossed a particular threshold. This approach helps cover opportunity costs in the future. In recent years, there has been several notable changes in the sensibility surrounding retail leasing. These changes reflect evolving market dynamics and the shifting needs and expectations of both tenants and landlords. Here are some key trends:

#### **Partnership-Driven Model:**

Instead of a strictly transactional relationship, both parties are seeking long-term collaborations that foster shared success. This involves open communication, collaboration on marketing and promotional activities, and a focus on enhancing the overall shopping experience to attract and retain customers.

#### **Inclusive rather than Exclusive:**

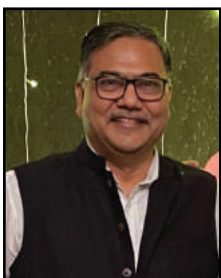
Traditional retail leasing often favoured large, established brands, which resulted in a limited range of tenant offerings. However, there is now a growing recognition of the value of diverse and inclusive tenant mixes. Shopping centres are actively seeking to curate a blend of established brands, emerging businesses, local artisans, and unique concepts to create vibrant and differentiated retail destinations.

#### **Landlord Flexibility:**

In response to changing market dynamics and the rise of e-commerce, landlords are becoming more flexible in their leasing strategies. This includes offering shorter lease terms, incorporating pop-up concepts, and creating flexible spaces that can

accommodate changing tenant requirements. Such flexibility allows landlords to adapt to evolving consumer trends and maintain a dynamic retail environment," Mehra adds. In terms of region-wise or state-wise leasing expectations, the availability of quality luxury space in East India, specifically due to the opening of Quest Mall in Kolkata in 2013, has attracted luxury brands. Further, with the current reorganization that is taking place at Quest, this development is expected to further enhance the retail landscape in the East region. When talking regarding marketing campaigns and creating awareness, he mentioned that the mall participates and sponsors major retail events organized by retail forums in India. The mall has received multiple awards for its marketing efforts and event organization. These initiatives help reach out to the retail fraternity and ensure that the mall remains in their awareness.

**Keeping up with the trend**  
**Sanjay Jain, Vice President, DB Mall, Bhopal** here notes that though FY-23-24 started on



low demand due to High Inflation and Rising Interest Cost, we are witnessing an increase in leasing enquiries and closures from June 2023. In fact, to stay put with the trends he says that they have always been providing competitive pricing structure in line with the Business at the Mall to ensure cost to rent ratio is workable for the industry. "We are not required to do something special in the recent past in terms of Special package or offer a bigger cut. The new age customers particularly generation Y & Z along with



the advent of Omni Channel format had led to the demand generation for Fast Fashion and Branded Merchandise across the country. We have been witnessing a formidable change in Customer Choice and Preferences which new age Brands, Startups and omnichannel formats are trying to cater to by expanding their offline footprint in turn necessitating a significant demand in leasing. The vanilla stores are becoming larger and

dip in the requirement of multibrand super stores. The large format stores are either single brand or with some special offering like sports or furniture," he adds.

**Suman Lahiri, COO, Lido Group, Bangalore**



mentions that fuelled by the buoyant shopping that we

are experiencing shopping mall ecosystem is going strong. "The Rent we charge in our malls are after suitable research. Hence, we don't have to make any adjustments currently. Further, to maintain the buzz, there are three types of marketing events that we have at our malls: Direct Sales driven: Where in conjunction with the retailers, there are offers given to shoppers and promotions of products done to increase interest

and there by sales. Category Driven: Where events are curated around categories to offer information, and highlight categories of products and their availability, thereby increasing consumer curiosity, ultimately leading to consumption. Mall Brand and ESG Driven: These are curated around the mall brand providing information on convenience, connectivity, location. Secondly promoting social and environmental causes. Together, these helps spread awareness about the mall and gain customers," he highlights.

**Building a strong approach**  
**Ashish Gupta, Vice President, Pacific Deve opment Corporation Ltd**



too reiterates that the confidence level in the industry is currently on the rise. Brands are demonstrating a proactive approach to expansion, actively considering Tier 2 and Tier 3 markets. In-demand categories like athleisure brands (Nike, Adidas, Skechers) and fashion brands (LP, Levi's UCB, VH, US POLO) are experiencing significant demand, leading to requests for larger store sizes.

He adds, "Notably, Indian brands such as Rare Rabbit, Meena Bazaar, Mohanlal Sons, and Manyavar are aggressively expanding. Additionally, international brands are assessing opportunities to introduce their flagship brands in India, as evidenced by recent entries like Victoria's Secret, Pret a Mangar, and Tim Hortons. The potential entry of brands like Pull & Bear, Bershka, Cos, Gallerie Lafayette, and PF Chang's further marks the positive sentiment and promising prospects within the industry". To ensure economic advantages for the industry, Pacific employs a meticulously tailored approach for each property, considering its unique scenario and dynamics. "Our portfolio consists of six operational malls, with four more in the pipeline. We firmly believe that just as each finger on a hand has its own distinct characteristics, we must treat, understand, and strategize for each project in a different manner. As a group, we have a pragmatic and easily understandable approach

when it comes to working with brands. We thoroughly analyze brand payouts and provide support whenever necessary. Whether it involves rent restructuring, discussing potential rebates, or resizing brands, we prioritize open communication and collaboration. Similarly, when dealing with flagship stores, we have an extensive understanding of each brand's potential trading density. This allows us to dedicate significant efforts to scouting and securing larger store spaces, which ultimately has a positive impact on our profit and loss statements," he says. At Pacific, they have a deep understanding of these complex dynamics. They believe in structuring deals that not only protect the interests of the brands but also enable them to benefit from their success. They recognize that the success of our brand partners directly influences our revenue, and thus foster a mutually beneficial partnership. The leasing sensibilities in India are undergoing a remarkable shift, mirroring

the widespread developmental progress across the country. As Pacific recognizes the nation's immense diversity, it becomes evident that leasing strategies must adapt accordingly. The ever-changing needs and demands of customers vary every few kilometers, necessitating distinct approaches for each region. Numerous factors exert influence on leasing sensibilities, such as:

- The varying climatic conditions prevalent from state to state and city to city. In colder regions, certain brands may require a wider range of options compared to hotter areas.

- Furthermore, the disposable income of the catchment area plays a crucial role.

- Cultural sentiments and values also differ significantly, further emphasizing the need for tailored leasing approaches.

- Moreover, the size and location of a property, whether situated in the central business district or a

more residential area, contribute to the leasing considerations. These factors, alongside many others, must be carefully considered, Gupta says when formulating comprehensive leasing structures that span across the entire country. An astute leasing professional must possess a deep understanding of both the brand and the market, effectively bridging the gap between the two. Ultimately, the success of a shopping center hinges on the active involvement of developers, ensuring its ongoing relevance to the unique needs of the catchment area. By carefully analyzing and addressing the diverse factors at play, a well-crafted leasing strategy can be devised, maximizing the potential for success in the Indian market. "To meet leasing expectations, it's important to have a well-balanced brand mix that appeals to the local catchment. Regional centers should include both strong regional/local brands to foster loyalty and desirable international/national brands to enhance overall offerings. For



example, our upcoming Mall of Dehradun in Uttarakhand features a mix of local flavors and debutant brands like Onit suka Tiger, Lacoste, Cafeteria & Co., Pizza Express, etc. Additionally, partnering with local franchisees mitigates risks and facilitates market entry for brands. We implement strategic marketing campaigns to effectively promote and raise

awareness about our mall. These campaigns are divided into two stages: pre-opening and post-opening. During the pre-opening stage, our focus is on communicating the mall's unique features and USPs to the retail community through industry forums such as PRC and MAPIC. This generates excitement and interest among top-tier brands, attracting them to be part

of our exceptional retail landscape. Post-opening, our campaigns drive footfall and increase customer through targeted ads, promotional events, and direct marketing strategies. We aim to create a lasting impact by hosting events and activations suited to our target audience's demographic and psychographics. Our meticulously designed

marketing efforts curate the ideal brand mix within the mall and generate enthusiasm among potential customers. These campaigns not only create awareness but also provide valuable case studies for leasing purposes, allowing prospective clients to understand customer profiles, spending patterns, and the mall's overall potential," he sums up.



## CEO TALK



### In Conversation

We speak to the visionary  
**Dalip Sehga CEO, Nexus  
Malls**



To understand his take on leadership and what he is doing to create that difference in the industry.

#### What does the future of shopping malls in India look like?

The future of retail appears to be promising. Demand environment

about 97 grade A shopping malls in a country of 1.4 billion people. Hence the business potential is huge for both existing and new brands to flourish. According to recent report published by property consultancy Anarock and the Retailers Association of India, some of the major markets including Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai Metropolitan Region, National Capital Region, and Pune will add 25 million square feet of space to the present stock of 51 million square feet by 2026. We are confident that the retail sector will reach new heights in the coming years.

#### A major challenge faced



remains strong with changing consumer preference which is widening the scope for the industry to evolve and grow further. At present we have only

**by shopping malls is that many shoppers choose to buy from High streets rather than Malls. How should the Shopping Mall industry tackle this challenge?**

While Highstreet shopping is great for individual shopping, unlike a shopping mall, it can never present a bouquet of different experiences for one and all, making it a perfect destination for a family outing. Shopping malls should capitalize on creating more of these experiences through Movies, Entertainment, F&B, Events and so on and that alone will set them apart from Highstreet shopping. At Nexus Malls, other than continuously upgrading the shopping experience with the introduction of new brands and shopping line, we invest extensively on our mall activations to reach out to customers from all age groups. Recently, during the summer break, unique installations and thoughtful events were conducted across our portfolio to engage the young minds. We've also begun movie promotions, concerts, stand-up comedies, and a slew of other activities to provide our target audiences a reason to return to the malls always. As a result, we are seeing more traction and higher conversions than previously.

**What about the trends you are noticing in the industry owing to the customer behavior changes?**

Ever since the pandemic, a profound impact on psychological and behavioral pattern across the globe has been noticed which in turn has triggered a huge shift in their shopping preferences. For example, beauty is at an all-time high. Then there's the athleisure clothes segment, which is doing exceptionally well. The trainers are performing admirably. Consumer durables are performing quite well, despite competition from the online space. However, some categories may be resized. Supermarkets used to be 100,000 square feet, but they may now be half that size. In contrast, F&B is expanding and will continue to expand. Also, Health & wellness products are gaining momentum. In terms of changes in demographic profile, we are seeing an increase in the number of younger individuals visiting the malls.

**Any process or strategy shifts that you have brought in for your brand keeping this thought in mind?**

Nexus Malls, India's largest shopping mall platform with 130 million footfalls across 13 major cities brought all the portfolio malls under one umbrella in a unique corporate rebranding exercise to demonstrate



the brand's commitment to remain customer centric. We integrated one single brand identity into all the malls with the goal of stimulating synergies across all departments and developing a better connection with our stakeholders. As a part of the rebranding exercise, we committed ourselves to delivering 'Ab Har Din Kuch Naya' and we are working towards ensuring that we live up to this promise where we ensure the customers experience something new, every time that they visit our malls. Most of these activations that we plan are likely to be the first of their kind in the respective cities.

### What trends that you see in this industry in the next 5 years?

The coming years will see technology being at the fore, bringing in a shift in the way malls engage with their audience. And for similar reason High-end retail locations will increasingly become preferred choices for modern shoppers because of the technology that allows them to have a simple and hassle-free shopping experience. Online payment systems, augmented reality, and virtual fitting rooms, among other innovations, have made it easier for shoppers to identify what they need, and this is set to grow further. Social inclusions will play a critical role. High end retail and quality over quantity will create a win-win situation for

consumers. Omnichannel retailing will be growing in the coming years. Multiple channels to create a unified and consistent customer experience will be an important aspect in shaping the Retail sector in coming years.

### What personality traits make a good leader and what traits do you admire in a leader?

Being a leader is about envisioning and realizing continuous change while motivating and empowering others to actively participate in it and that must happen across all levels. And this is what I call the 'ICEffect'. The "I" stands for innovation. So, I think at any level, whether you are at a middle-level or junior-level, one needs to look for innovation in what you are doing. And innovation doesn't necessarily have to be an out of the box idea that transforms the entire organisation. It is simply innovation at your level. "C" is consumer centricity, I strongly believe that consumers must be at the center of what you do, especially in a B2B business. There is another aspect of "C" which is about caring. A Great Manager cultivates genuine caring for his team which further motivates them to approach every situation with an open and creative mind and upend the status quo without fearing the unanticipated challenges. "E" is for excellence. To strive for excellence is very critical for

any manager at any level. One needs to always give their best.

### How do you create an effective working environment?

My working style, as a leader, I think, involves five things that are extremely critical for any leader and even for those people who have succeeded in life and that is the ABCDE of leadership. "A" is about one's agility over the years as things become passive in business, so one's ability to change and look at the last year and compare the progress is critical for successful leadership. And if you are not nimble as a leader, your business will have serious consequences. Second most important ability is to accept rejection and I have seen this in almost every successful businessman. Third, it is the ability to think ahead and accordingly make a three-year plan. "B", is about being bold. I think early in life, people will

say what other people want to hear. But I think being brave and bold is extremely important. If one says something that s/he believes in, then it must be said, else one suffers and must face its consequences at times. "C" is having confidence. That's the secret, having confidence in yourself. But more than that, one should have confidence in the team, which is extremely critical in terms of being able to effectively lead a set of people in instances where things don't turn out the way they should. Quoting an example from the 1983 Cricket World Cup which we won under Kapil Dev. In an interview, Balwinder Singh Sandhu, who was a slow-paced bowler and who played well during the World Cup, said that he was there because someone was injured, and he bowled because his leader, Kapil Dev, told him to do. But after the win, everyone remembered and cheered the names of Kapil Dev, Sunil



BND

Gavaskar, and Ravi Shastri, but no one remembered Balwinder Singh Sandhu in that sense. Essentially, it was the confidence Kapil had in him and his teammates, and in his decision that made India win the world cup. "D", stands for the ability to delegate tasks, as it's important to understand that we can do everything ourselves. While all management books talk about leadership delegation support, a lot of leaders find it very difficult to delegate because there is a lack of control if you delegate, and somebody might do a good job of it, but somebody might not.

As a leadership style, I think I started by being a person who liked to be completely in control and had been doing everything myself. But over the years, gradually, I switched to a more delegative style as I learned to let go, and rather enable, engage, and empower somebody else to do it. "E", denotes the importance of energizing people around you. One of the qualities that people notice about great leaders is their ability to energize anybody or everybody in a positive way, be it in a room of 20 people or even 100 people. That's something that they built over the years, that is 'how to engage' and that is something that I am still learning. So that's very critical, the ABCDE of leadership.

**How much has the company grown under your leadership so far?**

I joined Nexus Malls when we were five malls, today as we speak, we are close to 10 million square feet of Grade A retail space in the country, making us the largest mall operator in India. We acquired eight malls in South India, during the pandemic and we have brought them up to speed with us over the last two years. We are India's first and biggest Retail REIT so far and we were over subscribed by over six times. Over the last five years, several industry bodies have also recognized all our malls and senior management at their conferences, we have won over 150 recognitions

and the malls were the worst effected in terms of resuming business, even though we provide the most controlled environment. To ensure that we further strengthened the safety measures at our malls, we joined hands with third party audit companies like Bureau Veritas – who have a legacy of over 100 years internationally to provide safety certifications. They audited all our premises basis the SOP's which were set by Ministry of Home Affairs and the Shopping Centres Association of India, and then certified our malls as 'SAFE and SECURE' for all our stakeholders. Our malls became the FIRST mall company in India to get the certificate from an interna-

**What hobbies or sports are you involved with outside of work and why do you enjoy them?**

Digital Media took over our lives at an unprecedented pace during the last two years, when we were all confined within our homes. From consuming news in physical form, to becoming completely dependent on App's and devices to know what is happening – was a huge shift for me. And the learning was not just limited to news consumption, we even started playing all the games which we played together at family get togethers, like Chess, Ludo, Monopoly, etc. were now all online and were very connecting virtually to play together.



**What is the biggest challenge you have faced in your career?**

The pandemic brought several challenges with it,

across the portfolio. This led to phenomenal positive feedback and as a result reinstated the confidence amongst customers to come back to our malls and shops.

took it upon myself to understand the online space and started to educate myself to ensure I keep up with the pace and become savvy with gadgets, digital lingo, and

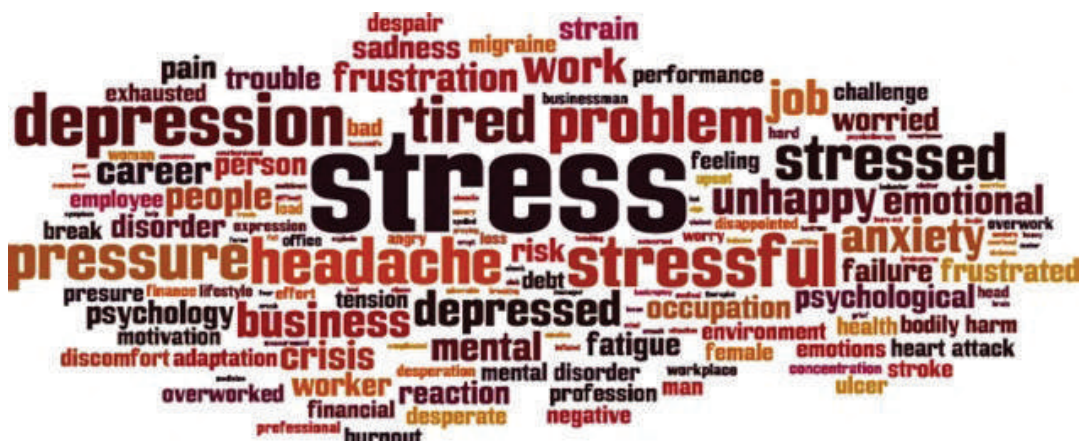
applications. I also ensured I was more active on my social handles and connected with old friends and colleagues there as well. I must admit, it is a very interesting space and has such infinite possibilities. So many people out there, with so much talent to showcase and they have

some brilliant abilities to curate content. It is up to us as leaders to see how such talent can be spotted and leveraged to curate interesting content which is relevant to our business, much beyond showcasing apparel and the physical infrastructure of our malls.

### How do you handle stress and pressure?

On a personal level, I ensure that I speak to at least two people a week who are not from the retail business. It helps me to unwind and get perspective from individuals who are not from the business. Speaking to people

who are not from the same business as ours also helps me unwind and learn from their journeys as senior leaders. It is amazing to hear and know from them how similar situations in different businesses are handled differently and the different, but desired results are still achieved.



## EOSS DECODED



**Muhammad Ali,**  
CEO-Retail Division,  
Prestige Group, Bangalore



There are 2 types of customers. One who wait for end of season sale to come and one who wait for end of season sale to get over. While the cream of the business comes from the second group of people who wait for end of season sale to get over so that the fresh merchandise can come, and they can buy the fresh merchandise. Because for 8 months in a year, consumption must happen and happen at a full price for brands to make profits. The real profits come from the 8 months of the non-sale period. And so that is something which is going on and that's holding retail where it is and then retail is growing. But the other group of people who wait for end of season sale to come, they defer buying and they buy with the left side of the brain like they say which is a calculating part of the brain. So, the consumption happens in both the cases, but

the left side of the brain gets activated, which does this calculation. But the left side of the brain gets activated, which does this calculation, uses the easiest route in the shortest time to get the maximum benefit. There is no psychology there. So, it's just transaction. like those buy 2 get 3 free, buy one get one free. Staying with this thought, what I have observed and what we have tried which doesn't always work is why don't we maximize the end of season sale. The Dubai Shopping Festival is a perfect example of this value-oriented shopping. And every year it is announced for an interval of a certain period. And people come from across the globe to enjoy and get access to the aggressive discounts. Even the tourism industry gets along with, be the hotel industry, the travel industry, the Airports Authority, and every connected industry partakes in this shopping festival. The second one, the second example that I want to highlight is very close to us. Here's someone who maximizes the end of season sale taking advantage of value. There's this road called Usman Ali Road on T Nagar, Chennai. It has some 67 Saravana stores, both East Nallis Kumaran Silks and so on and so forth. That whole stretch comes alive for RDI cell. What is RDI? Again, very

predictable RDI is a period in a month where people don't like to buy. It's inauspicious to buy during this time, hence, to make people buy, they came up with discounts and now you are in dilemma. You are not supposed to buy, but if you buy, you buy half, you'll get food. You buy one, you will get 2 and the offer continues. So, consumers began to seek value and shop. Incidentally, I have observed that 60% of the people coming and buying during this festival comes from outside Chennai, and about 30 to 40% are from Chennai. And people come from Andhra Pradesh. People come from Karnataka from not just Tamil Nadu from all over the place. They travel hundreds of kilometres and even more to come to Chennai and shop. Collectively, we are adding zero value individually. We are trying to win collectively. Everybody knows when Amazon Great Indian sale happens, the whole country knows and still we are not learning. Everybody knows when sales will happen and are hearing the sales numbers for Amazon during the prolonged sales period, but still, we are not learning that the real crux of end of season sale is seeking value or maximizing value, so you know that customer is looking for that and you give

them more of it. Obviously, they'll come. What is more of it? It means giving value to the customer in a very organised way. We as mall owners should unite, come together, and devise the right approach to sales. While it is important to go on the EOSS on the same day together and finish it also on the same day, it is equally important to offer extra value addition. Along with discounts, we need to also offer the customer something extra. A parking free shopping experience, some value-added wins, freebies and much more. The idea is now for the brick-and-mortar stores to unite and offer that extra bit of value and discounts to the customers so that they do not get enticed by discounts online, which are now almost a whole year-round phenomenon. So, to take over e-commerce it is important to unite and execute the right action plan.



## ANALYSIS



### Creating the Right Shopping Experience

When shoppers come into a store, the goal is for them to have the best shopping experience possible, with the best possible outcome – shopping and purchasing what is offered, then repeatedly returning to shop. However, how can stores know if they are luring shoppers in or turning them off from coming back for more?

**Enter: The Transition Zone** – consider it like an inviting entryway of a home or even the concessions at a movie theatre. The Transition Zone is the place where customers are prepared for not only what they will experience throughout the rest of the store but influences customer behaviour to prepare them to shop the store.

**What Is the Transition Zone?** The Transition Zone, sometimes referred to as ‘the landing strip’ or ‘decompression zone’, is the space located just inside the door as customers walk in. The term was first coined by Paco Underhill, in his national bestseller, “Why We Buy, The Science Of Shopping.” Although it’s often overlooked and tends to not be a very effective selling space, it’s a critical element of the shopping experience, nonetheless.



The Transition Zone area allows shoppers to “orient” themselves and is where a customer gets physically and mentally adjusted to the idea that they are in a particular store. It’s where they stop to see which way they might go. Usually, there are shopping carts, welcome signs, sale items or sales ads in this area, but not much else, because customers aren’t yet ready to focus on the shopping experience.

Most of the shoppers dash into their favourite stores with a preconceived purpose in mind; a reason for being there. The adrenaline and excitement of shopping will initially make it hard to adjust to a slower shopping pace, and any product or item they see during the transition zone will most likely be irrelevant. Although these same products may have a different effect if they’re placed even ten feet further into the store. Think about it: a customer walks in through the doors of a store, coming from the heat or cold, their senses are already on edge,

and they’re blasted with smells and an array of products right off the bat. All they want to do is get what they came for and leave – so they begin to map out what direction is best to get the items needed quickly and efficiently. Once they’re through the initial shock of coming into the store and have found their bearings, the customer is more likely to browse other items they didn’t necessarily come for, especially if they’re placed further into the transition zone.

#### Why Use Transition Zones?

It takes a while for shoppers to adjust to the pace and environment of each store whether they are hurrying

the light, they’re processing the smells and sounds, noticing if the store is hot or cold, busy, or quiet all while examining the store layout. It’s a lot to process – it’s as if they are not “there” until they’ve crossed the transition zone, slowed down and prepared themselves to shop. By displaying eye-catching new items at the front of the store, retailers can draw shoppers past the transition zone and into the store as they scan with their peripheral vision. However, don’t expect shoppers to pick them up right away. Shoppers are way more likely to pick these items up for further consideration as they have transitioned into the



from store to store or simply just browsing. It’s rare to see people picking up items and noticing all the merchandise around them when they first enter a store, they’re making subconscious adjustments. Their eyes are adjusting to

move and groove of the store atmosphere and are physically ready to shop.

Take Target® stores, for example, their transition zone includes shopping carts, sale ads and a “dollar spot” where they feature

seasonal items, gift ideas, small decor pieces, small toys and other miscellaneous items that people can quickly browse and grab. These items don't require any major decision-making when shoppers are impulse buying. Many Target® stores also feature Starbucks coffee shops at the front of the store, so customers can smell the fresh coffee as they walk in the door. This helps invite and welcome customers to enjoy coffee and light shopping before they tackle their actual shopping list.

## Implementing Transition Zones

**The transition zone** can be used to “nudge” customers along so they'll physically be more ready to shop. This works by engaging them in the shopping experience first. Our best tips to optimize the transition zone to create a better shopping experience, influence customer behaviour and generate better sales:

### Put discounts at the front of the store.

To stop shoppers as they come in, display deeply discounted or promotional items at the front of the store. Although shoppers may not want these items, this tactic will increase the chance that they'll come deeper into your store to browse other items.

**Welcome customers.** To

help customers relax and be ready to shop, have someone at the front greet shoppers with a warm smile. This helps to calm their mind and puts them in the mood to shop.

### Place big sellers in the middle.

In the middle to back of the store, place items with the highest gross margin or the items that are desired to sell the most. It would be



off-putting if they were presented upon first entering the store because these items typically have a higher price tag.

### Offer something helpful.

Offer a coupon, basket or store map when they enter. This helps to slow shoppers down and adjust to the store atmosphere. Special promotions or big discounts should be introduced here to make them more receptive and excited to shop.

### Extend the transition zone outside the store.

Why wait until shoppers are in the store to start the transition process? Big eye-catching displays — such

as window displays, outdoor equipment and flower displays, as well as scents and smells, like Lush bath bombs — can be used outside the store to attract customers to come inside. This way by the time they enter the store they already have a feel for the store, are better oriented and are ready to shop.

### For smaller stores keep the transition zone as small as possible.

Space is at a premium for smaller stores, so a smaller transition zone is better. One way to achieve this is to have a large horizontal display that acts as a barrier but doesn't obstruct the view across the store. This helps to slow shoppers down sooner and gives them time to take in the layout and decide where they want to go next.

### Create a neutral transition zone.

Make sure the entryway isn't crowded with baskets, flyers or jammed with displays. First-time shoppers need a bit of neutral space to decide

where they want to go next. Most shoppers entering a store at normal walking speed will simply not notice or read signs and merchandise displays that instantly crowd them the minute they step through the door. Rather than waste the space with a cluttered front entrance that has little chance of being noticed it's better to create an effective transition zone.

Overall, transition zones are an essential part of the shopper experience. They create space for shoppers to get into their comfort zone upon entering a store and prepare them for a good shopping experience. Not only will an effective transition zone create repeat shoppers, but it will ultimately improve overall sales.



## TREND THOUGHT



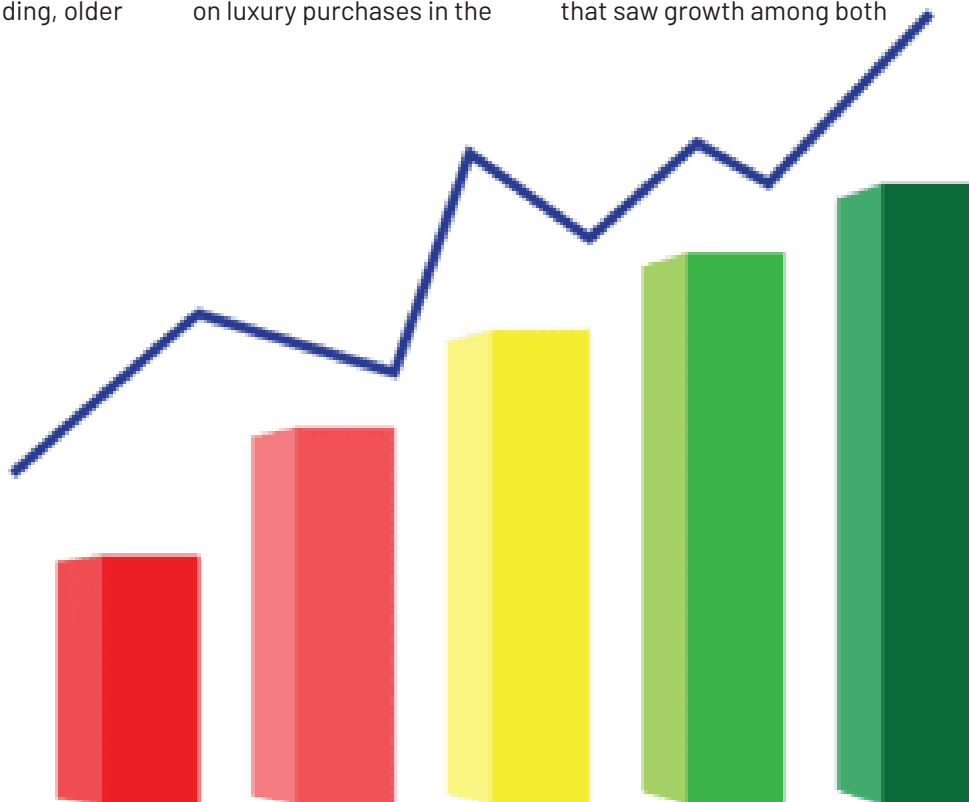
### Shopper Behaviour Diversifies Across age Groups

Research on shopper behaviour has been ongoing. But a new report highlights how age plays a key role in determining the choices for shopping. According to a US report by Fashion Dive the age trend can be attributed to the economic impact on different age groups. Younger consumers, are typically farther from their peak purchasing power years, are often the first to feel the effects of economic slowdowns. As a result, they tend to pull back on spending earlier than older consumers. In the realm of consumer spending, older

shoppers have proven to be the frontrunners across various categories, with one exception. A recent analysis reveals that older consumers outperformed their younger counterparts in nearly every category, except for jewellery, watches, and apparel subscriptions. Recent reports have also shed light on changing consumer behaviour within the luxury market. The Saks Luxury Pulse report, released last month, revealed that 53% of respondents planned to spend the same or more on luxury purchases in the

coming months. This figure marked a decline from the previous survey's 62%. Saks attributed this shift to increased travel expenditures, a focus on savings, and a slowdown in luxury goods spending. Interestingly, both older and younger consumer groups experienced a rise in travel spending during the early months of the year. Data from Earnest indicates that spending on luggage and bags increased by 32% among older shoppers and 29% among younger consumers. Another category that saw growth among both

age groups was active and leisurewear. However, older consumers, aged 34 and above, outperformed their younger counterparts, with a 14% increase compared to a 4% increase, respectively. As the consumer landscape continues to evolve, brands and retailers would do well to consider these nuanced dynamics and tailor their strategies accordingly to better serve the distinct needs and preferences of different age groups.



## MARKET WATCH



Conversational commerce boost customer engagement and sales? Here are 4 ways the impact is clear and how your retail brand can easily implement the practice.

Today's shoppers crave more personal connections with their brands- especially Gen Z. More and more, this translates to engaging with customers in meaningful and helpful conversations online. Conversational Marketing has been on the upswing ever since the pandemic forced brands to try virtual clienteling. Many brands found that customers have a taste for it, and retail teams have the talent to keep it going. It's clear that the retail brands who can engage in the best conversations ultimately drive loyalty and sales with their efforts. In fact, according to the Drift & Heinz report on conversational marketing, 80% of over 500 businesses surveyed said they have a conversational marketing solution in place. Here are some of the ways in which you can use conversational marketing to create that buzz.

### 1. Personalized Messaging

One of the most effective conversational strategies for retail brands is personalized messaging. Tailoring content and communication to each

customer based on their preferences, behaviour, and demographics helps create a unique experience that resonates with them. While email is still a great



communications channel for brands, younger shoppers often prefer to engage in conversations over SMS. So much so that over a third of shoppers believe that the ability to text with a brand improves convenience.

### 2. Utilizing Chatbots and AI

While the human element makes all the difference with clienteling, AI has become a much bigger part of the tools we use every day. Chatbots and artificial intelligence (AI)

are transforming the way retail brands communicate with their customers. These tools allow businesses to automate customer support, provide personalized

recommendations, and gather valuable data as they strike up a conversation with shoppers in real time. The use of chatbots and AI in retail offers numerous benefits, such as cost savings, 24/7 customer support, and enhanced customer experiences. Moreover, AI-powered chatbots can analyze customer data in your CRM platform to provide insights that can help drive a personalized conversation.

### 3. Social Media Engagement

Perhaps the easiest way to start conversing with your audience is to leverage messaging and responses through social media. By actively participating in discussions and responding to customer inquiries, brands can create a sense of community and build trust. And if you don't? Well, you just might lose a customer. These days, over 80% of customers expect a response from your brand on their social media question in less than a day! After all, it's called "social" media for a reason. If you aren't engaging with your customers when they Tweet at you or slip into your DMs, why do you even have social media?

If you're short on peoplepower, consider installing autoresponders on your social media. These tools can act as the chatbots mentioned above. But still,





mentioned above. But still, the best way to engage is to have your social media team on alert to respond and hold impactful conversations with your followers and customers.

### **Omnichannel Communication**

Now let's bring it all together with an omnichannel approach, or the ability to communicate across retail's vast channels. By integrating online and offline channels, retailers

can provide customers with a cohesive and personalized experience. Omnichannel communication is an essential strategy for retail brands to ensure a consistent and seamless customer experience across all touchpoints.

This means that if Customer Jane tweets at your brand regarding a promotion, your team can direct message her with the details including a link to sign up for the loyalty program that contains that promotion. Not only does

Customer Jane feel valued by your online communication, but you also captured Jane's phone number so that you can invite her in-store for exclusive events and send texts with embedded Shoppable Story that are curated with items she might like. All of this started with a simple tweet. That's the power of omnichannel communication. It provides a seamless customer experience that's crucial for retail brands. It

ensures that customers receive the same level of service, regardless of the channel they interact with which leads to higher customer satisfaction, encourages repeat business, and strengthens brand loyalty.



## NEW & NOW

NEW  
&  
NOW

### Know Some ChatGPT Messaging Hacks

Chat GPT (Generative Pre-trained Transformer) is an AI-powered tool and language model developed by OpenAI that uses artificial intelligence to generate human-like text responses and engage in conversations with users. Interestingly, the tool can be prompted to create many different forms of written communication, from texts and emails to essays and campaign outlines, which makes ChatGPT a great resource for a variety of industries to learn about and capitalize on. Keeping that thought in mind, some researchers have laid out ways in which retail can benefit from ChatGPT.

#### A Thank You Note for first-time shoppers

Sending a thank you note text after a customer's first purchase is essential to building loyalty, and, when done right, driving in-store foot traffic. By showing new customers that you appreciate their business and value their investment, you create an initial connection that's deeper than your average order confirmation and can help strengthen the relationship for the future. So, generating a customised message with a discount or reward hook

can help in this case.

#### Create a better approach with your regular loyal customer base

As we know, customers love to feel appreciated and valued by the brands they shop at. By reminding customers who are enrolled

customers that you value their interest in your brand and are giving them VIP access to your latest products. While building loyalty, a text campaign letting your customer base know about the 'new in store' also creates a sense of urgency.

showing customers that you value the relationship, looking out for them and their shopping preferences, and trying to connect on a neighbourly level.

#### Treat them with care

Who doesn't like getting a happy birthday text?

Birthdays are special occasions, and by acknowledging your customers' big day, you show them that you care and appreciate their business. Plus, when customers feel appreciated and valued, they are more likely to share their positive experience with others, which can help increase brand awareness and drive new customers to your store.

But, as you scale a business, it's crucial to remember lapsed customers as an audience to target. Sending a text campaign is a fantastic way to re-introduce them to your brand and drive sales from those customers who might not be as familiar with your latest products. So, apart from trying the above messaging techniques, also try to reinvite the customer to your store by getting that personalised word out through GPT.



in your loyalty program about their points balance, you're showing them you care about their shopping experience and their loyalty to your brand. It's not pushy, or even salesy, but this touchpoint can go a long way in staying top-of-mind for you.

#### Let the customer know about the New Arrivals

ChatGPT knows as well as you do that customers love being the first to know about new collections and exclusive releases. By sending a text like this one, you're showing your

#### Offer VIP treatment

This one's for the VIPs, your most loyal and engaged audience. Even ChatGPT knows that by sending a personalized text addressing them by name and offering styling advice, you'll be making them feel special and appreciated. We cannot stress enough the importance of personalization in the retail experience, and ChatGPT knows it too. By including first name and the specific street or neighbourhood of the nearby store, you're

## A TO Z OF BUSINESS TERMINOLOGY



Sometimes we keep hearing the same terminology, over and over. But do these terminologies register in our mind? Are you up to date with all the relevant retail business terminology? Our A-Z guide is here to help you decode some fundamental shopping centre terminologies that come handy when handling operations.

### 1. Anchor Store

Anchor stores are large, popular retail stores often found in shopping malls and shopping centres. They are usually located in prime spots such as entrance and corner locations. They serve as one of the biggest reasons for visiting shopping malls and centres, and they're important to smaller retailers situated close by because they help drive foot traffic to these smaller stores. This store helps drive traffic to the area as a whole and supports neighbouring retailers. This is sometimes also referred to as a draw or key tenant.

### 2. Augmented Reality

Augmented reality (AR) in retail is the concept of adding virtual content to customer's physical shopping experiences. As the term suggests, technology augments reality to help customers better visualize products and enjoy an immersive try-and-buy experience. For example, IKEA customers can view

pieces of furniture against the background of their own homes by using their phone cameras.

### 3. Average Transaction Value

Average transaction value (ATV) measures the average amount your customers spend on each purchase or transaction. It's important to measure your ATV to help evaluate your product and pricing strategies. To calculate your ATV, take the total value of each of your transactions from a certain time period (day, week, month, quarter, year, etc.) and divide that number by the total number of transactions during the same period.

### 4. Balanced Tenancy

A retail area, like a mall or shopping centre is carefully planned to have a complementary mix of stores. It's the equivalent of a one-stop shop for malls.

### 5. Beacons

Used by more tech-advanced retailers, beacons can send messages through Bluetooth to nearby activated devices. This allows retailers to interact and communicate with shoppers on yet another level. For instance, one could send a customer a greeting message when they are within a certain distance of the store. They can also be used to measure store performance, such as foot traffic and average time spent in the store.

### 6. Big Box Store

As the name suggests, these are the retail giants. Big box stores are typically large warehouse-style stores that offer a wide variety of products. Walmart, Costco, Target, and Home Depot are all examples of this.

### 7. Big Data

This refers to the deepest level of shopping analytics currently available to retailers. This investigates in-store behaviour, social info, demographics, and online action to help retailers customize the retail experience. The term refers to huge sets of data that are impossible to break down without the help of technology. In terms of retail, this information is collected from customers, sales, inventory, and POS data, and it can be invaluable in terms of customer insights and how it can be used to influence retail strategy.

### 8. Buy Online Pickup in Store

Also referred to as Click & Collect, or BOPIS, this tool helps alleviate long lines, especially around the holidays. More and more consumers are using it to save time in the store as well, and it's highly recommended that every retailer have both an online and in-person presence.

### 9. Brand Awareness

This measures the average consumer's overall knowledge of a certain brand. Great branding

becomes imperative each year. Social media exposure and marketing can help improve a retail companies' brand awareness.

### 10. Brick and Mortar

This term has become more commonly used to distinguish online merchants from those with a physical location. Though ecommerce continues to explode, most consumers still prefer shopping at a brick-and-mortar store.

### 11. Bundled Pricing

A type of promotional technique bundled pricing groups various products together into a single discounted price. There are endless variations on how to structure this. It's most useful to increase the average spend or to run through a certain product's stock.

### 12. Boutique

Refers to small shops or stores that are independently owned and often sell a product assortment that is not duplicated exactly in any other store.

### 13. Brick and Mortar

Brick and mortar refer to businesses that operate from a physical location as opposed to online retail and e-commerce stores. The term is derived from some of the materials commonly used to build physical stores. (This will be continued in the coming issues)

## EVENT TALK



### Closer Look at IMAGES Group's PRC 2023

Phygital Retail Convention (PRC) 2023 opened to tremendous anticipation and footfalls on the morning of 11 May 2023 at the Jio World Convention Centre, Mumbai. Covering over 100,000 sq.ft in floor area, it was the largest ever retail business event in India, in both size and content. Phygital Retail Convention 2023, on its second day, continued a high note, kicking off with the riveting India Retail Brain Game, a quiz conducted by legendary quizmaster Siddhartha Basu. The competition featured teams from various prominent brands, including Shobhitam, Being Human Clothing,

ABFRL, MOD, and Inorbit malls, among others. The questions focused on brand history, founders, and memorable ad campaigns, resulting in a competitive and stimulating atmosphere. Team Shobhitam eventually took the top spot after a closely contested battle. There were very powerful Masterclasses by ONDC, by global retail guru Rami Goldratt and by Google & YouTube. Meanwhile, at the concurrent event Tech.NXT, a line-up of deep-dive presentation, roundtables, and debates, along with powerful case studies of retail transformation via tech, all presented LIVE, was in

motion. Subsequently during the day, retail leaders gathered for a thought-provoking session on the Future of Talent Acquisition. Ashish Tiwari, CMO of Home Credit, emphasised on the importance of human connection in the retail industry, stating that AI can never replace HI (human intelligence). Ashish went on to explain how AI can be used to empower humans but to provide personalized store experiences, with human connection remaining the most crucial element. Other panellists agreed that AI can be used to enable decision-making and improve operational efficiency, but it should not be viewed

as a replacement for human talent. The consensus was that the key to success lies in a harmonious coexistence between humans and AI, with technology playing a supporting role in the retail industry's growth and development. Talking on possible collaborations between D2C Brands and shopping centres, Yash P Kotak, Co-Founder & CMO, BOHECO emphasized the importance of creating a human-centric design and a safe and unique customer experience. Siddharth Dugarwal, Founder, Snitch highlighted the integration of the store design with the brand story and the growing importance of digital branding. The panel also discussed the potential for malls to cater to online brands moving offline and fill gaps in categories such as beauty, fashion, home, and electronics. Gaurav Juneja, Head of Digitisation at Google, and Shubha Pai, Head Google YouTube Sales and Solutions presented a Masterclass on Building Customer Centric Businesses in an Omnichannel World. Juneja discussed the different consumer journeys in the fashion industry and highlighted that 78% of Indians make their shopping decisions online.





He emphasized the four key impacts of an omnichannel approach – talent, team, and organization, planning and budgeting, customer-centric marketing, and data and insights. Shubha Pai gave a glimpse of the latest trends and Google solutions available to help brands gain a competitive edge. Overall, PRC 2023 brought together industry leaders, thought-provoking discussions, and innovative ideas that will shape the future of retail in India. It was an event that not only celebrated the industry's achievements but also paved the way for a brighter and more

inclusive retail landscape. Also in the evening, Mufti and Triumph set a high-energy style tone with magnificent shows on the PRC 2023 fashion runway, as a MALL TALK April 2302The year had just about started and we are already mid-way through it and April is certainly a very festive month all across the country. From Navratri to Ramadan to Easter, and a lot more, this month is all about looking at the colourful scape of celebration with a renewed vigour. In India shopping is an integral part of all celebrations and traditions walk hand in hand with life and every aspect

of enjoying it. Retail has been picking up good and the omnichannel strategies put in place by every brand is actually helping grow the facets of retail in full bloom. Moreover, shopping malls today are supporting this trend and they are shouldering the growth potential of retail with more power.

The growth of malls is directly dependent on the happiness they are spreading by bringing in an ensemble of brands at their location and how they are helping these names build the right backbone for the customers. There is a lot of positive outlooks getting built into the system and that is pushing the folds of business with great power and glory. The thematic backbone that the shopping malls are building to further help the customers feel social within the space is even more heartwarming. Anjeev Kumar Srivastava, COO, SCAICOO's DESK Issue 21APRIL 2023 Mall Talk! precursor to the grand finale – Indian's Retail biggest night of celebration, with the IMAGES Retail Awards 2023 ceremony powered by Vegas, recognising excellence in Indian Retail for FY23 in spectacular style.



## EVENT WATCH



### MGB 7<sup>th</sup> Year Anniversary Celebration



### Viviana Mall celebrates its 10th Anniversary!

Thane's biggest lifestyle and shopping destination - Viviana Mall marked its 10th year anniversary on 27th June. It was a very big mark in the mall's journey so far.

Viviana Mall has been designed to offer a unique shopping experience with its contemporary architecture, spacious interiors. And this milestone of reaching the 10th year mark truly stands testimony to the mall's growth story. With its excellent service and unrivalled quality, Viviana Mall is the go-to destination for customers seeking the best in shopping, food and entertainment.

The shopping mall's anniversary was celebrated with great fanfare and all its retail brand partners most of whom has been associated with the mall from the very first day were part of the celebration. Located near major transportation hubs, such as the Thane railway station, the Mumbai Metropolitan Region Development Authority (MMRDA) station, and the Eastern Express Highway, the accessibility and convenience that the mall brings to the table, makes it one of the most sought after destination for customers coming from different parts of the city. It was a week-long

celebration to mark the mall's coming of age and there was return gift for the customers too. Shoppers were able to take part in an exclusive lucky draw offer, the lucky winner won a Lenovo laptop worth INR 70,000/-. Viviana mall also gave assured vouchers to shoppers against shopping of INR10,000/-

Various other retailer brands curated exclusive offers to celebrate the occasion.

The Viviana team hosted a special award ceremony for its retailers, honouring them for their outstanding performance in

the last 10 years. To end the day, as a token of appreciation, saplings were distributed to all the retailers that defined growth and support for many more years to come.

Sandey Ray, Centre Head, Viviana Mall, said, "We are delighted to complete this exciting journey of 10 years. Today, we express our gratitude to all our stakeholders, retailers and mall staff. The celebrations hosted in our premises are planned in a way to bring delight to our shoppers as well as our retailers for trusting and supporting us through our decade-long journey."



## INTERNATIONAL YOGA DAY



### Celebration In Malls

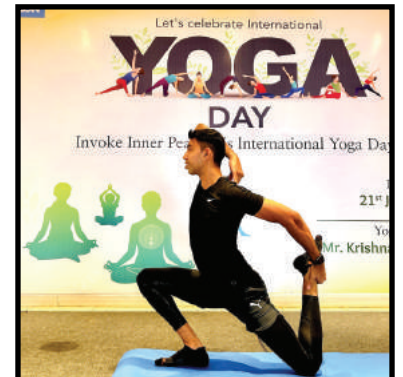
#### Airia Mall, Gurgaon



#### Bhartiya Mall, Bengaluru



#### Capital Mall, NSP



## Lulu Mall, Lucknow



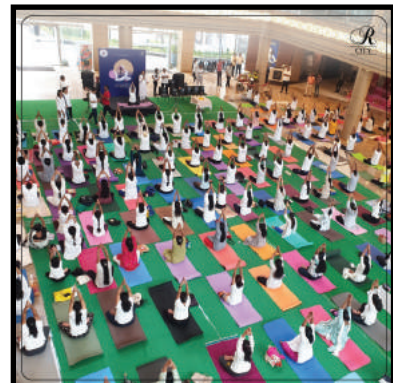
## Lulu Mall, TVM



## Nexus Ahmedabad One



## R city





## Infiniti Mall, Malad



## Inorbit Mall, Malad



## Inorbit Mall, Vadodra



## Lulu Mall, Kochi



## ORION@ BRIGADE GATEWAY



## ORION AVENUE MALL



“UAE based LULU Group set to launch its first mall & Hypermarket in Hyderabad”  
- Yusuff Ali MA, Chairman of Lulu Group



## SCAI ON BOARD



### Warm Welcome to SCAI New Member Keydemand, Mumbai

Happily announcing the joining of Keydemand as a SCAI Member. A very warm welcome to them.

Keydemand is the first and one of its kind demand and supply aggregation marketplace for commercial and retail real estate. The marketplace is purely B2B and its users are retail brands, corporates, developers, mall developers and brokers.



Keydemand notifies developers and brokers of leasing requirements and matches their inventory with relevant requirements.

### DSL Virtue Mall



DSL Virtue Mall is the first-of-its-kind mall in the eastern part of Hyderabad with 70+ brands, with a retail space of 3,00,000 square foot, along with a complete treasure trove of entertainment and shopping delights. It is situated in IDA Uppal

### GMR Interchange

Happily announcing the joining of GMR Interchange as a SCAI Member. A very warm welcome to them.



## SCAI WEBINAR



On 23rd June 2023 SCAI successfully conducted an online session with Mr. Sudhanshu Kejriwal, Managing Director, KEYDEMAND. Keydemand is India's 1st and only demand aggregation platform for Commercial Real Estate.



## KOLKATA MEETING

The first face to face SCAI Eastern Region Meet was held in Kolkata on 9th June, 2023



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