

# Shopping Centre News

APRIL - MAY 2015

DEVELOPING RETAIL IN INDIA

VOL. 8 NO. 3 ₹100



## MANAGING THE DEVELOPER'S CAMs

Cost, Assessment, Manpower

- Malls reinventing themselves for the 'Digital Era'!
- Architecture beyond Buildings
- The growth curve of organised retail real estate in tier II and III cities
- Food courts and fine dining in malls: Eating out is 'in'

## EDITOR'S NOTE

editor-in-chief.....**amitabh taneja**  
editorial director .....**r s roy**  
publisher.....**s p taneja**  
chief operating officer .....**bhavesh h pitroda**  
**editorial**  
issue editor in charge .....**shubhra saini (asst. editor)**  
correspondents .....**roshna chandran**  
                               **shipra srivastava**  
conference content .....**nakul jain**  
                               **mohua roy**  
contributing editor .....**zainab s. kazi**  
**creatives**  
art director .....**pawan kumar verma**  
layout designer .....**divakar sharma**  
sr. photographer .....**vipin kardam**  
**production**  
general manager .....**manish kadam**  
sr. executive .....**ramesh gupta**  
**support**  
general manager – administration .....**rajeev mehandru**  
**subscription**  
asst. manager – subscriptions .....**kiran rawat**

## ADVERTISING

### BUSINESS HEAD

**Anjali Sondhi**, director  
anjalisondhi@imagesgroup.in,  
Mob.: +91 9810204297

**Waseem Ahmad**, vice president  
waseemahmad@imagesgroup.in,  
Mob.: +91 9833628852

**DELHI:**      **vineet chadha**, assoc. vice president (retail support group & indiaretailing)  
                     **sachin khanna**, manager

**MUMBAI:**    **bindu pillai**, sr. general manager

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## PRIVILEGE MEMBERSHIP/CONSUMER CONNECT

**Anil Nagar**, assoc. vp  
anilnagar@imagesgroup.in  
Mob.: +91 9811333099

**Hemant Wadhawan**, general manager  
hemantwadhawan@imagesgroup.in  
Mob.: +91 9810424668

**membership team:** **misba naushad**  
                             **priti kapil**

**sarika gautam**  
                             **rajiv kumar palta**

**Images Multimedia Pvt. Ltd. (CIN: - U22122DL2003PTC120097)**

**REGISTERED OFFICE:** S 21, Okhla Industrial Area, Phase II, New Delhi 110020  
Ph: +91-11-40525000, Fax: +91-11-40525001, Email: info@imagesgroup.in,  
Website: www.imagesgroup.in

**MUMBAI:** 1st Floor, Panchal Iron Works, Plot No. 111 / 3,  
Marol Co-Operative Industrial Estate, Marol, Andheri (East). Mumbai - 400059.  
Ph: +91-22-28508070 / 71, Fax: +91-22-28508072

**BENGALURU:** 523, 7th Cross, 10th Main, (Jeevanbhima Nagar Main Road),  
HAL 3rd Stage, Bengaluru 560 075 Ph: +91-80-41255172/41750595/96, Fax: +91-80-41255182

**KOLKATA:** 30-B, Anil Roy Road, Ground Floor, Kolkata 700 029  
Ph: + 91-33-40080480, Fax: +91-33-40080440

For subscription related queries, email to: subscription@imagesgroup.in  
For feedback/editorial queries, email to: letter2editor@imagesgroup.in

### Dear Readers

I would begin by extending my warm welcome to everyone for being a part of the India Shopping Centre Forum (ISCF), India's only dedicated show for shopping centres. ISCF is a platform through which we aim to drive profitable development of the shopping centre industry for India's retail growth story. I am overwhelmed by the tremendous faith the retail real estate industry has shown in us by supporting us in our endeavour to bring all the stakeholders of the retail and retail real estate industry on the same platform.

ISCF is a melting pot of innovative ideas and brainstorming sessions by leading stalwarts of the retail real estate industry, exhaustive master classes by leading international shopping centre veterans and an epitome platform for networking and exhibiting.

In this ISCF special issue of SCN, we present a low-down of the prickly challenges faced by shopping centre industry –from developers' calls for industry status to benchmarking guidelines, and everything in between. In the cover story, we present a no-holds barred catalogue of speedbreakers and bottlenecks limiting the growth of retail real estate in India and the remedial measures that need to be taken to consolidate the growth of retail real estate in the country.

In this issue we also bring a bouquet of interesting articles, penned down by expert authors, detailing mall launches, new store openings in various malls and profiles of the shopping centre industries' big guns. Also, there is an interesting article on how malls are reinventing themselves for staying relevant in the digital age.

At IMAGES Group, our sincere efforts have always been to make you aware of the ground realities of today and to update you with the futuristic ideas for tomorrow, so that you always stay a step ahead of the competition. With this we hope that you will find the April–May 2015 issue of SCN useful and knowledgeable. For those who missed out on the ISCF, we will bring a detailed coverage of the event in our next issue.

Cheers!

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Printed & published by S P Taneja on behalf of Images Multimedia Pvt. Ltd. Printed at Aarvee Printers Pvt. Ltd., B-235, Naraina Industrial Area, Phase – 1, New Delhi 110028 and published by S P Taneja from S- 21 Okhla Industrial Area Phase – 2, New Delhi.110020 Editor : Amitabh Taneja

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# Shopping Centre News

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## MANAGING THE DEVELOPER'S CAMs

**Cost, Assessment, Manpower**

On the eve of the the 8th edition of India Shopping Centre Forum, we present a low-down of the prickly challenges faced by shopping centre industry –from developers' calls for industry status to benchmarking guidelines, and everything in between.

### SUCCESS STORY

Lulu Mall opened its first mall in India in 2013 with great success.

### CASE STUDY

Lighthouse Mall Management Company shares the makeover case study of Total Mall, Sarjapur.

### IN CONVERSATION

Sanjeev Mehra,VP, CESC Properties, Quest Mall, talks about Kolkata's first luxury mall.

### INTERFACE

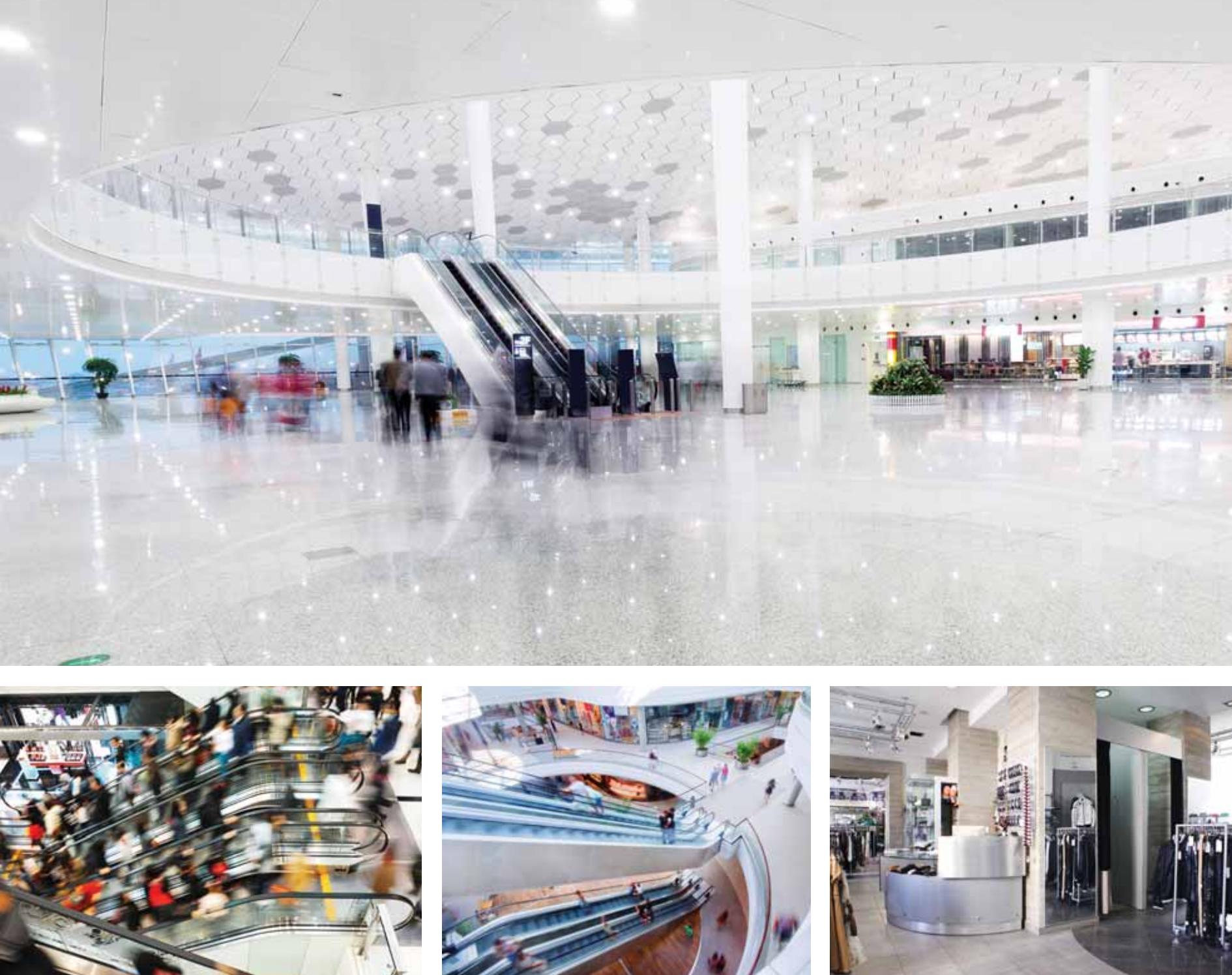
Omaxe Connaught Place (OCP), Greater Noida is India's first Indoor 'Theme Park' based Shopping Mall.

### TRENDS

F&B and eating out as a concept in India has undergone a post-liberalisation sea change .

### MANAGEMENT

Manoj Kumar, Head, Project Management and Operations talk about the importance of mall management.



# MALLS REINVENTING THEMSELVES FOR THE 'DIGITAL ERA'!

Innovation and renovation are the two success mantras for the shopping centres—but is consumer the focus of all this change? With today's shopper being spoilt for choice within the comfort of their homes through E-commerce, the shopping centres need to reposition themselves as social spaces with leisure and entertainment being as important as the retail component. The new shopping centres need to evolve out of solutions linked to spirit of serving the customer.

BY SHIPRA SRIVASTAVA



**A**s e-commerce fever grips the country, traditional malls have started soul-searching to keep shoppers happy in an era when customers have become used to the highly personalised and convenient experience of online shopping. Indian shopping centres have begun to realise the need for digital channels to engage with their key stakeholders in order to stay relevant and drive footfalls and sales.

Speaking on the same, Dr Prodipta Sen, Alpha G:Corp Management Services says: "Shopping malls now need to grasp new opportunities that exist outside traditional markets and look for tools that will turn them from mere suppliers to 'lifestyle partners' in this digital age.

Retailers are attempting to match e-tailers' business strategies. However, at the same time they are working on a number of factors like in-store look and feel, value-added services as well as customer engagement to ensure constant rise of footfalls, and eventually sales. Retailers are also experimenting with innovative marketing and promotion campaigns, especially through social media and mobile phones by launching various shopping apps and releasing SMS alerts during sales. In order to maintain a competitive edge, they will have to continue to reinvent themselves in keeping with the changing times."

The challenge for businesses is to face the implications of digital change, in particular the loss of control over customer relationship, increased competition and threat of commoditisation. They need to develop a comprehensive digital strategy and rethink their business and operating models to deliver this. They need to also think of cross-channel connectivity and enable continuous engagement with partners, investors, suppliers, employees and, most importantly, the valued customers.

### TECHNOLOGY: THEN AND NOW!

Elucidating the topic, Manoj Agarwal, Head of Operations Elante, Chandigarh says: "In India, the mall industry is hardly 15 years old. When it started, the typical prospective of people towards malls was about a physical entity with just a bunch of stores. In earlier days, there were selective ways to use technology. For instance, footfall count was taken electronically through CCTVs; parking payments were done electronically; inquiries and feedbacks were done electronically. There was an in-house mechanism to check complaints related to housekeeping. Initially, it was more system-based rather than customer-based. However, as the things evolved, technology came to the fore and got integrated into every aspect of the business."

Speaking on the same, Ghazanfar Ali, Head – Retail Centers, West Pioneer Properties India says: "The race of human development has taken a new dimension with the introduction of information and communication technology in the last 12–15 years. In recent years, digitisation, the mass adoption of connected digital services by consumers, enterprises, and governments have emerged as major drivers and enablers of socioeconomic benefits. Indeed, despite unfavourable global economic conditions, digitisation can play a key role in assisting policymakers to spur economic growth and employment. The digital medium has changed the entire dynamics of our life, especially the shopping behaviour in our country. India being one of the youngest countries in the world, this medium has worked tremendously to the outlook. Shopping centres being frontrunners in the organised retail space, digital medium has helped connect catchment and consumers in a big way. Today, most of the successful malls are

benefiting with the medium to leverage their business model and connect with their catchment."

Two major areas are getting classified clearly. The first is around the tenant front. One prime action will certainly be in making a more transparent business model with the tenant – transparency in sales reporting mechanism, store performance track and business review to determine future growth and support plan. Another aspect is that of customer experiences, where innumerable possibilities are coming in the picture and which will help understand customers in more detail and serve them to the core. Take for instance, footfall tracking mechanism, customer shopping behaviour, their likes and dislikes, connectivity through customised apps, which bind customers constantly for one or the other. Hence, from the current 25–30 malls focusing on this trend today, there will be at least 100–150 malls taking the digital route to connect with their customer base in the next 5 years, adds Ali.

Let us take a close look at the innovations that took place recently:

### FOOD COURT INNOVATION

Not long ago, we had to stand in long queues waiting for our turn to order food. Nowadays, malls are finding newer ways to order food straight from the table. "For our new food court, we are planning to install iPad and Android assistance to enable guests place their orders from the table," says Yogeshwar Sharma, Executive Director, Select CITYWALK.

Emphasising on the growing role of technology, he says: "If you talk about our mall, we are extremely serious about technology. We also have a footfall counter in the mall. We are making it technologically so advanced that we would be able to know the exact number of people present inside the mall at any moment."

Speaking on omni-channel strategy, he says: "We are also planning our digital portal. As of now, we only have the information model but we will soon move to transaction model where customers can buy online as well. However, to bring 250 brands online is not an easy task because a mall does not sell anything. Ultimately, products are sold by the brands. However, sometimes brands have no rights and at time it is a franchise model. Hence, there are many nitty-gritty issues that need to be taken care of. The idea is to ensure that the customer does not return empty handed. We need to ensure that if the desired size and style is not there, then we should provide it digitally."

### SMARTPHONE APPS

These days almost every mall has its exclusive smartphone app. Ones that don't, they are also planning to have one soon. Dinaz Madhukar, Senior Vice President and Mall Head, DLF Promenade says: "Mobile



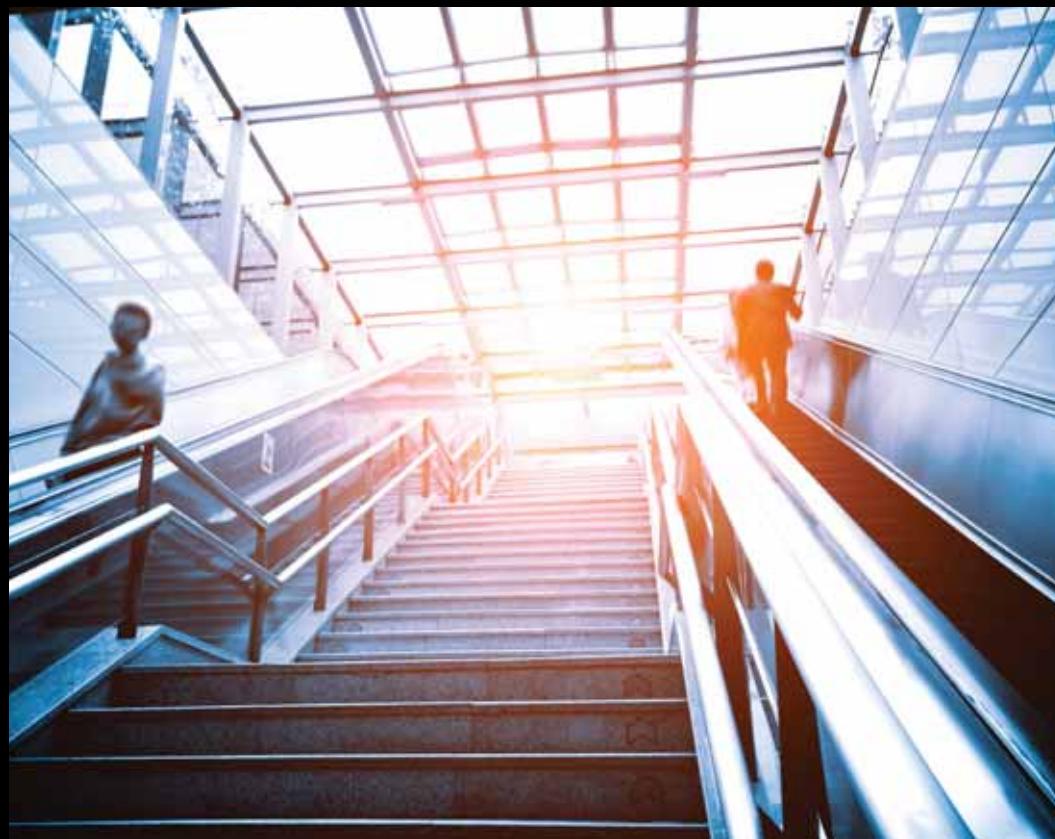
# ARCHITECTURE BEYOND BUILDINGS

Darwin's theory of evolution states that mankind evolved from animal and in this long process, he altered his environment to suit his needs. As he evolved his needs grew and he created surroundings to his liking taking into consideration his comforts and requirements. He designed and planned his environment as per his convenience. This reasoning is the basis for evolution of not just mankind but Architecture as well. Over the period this desire to change has also become the reason for creation and destruction of certain civilizations.

BY STEPHEN ROBERTS

**H**istory of Architecture traces changes in this area through various traditions, religion, overreaching systolic trends and dates. The building has become representation of class, status, style etc and has now overruling the very basis from where it began.

Often Architecture is read and practiced as a science of planning, designing and constructing form, space and ambience to reflect functional, technical, social, environmental and aesthetic considerations. However looking at the evolution of architecture it is evident that architecture is beyond science. An Architect needs to think beyond buildings. Our vision needs to be not only wider and global but also touch human emotions. Architecture is the one fine thread that interlinks society, environment and economy thus affecting lives of people across social strata.



Hence the built form design needs to be realized under the following conditions:

- Integrating the cultural, social, economic and political system in and around the city.
- Emotional need of the user along with the functional requirement
- Respect for the nature that accommodates our requirements and allows the design to bloom into its real form

#### CHALLENGES OF ECONOMY

Since the onset of the Great Recession in 2008, the practice of architecture has been severely altered not just in India but globally. Economic experts believe that our economy and society have undergone fundamental changes that began decades ago. It will be a very long time before we see vibrant economic growth and it is unlikely that the design

OFTEN SINCE THE ONSET OF THE GREAT RECESSION IN 2008, THE PRACTICE OF ARCHITECTURE HAS BEEN SEVERELY ALTERED NOT JUST IN INDIA BUT GLOBALLY. NOW, BUILDINGS NEED TO BE DESIGNED WITH OPTIMIZED PARAMETERS.

and construction industries will return to the same conditions that existed prior to 2008.

The environment in which Architects operate has changed, bringing opportunities to firms that can adapt to the new realities. Now, buildings need to be designed with optimized parameters. Respecting the value of land or space has become more crucial than ever. Creating right environment for purpose has become more critical. In fact this was the fundamental on which Architecture had evolved from. It was influenced over a period of time by social status of the country, business unit or an individual.

Post-depression when space became more expensive, designing in limited space became the need of the hour. Architects looked at expanding vertically instead of horizontally. This was easier said than done as in retail it is difficult to hold the shoppers interest beyond first 2 floors. But this handicap was overcome as the last floor was converted to food and entertainment zone hence attracting the customers to travel upwards.

The lack of space has necessitated the need to go vertical for all types of constructions – residential, retail and commercial. The value of land has increased exponentially. At the same environmental awareness and the need for green spaces has also grown. Hence Architects have found mid-way by increasing the height of the built mass. This trend is not restricted to metros like Mumbai. The Green City of Bangalore has also recognized this need and incorporated it in its planning. Some of the retail centers designed by Bentel Associates in these cities reflect this new ideology. For example: Oberoi Mall in Mumbai. The defining

feature of the mall is its 100 meter long atrium which has been strategically designed to allow shoppers an uninterrupted view of every store in the mall. The atrium configuration maximizes the leasable retail footprint on the ground floor and then progressively steps back through the height of the building to give the appearance of a cavernous volume and enhance the wow-factor necessary to attract discerning shoppers. Another example of vertical retail center is Mantri Square, Bangalore.

Tier II cities are also facing this issue. DB Mall in Bhopal has also been designed within area constraints but has made optimum utilization of available space.

The residential constructions being designed have to also look at restriction of space. This has led to a shift in perception as well. More and more families are now opting for apartments instead of standalone villas. These apartments are being developed vertically to manage lack of space and to incorporate green spaces around the built area. Prozone Coimbatore has followed this methodology.

#### DESIGNING FOR DIVERSE SOCIAL NEEDS

While designing an apartment, shopping center or any social infrastructure, basic human need is to be served foremost.

In our day to day life we are surrounded by diverse set of people. Is there enough space created to fit these people? Have we created an integrated system to cater to all? Have we touched their emotional values?





# MANAGING THE DEVELOPER'S CAMs

## Cost, Assessment, Manpower

On the eve of the 8th edition of India Shopping Centre Forum, we present a low-down of the prickly challenges faced by shopping centre industry –from developers' calls for industry status to benchmarking guidelines, and everything in between. In this special cover feature, we present a no-holds barred catalogue of speed breakers and bottlenecks limiting the growth of retail real estate in India and the remedial measures that need to be taken to consolidate the growth of retail real estate in the country.

BY ZAINAB S KAZI

**A**walk down the memory lane of malls and shopping centre journey in India and it seems we have seen it all. From boom to reaching a point when suddenly the developers seemed skeptical of the future; the shopping centre industry in India has witnessed quite a few up and downs. But what needs to be applauded is the constant efforts of industry stakeholders to go ahead and adapt themselves to the changing market and consumer dynamics and this also includes malls which were modest to accept their inability to carry on and convert the space for a better use. We speak with industry veterans and experts to gauge the current sentiments prevailing in the industry and their views on the road ahead.

The golden period for malls and shopping centres in India seemed to have lost its sheen since the last two years. Where lack of quality plus affordable space set the ball rolling for a journey downward; the other reason for the sluggish growth was the growing acceptance and popularity of e-commerce across India.

S Raghunandan, CEO, Virtuous Retail (India) aptly says, "It is an undeniable fact that the e-commerce sector has grown manifold over the past couple of years, but has it truly come of age? I really don't think so."

"E-commerce retailers have prospered only on the proposition of discounts, and they are not able to generate organic growth; their viability is under question. So, the question if e-commerce can ever threaten the shopping centres is quite vague and irrelevant."

Far from being a threat, the majority of industry stakeholders are of the opinion that e-commerce has instead helped shopping centres and malls in India pull up their socks in terms of being innovative and experiential towards their relationship with retailers as well as customers, he points out.

### THE JOURNEY

Setting the context of the story, Yogeshwar Sharma, Executive Director, Select CITYWALK shares, "When we launched Select CITYWALK, there were very few malls and choice of brands was also relatively less to what it is today. Today you have anchors like HyperCity, Zara etc. So definitely the scenario has evolved. May not have evolved at a speed at which we wanted to though. The entry of international brands has raised the bar for quality and pricing helping the industry to grow better." Raghunandan expresses, "The numbers of new developments that have come into the market have not been in great number. Very few properties have actually come into the market in the last two years. I think this is something that should concern not just the shopping centre industry but also the retailers as going forward the supply of quality mall spaces will be really less."

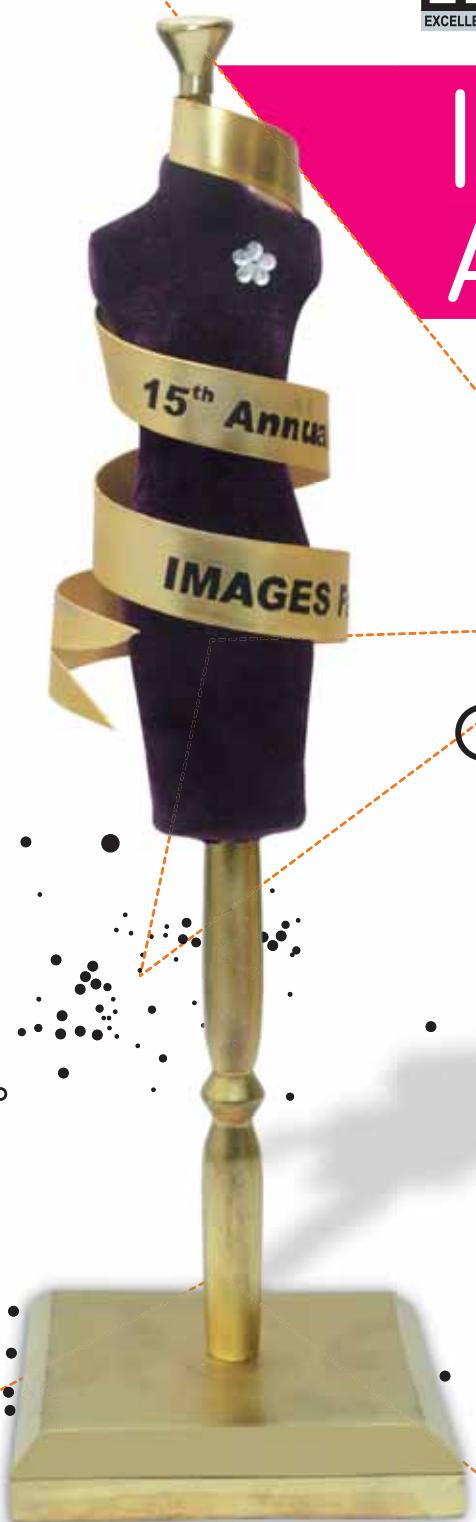
Vivek Kaul, Head Retail Services, CBRE South Asia Pvt. Ltd. elucidates, "Growth of organised retail real estate in India has been similar to that of other developing economies. Rapid when the sales are good and slow when trouble starts brewing. Over the last few years, however, retail developments have slowed down and

## AWARDS



# IMAGES FASHION AWARDS 2015

Presented by Snapdeal, the 15th edition of India Fashion Forum celebrated the biggest night of the Indian fashion retail business by felicitating its outstanding achievements in great style at the Images Fashion Awards (IFA 2015) ceremony on 19th March at the Bombay Convention and Exhibition Centre.



The IMAGES Fashion Awards (IFA) are India's highest honour for recognizing excellence in the business of fashion. The IFAs recognize most admired fashion brands, retailers and concepts. The IFAs are presented at the grand finale ceremony of the three day India Fashion Forum, the largest gathering of the brightest minds, products and concepts in fashion. This annual gathering of the fashion industry is the place where fashion leaders congregate to drive the future of Fashion in India. Every year at the IFF new ideas, concepts, and equations are created; and old relationships are renewed.

The awards presentation was kicked off with Kunal Bahl, CEO and Founder, Snapdeal presenting 12 honours to its sellers and brand partners for their contribution in making Snapdeal one of India's most iconic and successful online fashion retailers.

The 15th IFA also saw a very special segment of awards, given away by India's fastest growing department store chain, Reliance Trends to five of its most valued brand partners. The Reliance Trends Performance Awards - across the categories of men, women and kidswear and also emerging brand - were presented by Akhilesh Prasad, CEO, Reliance Trends, Vineet Nair, CMO, Jaykumar, Head External Brands and Team.

Attended by the top honchos and celebrities the Images Fashion Awards (IFA) was hosted by one of bollywood's leading actress, Neha Dhupia.

The evening was set on fire by 'MUFTI Live' followed by an enthralling performance by UK Vocalist Cara Jane Roberts. Blending the dance forms of Broadway jazz, tango and contemporary style, Abhimanyu Singh Rathore presented a dance musical. The entertainment also included a comedy act by none other than Vinay Pathak.

"Fashion in India has come of age and Images Fashion Awards recognises the continuing evolution of the industry's most dynamic and forward-looking brands every year," said Amitabh Taneja, CMD, IMAGES Group.



## INDIA'S ONLY MALL WINS GOLD AT ICSC

Viviana, the first visually impaired friendly mall in India has won a gold award in the cause related marketing category at the prestigious ICSC awards.

Viviana Mall has also managed a feat like no other. In less than two years of its operations, it has bagged seventeen awards across categories.

Here's hoping to break new grounds & reaching new milestones, for years to come.

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