

The Shopping Centre Eco-System

By Manoj Motta

An eco-system is defined as “a business environment” in which every conceivable entity is playing its vital role in the value chain towards “customer delight”. As in any other industry, shopping centre development, management and investment business also has its own eco-system.

In my view, the ecosystem comprises the following critical entities:

1. Customer
2. Retailers and brands
3. Suppliers and the vendors to the shopping centre business
4. Educational institutions
5. Financial institutions like banks, private equity companies
6. Central, state and local government and agencies
6. And, last but not the least, the mall developer

Let's refer to all these entities as “Stakeholders”!

We often notice that these stakeholders, unmindful of the end customer in sight, are in a continuous argumentative mode. Elementarily, the retailer with the mall manager, the mall developer with the governmental agencies and so on.

As one delves further into the core of the business, it becomes apparent that the entire value creating system has to co-exist in a coordinated manner, without conflicts to co-create products and services which deliver “CUSTOMER DELIGHT”.

The responsibility of the shopping centre developer and manager [for the sake of this article,

mall and shopping centre are used interchangeably], thus, is not only to build the mall but also to orchestrate the entire eco-system and maintain its ‘balance’ and “semblance”. In many instances, one notices that the mall developer is oblivious of the trade area and the needs, wants and aspirations of the consumer and lands up bringing in retailers who though being great, are not high on the ‘brand recall’ in the trade area.

The Indian shopping centre industry today requires the stakeholders of the eco system to ‘build bridges’ and be in a continuous dialogue between and amongst

themselves especially the retailers and the mall developers. One needs to recognise that this is all a part of ‘being in business’ in the shopping centre industry and it will surely pay back in the long run. This perspective is more meaningful in the present circumstances where the industry has gone through one of its worst phases.

One of the positive outcomes of this comparatively low sales period experienced by retailers, it is observed that the stakeholders in the industry are just about beginning to recognise each other's roles. The abilities, the strengths and diverse skills that each brings



to the value chain. For instance, it is only when the mall developer is able to improve his relation with not just the retailer but with the local governmental agencies, will he be able to bring about value for the end consumer. Elementarily, this might be in the form of better traffic management around a shopping centre, whereby the community as a whole can not only access the mall comfortably, but traffic passes by and does not pile up. Only by participation of members of the eco system can this come about.

One of the fundamental aspects of long term sustainability of the shopping centre is to continuously study the type of the customer the centre is catering to. In fact, it is more meaningful for the mall developer/manager to understand the customer in the pre-determined

trade area as much or, much more than the understanding of the retailer, purely from the perspective of comparative stakes involved. Further it becomes that much more meaningful for the mall developer to “merchandise” the mall with the right type of retailers and brands, in a more scientific way.

Over a period of time, efforts made to bring about cohesion amongst the stakeholders would see impact in many areas that include the following:

- Improving Point of Service – The entire physical mall environment is akin to the point of Service.
- Impacting Customer servicing and Experience – The “wow” factor.
- Retail Merchandise Management – Servicing the needs and aspirations of the customers in the trade area

- Effective Enterprise Collaboration and Information Distribution – Between the retailer and the mall developer and eventually the mall developer/manager and the government

- Improving Mall Employee and Retailer Coordination – Satisfaction indices, as this clearly leads into creating and sustaining a great customer-centric environment
- Improving Retailer Financial



- Reporting – Once trust is built, then it becomes that much more easy to exchange data that could be used to not only assess the performance of the retailer-mall developer alignment and collaboration, but also the health of the asset
- Providing Information to Store Managers – Information to the respective store managers on comparative indices within the product and merchandise segment, and in comparison to the total centre trading density
- City-centered Development – Integrated development aligned to the socio-economic fabric of the city and the neighbourhood.
- Transparency and equitable Returns for Investments – Visibility and prudent management of a long term asset towards sustainability
- Finally, and most critically, making the customer experience delightful

It would be important for the stakeholders in the Indian shopping centre industry to institutionalise the learning of the last decade and use these invaluable learnings towards creating invigorating customer experience environments – at malls and shopping centres. ●

About the author:

Manoj Motta has recently been co-opted as the Chief Operating Officer for Shopping Centres Association of India (SCAI), a not for profit trade body, to address the industry's strategic and critical issues in Shopping Centre investment, development, asset ownership & management business. Prior to this as the Associate Vice President – Business & Product Development at K. Raheja Corporation Private Limited. He has been responsible for managing an investment portfolio for expansion of the K. Raheja Corp's various real estate verticals with emphasis on retail space and mixed use vertical. Motta holds a Masters Degree in Economics and International Marketing from Mumbai University '95 batch, & is a certified Factories & Industries Manager from IIT, Powai, Mumbai.