

Shopping Centre

News

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DEVELOPING RETAIL IN INDIA

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The popularity and success of West Edmonton Mall (WEM) in Edmonton (population 8,50,000, Canada's sixth largest city and the capital of Alberta province) is the story of how a handful of visionaries took an ordinary idea like a shopping centre and turned it into a world-class destination. WEM's stores, attractions and services combine to form the most comprehensive retail, hospitality and entertainment complex on earth. As the prototype for mixed-use entertainment facilities, WEM, with a GLA of 5.3 million square feet, more than 650 shops, 100+ F&B outlets, nine attractions and two hotels, is a place where people come to shop, play and stay. WEM's concept was inspired by the traditional urban bazaars of Persia, where shopping and entertainment were plentiful and operated in tandem, fulfilling a variety of consumer needs at a single location. At the world's third largest shopping centre by GLA and the largest fully operational one (the two largest, New South China Mall in Dongguan, China, and Golden Resources Mall in Beijing, both failed), there is always something to do. WEM has six of the world's largest attractions, including the largest indoor amusement park, largest indoor rollercoaster, largest indoor lake, largest indoor



Aerial view of West Edmonton Mall, Canada

India's First New Age Shopping Centres @ NCR & Bangalore

By Amit Bagaria

wavepool, largest indoor bungee tower and the largest parking lot. With 29 million annual footfalls (seven times the population of Alberta), WEM is the province's No.1 tourist attraction. Almost five million annual visitors are foreign tourists, mostly from USA. A study revealed that the direct incremental

expenditure by visitors to WEM was \$12.9 billion. WEM generated incremental collection of \$3.5 billion in federal taxes and \$1.62 billion in provincial & local taxes, which the government would not have collected if the shopping centre did not exist. For every dollar spent in WEM, \$1.25 is spent

by the same tourists outside the shopping centre.

SM Mall of Asia (SMOA) – the world's fourth largest shopping centre by GLA at 4.38 million square feet – is located 45 minutes away from the Makati CBD area of Philippine's capital Manila. It successfully draws shoppers

and tourists from a 1½ hour travel distance – mainly due to its attractions. The San Miguel – Coca Cola IMAX Theatre has one of the world's biggest IMAX 3D screens. The Director's Club Theatre has 30 La-Z-Boy seats. SMOA's Olympic-sized ice skating rink, at 19,700 square feet, is the largest

in SE Asia, and offers recreational and competitive figure skating, as well as ice hockey. A sea-facing open-air Music Hall holds events, contests and concerts. The second World Pyro Olympics were held in January, 2007. The mall also hosted Lovapalooza 2, where over 5,300 couples kissed in February, 2007, breaking a Guinness World Record. The SM Science Discovery Center features a digital planetarium and a wide range of technology/science-themed exhibits. Other attractions include a Life Clock (where visitors send emails to the future), Smart Media

It is often said by retail experts that the three most important factors for the success of a shopping centre are location, location and location. This is not necessarily true. The world's largest fully operational mall (WEM) is located about 12km away from downtown Edmonton. Asia's largest operational mall (SMOA) is located 45 minutes away from Manila's CBD. USA's largest mall (MOA) is located 16 km from the downtown of that country's 48th largest city and yet attracts 110,000 ADFs.

City (computer games including a full-body motion-controlled game system), Transportation Nation (features the history and future of transportation, including displays of Sinag, Wheelsurf and Segway), Nestle Spaceship Earth (a motion-game venue), Virtual Reef (marine/underwater life), City Science (replicas of some of the world's tallest skyscrapers, plus an interactive earthquake experience),

about 16 km from downtown Minneapolis, USA's 48th largest city. MOA is one of the top tourist destinations in USA, with 400+ events each year. The first shopping centre to mix retail and entertainment, MOA is the model for combining signature retail and attractions to create an outstanding entertainment venue. It generates nearly \$2 billion per annum in economic impact for the state. Of

districts. 8000 school groups visit MOA each year. Thousands are registered in the Mall Stars walking club. More than 5,500 couples have exchanged vows at the Chapel of Love Wedding Chapel. More than 50 hotels have come up within a 10 minute drive since the mall was built.

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New Age Malls: Everything for everyone

In today's day and age, it is very important for any large shopping centre to try and be everything for everyone. If the kids are happy playing or taking rides, it will increase family visits and average dwell time, and the parents will shop.

The two new Indian shopping centres that I am writing about in this article have many things in common – one of the most striking similarities being that they are not located in the typical highly populated catchments that most of our retailers ask for – perhaps this is one of the key reasons that they will succeed.

the 40 million annual visitors, 16 million are tourists. The walking distance around one floor is 0.91 km. It has 6.9 km of store frontage. There are 27 rides and attractions (including three roller coasters) in the seven acre Nickelodeon Universe FEC located at its centre, which also has 30,000+ live plants and 400 live trees, some 35 feet tall. MOA has a 4.54 million litre Underwater Adventures Aquarium. The Metropolitan Learning Alliance offers courses in visual arts, law enforcement, hospitality, retail management and business to high school students from four school

Digistar Planetarium (with 3D screens atop seats) and LEGO Mindstorms Robotics Center). SMX Convention Center (part of the SMOA complex) is Philippines' largest private exhibition & convention center, with an area of 2,13,000 square feet and a capacity of 6,000 people. Also connected via a bridge is a 7,75,000 square feet, 10 storey, office building known as OneCom-center.

Mall of America (MOA) – USA's largest and the world's fifth largest shopping centre by GLA at 4.2 million square feet – is located in Bloomington, a suburb located

The Grand Venezia, Greater Noida

The Grand Venezia is a mixed-use development, with a GBA of 3.2 million square feet, located in Greater Noida, in NCR, about 50 minutes from South Delhi, 35 minutes from Connaught Place and 20-odd minutes from Noida. The project comprises a retail-cum-tourism centre of 1.2 million square feet, 700,000 square feet of offices, a 252-key Hyatt Regency hotel, a 200,000 square feet Furniture City and 2200 parking spots.

Greater Noida is home to a large number of MNC (multi-national company) campuses and plants, with a large number of residential projects either ready, or in the pipeline. However, from a typical shopping centre perspective, it appears to have a relatively weak immediate catchment, especially for a shopping centre of this size.

When Pranay Sinha and Shilpa Malik of Starcentres (the people who had conceived and leased Select Citywalk mall in New Delhi) visited the under-construction project for the first time, they were awed by the scale of the scheme, and its distinctive Venetian architecture, but were also apprehensive due to the lack of an existing, immediate catchment. People wouldn't, to their mind, choose a shopping destination over others (closer to where they lived), because of its Venetian style or the canals, much as it was superlative. "We did not have a lot of hope, we must confess," admits Sinha.

The shopping centres embedded in the two mega Venetian style casino hotels "The Venetian", located in Las Vegas and Macau, have not really succeeded.

Upon deeper reflection, the Starcentres team soon realised that the project did have a few things going for it. The high speed expressway from Delhi was of great quality. Additionally, the site also fell on the Yamuna Expressway (also known as the Taj Corridor). The F1 track was being built feverishly by Jaypee, not too far from the project site. Above all, Sinha and Malik saw a very committed set of owners from India and USA, who were determined to do all that it would take, to make the place succeed.



"That's when we asked ourselves, what could ensure that people do visit this place?" says Malik. "We looked at a very fundamental but rather sad reality, that Delhi/NCR gets over 15 million domestic tourists and 3-5 million international visitors per year, yet, the last time an attraction was created for the domestic tourist, was over 50 years ago (Rail Museum, Nehru Planetarium et al.)."

Delhi gets the highest number of domestic and international tourists in India. Besides being a gateway to Agra, the Himalayas and Rajasthan, a stopover en

route to Golden Temple, Vaishno Devi, Ajmer Sharif, Rishikesh and beyond in the mountains, Corbett, Ranthambore, etc, it is also a new-economy business destination, with large trade fairs, sporting events, fashion weeks etc. To top it all, Delhi is India's capital, with over 2000 years of history. The Grand Venezia project sat squarely in the Delhi-Agra-Jaipur tourist circuit, and with the new expressways and

metro connectivity planned, was a breeze of a drive away for the entire NCR population of over 20 million. "We had found our solution to making the place work," says Malik, "we looked at several concepts that would be attractive to tourists and finally homed in upon a modern aquarium, complete with shark tanks, mermaid shows, and perhaps even penguins – we had found our anchor, but we needed more."

Starcentres simultaneously worked on retail planning and concept/content development. They created various zones (Go India,

connected with travel agents, embassies, government departments, and many of them got on board with even more excitement. With all of India's 1.2 billion people now the target, Starcentres had hugely reduced the shopping centre's dependence on the five million strong Noida – Greater Noida population.

Popular brands from Delhi (Big Jo's, Shaktantam Sarees and Sehgal Brothers), popular national players (Pantaloon and Reliance), popular global brands (UCB, Esprit and Nike), F&B players, all came forward in support. Brands loved the idea of having double-level Venetian mansions, of 3000-5000 square feet each, to showcase themselves to all of India, and not just Delhi.

"We are now running short of space, given the number of players coming forward from each category, and wish we could have a Phase-2 to it as well," says Sinha. "We hope to start opening it this year itself, given the commitment levels of the Bhasin Group (promoters), Shapoorji (contractors), Arcop (architects) and the professionals from across the world involved in putting this giant together."

With just five per cent of Delhi's tourists, four visits per year from the SEC-A&B population of Noida and Greater Noida and just one visit per year from the rest of NCR's SEC-A&B population, Grand Venezia can achieve 13.6 million footfalls per annum, or 37,260 ADFs, thus ensuring its success.

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Go West, Go Global, Go Play, Go Fish, Go Eat and so on) and suitably amended the layouts and circulation. They created 10 different zones, including a 1,50,000 square foot Aquaworld Aquarium, Dilli Haat with Foods of India, World Haat with Foods of the World, etc, and put an 80,000 square feet indoor air-conditioned amusement park on top of the mall, with roller coasters and other world-class rides. They

labs of over 23 million square feet, employ over 190,000 professionals and generate about eight percent of India's IT sector revenues of \$88 Billion. About 29,000 Infosys employees (including its top leadership) and 22,000 Wipro employees work here.

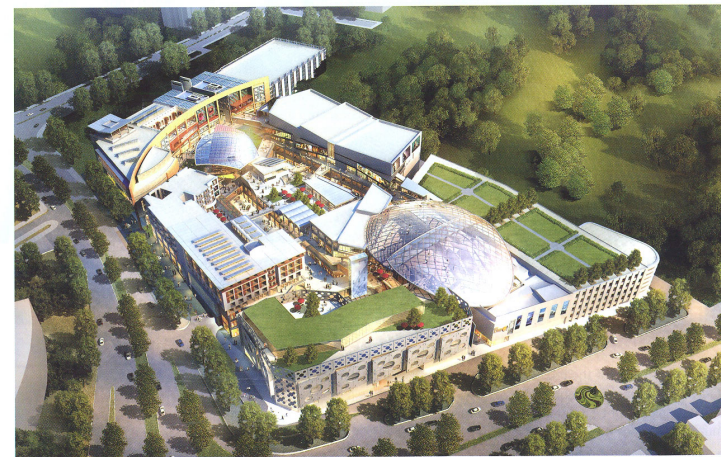
neoMall, Bangalore

neoHub is a mixed-use development with a GBA of 2.65 million square feet located in Electronics City, Bangalore, about 12 minutes drive from Koramangala and BTM Layout, 20 minutes from JP Nagar and 25-odd minutes from Brigade Road in Bangalore's CBD. The project comprises neoMall (a retail-cum-entertainment centre of 1.35 million square feet), neoClub (a sports & recreation club of 195,000 square feet), a 130-key Hyatt Place hotel, about 29,000 square feet of small offices and 4150 parking spots. It is the heart of the 185-acre Neotown Bangalore South, Bangalore's biggest planned integrated mixed-use development, which comprises more than 4,500 residential units, over 2000 of which have already been sold.

The 900-acre Electronics City, established in 1978, has 150+ companies, who occupy offices and

units, are either complete or under development within a 20 minute drive time. The area is home to 18 educational institutions. Some of the city's best schools are located within a 20 minute drive from Neotown. Bangalore's largest healthcare facility, Narayana Hrudyalaya Health City, with five hospitals and 3,200 beds, is located within 10 minutes.

When leasing started in January 2010, the response was fantastic. This led Asipac (and the promoters – Patel Realty) to increase the size to 720,000 square feet in May 2010. By mid-August, Lifestyle, Spar, Max, Satyam (10-screen cinema), Reliance Trends, Reliance Timeout and Reliance Digital were already on board as anchors.



With a GLA of 1.35 million square feet, neoMall will be the largest shopping centre in Bangalore and the second largest in the country (after the 1.8 million square feet City Capital Mall in Hyderabad). It was originally planned by Asipac as a 4,30,000 square feet strip mall targeted at the 340,000 people who work in and around Electronics City.

More than 130 residential projects, with over 45,000 residential

Soon thereafter, the Government of Karnataka (GoK) announced some infrastructure projects to improve connectivity to Electronics City. Until October 2009, it took about 70 minutes to drive from Bangalore's CBD to Electronics City. When a 10-km elevated expressway opened in February 2010, this drive time reduced to about 35 minutes.

The GoK announced that eight underpasses will be constructed between Vellara Junction and Silk Board Junction in three years to make Hosur Road (the highway that connects the CBD to Electronics City) a signal free corridor. Additionally, the entire stretch would be widened to a minimum of 100 feet. What this meant is that neoMall would become accessible from the CBD within 20 minutes. Obviously, this was a fantastic development, as this shopping centre would now become closer (in travel time) from the heart of the city than most other upcoming shopping centres.

This led Asipac to think. "It was an opportunity to turn neoMall into not just another mega retail centre, but what could perhaps be Bangalore's most popular leisure and entertainment hub," says Vinay Shenoy, Asipac's head of leasing and marketing. The GLA was increased to 1.35 million square feet, mainly by the addition of a second "large" department store (now leased to Shoppers Stop), a mega furniture store and several leisure & entertainment attractions (a looping roller coaster, a laser tag / paintball field, a ropes course, an obstacle course, racing car simulators, a flight simulator, an OGOsphere, virtual sky diving, synthetic ice skating, rock climbing and several sports simulators).

The 1,95,000 square feet neoClub (India's largest sports & recreation club) was added. The 2.65 million square feet mixed-use project was now named as neoHub. However, the character of the project would remain as an open-air lifestyle centre, instead of becoming an enclosed shopping centre. "The attractions have been planned keeping in mind that we will not just get families with children, but also need to cater to the team building activities and leisure needs of the huge population of IT professionals who work nearby and are dying for things like these," says Cressida Smith, Asipac's leasing manager for neoMall, "even the club has been planned to accommodate 8000 members."

The (local) architect who was originally selected to design a 4,30,000 square feet strip mall,



could not do justice to this new mega project. A global search was undertaken. We were looking for similar large retail-led open-air projects. On scouting several around the world, we discovered Cabot Circus at Bristol, a two hour train journey from London. "We were amazed – the design of this open air shopping centre was exactly what we had dreamed neoMall's to be like," says Smith.

The architects were immediately contacted. London-based Chapman Taylor is the largest retail architecture firm in the world, with 400+ people in offices located in 14 countries, and has designed more than 200 retail & leisure centres in 50+ countries. The firm has won 38 awards in the last three years alone, including three from ICSC (International Council of Shopping Centres) and eight from BCSC/other European shopping centre councils.

The developer and I air-dashed to Bristol. Our visit reconfirmed our belief – now we definitely wanted the very same architect who had designed this shopping centre. The man – Chapman Taylor's UK practice head – Adrian Griffiths – had never worked in India and was reluctant. We sold the India growth story to Adrian. By the third week of October, we had a new architectural design from Chapman Taylor – scores of retailers who have seen it have exclaimed that it is potentially the best looking shopping centre in India. Some of the images are printed here for the reference of the readers.

With 14 leisure & entertainment attractions (including an FEC and the 10-screen cinema), neoMall is expected to attract tourists from a seven to eight hour driving distance. The SEC-A&B population of this region (excluding Bangalore) is about 27 million. There is no doubt that the working population of Electronics City and surrounding areas will visit neoMall at least once in three weeks, if not more often. If it is also able to attract the rest of Bangalore's SEC-A&B population as

to the secondary catchment.

neoMall has more anchor stores compared with Grand Venezia. neoMall and neoHub have been designed by the world's leading retail & leisure architects with experience in designing 2000+ such projects, while as per my knowledge, Grand Venezia's architects have done a handful of similar projects. Lastly, while Grand Venezia's GLA is about 1.4 times that of neoHub, it has 2,200 parking spots compared to 4,150 at neoHub.

ONLY TIME WILL TELL WHETHER THESE SHOPPING CENTRES WILL ATTRACT THE TARGETED VISITORS/SHOPPERS, AND WHETHER THEY WILL SUCCEED. BUT WHAT IS MORE IMPORTANT IS THAT BOTH CENTRES ARE TAKING THE NEXT STEP FORWARD – OF BEING DISTINCTLY DIFFERENT FROM THE COOKIE CUTTER CENTRES THAT INDIA HAS GOT SO USED TO SEEING.

well as 2.5 per cent of the region's SEC-A&B population just once a year, neoMall will get 15.77 million annual footfalls, or 43,200 ADFs.

Differences & Similarities

While there are many differences between Grand Venezia and neoMall, there are also many similarities. First, the differences. Perhaps the main distinction is that the former is an enclosed centre and the latter an open-air lifestyle centre. While neoMall's primary catchment is wealthier than Grand Venezia's, the opposite is true when it comes

So, what are the similarities? Even though both will rank amongst the five-six largest shopping centres in the country for some time, they are both located at a distance from the heart of their cities. About 22-23 per cent of the GLA of both centres is dedicated to leisure & entertainment, compared to 9-12 per cent in most Indian shopping centres. Both have unique features, which have been very successful in shopping centres abroad, but are being attempted for the first time in India. Both have a Hyatt hotel

within the mixed-use complex. Both have been conceived and planned by specialty retail planning firms who have already successfully completed and delivered arguably the best malls in North and South India. What is perhaps most important is that both shopping centres are hoping to attract a large number of outstation tourists.

Only time will tell whether these shopping centres will attract the visitors/shoppers that they are targeting, and whether they will succeed. But what is more important is that both centres are taking the next step forward – of being distinctly different from the cookie cutter centres that India has got so used to seeing – 4/5 level enclosed shopping centres with a hypermarket/supermarket on the lower ground floor, a couple of anchors on the upper ground and first floors and a cinema with food court on the top floor.

What really surprises me is that it is not the established mall developers (such as Inorbit, Prestige, DLF and Phoenix) who are taking this step, but first time mall developers. Perhaps the established developers will pick up the cue from here on, or perhaps more first-timers will do more unique projects. Whatever the case, at least Indian consumers will finally get to experience world-class shopping & leisure centres which will be refreshingly different from what they have gotten bored of visiting. The best part is that the Indian shopping centre industry has finally come of age. ●

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