

PGDM (RM) 2014 -16

Mall Management

Subject Code: RM - 307

Trimester – III, End-Term Open Book Examination: April 2015

Time allowed: 2 hrs 30 min

Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. In case of rough work please use answer sheet.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5	5 Marks each	3*5 = 15
B	2 out of 3	10 Marks each	2*10 = 20
C	Compulsory Case Study	15 Marks	15
		Total Marks	50

Sec – A

1. What are the major challenges faced by the mall business in Delhi / NCR? What are different security threats inside shopping malls? As a domain expert, what will you suggest to get over these challenges?
2. What are the different Types of Marketing activities undertaken by shopping mall to increase their walk-ins? How different promotion activities can help improving conversion rate of temporary tenants in particular?
3. LuLu Mall is the largest shopping mall in India, spanning 17 acres and with a total retail floor area of 1.7 million sq feet, do you feel they have well adapted or modified according to the local condition of Kochi? Please justify.
4. How do characteristics of a site, affect the business potential and performance of a shopping mall? Cite example of any known mall from your home town or Delhi/ NCR. How that mall developer does recover the loss in revenue incurred by offering significantly lower rentals to anchor tenants?
5. Can shopping mall survive if the tenant bleeds? Comment in light of different types of shopping malls those are commonly seen in India.

Sec – B

6. Apart from mall rentals, what are the other sources of revenue generation for a Shopping Mall? Organising events, context and shows is a gainful distraction for shoppers in a Shopping Mall. Comments
7. Compare and contrast the key 5 points of difference among Shopping Centre, Shopping Mall and Retail Pad site in Central Business District. Who comes first in a new mall, anchor or ancillary tenants and why so?

8. How do the three pioneering malls of India, Spencer Plaza, Chennai, Crossroads, Mumbai and Ansal Plaza, Delhi differ from present day malls? What could be the possible reasons behind the differences? Do you think, smaller cities are going to drive the mall business in time to come? Why so?

Sec - C

Malls came to India couple of decade back and immediately found an intense following. They drew a mad rush of shoppers. In cases like Crossroads, the first modern mall in India, the mall management found it difficult to handle the crowd. So it imposed a condition that only those carrying either a mobile phone or a credit card (both novelties at that time!) would be allowed entry. But as mobile phones and credit cards ceased to be novelties for Indians, same is the case with shopping malls. The year 2008 saw 9.6 million square feet of mall space coming up in India, an 18 per cent increase over the previous year, but the economic slowdown pulled wind out of the sails for malls. Across the country, malls that did not cater to consumer needs are looking deserted as consumers are walking out of them. Malls that do not stand on sound, fundamental research are fast losing faith of the tenants as well. It is not only the vanilla stores that are walking out. There are instances where the anchor stores have terminated their lease agreements prematurely, leaving the mall nothing more than a skeleton. Such malls are plagued by problems like lack of professional management, multiple floors, high vacancy rates, unviable location and poor commercialization. These vices are not confined to only a few malls. Many practitioners believe that out of 480 odd malls operating in India at present, only a handful, may be couple of dozen, are actually successful. There may be a difference of opinion on the absolute number of successful malls, but nobody denies the fact that most of the shopping malls in India are struggling to survive. During the heydays of mall business, there was a mad race among developers to develop shopping malls. This blind race exposed them to astronomical costs, unviable locations, head-on competition and unreceptive geographies. Consequently, many had to shut shop before they could even take off. Skeletons of unfinished projects are a testimony to this. Others converted them into commercial spaces. A multitude of reasons are cited for this state of affairs. Malls are a suitable platform to sell luxury brands. Luxury brands leave decent margins with the retailers that justify high investments. But luxury retailing did not take off that fast. On the contrary, Indians have shown a marked preference for value-for-money offers through modern retail. Globally, such malls (discount malls) are situated outside the city, but the Indian consumer wants value- for-money offers at a convenient location and distance. Such locations are available at a premium, but margins are meagre. In a developing economy like India, the major proportion of income is spent on food and grocery items for which unorganized retailers are generally preferred. Preference for local kiranawala is stronger in smaller towns and cities where malls have been developed by some of the more adventurous mall developers. Many people believe that the current phase is not the decline phase of the mall life-cycle. It is simply market correction that would take supply and pricing to realistic levels. It may also result in consolidation of this fragmented market.

1. On the contrary, India has just 480 malls where as USA has more than 100,000, does it mean that Indian Malls needn't worry much?
2. Do you think real estate investment trust have any role to play in this situation?
3. Do you feel, there is a possibility of consolidation in mall development and mall management? Will that help in improving the situation?
4. If you have to suggest the Ministry of urban development and other govt authorizes on de-malling, cosmetic facelift or phased redevelopment, what would be your opinion on each one of them?
5. Under these circumstances, can shopping malls accommodate Multiplex, Fast food Outlets and specialty store as anchor tenants? How that may help the present situation?