



Interview with Mr Susil Dugarwal, Founder & Chief Mall Mechanic, Beyond Squarefeet



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Beyond Squarefeet is India's only true mall advisory firm that prides itself on its "hands-on" experience and approach. Mr Susil Dugarwal, whose title is 'Founder & Mall Mechanic' talks to IndiaRetailNews.com about the mall business in the country, the retail sector and the relationship between the two.

IRN: What is the objective of setting up Beyond Squarefeet? Briefly explain the business concept of your company?

Susil: Beyond Squarefeet advisory, is India's premier boutique mall advisory company, which has been set-up with a clear objective of advising the Mall developers as an "in-house advisory team", which means that we are not a CONSULTING firm, but an advisory team who will work on the feasibility & functionality of the project. We manage any Retail-Real estate (Shopping Centers / Malls) ventures right from conceptualisation to implementation to operations; we work in tandem with the Mall Developers to set up successful Malls. We act as an insider than an outsider, & take up the virtual ownership of the Project, with a great sense of accountability.

IRN: In what way is Beyond Squarefeet different from other players in the market?

Susil: Well, I am not aware of any other player in the market, like us, as we are not a consultancy firm, we are a hand-holding advisory team; however the biggest differentiator between us & the other players is that we come with a "Hands-on", experience, while others are still learning at their clients' cost. Having been part of various successful Malls in the country, we come with the practical knowledge & science of Mall development, with the central focus on the customers & its occupants. There have been cases, wherein we have advised certain players to back-out from their projects, while other consultants have encouraged them. We lost business in the process, but gained a lot of credibility, as they trust us & our word. I think as an advisory firm, we have more accountability than consultants.

IRN: How would you differentiate yourself from any IPC in the country?

Susil: IPC (International Property Consultants), are purely property consultants or transaction managers, and we are a mall advisory company. While we help the mall developers to make better planned malls, IPC's primarily focus on lease management. We focus on the entire gambit of activities including primary market research, feasibility, construction quality audit, conceptualisation of the mall, positioning of the mall, branding, zoning, tenant mix, marketing & Leasing, mall management, etc. in fact we also work very closely with many IPC's who help us in leasing, as there is no conflict of interest between us. They are leasing people & we are mall advisors.

Since we have been a retailer and also been a part of the mall developers, we understand the mall business better than any other players in the country. We are the only 'Mall advisory' company in the country who has been both a retailer & mall Developer. Hence we bring a lot of value addition to the mall development business, as we have been part of more than 30 million sq. ft. of retail & mall development in the country.

IRN: How much investment do you anticipate in mall development within next 10 years?

Susil: In the next 10 years, the Mall business would be a key concept for any real estate player, as the value add into their business/project with a Mall is very high, which cannot be ignored. With more Indians preferring to shop in the malls, the demand is going to increase. Since the mall business is primarily driven by the retail business, which is growing at the rate of about 35% every year, the estimated investment in the malls could be around 75,000 Crores in the next 10 years, which will translate into about 140 million sq. ft of quality retail space coming in the next decade.

IRN: It is said that one of the constraints faced by the retail sector is the non-availability of space at reasonable rentals. Do you agree with this? Do you think rentals will come down in the near future?

Susil: There is a dearth of good quality retail space even today; the rentals were very high for a short period, but now have been corrected. This happened purely because of the wide gap in demand & supply, as the supply keeps increasing, the rentals will see a downside. However it must be noted here that eventually, it is the quality of the Mall &

consistency of footfalls, which will determine the price of rentals. But, given the current scenario in the country, we are seeing the emergence of the revenue sharing model in rentals, wherein the interest of the Mall developer & the retailer are interconnected & interdependent.

IRN: Since you talk about revenue sharing, is the Revenue Sharing model a fool proof method of mutual benefit?

Susil: Like other things in the mall sector, this is also a new phenomenon and we are learning. While many developers were initially not comfortable with this concept, over the period they are slowly accepting this mode of transactions, however, there have been many cases in the recent past, where the developers found that the retailers were sharing false sales figures with them. Now this has really scared them & now the mall developers are going to be very careful with such transactions. The retailers will have to convince the developers that the sales figures are genuine & not tampered.

IRN: Has the global economic slowdown affected the Indian retail sector?

Susil: Retail may have a temporary set back, but not a major jolt, as in many other sectors because irrespective of the market conditions, people will still shop for "Roti & Kapda", while "Makaan" can be postponed. If we look at the history of retail in the last 5000 years of civilization, right from the barter days, retail as a sector has never seen a slump, but the sentiments of people may slowdown the growth. Also there is currently the sentiments of other businesses which are affecting retail, but as a customer, you will still continue to spend what you are used too.

IRN: What are the essential requirements for a futuristic mall?

Susil: Well, we cannot generalize, as this is the biggest mistake most of them have done so far, they have just tried to cut-copy-paste the models. I think, each Mall is unique & has to develop its own strategy keeping in mind the local requirements. What can work in Gurgaon, may not work in Mumbai or within a city what can work in one location may not work in another location within the same city. Each Mall will have to have its own strength, which will differentiate from the other, what is most important is that we will have to keep the concept futuristic for about 30 years...this is a challenge & we help our clients to overcome this challenge.

IRN: Can India aim to be the next tourism destination for shopping?

Susil: We are on an average 50 years behind from "shopping designations" such as Dubai, Singapore, China, etc....and they are still growing at the same rate, whereas we are still in the nascent stage of retail/shopping. However, we can still catch the bus, for value for money shopping, which will happen to a limited set of tourists.