



P R A G M A B E N O Y

The Opportunity for Best-in-Class Facilities in India

Pragma View

Long-established as one of the most vibrant, diverse and fast-growing markets in the world, the increasing maturity of India's population and property sector makes it one of the most compelling places to do business in the coming years.

As India's population continues to both grow and develop its tastes and preferences, there is significant opportunity to provide the next generation of best-in-class facilities. There is the possibility of appealing to India's burgeoning population and establish the country as the premier provider of the world's best schemes.

With this opportunity comes a responsibility: to push the boundaries and start to deliver the quality of schemes that truly meet consumers' evolving needs and desires. Within this paper, we aim to show how an understanding of consumer trends can inform the data-led design required to meet these opportunities and challenges head-on.



If you'd like to discuss any of the trends or points raised, or simply want to get in touch please drop me a line.

andrew.mcvicker@pragmagroup.com

Andrew McVicker
Property Director
Pragma Consulting



Background

India has a population of over 1.4 billion people, spread across 28 states and eight union territories. It is a densely populated country with both a young population and big aspirations, and by 2025 it will overtake China and become the world's most populated country.

Public sector investment in key infrastructure sectors such as transport, gas, and energy has allowed the country to attract a steady stream of foreign investment which has led to consistently high growth rates. The large domestic population, increasing literacy rates, and government schemes such as [“Make in India”](#) also contribute to India's attractiveness for foreign

investment. The government has also sought to develop local brands and start-ups through its “Startup India” scheme.

Despite the Covid pandemic, between 2019 and 2021, India's GDP per capita increased by 9.9% and consumer expenditure increased by 9.8%, with Indians combining a higher disposable income together with a willingness to spend. India's retail industry is projected to grow to more than US\$1.8 trillion by 2030. Due to these factors, India is one of the most attractive retail markets in the world, appearing second on the 2021 Kearney Global Retail Development Index.

Global Consumer Trends

As the Indian market continues to develop and grow, the importance of key global consumer trends – already partly embedded in the Indian consumer psyche – are likely to grow too. These global trends are increasingly at the forefront of shaping consumer behaviour globally and, as India becomes more internationalised, recognising and speaking to these trends will be increasingly vital to be successful.



Sustainability

Ethical, environmental, and social considerations are increasingly important to consumers. The role of sustainable lifestyles is becoming more prominent, with local, regional, and global issues beginning to impact consumer choices of products, brands and experiences.



Health & Wellbeing

With increases in health awareness and a desire for more well-rounded lifestyles, physical and mental wellbeing is at the core of many consumer decisions, across elements including relaxation, exercise, mindfulness, and diet.



Digitalisation & Convenience

Digital innovation continues to change the way in which people purchase and behave and has altered expectations of convenience and immediacy, placing increased power in the consumer's hands. This has, in turn, created a key challenge to the role and nature of the physical experience and created changed expectations and opportunities for how physical space could be utilised.



Discovery & Learning

With digitalisation & convenience enabling consumers to expedite functional tasks, there has been a growth in the appetite for discovery and learning as part of consumer's leisure time. Social media and globalisation have opened up other habits, interests, opportunities and cultures, increasingly exposing consumers to new experiences and creating renewed interest in learning about the world around them.

Global Best-in-Class Examples

Globally, developers are increasingly recognising the importance of these consumer trends and looking to develop their proposition to meet the developing demands and expectations of consumers, whether this be across retail, office, residential schemes, or component parts of mixed-use schemes. The degree to which developers embrace these trends varies but, to both future-proof schemes and distinguish a proposition, they form a vital element of future strategies.

Shopping Mall - Taikoo Li Sanlitun, Beijing, China



Taikoo Li Sanlitun is a shopping mall in Beijing which brands itself as a fashion landmark in the city, housing a variety of flagship stores, independent designer brands and high street fashion. The scheme consists of nineteen low-density buildings, divided into a Northern District and a Southern District, and focuses on bringing a unique leisure shopping experience to visitors. The Northern District features a variety of luxury brands and high-end designers, while the Southern District consists mainly of high street fashion brands, coffee shops, restaurants, and entertainment facilities, creating a seamless leisure experience where everything is in one place. Its contemporary, artistic design that incorporates preserved historic streets

and buildings creates a powerful sense of place – each building has its own unique style, and the public realm is filled with creative illusions, sculptures and artwork that make the scheme dynamic and interesting. Fashion shows, brand launches, street performances and interactive activities are hosted regularly, creating a strong experiential aspect.





Mixed-Use – One Bangkok, Bangkok

One Bangkok is a mixed-use scheme that combines hospitality, retail, art and cultural experiences, planned to be completed by 2025. The integrated “city-within-a-city” district will comprise 19.4 million ft² of office buildings, luxury hotels, retail, hospitality, and residential, designed around how people can seamlessly live-work-play, aiming to optimise comfort and convenience in people’s daily lives. The scheme sets new standards in terms of design, quality, connectivity and sustainability by incorporating and understanding of social and cultural context. People-centric principles, environmental sustainability and



smart city living creates a new way of urban living. Almost half of the available space is allocated to green and open space to enhance wellbeing and the scheme aims to be the first LEED-Neighbourhood Development Platinum in Thailand, setting a new standard for sustainable development. Smart technology is to be integrated into all aspects of the district, including a centralised infrastructure system to enhance efficiency, with district cooling and energy management systems designed for sustainable long-term operation and future growth.

Retail - Miami Design District, USA

Miami Design District is a retail destination that incorporates innovative fashion, design, art, architecture, and dining. The scheme houses over 170 luxury fashion flagships, making it a world-class shopping destination. The contemporary architecture is designed to make every building and street an artistic canvas, alongside the focus on art and culture, creating a highly experiential element to the scheme. A public art programme is embedded within the streets and there are three cultural



institutions, making the scheme popular for Instagram and other social media. The scheme values customer experience, convenience, and personalisation, offering services such as personal shopping, gifting assistance, alterations, delivery services. There is also a variety of food & beverage outlets that appeal to a wide audience, including casual dining, fine dining and grab & go.

Workplace Benchmark - Facebook HQ, Menlo Park, San Francisco, USA

Facebook’s headquarters in Menlo Park, San Francisco is a corporate campus of over thirty buildings on a site of over 250 acres, housing over a quarter of Facebook’s global employees. The campus is designed to feel like a town with a variety of facilities and amenities to enhance convenience for employees. Different areas of the business are spread throughout the campus to foster cross-functional collaboration. The campus is renowned for its biophilic design, through its rooftop park that spans 12.6 acres, which has been shown to increase



worker productivity and reduce stress levels by providing a space where employees can experience nature and also use the space for exercise and mindfulness activities. This park also includes solar panels which generate almost two million kW of electricity a year, increasing sustainability of the campus. The food & beverage outlets on campus rely on locally sourced ingredients and provide a variety of global dishes, incorporating variety and new experiences to employees’ daily lives.

Where is India in the Context of these Trends?

Sustainability

India is the world's third largest energy consuming country and is predicted to be among the top three emitters by 2030, as incomes rise, and individuals buy new vehicles, appliances, and air conditioning units. There is also expected to be a rapid growth in infrastructure and building stock as the population grows and living standards rise. Recognising this, the Indian government has made rapid expansions in renewable energy through schemes like the [PM-KUSUM](#) and Ultra Mega Solar Power projects.

Sustainability has always been a feature of traditional Indian culture, be it through religious principles of non-materialism in yoga and Ayurveda, or cultural practices, like thriftiness (re-using items for multiple purposes and hand-me-downs), sun-drying clothes, and taking bucket baths. However, there is less awareness among individuals regarding ethical sourcing and fairtrade practices; this is a trend prevalent in only the highly literate tier 1 cities in India. Individuals in these cities are increasingly looking to reward companies that engage in fairtrade practices. As such, retailers will be under increasing pressure to adopt a sustainability agenda in near future and to implement this across their supply chain.



With regards to big business, there is a slow and steady adoption of sustainable practices by businesses. Over 400 companies are signatories to the [UN Global Compact](#), a scheme that allows companies to drive climate leadership by setting evidence-based targets. Additionally, 58 multinational Indian companies have committed to more than 95 emission reduction targets. Adoption of climate friendly policies by businesses is set to rise as the country continues on its path to net zero by 2070.

There is also a need to adopt sustainable agricultural practices, currently adopted by less than 4% of Indian farmers, to tackle pollution concerns. Grassroots organisations like the Centre for Sustainable Agriculture have been trying to tackle this problem but change is coming very slowly.

Digitalisation & Convenience



Government-led initiatives such as the Digital India movement and Bharatnet have expanded the reach of Indians living in both rural and urban areas connecting them to the internet. In 2020, internet usage in India was estimated to be at 622m persons (43% of the population). This is expected to increase to 900m users by 2025. Almost 67% of urban population and 31% of rural population have access to the internet. There have been several emerging retail trends because of this increased digitisation. These include:

A E-commerce is a booming sector in the Indian economy. Companies like Flipkart and Amazon have enjoyed a longstanding acceptance in the market. However, in recent times, the online offer has expanded to include food and grocery delivery platforms (like Swiggy and bigbasket), medical consultation platforms (Pharmeasy and Apollo Pharmacy) and insurance platforms (Policy Bazaar). In 2021, the Indian e-commerce market was valued at US\$ 38bn and this is anticipated to go up to US\$ 120-140bn by 2026 (source: IBEF). E-commerce expansion is set to continue with the rapid adoption of digital wallets (like Paytm and Phone-pe) helping merge online and offline retail. Local kirana stores and pop-ups are also moving online by tying up with big online retailers like Amazon, Flipkart and Reliance.

B Experiential Retail and Personalisation increasingly provide a way for companies to distinguish themselves and their proposition in a crowded marketplace. Augmented reality and other experiential features are increasingly component parts of a wider retail strategy to help personalise the offer to customers. Large high street retailers like [Tanishq Jewellery](#) and [Nykaa Cosmetics](#) offer virtual try-ons for their products whereas online marketplaces like [Bestseller](#) have virtual fitting rooms where users can put in their exact measurements to see how products will fit them.

Adoption of these AR facilities has been rapid in the more developed tier 1 cities, and this has meant that shopping centres, malls, and brand outlets must provide a more experiential offering to attract customer flows. Several mall and retail operators have been responding by trying to develop a premium feel in the design of their stores, training staff to provide better customer service, and organising brand activation events and workshops to connect with the local

community and attract customers. For instance, Tonique, Asia's largest liquor store in Bangalore offers exclusive, invite-only, whisky tasting sessions for patrons.

“While retail in tier 2 cities has not moved to this experiential phase, new retail developers must make note of these trends as they will eventually catch up in these cities too.”

Health & Wellbeing



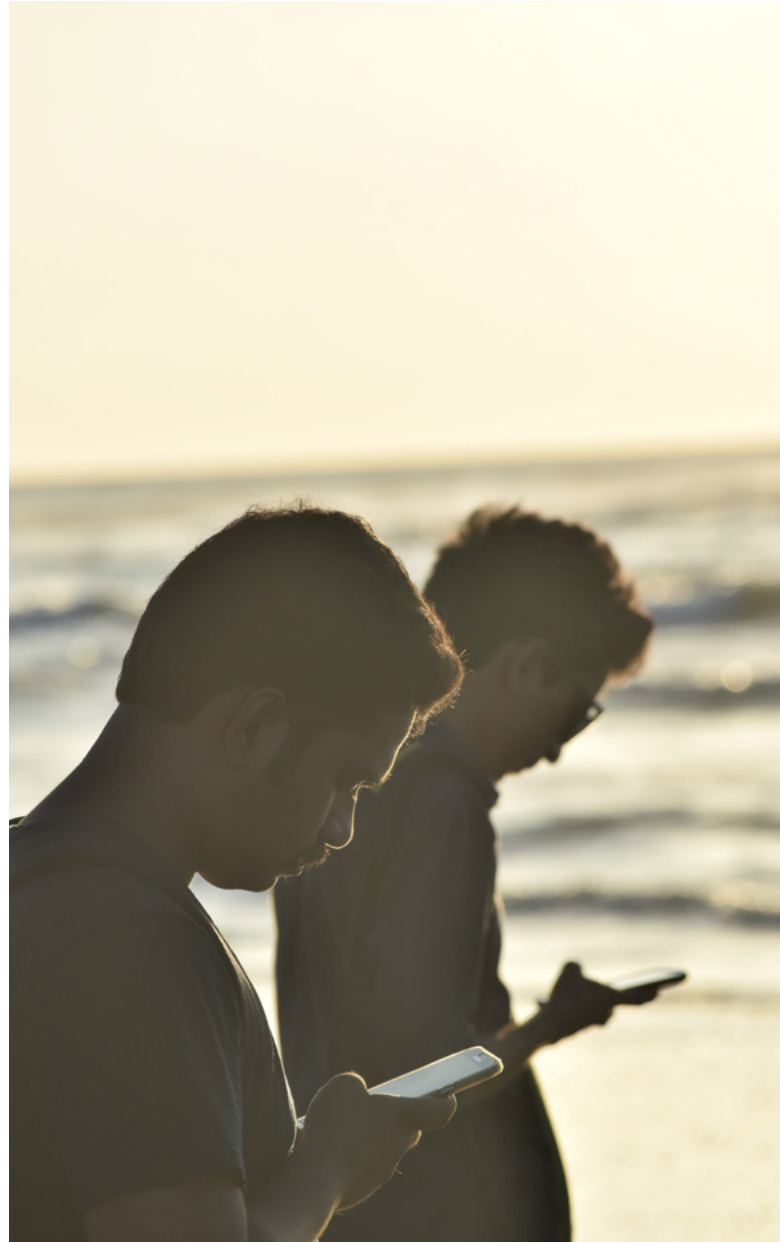
India has long been a destination for wellbeing retreats with its traditional yoga and Ayurvedic methods. However, while the wellness travel sector is booming, India is undergoing a mental health crisis with over 14% of its population requiring active mental health interventions (source: The Logical Indian). The country has a large taboo surrounding mental health and access to help is very difficult with only 0.75 psychiatrists for every 100,000 patients. There is some development in the tier 1 cities with startups like Juno Clinic and WYSA allowing people to access help through their app and book referrals if need be. Additionally, some companies like



Tata Motors has been offering initiatives like flexi-work and sabbaticals to encourage its employees to develop a work-life balance. Despite the infantile nature of the health and wellbeing market, attitudes to mental health and wellbeing are slowly changing and opportunities in this sector are bound to open up soon.

Discovery & Learning

Indians are one of the biggest consumers of social media in the world. Whatsapp remains the most popular social app for Indians, followed by Facebook, Instagram, and Twitter. Cheap mobile data rates and increasing affordability of smartphones have provided several Indians the opportunity to access media from across the world and this has led to the rise of influencers and other prominent figures in the social media landscape. People's behaviour is increasingly being driven by social media trends. Brands, recognising this, are increasing opportunities for social media shopping and are



engaging with customers through AR and VR technology on social media sites. For instance, in 2019, Puma India launched an Instagram game for their Rider shoe collection. It was the country's first sneaker branded AR filter and gained over four million impressions. Similarly, CRED is a credit card bill payment platform that hosts regular giveaways on its social media channels, driving traffic and awareness to the brand.



What is the Challenge and the Opportunity for India's Developers?

With a growing, increasingly confident population, significant national funds and resources and a huge appeal to foreign investment, both the opportunity and responsibility for developers of India's next generation of physical space is considerable.

To date, many of India's premier developments have looked to replicate the attributes seen in best-in-class developments globally. Given the time required to take developments from conception to delivery, this has often meant that Indian schemes - whilst often offering high levels of design and quality - have not 'pushed the envelope' in terms of next stage conceptual design and proposition.

With the comparative speed of growth of other economies lagging, over the next decade, all eyes will be on Indian developers to deliver the schemes that push the boundaries of what is possible and set new standards in what 'good' looks like, be it residential, retail, office or leisure. Increasingly, schemes will clearly entail all these elements and more, as developers deliver the 'live-work-play' schemes demanded.

To successfully develop the new standards in design and provision that will make globally renowned schemes - and those that stand the test of time - it is imperative that developers have access to clear data-led design to ensure the needs of a scheme's users are acknowledged, understood and are central to the scheme design and delivery.

Data-Led Design

As part of the Handley House group, Pragma (insight and strategy) forms a comprehensive proposition with sister companies Benoy (masterplanning and architecture), Holmes Wood (design and wayfinding) and Uncommon Land (landscape and public realm design) to enable a data-led approach to design. This approach recognises and promotes the changing needs of

target users and ensures scheme design allows for the range of requirements that will be most pertinent, both now and in 5-, 10- and 15-years' time. This robust insight provides developers with the evidence-base needed to confidently develop schemes that will truly meet the needs and desires of target users and set the benchmark for schemes in the coming years.



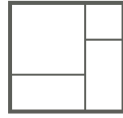
For a discussion on how Pragma and the
Handley House group of companies could
assist you and your business, please contact:



Andrew McVicker
Property Director

✉ andrew.mcvicker@pragmagroup.com

Pragma Consulting
1 Monkswell Sq. London, EC2Y 5BL
+44 (0)20 7902 6888
pragmagroup.com



HANDLEY HOUSE

Handley House is the parent company overseeing four international businesses. Bringing together commercial advice and strategic research, technical knowledge and design expertise, the company delivers a holistic approach from data analysis, workplace strategy, master-planning and architecture, to urban and landscape design, interior design and wayfinding.

Our companies:

BENOY

Benoy is an international firm of architects, master planners, interior architects and graphic designers working from design studios in the United Kingdom, Abu Dhabi, Singapore, Hong Kong, Shanghai and Beijing.

P R A G M A

Pragma is a commercial advisor for investors and operators in mixed-use, travel and retail and its expertise includes customer insight & segmentation, catchment analysis, trading & performance analysis, tenant mix guidelines and rent sustainability & leasing.

UNCOMMON LAND

Uncommon Land is a landscape practice, balancing creative vision with commercial viability, shaping memorable landscapes that deliver lasting social, environmental and economic value.

Holmes Wood

Holmes Wood are a leading UK based design company specialising in wayfinding, sign and graphic design solutions.