

ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

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THE DIRECTIONS OF ANTICRISIS STRATEGY FORMING FOR SHOPPING MALLS IN RUSSIA**НАПРАВЛЕНИЯ ФОРМИРОВАНИЯ АНТИКРИЗИСНОЙ СТРАТЕГИИ ТОРГОВЫХ ЦЕНТРОВ В РОССИИ**

Urgency of the research. The continuing economic crisis in many post-Soviet countries leads to the necessity to analyze and generalize different approaches towards anti-crisis policy. Such an analysis has not yet been made for shopping malls which confirms the urgency of the present research.

Target setting. The goal of the present research is to find out main approaches towards formation of anti-crisis strategy of shopping malls in case of their interaction with retailers in Russia.

Actual scientific researches and issues analysis. The analysis of existing publications showed that a study of anti-crisis policy of shopping malls has not yet been made. Researches dedicated to shopping malls did not deal with anti-crisis issues, and publications dedicated to anti-crisis management did not take into account specific features of shopping malls.

Uninvestigated parts of general matters defining. General approaches towards formation of anti-crisis strategies of shopping malls hat not yet been investigated

The research objective. The objective of the present research is to analyse anti-crisis actions of shopping malls in Russia and to identify main directions of formation of anti-crisis strategy in case of interaction with retailers.

The statement of basic materials. The analysis of the anti-crisis actions of shopping malls demonstrated that they can be divided into two groups. The first group is oriented towards ensuring price affordability of shopping malls services for retailers. The second group transforms the model of cooperation between shopping malls and retailers in order to organize long-term partnership.

Conclusions. We recommend to use the approach based on long-term partnership between shopping malls and retailers as a basis for anti-crisis strategy. This approach helps to improve the effectiveness of shopping malls thanks to common interest of retailers and shopping malls.

Keywords: shopping malls; anti-crisis strategy; long-term partnership.

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Актуальность темы исследования. В условиях затянувшегося экономического кризиса в ряде пост-советских государств большое значение имеет обобщение подходов к формированию антикризисной политики. Для торговых центров такого обобщения предложено не было, что обуславливает актуальность исследования.

Постановка проблемы. Выявление основных подходов к формированию антикризисной стратегии торговых центров при взаимодействии с ретейлерами на примере России.

Анализ последних исследований и публикаций. Изучение существующих публикаций показало, что анализ антикризисной политики торговых центров пока не проводился. Исследования по проблемам функционирования торговых центров не затрагивали вопросы противодействия кризису, а в работах, посвященных антикризисному управлению, не изучалась специфика торговых центров.

Выделение неисследованных частей общей проблемы. В существующих работах отсутствует описание общих подходов к формированию антикризисной стратегии применительно к специфике торговых центров.

Постановка задачи. Задача исследования заключается в анализе антикризисных мероприятий торговых центров в России и выявление, путем систематизации этих мероприятий, основных направлений формирования антикризисной стратегии при взаимодействии торговых центров с арендаторами.

Изложение основного материала. Анализ антикризисных мероприятий торговых центров показал, что они выстраиваются по двум направлениям. В рамках первого направления торговые центры обеспечивают ценовую доступность своих услуг для арендаторов, в рамках второго – меняют модель взаимодействия с ними с целью перейти к долгосрочному сотрудничеству.

Выводы. В качестве основного направления формирования антикризисной стратегии мы рекомендуем подход, направленный на выстраивание партнерских отношений между арендаторами и торговыми центрами, поскольку это позволяет повысить эффективность деятельности торговых центров на основе совместного интереса.

Ключевые слова: торговые центры; антикризисная стратегия; долгосрочное партнерство.

Urgency of the research. Commercial real estate is very sensible to changes of economic situation and the current crisis in Russia is not an exception. Shopping malls have lost many

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international partners (who decided to stop their operations in Russia), many retail networks revised their plans of development and decreased their demand for commercial spaces, and some retail companies went bankrupt. Due to all these reasons the level of vacant spaces in shopping malls (SM) grew dramatically, and retailers who stayed ask for new terms of cooperation [2]. This is why SM operators are working out and implementing anti-crisis strategies in the field of their cooperation with retailers.

However, despite the existing experience in the field of anti-crisis strategies (the current crisis in Russia began three years ago so SM operators have had enough time to acquire this experience), one can say that this experience has not been studied and analyzed yet. The goal of the present paper is to carry out such an analysis. We think that that this task is very important both from practical and theoretical points of view. Systematization of existing approaches towards anti-crisis strategies will enable SM operators to use effective tools and will help them to avoid mistakes, which is very important from the point of view of business practice. As for the theory, we think that it is extremely important to identify the methodological basis beneath different approaches towards anti-crisis strategies.

Actual scientific researches and issues analysis. The sources we analyzed contain no mention of problems of anti-crisis strategy of shopping malls. There are many publications dedicated to SM efficiency analyzing problems of selection of retailers, relations with customers etc [1; 3; 6; 12; 13], but all these papers do not study anti-crisis issues.

Practical journals published in Russia after 2014 contain many articles that describe the present situation on the SM market as well as strategies implemented by SM operators (or, better, steps that were taken in order to prevent flight of tenants) [9; 10; 11]. However these papers are too general and do not provide a detailed analysis of SM anti-crisis strategies. These papers can be useful sources of empirical information about the situation on the market but they cannot be considered as scientific research in the field of anti-crisis policy.

One may also mention a huge amount of literature dedicated to anti-crisis management [8], but these papers are either too general (they elaborate basic principles of anti-crisis management without any application in a concrete industry) or are related with areas of activities that have nothing to do with the commercial real estate.

So we may conclude that there are no scientific papers dealing with analysis of anti-crisis strategies of shopping malls in Russia which is an additional confirmation of the importance of our research.

Target setting. Identification of ways of elaboration of anti-crisis policy of shopping malls in Russia.

The statement of basic materials. We will analyze anti-crisis strategies of shopping malls belonging to the highest level because they are interested in setting up a tenant mix attractive for their customers (beyond simple rent of space). These SM pay attention to tenant relations management and dramatic changes in the pool of leaseholders will lead to transformation of the image of this shopping mall for its customers. Obviously it is crucial for these SMs either to hold current tenants or, in case of their refusal to continue cooperation, to find new retailers of similar quality.

Let us describe the distinctive features of the model of cooperation between tenants and SM operators before 2014:

- Negotiation power belonged to SM operators because of the lack of top level commercial real estate in Russia [1]. As a consequence, competition for the commercial space was high (the most popular SMs even had waiting lists for potential leaseholders).

- Distribution of risks was uneven – economic risks were taken by retailers. For example, rent prices were in US dollars or Euro [9; 10; 11].

- Pricing policy – prices were set up as fixed payments for one square meter and were regularly increased. There were no discounts for non-key leaseholders.

The situation described above was typical but exceptions were also possible. For example, in 2013 operators of newly built SMs faced the problem of lack of leaseholders [10], and had to reduce their requirements for tenants and to make concessions in price and pricing model (first of all, fixed prices

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were partially replaced by a share of leaseholder's turnover). In addition, special terms were introduced, like grace periods (which means that there were no rent payments during some period – normally until the leaseholder reaches the planned turnover).

Events that happened in 2014 (dramatic fall of the exchange rate and decrease of the real income of customers that lead to the decrease in demand for the products that are traditionally sold in SMs) lead to the transformation of the market of commercial real estate in Russia.

Many foreign companies decided to stop their activities in Russia, while Russian retailers closed their stores in Moscow. The Moscow market lost such famous companies like American Eagle Outfitters, Hauber and Desigual [10]. The Finnish retailer Stockmann (very active in St. Petersburg) sells its department stores to Reviva Holdings Ltd. In addition, during the last months of 2015 and first months of 2016 at least 35 Russian brands left the market of Moscow. The intensity of launch of new brands was below the intensity of exit of old ones, which means that new brands cannot compensate the exit of old brands [7; 10]. It led to a new distribution of the negotiation power on the market of commercial real estate. SM operators started to compete for attractive leaseholders (trying to attract new tenants and to hold old ones) [7]. In the new market situation tenants are ready to cancel the contract of rent (if it is possible) if the SM operators does not modify the terms that do not correspond to the new reality.

In addition, in 2014-15 many new SMs were launched [10]. They faced a very harsh problem of lack of tenants (as the demand for commercial real estate decreased due to bad economic situation), so they further increased the competition for leaseholders. Lack of tenants for new SMs (in average about 50% of spaces in SMs in Moscow, launched in 2015, stayed without tenants in March 2017) led to the freeze of a part of planned SMs. Nevertheless, new SMs still appear (12 SMs were launched in Moscow in 2015), and one can suppose that they will hardly find enough tenants in the present economic situation.

The events listed above showed that the old model of cooperation between SM operators and retailers is obsolete and has to be replaced by a new one:

- Decrease of the purchasing power of the population means that there is no reason to have a point of sales in a SM. Competition for commercial space between different retailers decreases or even disappears. It means that the negotiation power now belongs to retailers.

- Leaseholders cannot afford to pay prices set up in US dollars because of the dramatic fall of the exchange rate (which more than doubled). In many cases tenants would prefer to close their store if the SM operator refuses to switch to prices in rubles. It is important to remember that SM operators used prices in US dollars only as tool of risk reduction (in order to be sure for the real income), but not as a tool of cost management (as all costs were in rubles).

- Low flexibility of pricing policy of SM operators in situation of decreasing demand for commercial spaces also lead to refusal of tenants to continue cooperation. Natural response of SM operators is to increase flexibility of contract terms. SM operators started paying more attention to specific needs of lease-holders, taking into account their requirements and adapting the offer to the new economic reality. Steps taken by SM operators include:

- refusal to use US dollars for payments. This refusal may be carried out as a complete change to payments in rubles, or as a special fixed exchange rate, or as a use of exchange rate brackets. It is interesting to mention that the refusal to use US dollar for payments is not a temporary action whose only goal is to smoothen the negative consequences of the dramatic fall of the ruble in September-December 2017 for lease-holder. Stabilization of the ruble occurred after January 2016 did not lead to the revival of USD-based pricing;

- refusal to use fixed rent rates and switch to payments in form of a share of tenant's turnover. This model represents an implicit discount given to the lease-holder during the first months of its business in the shopping mall (but in the future the SM operator will get a compensation for this discount thanks to increase of tenant's sales – of course, if this tenant is successful). Within the traditional model the lease-holder must pay a fixed rent which does not depend on its sales. During the first months of its business in the SM, when this tenant is not yet popular among customers and its sales are relatively low, this model had a negative impact on its profitability. The rent paid as a share of tenant's sales is

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low during these first months (as the sales are low) which makes this payment affordable for the lease-holder. In addition this model helps to organize more correct sharing of risks and profits between the tenant and the SM operator. The amount of payment in this case depends not only on tenant's efforts, but also on general economic situation (if it gets worse then the sales and the rent payment decrease, which means that a part of general economic risks is taken by the SM operator which was not the case within the traditional model of pricing), and on efforts of the SM operator in the field of creation of flow of customers. The SM operator has high stimuli to create this customer flow and to increase the rate of conversion (that is, to ensure high level of correspondence between the customer flow and the tenant mix – if the rate of conversion increases, the sales go higher and so does the rent). It means that this model of rent payment based on a share of tenant's turnover has to be seen not only as an anti-crisis step (which should make SM service more affordable for lease-holders), but also as a transformation of the model of cooperation between SM operators and lease-holders. The rent represents in this case a kind of royalty which ensures the participation of the SM operator in lease-holder income generated by the conversion of the customer flow created by the SM operator [4; 5; 14];

- decrease of prices. For example during 2015 the rent in rubles for commercial real estate in the center of Moscow decreased by 22% (this decrease is even higher if one uses rents in USD);

- special payment terms. There are different discounts which include: discount from the basic rent during first years of the contract, rent vacation etc. In addition the rent rate takes into account the share of the free area within the SM. There are cases when the lease-holders pays no rent at all and pays only for electricity etc [7; 11]. This model, despite the fact that it does not allow the SM owner to pay back its investments, still generated a cash flow which cover the current cost of the shopping mall;

- SM operator pays for the repair. This step makes commercial real estate more affordable for lease-holders and represent a sales promotion campaign (thanks to which potential lease-holders get an additional value for the same price). It is difficult to say now how long this offer will be active – will it become an integral part of the SM service product or SM operators will abandon it and lease-holders will have to make repairs on their own account when the economic situation in Russia becomes better and the demand for commercial real estate increases;

- division of commercial real estate into smaller lots. It also increases the affordability of commercial real estate for potential lease-holders. Thanks to this offer even little companies may start their business in shopping malls. But it creates risks for SM – they may lose their image because of lower status of new tenants as well as because of excessive number of these sales points. SM may start looking as a market.

The analysis of the anti-crisis strategies described above shows that they follow two main directions which may be called quantitative and qualitative. Qualitative measures include direct and indirect discounts, special payment terms, possibility to rent smaller spaces. Thanks to these measures the SM operator ensures higher affordability of its services for potential lease-holders, but in the same time it reduces its income and creates additional risks (like worsening of its image for the target audience). These measure can be described as traditional anti-crisis steps and their only potential consists in direct and indirect price reductions for lease-holders.

Qualitative measure is in our opinion the switch from fixed rent towards rent as a share of the tenant's sales (royalty-based rent). Of course, this measure also helps to increase affordability of SM services for potential lease-holders but this is not its only goal. Royalty-based rent [5; 14], helps to redistribute risks between the shopping mall and the tenants (rent is now depending on the economic situation) and to create stimuli for the SM operator for the maximal effectiveness in the field of creation of customer flow (as this flow generates sales for tenants and rent for the SM operator) [4; 6]. It means that along with a temporary price decrease the tenant gets an additional value and its cooperation with the SM operator becomes a partnership. It is an important advantage of qualitative measures. As the switch to the royalty-based rent become very popular in Russia after 2014 one may suppose that the trend of transformation of relation between SM operators and lease-holders into partner ones is general. One should mention that this model has its advantages for SM operators. First of all, the increase of sales will lead to the increase of rent which may even become higher than in case of

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traditional model. In addition, an effective tenant that generates high sales is an additional point of attraction for this SM, which increases the competitiveness of this SM and may lead to higher sales for other tenants.

Conclusions. We may conclude that the anti-crisis policy of shopping malls in Russia includes now not only traditional and expected tools that increase affordability of SM services for lease-holders (direct and indirect discounts, special payment terms etc) but also innovative tools. These innovative tools help to transform the model of cooperation of the lease-holder and the SM and to create stimuli for partnership in order to achieve common goals. We think that this partnership trend is a long-term one. It means that even when the economic growth in Russia begins there will be no return to the old model of rent payment in shopping malls thanks to obvious advantages of the royalty-based payments.

Further research. It would be interesting to analyze anti-crisis strategies of shopping malls in other CIS countries, especially in Ukraine. These countries despite many distinctive features that appeared after decennia of independence still preserve many common characteristics. Description of approaches towards anti-crisis strategies in any of these states will be interesting for specialists from other countries.

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