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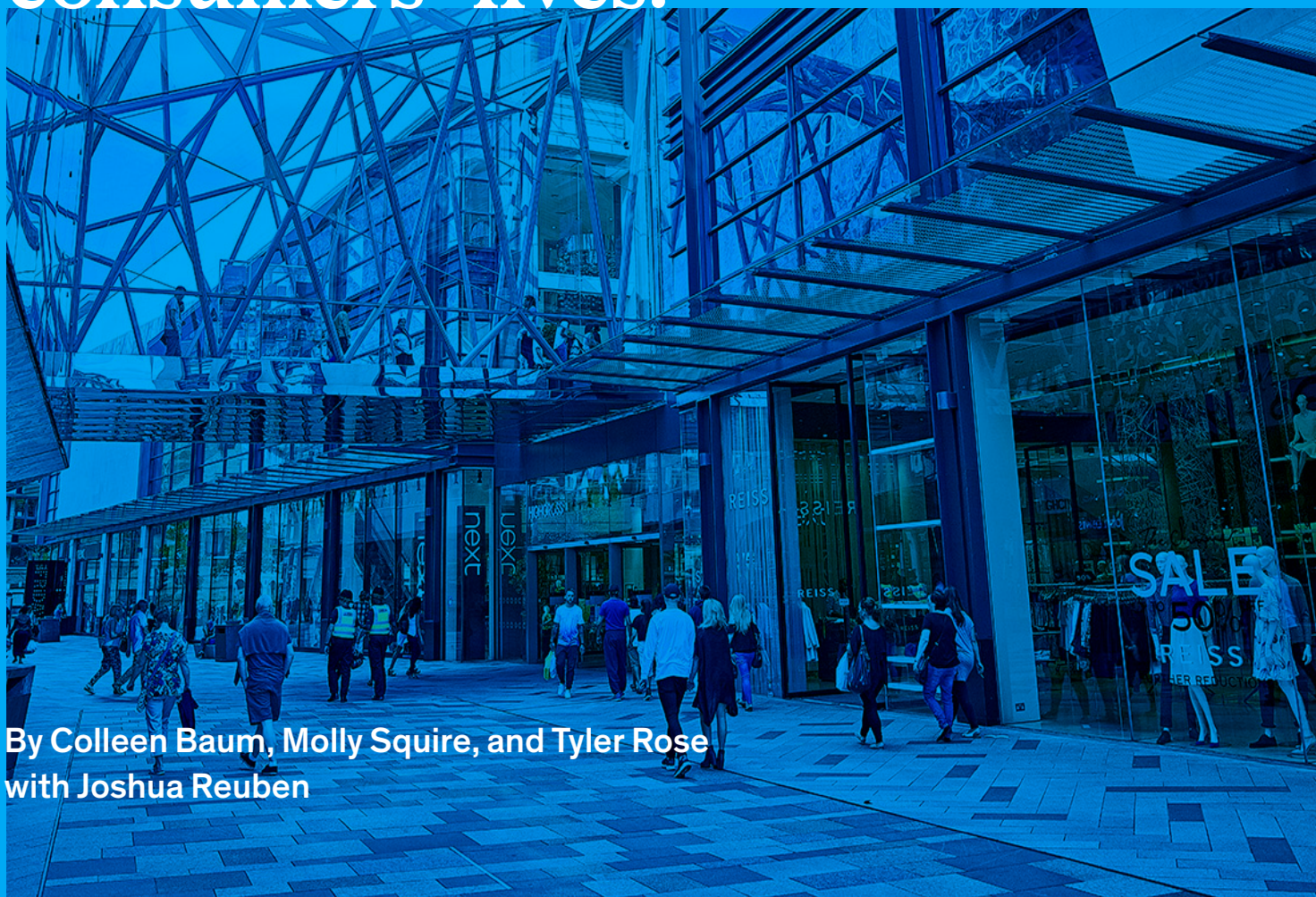
In collaboration with ICSC

Shopping in the age of AI

Redefining stores for a new era

As AI reshapes how shoppers discover and buy products, the store's role is changing. Retailers and real estate firms must rethink store formats and shopping center portfolios to better fit consumers' lives.



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Executive summary

The US retail landscape is entering a new era. As consumers accelerate their use of AI for making routine purchases, stores will remain a critical part of the shopping journey—but the role of the store will change. Store visits may become less frequent but more valuable.

In this environment, retailers and real estate players will need to clearly define the specific mission of each store and shopping center and determine how to meet consumers' evolving needs—whether focused on convenience or discovery. The portfolio, operating, and investment decisions that these companies make over the next three to five years will determine which stores and centers earn their place in the future of shopping.

For this report, McKinsey partnered with ICSC, an organization serving the commercial real estate and retail industries, to survey more than 3,000 US consumers about their shopping preferences. Drawing on this data, interviews with retail and real estate executives, and McKinsey analyses, we explore the structural shifts shaping the future of shopping; changes in when, why, and how consumers decide to shop in person; and steps that retailers, landlords, and developers can take to create value.

Three structural shifts that are reshaping shopping

We believe three structural forces will most materially change the store's role over the next few years: increasing use of AI in purchase decisions, growing expectations for transparency and convenience, and a shift in consumer spending power.

The rise of agentic AI may be the most profound of these changes. For now, AI use is most common in the early stages of the shopping journey, but that is likely to change quickly as consumers develop more trust and begin to use agentic tools for basket building, automated replenishment, and postpurchase support, particularly in household staples and other routine essentials. In turn, consumers may turn to stores for order fulfillment, product validation, immediate access, or differentiated experiences.

Convenience is not just about speed at checkout—it's also about daily-routine-friendly locations, predictable inventory, clear pricing, and smooth transitions between digital and physical channels.

Transparency and convenience are also major factors in shoppers' behavior. Consumers have come to expect immediate access to information on pricing comparisons, inventory, and delivery timing, plus a quick-and-easy purchasing process. Convenience is not just about speed at checkout—it's also about daily-routine-friendly locations, predictable inventory, clear pricing, and smooth transitions between digital and physical channels. The third transformational force is the increase in spending power among younger generations, including millennials and Gen Z. In our survey, Gen Z and millennial respondents were significantly more likely than older cohorts to shop both online and in store. Younger consumers were also more likely to prefer retailers that have a website or online presence, to feel comfortable automating routine purchases, and to prioritize frictionless payment options and newer commerce features when choosing where to shop. In addition, more millennials and Gen Zers expressed a preference for experiential retail.

The new shopping trip calculus

Often, store trips serve one of two purposes: convenience or discovery. For both kinds, consumers are applying a new calculus: weighing the time and effort it takes to shop against what they expect to get out of these trips.

For many convenience-oriented trips, shoppers prioritize efficiency. Convenience-driven consumers often know what they want to buy before they leave home, and they often check product availability, compare prices, review selection, or look for coupons online.

For many consumers, particularly younger generations, physical stores are still destinations for exploration and connection. The ICSC consumer survey revealed that shoppers across age groups shop across in-store and online channels; shopping "mostly online" is not the leading method for any generation or category. Younger generations expressed stronger preferences for curated environments with edited assortments, pop-ups, and showroom-style formats.

For discovery-oriented visits, respondents expressed interest in some personalization features, including tailored promotions and product recommendations. These consumers are often looking to gain some social benefit from their shopping experiences. Consumers across age groups are seeking "third places" outside home and work, such as shopping centers and mixed-use retail environments.

Designing stores for distinct shopping missions

In the AI age, more of the shopping journey happens even before a consumer ever enters a store or visits a retailer's website or app. Retailers must now differentiate their physical locations to satisfy these more discerning customers.

Convenience-optimized stores must be designed for speed and simplicity, with shorter paths between entry and checkout, guaranteed inventory for in-demand products, visually clear pathways, and intuitive navigation. Associates should be facilitators, helping shoppers locate items quickly, resolving issues efficiently, and maintaining operational flows. These stores should also offer enhanced checkout and fulfillment processes, such as expanded self-checkout, mobile pay, curbside pickup, and clearly defined pickup and returns areas.

Discovery-led locations should aim to maximize the time consumers spend in store by encouraging browsing across categories and offering visual storytelling, curated vignettes, and rotating collections to engage shoppers. They could also introduce limited-edition product drops, exclusive collaborations, or emerging brands. The best discovery-oriented stores also equip their associates with AI-supported "clienteling" tools.

Winning in a world of selective shopping: Imperatives for retailers

Retailers need to think about how stores are designed, operated, and measured from the ground up. Those that continue to manage stores uniformly risk creating locations that are partially optimized for every mission and fully optimized for none. To differentiate themselves, retailers must take three key steps:

— *Define the role of each store with precision.* Retailers must assign each location a primary mission—such as convenience hub, discovery flagship, or fulfillment node—and then design the layout, assortment, staffing model, and service experience around that purpose.

— *Deploy technology to reinforce each store's mission.* Retailers should ensure that their digital systems are providing their store and district managers with the visibility they need to make better decisions so stores operate consistently and respond quickly to demand and inventory shifts. In convenience-oriented stores, technology must remove friction and guarantee reliability. In discovery-led stores, technology should elevate service, exploration, and product understanding rather than simply accelerate transactions.

— *Upgrade store capabilities and talent models to match the store's mission.* Different store missions—and the growing use of automation and AI—require different ways of working. Retailers should redesign store roles, workflows, and performance expectations to reflect each location's mission. In convenience-oriented locations, associates need to be broadly cross-trained to move quickly between tasks, help customers find items, resolve issues, and support pickup and checkout without delay. Discovery-led store associates may require greater specialization, with some focusing more deeply on areas such as styling, product expertise, or in-store experiences that require longer customer interaction.

Curating retail ecosystems: How landlords and developers can thrive

In an AI-shaped marketplace, landlords and developers need to act as curators of effective shopping ecosystems by making strategic, data-backed decisions about how their properties can align with shoppers' missions.

To attract convenience-focused consumers, landlords must provide options for speed, certainty, easy access, seamless pickups and returns, strong service, and the ability to complete multiple missions in a single trip. Discovery-oriented properties, meanwhile, must be designed to earn more of consumers' time by creating reasons for them to browse, discover new products and experiences, and engage with brands in ways that cannot be replicated digitally. Landlords must evolve into "placemakers"—creating destinations that combine retail, dining, and experiences to attract and engage visitors.

Curating shopping ecosystems will require landlords to make better use of consumer behavior data and predictive analytics to understand how different retail and nonretail tenants will perform collectively. Landlords can also look for opportunities to enhance collaboration with important tenants to better understand the customers they have, those they want, and where else those customers are likely to spend time.

Chapter 1

The structural shifts shaping the future of shopping

In 2026, shopping journeys can follow a number of paths. A consumer might have household staples reordered automatically by an AI assistant, bypassing stores entirely. That same day, that person may drive across town to a new store discovered through an influencer's livestream, not out of necessity, but out of curiosity. Later, they might research something they found at the new store using a gen AI platform.

These behaviors—which we expect to become more widespread in the coming years—reflect fundamental changes in when, why, and how consumers choose to engage with physical retail. Retailers and real estate developers are aware of these new behaviors, but many are responding incrementally (often due to capital constraints that limit their ability to make big changes). As shopping behaviors diverge—toward automation on one end and intentional discovery on the other—small adjustments to format, merchandising, or tenant mix will not be sufficient. Instead, retailers and real estate developers alike will have to clearly specify the role each store is meant to play and make disciplined investments to deliver on that role.

About the research

The ICSC Consumer Survey was in the field from January 7 to January 11, 2026, and garnered responses from 3,004 participants in 49 US states and Washington, DC. Consumers were surveyed across various categories in which they had recently made purchases. These categories included grocery and food; fashion and apparel; health, beauty, and personal care; home electronics; home décor and furnishings; and leisure and lifestyle products.

Drawing on McKinsey analyses, an ICSC consumer survey, and interviews with real estate developers and retailers, we believe three structural forces will most significantly shape the role of the store in the years ahead: the growing role of AI in the shopping journey, rising expectations for transparency and convenience, and a shift in consumer spending power (see sidebar "About the research").

AI is changing how purchasing decisions are made

The most profound structural shift in shopping over the next several years may be the rise of agentic AI, or systems that can act on a consumer's behalf to search, compare, recommend, and even complete purchases. By 2030, the US B2C retail market alone could see up to $1 trillion in revenue from agentic commerce, with global projections reaching as high as $3 trillion to $5 trillion, according to McKinsey research. (As AI capabilities compound and accelerate, retailers and real estate developers that delay embracing the technology risk widening a gap between consumer expectations and their ability to meet them—a gap that they may struggle to close.)

What makes this shift different from earlier waves of digital disruption is delegation—the expanding role of technology in executing purchases. Instead of navigating apps, websites, or stores to evaluate options, compare prices, and find the best promotions, consumers are beginning to rely on AI agents to interpret their intent, weigh trade-offs across brands, and surface a short list of options or a default choice. Shopping moves from browsing to outcome setting: the consumer expresses a goal once, and the system increasingly manages the rest.

Agent-led discovery and comparison are already becoming embedded across consumer journeys. In McKinsey's latest ConsumerWise survey on consumer sentiment, 68 percent of respondents reported using at least one AI-enabled tool in the past three months—a figure that likely understates true adoption, as many consumers engage with AI-powered search and in-app features without recognizing them as such.

For now, AI use is concentrated in the early stages of the shopping journey. Sixty-two percent of respondents reported using AI to compare brands, models, prices, or reviews—the most common application. Fifty-five percent said they use it to learn about a category or product, including which features to prioritize, and nearly half turn to it for discovery and inspiration.

68% of consumers reported using at least one AI-enabled tool in the past three months

That is likely to change quickly, especially as consumers develop more trust in agentic tools. What begins as a recommendation can evolve into basket building, automated replenishment, and postpurchase support—particularly in routine categories such as household staples and everyday essentials (more US consumers in the McKinsey ConsumerWise survey said they use AI to find information about home electronics, apparel, footwear, and jewelry than the share of those who said they do so for pet care services and vehicles). As more repeat purchases become automated, the need for store trips will decline. These changes may arrive before retailers are ready: In a McKinsey survey, 45 executives out of 50 said they have considered introducing an agentic commerce tool, but fewer than five reported having a board-aligned agentic commerce strategy.[1]

The structural implications are significant. As AI takes on more of the research and comparison process—and, eventually, completes certain purchases itself—stores will no longer be the primary venue for search and evaluation. Instead, they're more likely to serve as sites for order fulfillment, convenient returns, product validation, immediate product access, or differentiated experiences. Meanwhile, the bar for in-store customer service and product expertise will be higher, since consumers may have a higher baseline understanding of the products and services they want to purchase before entering the store.

Elevated convenience expectations are the baseline

Years of seamless digital shopping experiences have reset the standard for what shopping should feel like, even in physical environments. Consumers now expect immediate access to information, easily comparable pricing, visibility into inventory or delivery timing, and a fast and simple purchase and returns process.

Meanwhile, hybrid work is now a permanent feature of many US consumers' lives. Across sectors, 40 percent of US workers said they still work remotely some or all of the time,[2] altering weekday traffic patterns. Shopping trips once concentrated in central business districts now frequently happen in suburban and neighborhood centers, making retail locations embedded along daily routes—home, school, gym, or essential services—more important.

These forces have expanded the definition of convenience. While speed at the checkout still matters, convenience is now also about locations that fit naturally in daily routines,[3] predictable in-stock inventory, clear pricing, seamless pickup and returns, and the ability to move between digital and physical channels without friction.

Younger consumers' spending power is shaping new shopping norms

Baby boomers, who currently hold roughly half of US household wealth, could transfer more than $100 trillion in assets[4] to younger generations by 2050. This would mark the largest intergenerational wealth transfer in US history.

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1 McKinsey Agentic Commerce CXO Survey, December 2025 (n = 50).
2 McKinsey American Opportunity Survey, Summer 2024.
3 In the ICSC survey, nearly 94 percent of consumers agreed to some extent that having a store conveniently located in their daily routine would increase the likelihood that they would shop there.
4 "Will the 'Great Wealth Transfer' transform the markets?" Merrill, accessed April 2026.

From the rise of suburban shopping centers in the postwar era to the expansion of big-box and early e-commerce formats in the 1990s and 2000s, major shifts in purchasing power have historically coincided with changes in retail formats (see sidebar "The economic and social shifts that have reshaped the US retail landscape.") As millennials and Gen Z realize greater purchasing power, their behaviors and preferences—how and where they spend their money and time—will likely bring the next wave of retail change.

The economic and social shifts that have reshaped the US retail landscape

Over the past eight decades, shifts in how Americans live, work, and spend have consistently reconfigured the retail landscape. Each era redefined what consumers expected from stores, and which locations and models could win.

In the 1945–60 postwar period, rising incomes and suburban migration fueled the development of enclosed malls, designed as centralized destinations for a growing middle class. By the 1970s and 1980s, increasing consumer affluence and expanded highway systems enabled larger-format retail, giving rise to big-box stores and "category killers" that emphasized breadth, scale, and one-stop convenience. The 1990s and early 2000s introduced another shift: Dual-income households and time-constrained consumers drove demand for efficiency, accelerating the growth of early e-commerce alongside physical formats optimized for speed and price.

The next inflection point came as digital technologies became embedded in everyday life. From 2008 through the mid-2010s, smartphones and seamless connectivity made online shopping habitual, and omnichannel capabilities—once a differentiator—became table stakes. Smartphones also enabled the rise of performance marketing—targeted digital advertising across search, social, and retail media networks that shaped what consumers saw, considered, and ultimately purchased. Over time, these channels shifted discovery upstream, allowing retailers and brands to influence demand before a store visit ever occurred, making digital visibility as critical as physical presence in driving traffic and sales. More recently, pandemic-era disruptions and hybrid work patterns redistributed where and how consumers spend their time, often shifting more of it to home. Retailers responded by expanding curbside pickup, local fulfillment, and neighborhood formats designed to fit into daily routines rather than anchor long, planned trips.

Today, the industry stands at another structural turning point. A massive intergenerational wealth transfer—potentially exceeding $100 trillion over the coming decades—is shifting purchasing power to younger, digitally native consumers.

Though the contours of economic and social disruption have varied, one thing is clear: When consumer behavior shifts at a structural level, retail formats must follow—often faster and more decisively than incumbents expect.

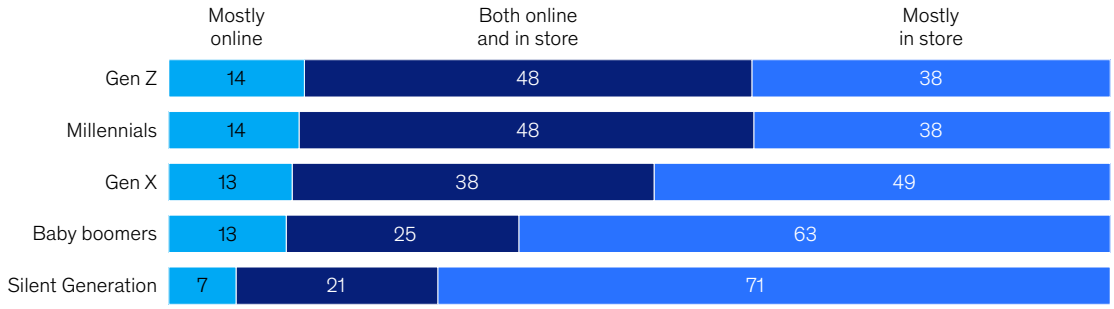
As millennials and Gen Z realize greater purchasing power, their behaviors and preferences will likely bring the next wave of retail change.

These consumers came of age with digital search, social commerce, mobile payments, and algorithm-driven recommendations, which in turn have shaped how they engage in the shopping journey. According to the ICSC consumer survey, Gen Z and millennial respondents are significantly more likely than older cohorts to describe their shopping behavior as a blend of online and in-store, while baby boomers skew heavily toward primarily in-store shopping (Exhibit 1).

Exhibit 1

Gen Zers and millennials are more likely than older consumers to report omnichannel shopping behaviors.

Preferred shopping channel, by generation,[1] % of respondents



Note: Figures may not sum to 100%, because of rounding.
[1]Question: Which of the following best describes the way you shop?
Source: ICSC Consumer Survey, Jan 7–11, 2026 (n = 3,004; Gen Z, n = 486; millennials, n = 795; Gen X, n = 809; baby boomers, n = 858; Silent Generation, n = 56)

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Younger consumers are also more likely to say that having a website or online presence is important when choosing a retailer. Millennials and Gen Zers are more comfortable automating routine purchases and significantly more likely than older consumers to prioritize frictionless payment options and newer commerce features—such as mobile checkout, social shopping, and financing tools—when choosing where to shop. At the same time, more millennials and Gen Zers expressed a preference for experiential retail, creating structural upside for physical retail environments that offer discovery and social connection. (In the ICSC survey, more than 40 percent of Gen Z and millennial shoppers agreed or strongly agreed that experiential retail makes them more likely to shop at a retailer, nearly twice the rate of Gen Xers and four times more than baby boomers.)

As economic influence shifts toward younger households, their preferences will become the norm. Retailers will increasingly serve consumers who expect convenience, digital integration, and experiential elements (depending on the context) in their shopping journey.

These forces do not eliminate the relevance of the store, but they do change what it must deliver. As more routine purchasing shifts to automation and expectations for convenience and experience rise, visiting stores that lack a clearly defined mission—whether enabling speed or creating discovery—becomes harder to justify in a consumer's routine. At the same time, the investments required to redesign store networks now compete directly with spending on AI, data, and digital infrastructure, raising the stakes on getting those choices right.

Chapter 2

The new shopping trip calculus

As more of the shopping journey moves into AI-mediated search and purchase automation, the physical trip to the store is no longer a given.

Shoppers are applying a new calculus, often subconsciously, before deciding to go. Is this store trip going to be fast and predictable? Is it on my way? Will I be able to easily return what I don't need? Can I trust that what I need will be in stock? If I am going out of my way, will the experience offer something I cannot replicate online or through an AI agent?

Often, store trips serve one of two purposes: convenience or discovery. For both kinds of trips, consumers weigh the time and effort required to shop against what they expect to gain.

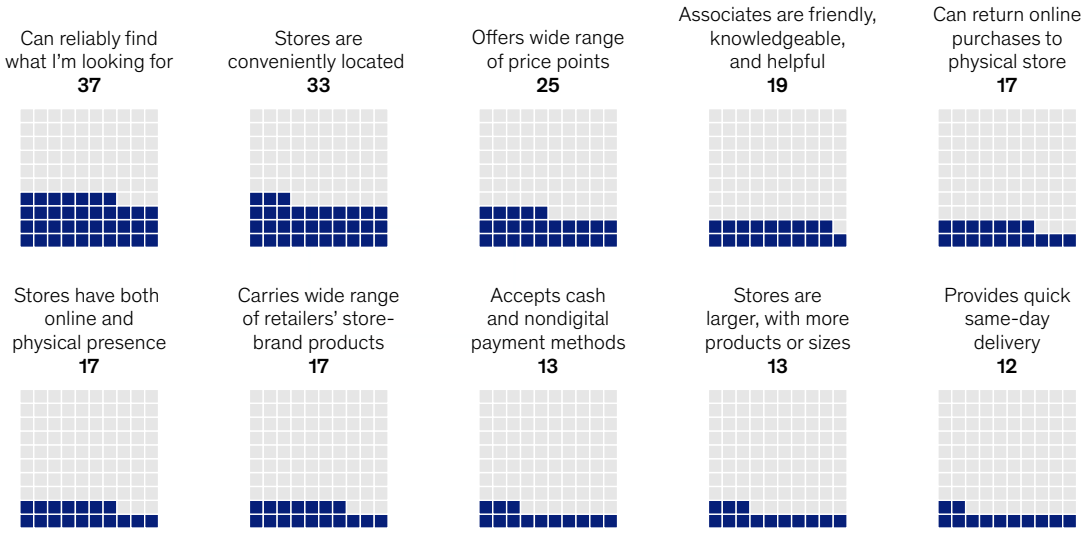
Convenience-driven trips: Efficiency is the mandate

For many routine[5] trips, consumers are explicit about what matters most to them. In the ICSC consumer survey, 37 percent of respondents ranked in-stock reliability among their top three reasons for choosing to shop at a given retailer (the factor most frequently cited) while about one-third cited convenient location (Exhibit 2). When asked to rank the factors that most influence their choice of retailer, shoppers selected product availability (37 percent), convenience (33 percent), and price range (25 percent) as the primary drivers; shoppers ranked experiential elements (5 percent) and omnichannel capabilities (17 percent) meaningfully lower, suggesting they act as secondary differentiators rather than primary decision factors.

Exhibit 2

When forced to prioritize, shoppers choose retailers based on availability, convenience, and pricing flexibility.

Factors increasing likelihood to shop at a given retailer,[1] % of respondents selecting as top 3



[1]Question: Rank the factors that you "agree" or "strongly agree" would most increase your likelihood to shop at a given retailer, with 1 being the most important factor.
Source: ICSC Consumer Survey, Jan 7–11, 2026 (n = 3,004)

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For convenience-driven trips, consumers know what they intend to buy before they leave home. Eighty-five percent of shoppers reported conducting some form of online research before visiting a store. The most commonly reported activities—checking product availability, comparing prices, reviewing selection, and looking for coupons—suggest that many consumers arrive at the store having already narrowed options and validated the trip. In these instances, the store visit is not the starting point of discovery but, more often, the end point of a decision already made. The store serves as a place for fulfillment and confirmation, not initial exploration.

[5] Here, "routine" and "convenience-driven" trips are used interchangeably.

Once they decide to make the trip to a store, consumers judge convenience by two factors: the ease of the experience and product availability. In interviews, retail executives say speed and proximity are becoming nonnegotiable. Real estate operators similarly speak of "trade times" measured in minutes, not miles—modeling trade areas based on how long it takes to reach a store or whether it is along a planned route, rather than on how far away it is—because convenience is ultimately about time saved.

Seventy-eight percent of respondents said they prefer assistance from an associate only when they actively seek it out. In convenience-driven trips, unsolicited interactions can introduce friction into what is meant to be a fast, task-oriented experience. Consumers reported having a stronger interest in technologies that reduce friction, such as faster checkout (68 percent of consumers are extremely interested in this), than in experimental features, such as smart mirrors (44 percent).

When a convenience-driven shopping trip fails—because of a stock-out, a locked case, a long wait, or unclear pricing—the consumer has plenty of online alternatives. That heightens the risk of long-term sales losses for retailers; if a consumer is disappointed in their in-person shopping experience once, they may be less likely to return. Cumbersome returns processes and breakdowns between online and in-store systems also undermine convenience. Across generations, about 90 percent of shoppers cited easy returns and seamless omnichannel continuity as important components of the in-store experience.

Discovery-driven trips: Engagement is the differentiator

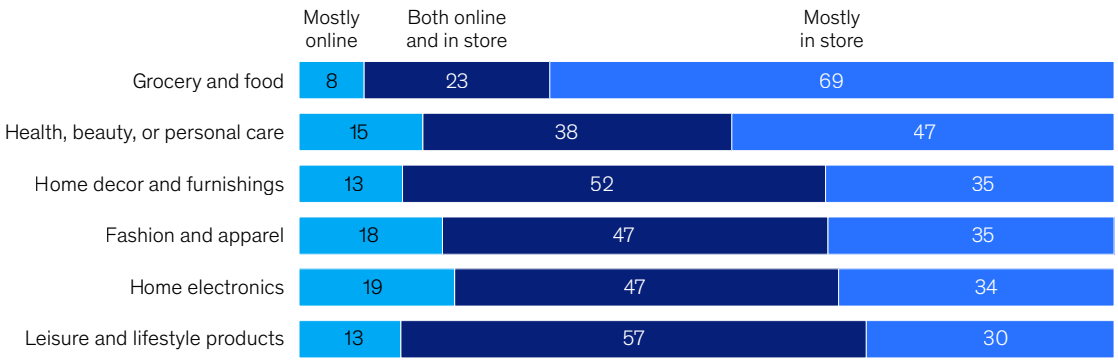
Not all store visits are driven by urgency. For many consumers—particularly younger generations—the physical store is still a destination for exploration, inspiration, and connection.

The ICSC consumer survey revealed that shoppers across age groups shop across in-store and online channels; shopping "mostly online" is not the leading method for any generation or category. Consumers continue to value physical stores, but not just for convenience. When shopping in stores for leisure or discovery, they are drawn to curated environments. This is especially true among younger generations, who expressed stronger preferences for edited assortments, pop-ups, and showroom-style formats. Across categories, consumers are most likely to report shopping in store mainly for groceries and health, beauty, and personal care (Exhibit 3), which makes sense, given that consumers continue to assess freshness, verify quality, and test products in these categories in ways that digital channels still cannot fully replicate.

Exhibit 3

Consumers prefer to shop mostly in store for groceries and food and for health, beauty, or personal-care products.

Preferred shopping channel, by category,[1] % of respondents



[1]Question: Which of the following best describes how you shop for the provided category?
Source: ICSC Consumer Survey, Jan 7–11, 2026 (n = 3,004)

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As remote work and digital-first lifestyles reduce everyday points of in-person interaction, consumers across age groups are seeking environments where people can gather and linger without planning or pressure.

For discovery-oriented visits, respondents expressed interest in certain personalization features, including tailored promotions and products—capabilities that AI-supported clienteling tools are increasingly enabling at scale. Rather than replacing the role of the associate, these tools equip them with richer customer context and real-time insights, enabling more relevant recommendations, deeper engagement, and, ultimately, stronger trust and connection.

However, interest was lower for personalization approaches that rely on tracked online-to-offline behavior or AI-generated guidance, suggesting that shoppers want relevance without extensive behavioral tracking. At the same time, respondents placed high importance on store associate attributes such as friendliness, product knowledge, the ability to guide shoppers effectively, and the ability to resolve issues quickly (more than 87 percent rated these attributes as at least moderately important). And while 78 percent said they prefer help only when they ask for it, they place significant value on the quality of that interaction.

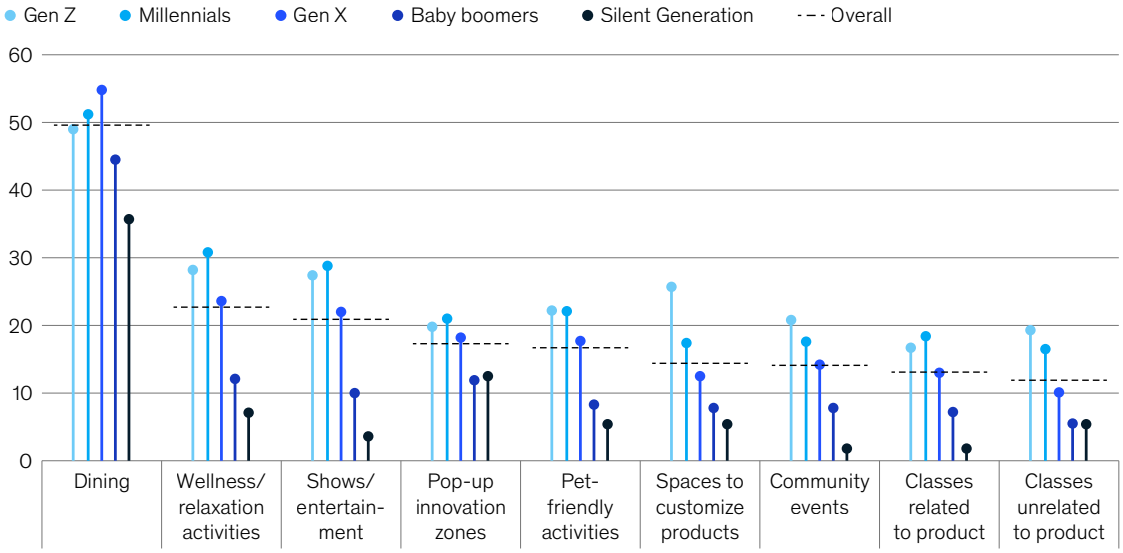
Discovery-oriented store visits increasingly serve a social function as well. As remote work and digital-first lifestyles reduce everyday points of in-person interaction and engagement, consumers across age groups are seeking environments where people can gather and linger without planning or pressure. Shopping centers and mixed-use retail environments, which have long served as “third places” outside of home and work, are seeing renewed demand.

To that end, younger shoppers expressed strong interest in nonshopping offerings near retail locations, including dining and community-oriented spaces. Nearly half of consumers of all ages surveyed said dining was the most desired activity to have near retail locations—more than double the share who expressed interest in nearby wellness, relaxation, or entertainment options (Exhibit 4).

Exhibit 4

When it comes to 'third places,' Gen Xers prefer dining options, while Gen Zers want spaces for cocreation and community.

Preference for 'third place' offerings, by generation,[1] % of respondents



[1]Question: What else would you like to be able to do at or near a store when shopping? Respondents could select up to 3 options.
Source: ICSC Consumer Survey, Jan 7–11, 2026 (n = 3,004; Gen Z, n = 486; millennials, n = 795; Gen X, n = 809; baby boomers, n = 858; Silent Generation, n = 56)

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Convenience-driven trips are defined by speed and certainty, whereas discovery-driven trips are defined by engagement and differentiation. While these shopping missions are not always mutually exclusive, consumers are becoming more explicit about which mission they are pursuing in a given moment and less tolerant when the store fails to deliver on it.

As expectations sharpen around each mission, the middle ground—stores that are neither convenient nor clearly differentiated—becomes harder to sustain. Understanding this new trip calculus is key to configuring the store of the future, for both real estate developers and retailers.

Chapter 3

Designing stores for distinct shopping missions

As AI becomes a default entry point for discovery and routine purchasing, more of the shopping journey happens even before a consumer ever enters a store or visits a retailer's website or app. That shift changes the dynamics of physical retail. Experiences that feel misaligned with the purpose of a shopping trip are more noticeable and less tolerated. A store that complicates a quick errand undermines its own value; a store that feels purely transactional during a discovery-focused visit risks underdelivering on the reason the customer came.

At the same time, the performance gap between best-in-class retailers and the rest of the pack has widened. According to a McKinsey analysis, the top decile is expected to capture more than 85 percent of sector economic profit, up from 73 percent just a decade earlier. As leaders pull further ahead, small tweaks to undifferentiated formats are unlikely to close the gap.

The convenience-optimized store: Built for speed and certainty

Many stores are not optimally designed for convenience-driven trips. Traditional retail layouts guide customers past seasonal displays, promotional endcaps, and adjacent categories to encourage impulse purchases and basket expansion. While effective in browse-oriented environments, that approach can introduce friction when the shopper's goal is simple, focused, and time-bound.

A convenience-optimized store is designed for speed and simplicity. Store layouts shorten the path between entry and checkout rather than maximizing product exposure. High-frequency categories are easy to find and immediately accessible, while preordered items are staged separately to enable rapid pickup—freeing customers to spend their time selecting items they prefer to evaluate in person, such as fresh produce or meat. Key pathways remain visually clear, with fewer freestanding displays that impede flow. Navigation is intuitive, and signage reinforces clarity rather than promotion.

Assortment discipline and inventory accuracy become critical to that mission. Rather than offering every possible size, flavor, or niche variation, these stores concentrate shelf space on the products customers purchase most frequently, reducing complexity while improving in-stock reliability. Although some retailers are beginning to use AI to improve product forecasting, out-of-stocks or locked merchandise create disproportionate friction in these environments, eroding trust in the store's reliability.

Best Buy, for example, is adjusting store layouts and assortments to improve product availability and reduce friction in the purchase process. In some locations, the company is narrowing assortments to improve in-stock reliability, while also moving categories such as computing to more central, accessible areas of the store. It is also using store space more deliberately—consolidating certain sections and reallocating space to priority categories and vendor-led displays. Best Buy is complementing these changes with investments in AI and advanced analytics to improve demand forecasting, inventory planning, and fulfillment, helping ensure that high-demand products are available when and where customers expect them.

Retailers that invest in real-time inventory visibility and tighter replenishment processes improve on-shelf availability and reduce search friction, factors closely tied to conversion and customer satisfaction in convenience-driven trips.

While these tactics are not new, the focus in these formats is shifting from maximizing assortment breadth and product exposure to ensuring that customers can reliably find and purchase what they came for. Meanwhile, retailers that invest in real-time inventory visibility and tighter replenishment processes improve on-shelf availability and reduce search friction, two factors closely tied to conversion and customer satisfaction in convenience-driven trips.

Emerging digital-twin capabilities further improve this visibility by allowing retailers to simulate and optimize in-store operations before making physical changes. By creating digital replicas of store layouts, checkout lanes, and replenishment flows, operators can model customer traffic patterns, test planogram configurations, and align staffing with projected demand. Advances in computer vision, edge sensors, and AI-powered analytics platforms, meanwhile, can capture and process in-store data in real time.

Technology providers such as Honeywell have created computer vision tools that retailers use to improve inventory accuracy and automate restocking decisions, while predictive analytics anticipate demand and trigger replenishment. Together, these systems reduce reliance on manual audits and enable faster, more precise in-store execution.

In the convenience-optimized store, the role of the associate shifts from brand storyteller to facilitator, or someone who locates items quickly, resolves issues efficiently, and maintains operational flow. Walmart, for instance, has equipped its associates with tools that enable them to check inventory, locate products, and respond to customer needs more quickly. In an interview, executive vice president and chief operating officer of Walmart US, Kieran Shanahan, emphasized that while technology will free up associate time, people will continue to serve people, making it critical to equip frontline employees with the tools to better serve their customers.

Once a shopper finds what they need, checkout and fulfillment processes must reinforce predictability. Expanded self-checkout, mobile pay, curbside pickup, and clearly defined returns areas reduce dwell time and remove ambiguity about next steps.

Retailers are also deploying a spectrum of frictionless checkout technologies—from traditional self-checkout kiosks to mobile scan-and-go applications, RFID-enabled bulk scanning, and computer-vision-based systems that minimize or eliminate manual scanning. While retailers have experimented with these tools for years, declining RFID costs and advances in computer vision are improving reliability and expanding the range of viable use cases. Retailers such as American Eagle and Uniqlo are using these low-friction systems to improve throughput and reduce wait times. In convenience-oriented formats, frictionless checkout improves customer experience by shortening total time in store, reducing abandonment, and improving conversion.

Importantly, this shift does not require redesigning every location the same way. A retailer may serve different missions depending on the context of each store. A footwear retailer's store located along a commuter corridor, for instance, might prioritize fast pickup, a focused assortment of high-demand styles, and highly visible service counters. That same retailer's store in a lifestyle district might allocate more space to browsing and limited releases. The inventory may overlap, but the layout, staffing model, and operational tempo should reflect the store's purpose.

The discovery-led store: Built for engagement and exploration

If the convenience-optimized store minimizes time spent, the discovery-led store must justify it. Stores built around discovery differ in several visible ways.

AI-enabled tools that equip associates with real-time inventory visibility, customer context, and clear next-best actions free them from operational tasks, elevating the associate role from transaction executor to trusted adviser.

First, layout and merchandising prioritize exploration rather than direct pathing. Instead of shortening the route from entrance to checkout, discovery-oriented environments encourage browsing across categories. Visual storytelling, curated vignettes, and limited-edition drops or exclusive collaborations can create narrative coherence. As one retail executive observed, choice can be debilitating: What differentiates leading stores is not the volume of product but the curation, clarity of selection, and the confidence with which it is presented.

Sézane, a Paris-based fashion brand founded in 2013, illustrates this approach. Born online and built through limited-edition product drops, the brand later expanded into physical retail through what it calls "appartements," boutique spaces designed to resemble lived-in Parisian homes rather than conventional stores. These locations exemplify the discovery-led format: They are curated environments that blend apparel, accessories, and lifestyle objects in a setting meant to inspire exploration rather than accelerate throughput.

Sézane reinforces this positioning through community-oriented programming and events tied to its boutiques. Literary gatherings, seasonal activations, and curated launch events transform the store into a social and cultural destination, giving customers a reason to visit beyond completing a purchase. In this model, the store functions less as an inventory repository and more as a brand theater and community anchor, deepening emotional connection and extending dwell time in ways that purely transactional formats cannot. Over the past several years, Sézane has reached double-digit compound annual growth rates, often faster than many of its competitors.

In-store events, like those at Sézane and other retailers, including Ulta and Williams Sonoma, have long been part of retailers' tool kits. What is different about where retail is headed, however, is that every retailer, in any category, should consider bringing these experiences into their stores. These events should be conceived of based on a data-backed analysis of what's driving top customer spend and volume growth, what might be provoking a shopping mission to that store, and the individual store's unique role in the surrounding community.

In interviews, executives consistently emphasized that associates remain the primary differentiator in experiential formats. "Providing intelligence to humans is the most powerful CRM [customer relationship management] on the planet," one retail leader noted. Several leaders underscored that concierge-level engagement cannot depend on a few exceptional individuals; it must be systematized and scaled.

When carefully curated, the combination of anchor stores, experiential tenants, and local operators creates a network effect that no single retailer can generate independently.

AI-enabled tools that equip associates with real-time inventory visibility, customer context, and clear next-best actions free them from operational tasks. The objective here is to elevate the role of the associate from transaction executor to trusted adviser: someone who can interpret needs, build rapport, and guide decisions with credibility and empathy. While this level of personalized, adviser-led service has historically been concentrated in luxury retail, emerging tools are making it increasingly accessible across price points. In this model, each associate becomes a consistent, human face of the brand, delivering not just service but a relationship that builds trust over time.

To be sure, discovery flagship formats have long drawn shoppers to stores. But retailers continue to miss the mark when they layer discovery elements onto otherwise transactional stores. Ambient lighting, aesthetic refreshes, or isolated experiential zones cannot compensate for an undifferentiated assortment or inconsistent service. Design investments alone don't consistently translate into sustained performance when the core value proposition remains unclear. In an era of more selective store trips, partial experiential upgrades are insufficient; coherence across layout, assortment, and service is what drives repeat engagement.

It's also worth noting that discovery-oriented environments are not created solely by individual retailers. In many markets, they take shape through the intentional grouping of complementary tenants—such as retail, food and beverage, fitness, entertainment, and service providers—that together extend dwell time and generate sustained traffic. The concept of the curated tenant mix is evolving, and the precision of the data and analytics that allow retailers and real estate developers to make these decisions is much more powerful today.

In interviews, real estate developers and shopping center operators described moving away from a transactional leasing model—filling space with whoever can pay rent—and toward deliberate curation based on who the target customer is, where else they shop, and what complementary experiences reinforce that identity. As one real estate leader noted, saying "no" to a tenant can be as important as saying "yes," because a property's long-term value depends on how well the tenant mix functions as a coherent whole.

This shift reframes the role of the shopping destination. When carefully curated, the combination of anchor stores, experiential tenants, and local operators creates a network effect that no single retailer can generate independently.

Chapter 4

Winning in a world of selective shopping: Three imperatives for retailers

Retailers are already adapting their store networks—introducing smaller formats, expanding pickup capabilities, and investing in more experiential flagships. But in many cases, they are layering these changes onto existing fleets rather than fundamentally rethinking store design, operations, and performance management. As a result, many stores are still expected to serve multiple missions at once, risking dilution rather than strengthening performance.

This reflects a real constraint. Retailers face limited capital budgets, with a growing share of capital directed toward AI, data, and digital infrastructure. That leaves less funding available for store reinvention at precisely the moment when more substantial changes are required.

To that end, mission clarity in stores is now a performance imperative. Retailers that continue to manage stores uniformly—differentiating only by size or geography—risk ending up with stores that are partially optimized for every mission and fully optimized for none, slowing productivity and eroding returns on invested capital.

This chapter outlines three imperatives for retailers:

1. Define the mission of each store with precision.
2. Deploy technology to reinforce each store's mission.
3. Upgrade capabilities and talent models to match that mission.

These moves require trade-offs, operational redesign, and disciplined capital allocation. But they also offer a distinctive path forward: a store system intentionally designed for the way consumers are increasingly choosing to shop.

Define the role of each store—and make trade-offs explicit

Retailers must explicitly assign each location a primary mission—such as convenience hub, discovery flagship, or fulfillment node—and then design the layout, assortment, staffing model, and service experience accordingly. While many stores will still serve multiple needs, they cannot be designed to serve all equally. High-performing retailers anchor each location in a clear primary mission and tightly manage any secondary roles to avoid diluting performance.

Establishing this clarity means making explicit trade-offs: A convenience-oriented store cannot simultaneously maximize SKU breadth and speed of navigation. A discovery-led location cannot prioritize dwell time and still meet the same labor productivity targets as a fulfillment hub. Assigning a mission means choosing what the store will not do as much as what it will do (and making that role clear to customers so they know which location to choose for a given need).

To put this into practice, retailers should move beyond high-level labels or traditional volume bands (for example, a "flagship" versus "neighborhood" store) toward a data-backed, mission-led view of the fleet. Retailers can begin by classifying their store fleet into mission types based on how each location actually creates value.

Determining the right role for each store necessitates developing a more granular, behavior-led view of how customers actually use that location. Despite their vast amounts of data, many retailers still rely on relatively coarse inputs—store size, trade area demographics, or broad geographic tiers—to guide format decisions. Their store files, which offer an overview of a location's performance, are usually limited to sales data and basic store characteristics. Commonly, retailers have fragmented data, including siloed views of traffic, demographics, and competition, which constrain any decision-making on new store placement. Even where data exists, it is often not integrated in a way that allows the retailer to understand customer value or demand patterns at a local level.

Rather than using geospatial analytics as a one-time input into network planning, leading retailers are embedding it into decision-making, continuously reassessing store roles, fulfillment flows, and space allocation as demand patterns shift.

A more sophisticated practice would be to create a store file that includes not just transaction data but also customer behavior and local context: how far customers travel to the store, whether visits are planned or incidental, what categories inspire the trips, how frequently customers return, and how store visits connect to digital journeys (for example, online research followed by in-store pick-up). These signals help infer the trip's underlying mission—whether customers are seeking speed, certainty, or exploration—rather than assuming it based solely on format.

Increasingly, retailers can complement these behavioral signals with more advanced location intelligence. Earlier generations of geospatial analytics focused primarily on defining trade areas and optimizing site selection using static demographic and traffic data. Today's capabilities are materially different: They integrate real-time mobility, transaction-level demand signals, and digital journey data to continuously infer how customers use each store and what mission it serves.

Rather than using geospatial analytics as a one-time input into network planning, leading retailers are embedding it into decision-making, continuously reassessing store roles, fulfillment flows, and space allocation as demand patterns shift. They also use simulation tools to test how changes in store mission, layout, or service model would affect traffic, conversion, and labor before deploying them in the field. One large retail chain faced a common set of challenges in managing its store network. Overlapping trade areas led to store cannibalization, and the absence of a standardized analytical framework made it difficult to consistently evaluate expansion opportunities.

To address this, the retailer used a geospatial analytics capability that combined its transaction data and third-party data (on mobility, population density, traffic patterns, and competitive positioning) into a single model. This allowed the company to map trade areas more precisely, identify high-value customer clusters, and simulate how different locations would perform under varying conditions.

By linking location characteristics to financial performance, the retailer could distinguish between areas suited to high-frequency, convenience-oriented trips and those better positioned for destination-driven visits. It could then more effectively plan its network by identifying higher-value catchment areas, reducing cannibalization across stores, and improving site selection decisions. This clarity propelled measurable revenue uplift in new locations. Just as important, the same capability created a foundation for tailoring store formats, assortments, and operations based on how customers use each location, rather than relying on static format definitions.

In most cases, retailers operate within existing store networks, often with long-term leases and fixed footprints (and, in many markets, limited alternatives that further constrain relocation options). That means they will likely need to adapt their existing stores rather than wholly redesign their networks.

Transforming stores to cater to distinct missions can be difficult. Merchandising teams may resist narrowing assortments, store leaders are often measured against uniform productivity metrics, and capital is frequently allocated evenly across the fleet. These structural constraints tend to reinforce a one-size-fits-all approach, even as customer needs diverge. The result is that many stores have become operationally complex—managing fulfillment, pickup, ship-from-store, and returns alongside traditional selling—often without a clear definition of their primary role.

Defining store missions does not introduce complexity so much as it brings discipline. Retailers that align store design and operations to a clear role can reduce inefficiencies and improve performance over time. Those that delay risk embedding misalignment more deeply into the network, making future changes more costly and disruptive.

Deploy technology to reinforce each store's mission

Technology can strengthen the role of each store, regardless of its mission. Before bringing in new tech tools, however, retailers should ensure that their digital systems provide their store and district managers the visibility they need to make better decisions.

That means retailers must make sure their tech and data systems reliably show real-time inventory, sales, traffic, and fulfillment information, ideally integrated into AI-powered dashboards that flag issues and recommend next steps—such as replenishing key items, reallocating labor, or adjusting product placement. These systems help stores operate more consistently and respond faster to demand and inventory shifts. While business priorities may differ by store type, this tech foundation is essential across the entire fleet (it is also important to ensure that associates feel comfortable using the tech tools they are given and understand how these tools enhance their experience and make their jobs easier).

On top of this foundation, in-store technology investments should reflect each store's primary mission. In convenience-oriented stores, technology should reduce friction and improve reliability in key moments. Clean catalog feeds, accurate local availability data, and live pricing updates determine whether a store appears as a credible "pick up today" option when customers—or AI agents acting on their behalf—compare alternatives. AI-driven demand forecasting can enable retailers to align staffing with peak traffic periods, ensuring enough associates are on the floor to support fast product location and checkout, which reduces friction in grab-and-go trips. Improved self-checkout and mobile scan-and-go tools use AI to better identify scanned products, reduce shrink, shorten time in store, and improve throughput.

Checkout-free systems, like Amazon's "Just Walk Out" technology, use computer vision and RFID to allow customers to shop and leave without scanning items or waiting in line. In addition to this next-generation checkout format, there are options within the existing store model available to boost speed and accuracy (for example, RFID-enabled checkout systems or mobile scan-and-go solutions).

In discovery-led stores, technology should elevate service, exploration, and product understanding rather than simply accelerate transactions. Digital tools that allow customers to check availability, compare options, or request assistance without leaving a fitting room, for instance, can improve the overall shopping experience. Increasingly, retailers are equipping associates with clienteling tools that provide visibility into a customer's past purchases, preferences, and browsing behavior, enabling more personalized, advisory interactions on the floor. Appointment-booking systems and localized event notifications support higher-intent visits.

Across formats, retailers must prepare for a world in which AI agents evaluate purchases before customers enter the store. As agents assemble baskets and compare alternatives upstream, stores must ensure their catalogs, pricing, fulfillment options, and return policies are machine-readable and accessible through APIs. A store that cannot provide reliable fulfillment windows or structured product data will be bypassed in agent-mediated journeys. This makes store systems—such as inventory management, order orchestration, and returns processing—a source of competitive advantage.

Beyond store execution, in-store merchandising cycles need to speed up. Planning assortments once or twice a year is no longer sufficient in a world where search trends, social signals, and AI-assisted discovery can shift demand in a matter of weeks. Retailers need faster ways to adjust what they feature in store, how they allocate local inventory, and which promotions they prioritize. In practice, that means using real-time demand signals—such as digital search trends and local sell-through data—to update replenishment, refine endcaps, and continuously test new products, rather than waiting for the next seasonal reset.

Retailers must develop a well-defined view of how a given tool will improve customer experience or store performance. Otherwise, pilots tend to underdeliver on ROI and struggle to secure capital for scaling.

Upgrade capabilities and talent models to match the store's mission

All stores need knowledgeable associates, but different store missions—and the growing use of automation and AI—require different ways of working. In convenience-oriented locations, associates need to be broadly cross-trained so they can move quickly between tasks, help customers find items, resolve issues, and support pickup and checkout without delay. In discovery-led stores, there may be greater specialization, with some associates focusing on styling, product expertise, or in-store experiences that involve longer customer interactions.

Training and coaching should reinforce these differences, even if hiring profiles remain broadly similar across the fleet, with an increasing emphasis on equipping associates to work alongside digital tools and AI-enabled systems. Performance management would then also need to evolve. Convenience-oriented stores may evaluate associate performance according to reduced pickup wait times, transaction speed, and issue resolution rates. At the same time, discovery-led locations may track appointment conversion, average order value, or repeat-visit rates.

Across formats, retailers must prepare for a world in which AI agents evaluate purchases before customers enter the store.

These differences in role design also have implications for retention. Reducing turnover requires more than incremental changes to monetary compensation; frontline attrition is often driven by unclear role expectations, limited career development and advancement pathways, and a lack of belonging or connection within the organization. In a store environment where roles are not clearly defined, associates are more likely to face conflicting priorities and task overload, which can contribute to burnout and churn. Aligning roles, training, and performance expectations to a store's primary mission can help reduce role ambiguity and conflicting priorities. This clarity can improve both employee experience and retention, especially when coupled with incentives such as monetary compensation, ancillary benefits, community, and prestige.

As automation reduces the time associates spend on routine tasks—such as updating in-store pricing, executing promotions, or logging performance metrics—the nature of store work will shift. Associates will spend less time on manual tasks and more time on activities that require sound judgment, problem-solving, and customer interaction. (This shift will require targeted tech-focused reskilling: According to the latest McKinsey State of Fashion report, 47 percent of US consumer goods and retail employees say training is the most important factor for employee gen AI adoption, yet nearly half report receiving only moderate support or less.)

Finally, retailers must make explicit decisions about how time savings are reallocated and how roles are redesigned. Leaders should determine whether freed associate capacity is captured as labor savings or reinvested in higher-value customer engagement—for example, shifting toward appointment-based service, styling, or proactive clienteling in discovery-led stores. Without deliberate role redesign and capability building, time savings risk being absorbed by new administrative work rather than improving performance.

These imperatives mark a shift from managing a store fleet to managing a store system. Retailers that define each store's role, deploy technology intentionally, and upgrade associates' capabilities will be best positioned to capture value from fewer, higher-stakes visits. Those that do not may find that traffic alone is no longer enough to sustain performance.

Chapter 5

Curating retail ecosystems: How landlords and developers can thrive

The forces reshaping consumers' behaviors and preferences—led by the rise of AI—are also intensifying pressure on landlords and developers to reimagine their own roles in the future of shopping. In an AI-shaped marketplace, landlords and developers need to act as curators of effective shopping ecosystems by making strategic, data-backed decisions about how their properties can align with shoppers' missions.

Since the emergence of online shopping, retail real estate players have been diversifying offerings within malls and shopping centers to stem declines in foot traffic. Landlords and developers that embrace a mission-based, data-driven approach to reimagining their properties over the next three to five years—and do so faster than their peers—will be the ones that thrive in a new era of shopping. This chapter examines the practices that can help them get there.

Crafting a cohesive mix of tenants

Like retailers, landlords and developers must define the role each location plays in consumers' lives. As the calculus of shopping trips evolves rapidly over the next few years, landlords must develop a deeper understanding of who their tenants' customers are, what they need, and where they spend their money. With this information, they can make more intentional choices to assemble a complementary mix of stores and other tenants, including restaurants, entertainment venues, and service providers, to capture a larger share of consumers' spending. Here are two approaches to mission-based curating:

— *Supporting convenience.* To attract convenience-focused consumers, landlords must provide options that will satisfy these shoppers' most important needs: speed, certainty, easy access, seamless pickups and returns, strong service, and the ability to complete multiple tasks in a single trip. This is especially important for properties that are embedded in people's daily paths (near home, work, schools, or essential services). Landlords can appeal to customers with young children, for instance, by enabling them to make one trip to drop off a child at a ballet class or a gym, do some grocery shopping, pick up new sneakers for another child, and then grab takeout for dinner. They can also enhance convenience by evaluating and optimizing key points along the shopper's journey that typically introduce friction. Such efforts may include improving traffic flows into a shopping center to reduce bottlenecks, reconfiguring the parking setup or offering valet service, creating dedicated single-point stops for multiple online order pickups, or coordinating with multiple tenants to arrange order pickup for a single customer.

— *Enabling discovery.* Properties that are better situated for discovery must focus on how they can earn more of consumers' time. Their goal should be not just to increase foot traffic but also to create reasons for consumers to browse, discover new products and experiences, and engage with brands in ways that cannot be replicated through digital channels. While malls and shopping centers have expanded nonretail offerings in recent years, landlords and developers now face a more urgent need to go above and beyond what individual retail tenants can do to boost visitor numbers and dwell time and keep shoppers coming back for more. They must evolve into "placemakers"—creating destinations that combine retail, dining, and experiences to attract and engage visitors. In practice, this entails offering new food and beverage options, special events, pop-ups, and entertainment options to complement established retail tenants and create a more vibrant ecosystem.

Landlords and developers must evolve into 'placemakers'—creating destinations that combine retail, dining, and experiences to attract and engage visitors.

Two diversified properties in major metropolitan markets provide examples of how landlords and developers can creatively marry retail and nonretail offerings to engage consumers. Following its 1995 bankruptcy, New York City's Rockefeller Center office and retail complex began a long-term placemaking effort in 2000, introducing curated retail, dining, and experiential options to help drive consistent daily foot traffic beyond seasonal tourism.[6] New dining offerings included celebrity-chef-led restaurants such as Le Rock and NARO, casual cafés like Daily Provisions and Miznon, and the Lobel's butcher shop.[7] Other features have included a "Law & Order"-themed diner and other pop-up concepts tied to its tenant NBCUniversal,[8] as well as gallery exhibitions and even a farm-themed pop-up.[9] By 2024, owner Tishman Speyer reported that the complex was 93 percent leased.[10]

In another example, The Battery Atlanta complex was built as a mixed-use district around the Truist Park baseball stadium, intended to function as a year-round destination, not just a game day venue.[11] The Battery Atlanta offers more than 20 restaurants and bars within walking distance, including local establishments such as Antico Pizza, Fox Bros. Bar-B-Q, and the Superica Tex-Mex restaurant, alongside national brands.[12] The development also integrates retail and entertainment offerings including the Baseballism and Mizuno sporting goods stores, the Coca-Cola Roxy concert venue, and an interactive water play area for kids. Atlanta Braves Holdings reported that its mixed-use development revenue, which includes The Battery Atlanta, rose 45 percent in 2025, primarily due to increases in rental income from existing tenants plus leases associated with real estate assets acquired during the year.[13]

Making better data-backed leasing and investing decisions

Limited availability of quality retail space has shifted leverage toward landlords in many markets, with demand often exceeding supply and new development constrained by cost and complexity. Leasing transactions and decisions are becoming increasingly consequential now and will continue to be in the future, with each curated tenant playing a role in shaping the overall vibrancy and performance of the property. As a result, landlords have a greater opportunity to be more intentional in curating tenant mixes—leveraging richer consumer data and performance insights to evaluate how retail and nonretail uses function together within a broader ecosystem.

While strong demand may reduce the immediate pressure to fill space or entice a landlord to fill it with the tenant willing to pay the highest rent, it also raises the stakes of each decision—particularly as tenant expectations for capital investment continue to rise. This dynamic reinforces the importance of aligning leasing choices with long-term asset strategy, even in a supply-constrained market.

Taking an ecosystem-oriented approach to leasing is difficult, requiring robust insights and strong relationships with existing tenants. It is becoming increasingly critical for landlords to be more disciplined and data driven, as well as more creative, which may require incremental investment and planning. While outcomes may look different across a portfolio, landlords could seek to attract smaller-format stores as new tenants, offer more performance-based leasing structures, and provide space for pop-ups to experiment with emerging brands without the pressure of trying to lock in a long-term lease.

6 Diana Budds and Amy Touchette, "What becomes a legend most?" Urban Omnibus, December 11, 2024.
7 Emma Orlow, "Rockefeller Center keeps trying to make Rockefeller Center happen," Eater, December 10, 2024.
8 "NBCUniversal and Rockefeller Center reflect on a year of fan experiences in NYC," NBCUniversal, January 5, 2026.
9 "Rockefeller Center turns into a dairy farm experience," Mid-West Farm Report, September 19, 2023.
10 "Tishman Speyer completes $3.5 billion refinancing for Rockefeller Center," Tishman Speyer press release, October 21, 2024.
11 Jared Diamond, "They have a losing record—and everyone in baseball is trying to copy them," *Wall Street Journal*, July 15, 2025.
12 Yvonne Zusel, "Where to eat and drink at the Battery Atlanta at Truist Park," *Atlanta Journal-Constitution*, updated April 3, 2025.
13 "Atlanta Braves Holdings reports fourth quarter and year end 2025 financial results," Atlanta Braves Holdings press release, February 25, 2026.

The goal is to create a virtuous cycle: attracting good tenants, boosting traffic and dwell time, and then being able to charge accordingly for new tenants to lease space in a thriving property. To accomplish this, landlords and developers can look for opportunities to enhance collaboration with their most important tenants to better understand the customers they have, those they want, and where else those customers are likely to spend time. Traditionally, landlords have taken this approach with their anchor tenants, but in the new shopping landscape, the concept of anchor tenants may change—shifting from those with the most space to those that drive the most traffic. Landlords and retailers can both benefit from knowing, for instance, if an apparel store is drawing younger customers who frequently visit an adjacent yoga studio, if a grocery store is helping to boost visits to nearby health and wellness tenants, or if entertainment options are helping to extend dwell time across their properties. The success of any single tenant will increasingly depend on what surrounds it—elevating the need for landlords to curate a broader assortment of places where consumers can spend their time and money.

One example of how landlords can position their properties to create value for themselves and their tenants is London-based Value Retail, which operates open-air shopping destinations for traveling consumers in Europe, China, and the United States. Value Retail has built its properties around a highly curated, luxury-focused outlet ecosystem, emphasizing discovery and human experience as a complement to AI-driven shopping. The company collaborates with retail tenants in a deeper way than most landlords, reflecting its focus on driving sales and not just occupancy. Value Retail offers performance-based incentives to tenants and shares insights with them on product and category sales within its properties. The company has also built relationships with offices and hotels and coordinates transportation from those locations to its centers, and its outlets offer luxury-level amenities such as concierges, lounges, and multilingual staff. The company reports that it draws strong numbers of Gen Z and millennial customers and has achieved annual sales growth every year since its launch in 1995.[14]

Developers can also leverage data and analytics to make better operational decisions. Rather than relying solely on historical sales and occupancy data, investors can now rigorously assess the durability of traffic patterns, the diversity of a center's customer base, and the strength of cross-shopping behavior to determine if a property will be a worthy long-term investment.

In a world where retailers are using more data to optimize pricing, inventory, and personalization in real time, landlords and developers must operate with similar sophistication. Those that integrate deeper data insights into leasing decisions, redevelopment strategies, and capital allocation will be best positioned to curate attractive, resilient properties.

Landlords and developers must focus more intensely on the role their shopping centers play in consumers' lives. They must embrace a new role in placemaking and take a disciplined and creative approach to curating shopping and experience ecosystems to keep people coming back to their properties. In this increasingly demanding environment, retailers and real estate firms can look for opportunities to forge stronger partnerships—for instance, by sharing data or making joint marketing and capital investments. Greater collaboration will be essential to their shared goal of sustaining physical stores in the AI age.

[14] "Who we are: Creator and operator of The Bicester Collection Villages," Value Retail, accessed on April 7, 2026.

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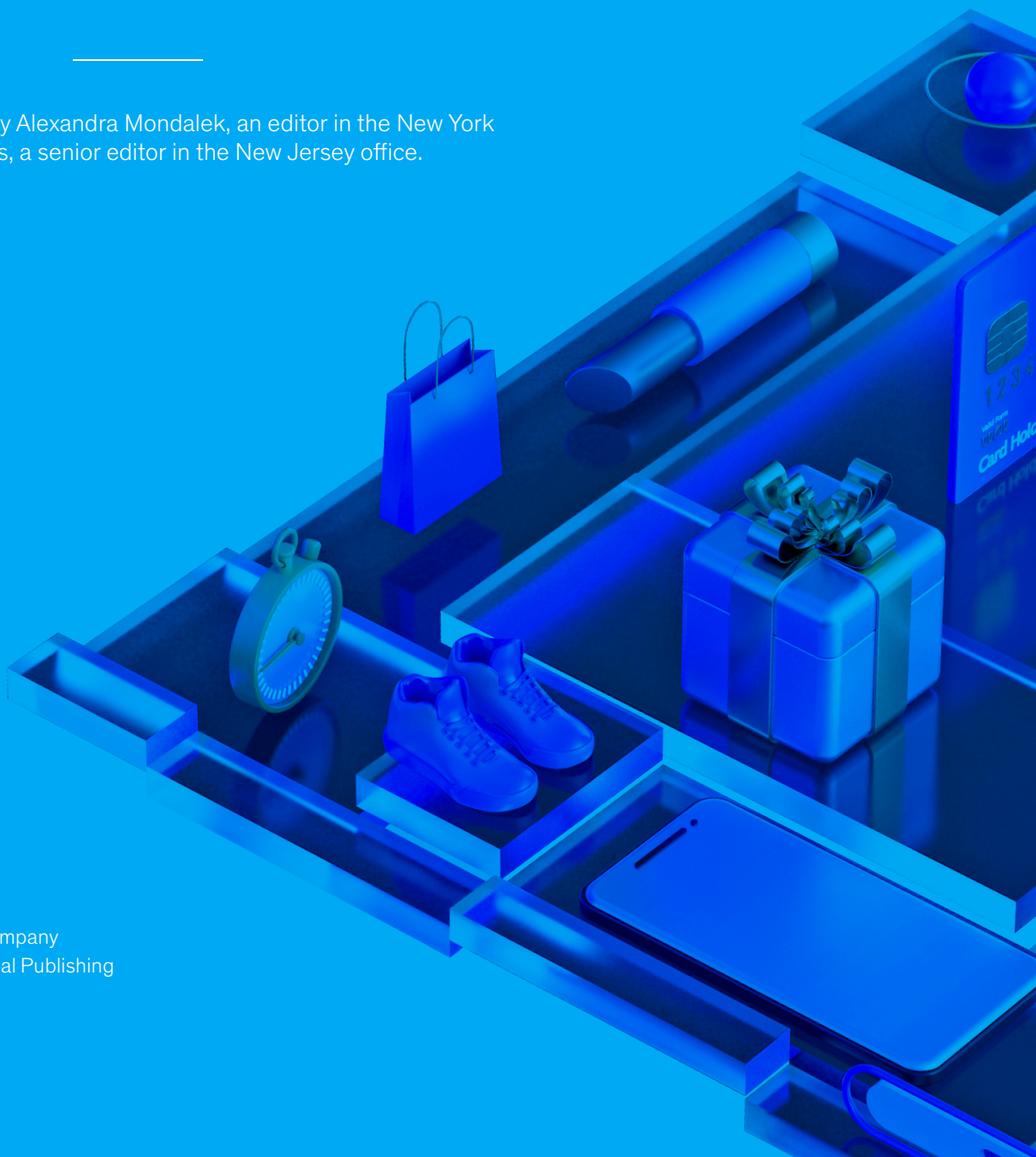

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