Impact of Shopping

They confirm that malls' ... Millennials (20-37 years old) compared with the one they ... Gen X (38-53 years old)

Percent of Adults

10% 20% 30% 40% 50% 60% 70% 80%

0%

0%

0%

0%

0%

Data from the same survey show that 43% of consumers have been to a mall within the past month, a share that rises to 66% for all those who went within the past three months. Furthermore, only 14% of them have not been to a mall in over a year. Millennials played a major role in this as three-quarters (76%) of them went within the past three months, while two-thirds of Gen Xers (67%) and a little over half (57%) of Baby Boomers did the same.
When asked to consider the reasons for visiting malls in the past, shoppers identified “browsing,” “visiting department stores,” “the variety of stores,” “to meet friends,” and “good prices/frequent sales.” Contrary to extensive reporting about their struggles, mall patrons say that today, their top reason for making trips to malls is “visiting department stores.” (See Chart 2.) The other popular reasons include “browsing,” “visiting specialty shops,” “seeing movies,” and “dining at a restaurant or eating/drinkin at another F&B establishment.” The different explanations for going to malls today versus years ago are likely a direct result of the many transformations in those properties, which include diversifying the specialty tenant mix and adding more entertainment experiences like movies and dining.

The Consumers Viewpoint of Malls

While yesterday’s malls cater to mass market consumption of goods, today’s properties are focusing on serving a consumer that expects unique product offerings and differentiated experiences. Seven of 10 (70%) adults say that today, malls should focus on creating engaging experiences for consumers that combine shopping with entertainment and other services/activities and more than half (52%) will spend more on customized/unique goods and/or services. Many consumers also notice how local malls are stimulating visits and generating excitement. Roughly two-fifths (41%) of consumers have seen more pop-up shops and temporary tenants in their mall, and about one-third say that these spaces encourage more frequent trips and longer stays because they enable consumers to familiarize themselves with new retailers and/or unique brands.

Moreover, shoppers are noticing:
- More service-based tenants (36%),
- More foodservice/drinking establishments (31%),
- Smaller store sizes with space dedicated to brand interaction rather than stockpiling inventory (28%), and
- Fewer apparel stores (27%).

As a result of those initiatives, about three-fifths (58%) of respondents say the malls they visit are catering to their preferences/needs and keeping up with changing shopping behaviors. (See Chart 3.)

By generational cohort, higher shares of millennials (64%) are most satisfied, followed by Generation X (54%) and Baby Boomers (53%). Furthermore, the majority (54%) of adults believe the current transformations will leave malls in a better position to serve customers in the future.

What Entices Consumers Most to Malls

Mall shoppers point out several initiatives that are adding or that they expect to add to their contentment. F&B services top their lists, specifically carefully curated food halls and craft breweries (54%). Many also are glad that their mall hosts community events like farmers markets or local artisan craft fairs (50%) and has an entertainment complex (46%). Breaking from traditional shopping mall formats, grocery stores (43%) were noted as were service establishments such as gyms and spas (38%), childcare facilities (35%), and healthcare/medical facilities (28%).

Certain types of technology can enhance the mall experience, according to consumers. Those that provide convenience and make shopping trips easier such as digital parking guidance or mobile mall guides/maps are cited most often, followed by technology that engages customers by building relationships through social media, loyalty programs and targeted marketing. Shoppers are less interested in virtual/augmented reality, or in mobile shopping assistants that make personalized recommendations based on past purchases/behaviors.

Conclusion

Malls are transforming—evolving to better serve new generations of consumers and provide the experiences they want. Falsely arguing that malls are dying because they look different from the traditional regional and super-regional centers of the 1970’s and 1980’s misrepresents an industry that is fueling economies, building communities and inspiring innovation. The positive steps taken at these properties, as demonstrated here, have left consumers satisfied and believing in the future of malls.