

March 2024

The Comeback of the Mall in 2024

This report explores the state of malls in 2024 by analyzing trends driving mall traffic and seeing where consumer behavior is changing – and where it's staying the same.

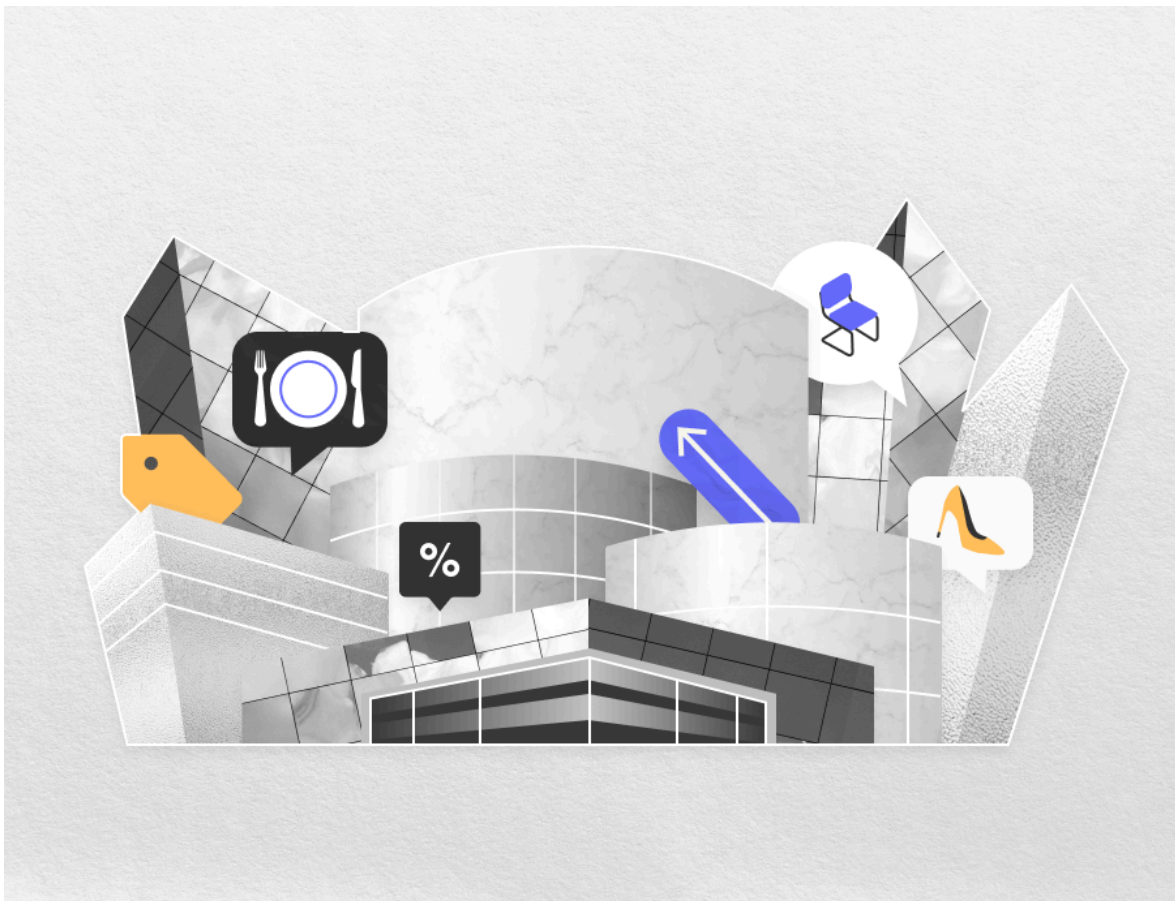


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This report includes data from Placer.ai Data Version 2.0, which implements improvements to our extrapolation capabilities, adds short visit monitoring, and enhances visit detection.

Mall Visits Heating Up As Inflation Cools

The first American mall opened in [1956](#) and reinvented retail – within a decade there were over [4,500](#) malls across the country. But a rise in e-commerce coupled with the oversaturation of mall options across the country paved the way for mall visits to slow, and many predicted that malls would go the way of the dinosaur.

But although malls were hit hard over the past few years as lockdowns and rising costs contributed to a significant drop in foot traffic, shopping centers have proven [resilient](#). Leading players in the space have consistently reinvented themselves and explored alternate ways to draw in crowds – and as inflation [cools](#), malls are bouncing back as well.

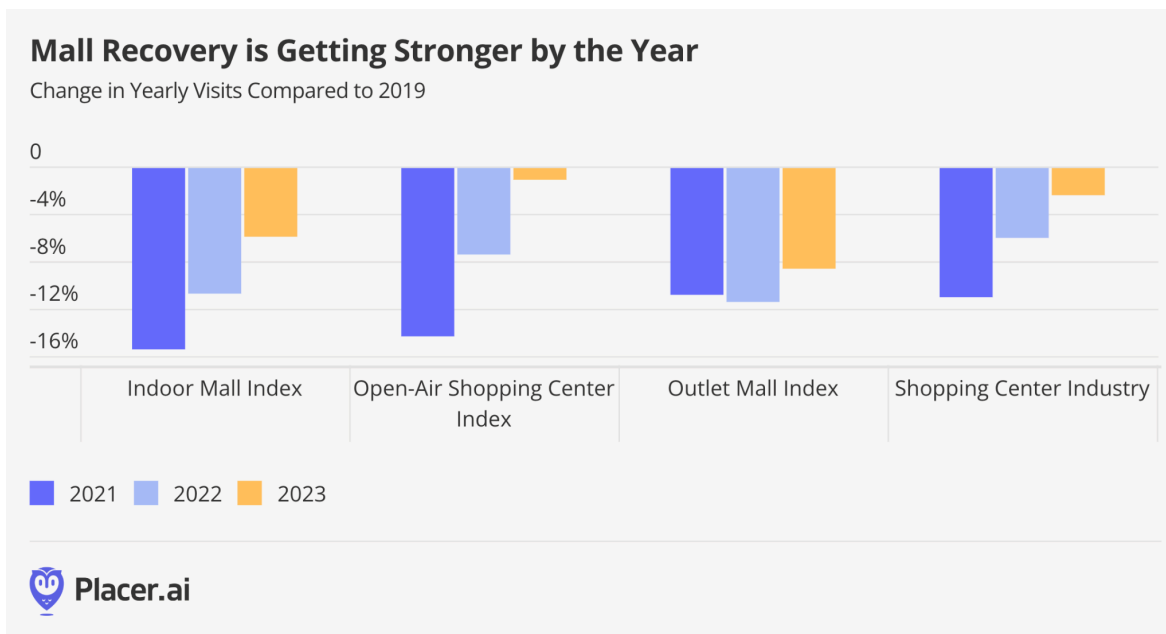
This white paper analyzes the Placer.ai Shopping Center Industry – a collection of over 3000 shopping centers across the United States – as well as the [Placer.ai's Mall Indexes](#), which focus on top-tier Indoor Malls, Open-Air Shopping Centers, Outlet Malls. The report examines how visits are shifting and where behaviors are changing – and where they're staying the same – and takes a closer look at the strategies malls are using to attract shoppers in 2024.

The Mall Lives On

Malls experienced a rocky few years as pandemic-related [restrictions](#) and economic headwinds kept many shoppers at home, and visits to all mall types in 2021 were between 10.7% to 15.3% lower than in 2019. But foot traffic trends improved significantly in 2022 – likely due to the fading out of COVID restrictions.

By 2023, visits to the wider Shopping Center Industry were just 2.3% lower than they had been in 2019, and the visit gaps for Indoor Malls and Open-Air Shopping Centers had narrowed to 5.8% and 1.0% lower, respectively. Outlet Malls also saw visits ticking up once again, with the visit gap compared to 2019 narrowing to 8.5% in 2023 after having dropped to 11.3% in 2022. This more sustained foot traffic dip may stem from consumers' desire to save on gas costs or the impacts of inclement weather.

However, the narrowing visit gaps suggest that shoppers are increasingly returning to the segment, and foot traffic may yet pick up again in 2024.



Some Things Change, Some Stay The Same

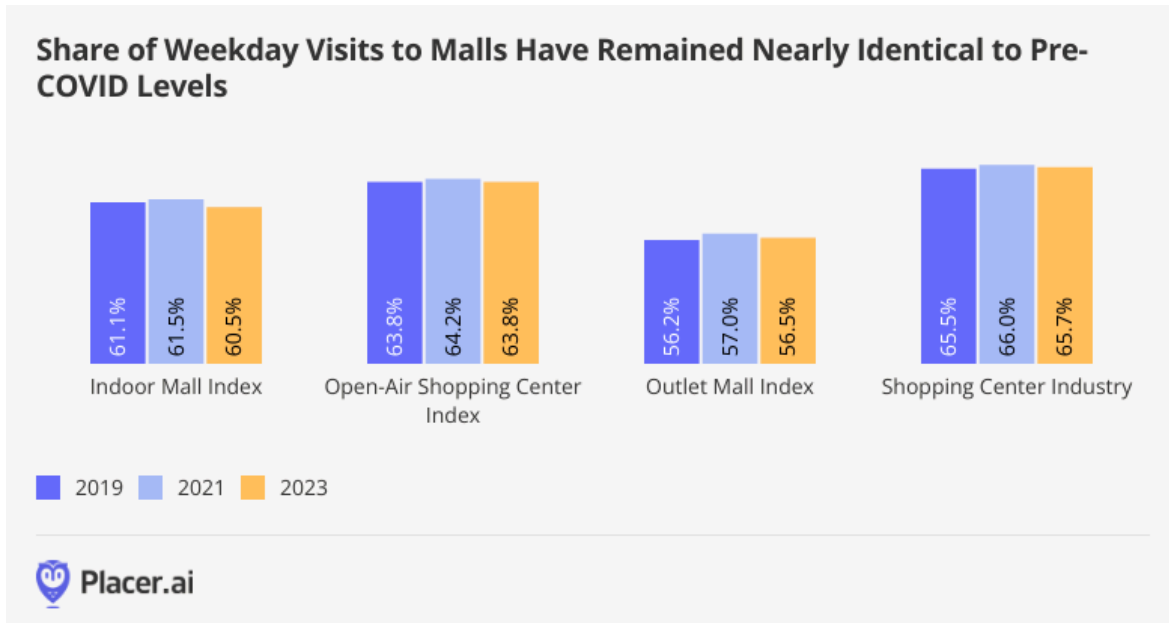
COVID-19 impacted more than just visit numbers – it also changed in-store consumer behavior. And now, with the Coronavirus a distant memory for many, some of these pandemic-acquired habits are fading away, while other shifts appear to be holding steady.

Weekday Shopping Patterns Hold Steady

One visit metric that appears to have reverted to pre-COVID norms is the share of weekday vs. weekend visits. Weekday visits had increased in 2021 – at the height of COVID – as consumers found themselves with more free time midweek, but the balance of weekday vs. weekend visits has now returned to 2019 levels.

In 2023, the Shopping Center Industry, which includes a number of grocery-anchored centers along with open-air shopping centers and their relatively large variety of

dining options, saw the largest share of weekday visits, followed by Indoor Malls. Outlet Malls received the lowest share of weekday visits – around 55% – likely due to the longer distances usually required to drive to these malls, making them ideal destinations for weekend day trips.



Changes in Hourly Visit Distribution

While the day of the week that people frequent malls hasn't changed significantly since 2019, there is one notable difference in mall foot traffic pre- and post-pandemic. Almost all mall categories are seeing fewer during the late morning-midday and late evening dayparts, while the amount of people heading to a mall in the afternoon and early evening has increased.

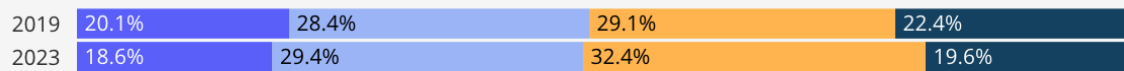
In 2019, Indoor Malls saw 20.1% of visits occurring between 10:00am and 1:00pm, but that share decreased to 18.6% in 2023. Meanwhile, the share of visits between 4:00-7:00 pm rose from 29.1% in 2019 to 32.4% in 2023. Similar patterns repeated across all shopping center categories, with the 1:00-4:00pm daypart seeing a slight increase, the 4:00-7:00 pm daypart receiving the largest boost and the 7:00-10:00 pm daypart seeing the largest drop. So although changes in work habits have not altered the weekly visit distribution, it seems like hybrid workers are taking advantage of their

new, and likely more flexible schedules to frequent malls in the afternoon instead of reserving their mall trips for after work. The significant numbers of Americans [moving to the suburbs](#) in recent years may also be contributing to the decline of late night visits, with these suburban newcomers perhaps less likely to spend time outside the house during the evening hours.

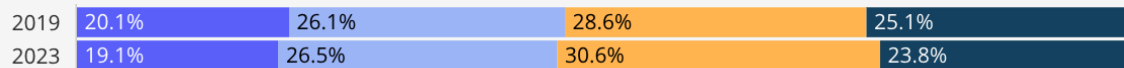
Weekday Mall Visits Are Increasingly in the Afternoon And Less in the Late Evening

Share of Hourly Visits During Weekdays Across Mall Types

Indoor Mall Index



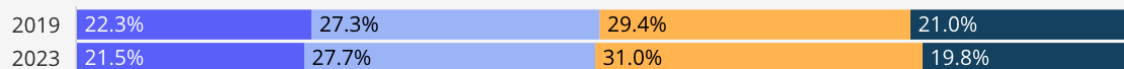
Open-Air Shopping Center Index



Outlet Mall Index



Shopping Center Industry



■ 10am-1pm ■ 1pm-4pm ■ 4pm-7pm ■ 7pm-10pm



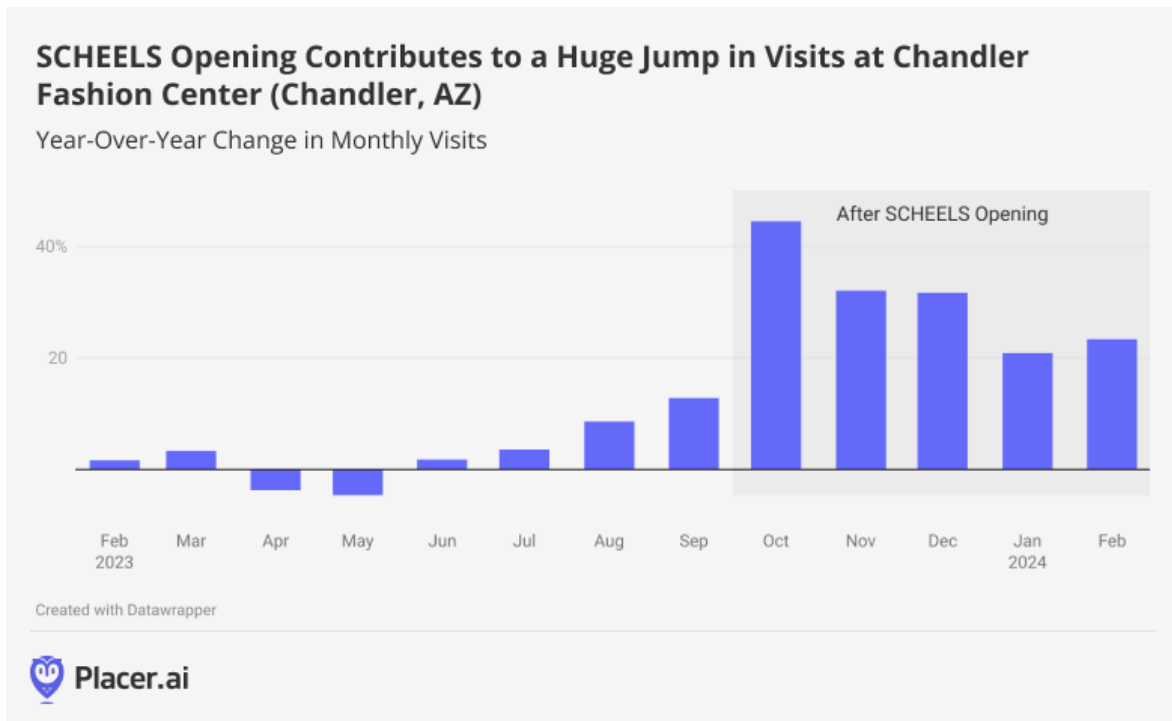
Non-Traditional Pulls Bringing Back Visits

Although malls have enjoyed consistent growth in foot traffic over the past two years, visits still remain below 2019 levels. How can shopping centers attract more shoppers and recover their pre-COVID foot traffic?

Experience Is Key

Some malls are attracting visitors by looking beyond traditional retail with offerings such as [gyms](#), [amusement parks](#), and even [entertainment complexes](#). And with more [traditional mall anchors](#) shutting their doors than ever, even [smaller](#) shopping centers are adding lifestyle experiences options in newly vacant spaces – and incorporating unique elements into traditional retail spaces.

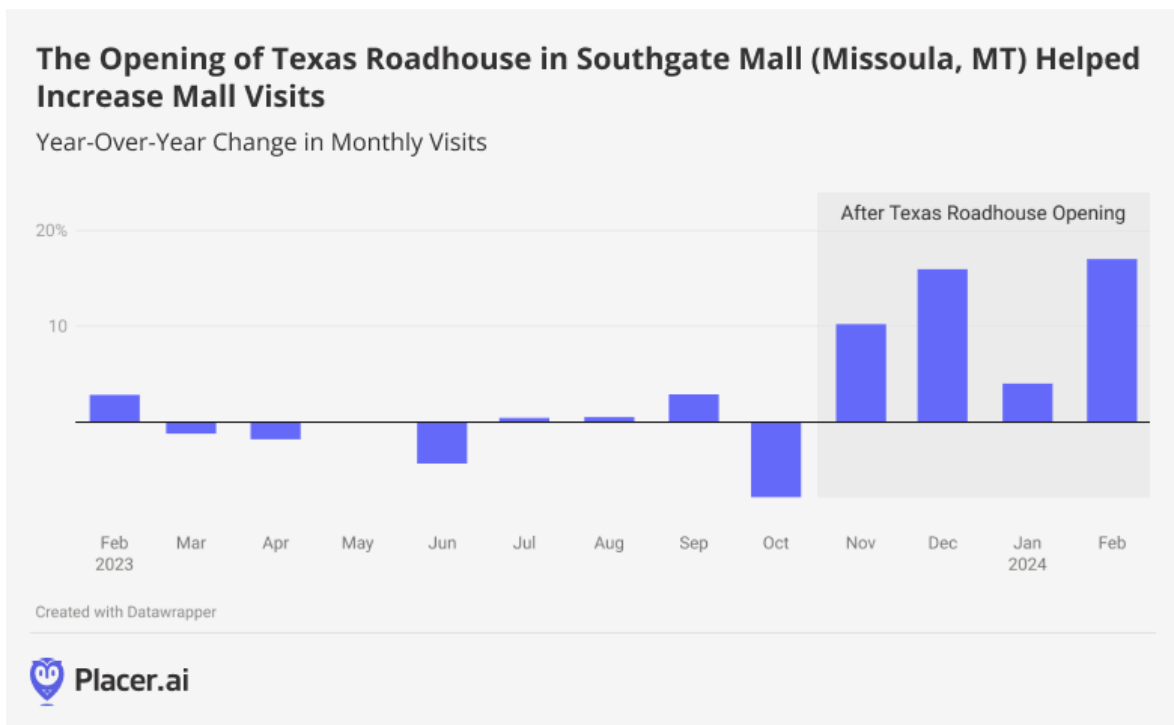
In September 2023, the Chandler Fashion Center in Arizona opened a giant SCHEELS store in its mall. The [250,000-square-foot](#) sporting goods store boasts more than just sneakers – visitors can ride on a 45-foot Ferris Wheel or marvel at a 16,000-gallon saltwater aquarium. And monthly visitation data to the mall reveals the power of this new retail destination, with foot traffic to the mall experiencing a major jump from October 2023 onward. The excitement of the new SCHEELS seems to be sustaining itself, with February 2024 visits 23.3% higher than the same period of 2023.



New Restaurants Help Boost Mall Traffic

Restaurants, too, can help bring people into malls. The Southgate Mall in Missoula, Montana, experienced a jump in monthly visits following the opening of a Texas Roadhouse steakhouse in [November 2023](#). Customers seem to be receptive to this new addition – the mall saw a sustained increase in foot traffic from November 2023 onward, with year-over-year (YoY) visit growth of 17.0% in February 2024.

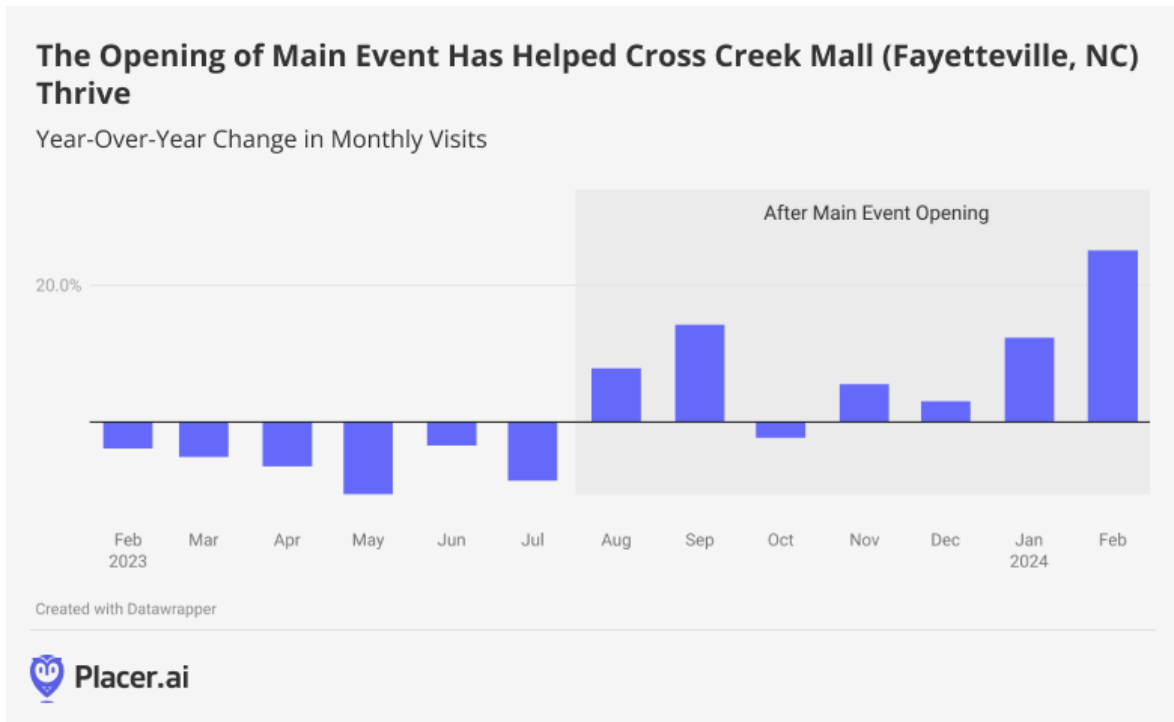
The addition of Texas Roadhouse provides Missoula residents with a family-friendly dining experience while tapping into the evergreen [popularity](#) of steakhouses.



Eatertainment Is Here To Stay

Malls that don't want to choose between adding a dining option and incorporating a novel entertainment venue can blend the two and go the ["eatertainment"](#) route. One shopping center – North Carolina's Cross Creek Mall – is [proving](#) just how effective these concepts can be for a mall looking to grow its foot traffic.

Eatertainment destination [Main Event](#) opened at the mall in August 2023, bringing laser tag, video games, virtual reality, and 18 bowling lanes with it. Main Event's opening also provided a boost in foot traffic to the mall – monthly visits to Cross Creek Mall surged following the opening. And this foot traffic boost sustained itself, particularly into the colder winter months – January and February 2024 saw YoY growth of 12.3% and 25.1%, respectively.



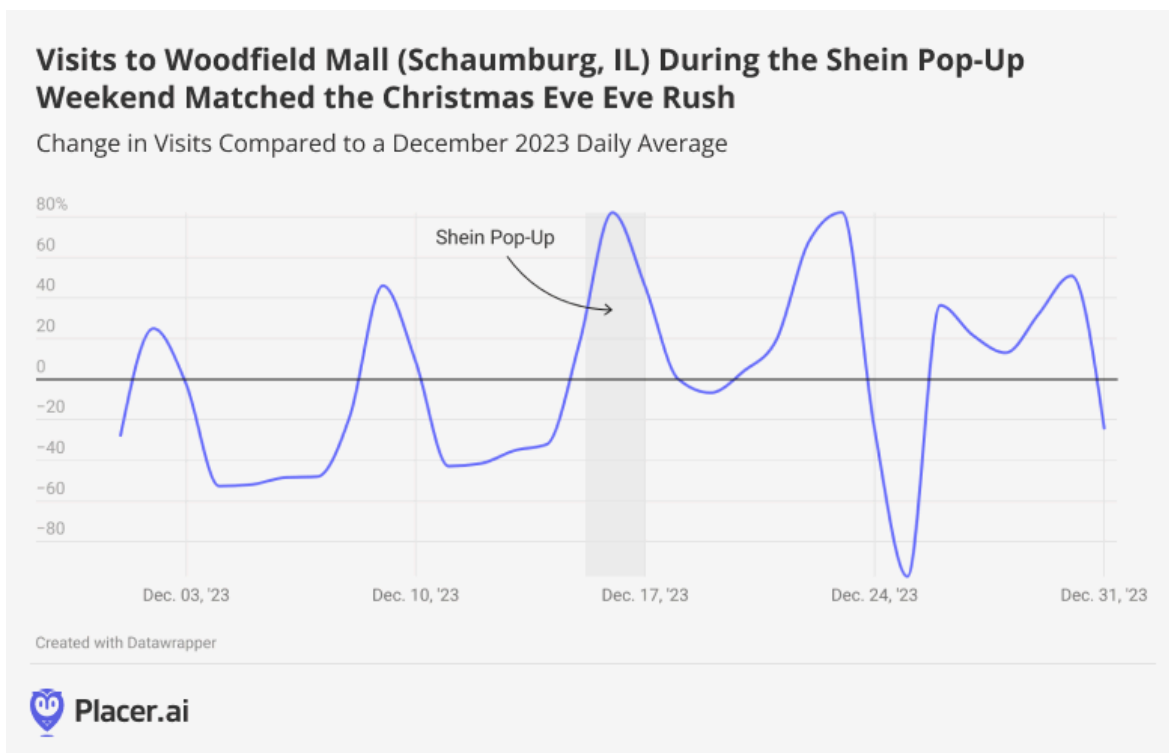
The Power of Pop-ups

Integrating entertainment options at malls is one strategy for driving visits, but there are plenty of other ways to bring people through the doors. [Pop-ups](#) have been a particularly popular option of late, especially as more online brands venture into the world of physical retail. And malls, which typically tend to leave a small portion of their storefronts [vacant](#), can be the perfect place to host a retailer for a limited time.

One brand – Shein – has been a leader in the pop-up space, [bringing](#) its affordable fashion to malls in Las Vegas, Seattle, and Indianapolis. These short-term residencies

– typically no longer than three to four days – allow shoppers to try the popular online retailer’s products before they buy.

Shein has enjoyed success with its mall residencies, evidenced by the foot traffic at the Woodfield Mall in Illinois, which hosted a [three-day pop-up](#) from December 15-17, 2023. The retail event was hugely popular, with visits reaching Super Saturday (the last weekend before Christmas) proportions – even though this year’s Super Saturday [coincided](#) with Christmas Eve Eve (December 23rd) and drove unusually high traffic spikes.

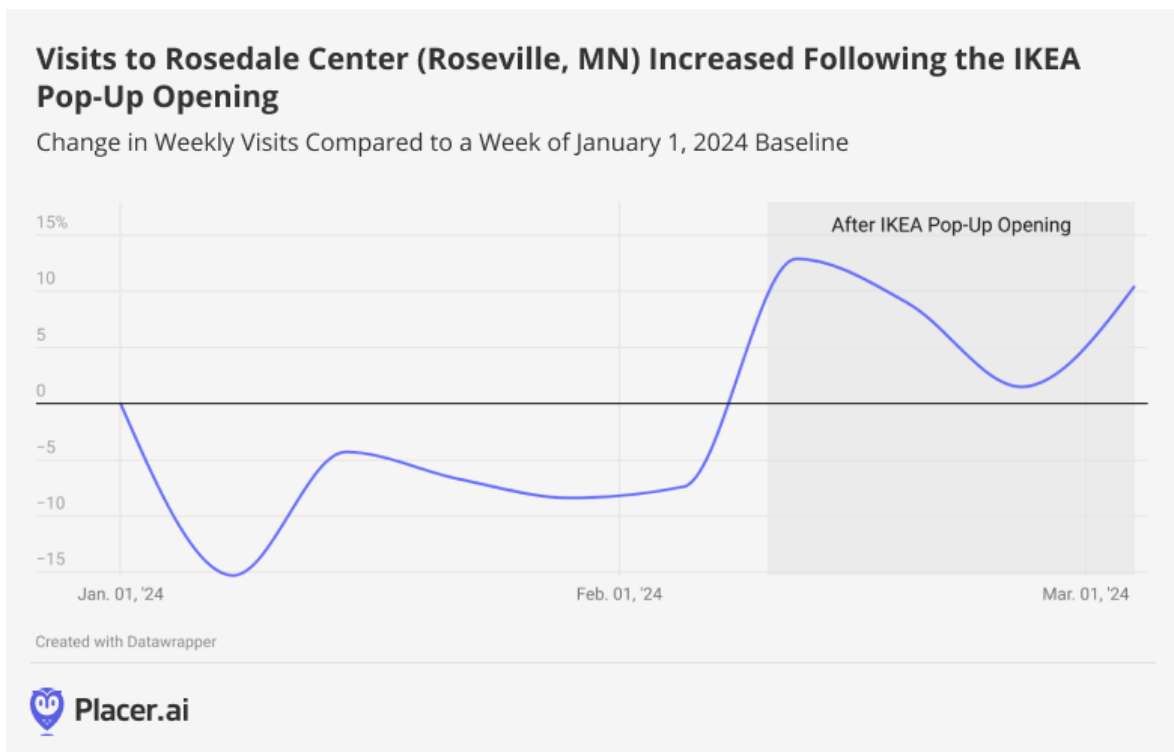


Longer-Term Residencies

Shein pop-ups are typically very short – no more than three to four days. This format, known for creating a sense of urgency among shoppers, has proven powerful in driving store visits. But can longer-lasting pop-ups find success as well?

Foot traffic data from pop-ups hosted by Swedish home furnisher IKEA suggests that yes – longer-term residencies can be successful. The chain is working on growing its presence across the country, particularly in [malls](#). To that end, IKEA has been experimenting with mall pop-ups, beginning with a six-month residency at the Rosedale Center in Roseville, Minnesota.

IKEA [opened](#) its store on February 16, 2024, and visits to the mall increased significantly immediately after. The first week of the pop-up saw a 12.9% growth in visits compared to a January 1-7, 2024 baseline. And by the third week of the pop-up, there were still noticeably more people frequenting the mall than before the launch.



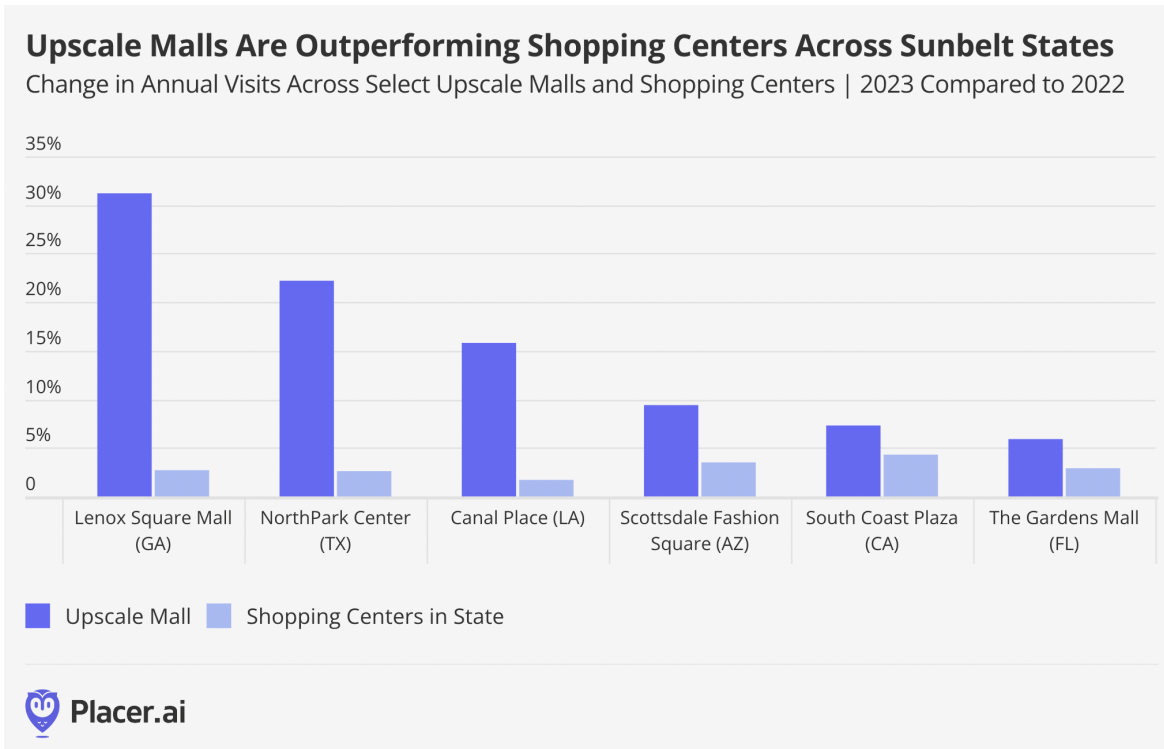
Luxury: Those Who Can Spend, Will

The luxury retail segment has had a [great few years](#), and malls are tapping into this popularity. [Nearly 40%](#) of new high-end store openings in 2023 were in mall settings,

many in [Sunbelt states](#) like Texas, Florida, and Arizona, perhaps driven in part by demand from an influx of [wealthy newcomers](#) to those states.

A comparison of upscale shopping malls to standard shopping centers across Sunbelt States reveals just how popular high-end retail is in the region. Malls with a high percentage of luxury and designer stores like the [Lenox Square Mall](#) in Georgia or the [NorthPark Center](#) in Texas saw considerably more YoY visit growth than the average visit growth for shopping centers in their respective states.

Lenox Square Mall saw foot traffic increase 31.2% YoY in 2023, while shopping centers in Georgia saw their visits grow by just 2.7% YoY in the same period. Similar trends repeated in Louisiana, Arizona, California, and Florida. And while some of this growth may be due to the resilience of these wealthier shoppers in the face of inflation, one thing is clear – luxury is here to stay.



The Future Of Malls Looks Bright

Malls are thriving, carving out spaces for themselves in a competitive retail environment. By prioritizing experiential retail, entertainment, pop-up shops, and luxury offerings, shopping centers across the country are remaining relevant in a rapidly changing retail world. And mall operators that recognize the power of innovation and evolve along with their customers can hope to meet with continued success.

Key Takeaways

- 1. Mall Visits Are Returning to Pre-COVID Levels.** Although foot traffic to shopping centers took a hit over the pandemic, analyzing visit trends from the past couple of years reveals that most types of malls are seeing their visits slowly but surely return to their pre-COVID baseline.
- 2. While the visit distribution during the week has remained stable, the hour visit distribution has shifted.** The relative share of mall visitors going to malls on weekdays vs. weekends remained stable between 2019 and 2023. But people are taking advantage of flexible work schedules to make more afternoon trips to malls while slowing the pace of morning and late evening visits.
- 3. Experiences are key in driving mall traffic.** Adding entertainment or dining options can help bring crowds in – and keep them there. When SCHEELS opened in an Arizona mall, visits jumped – and remained high for the following months. Other malls received visit boosts following the additions of new dining and entertainment options like Texas Roadhouse and Main Event, indicating that shoppers are responsive to many kinds of retail.
- 4. Pop-ups are a powerful tool to drive traffic.** When Shein opened a pop-up in December 2023, visits not only jumped significantly compared to the December daily average, they also matched those of the most important retail event of the month – Super Saturday, which coincided with Christmas Eve Eve.
- 5. Luxury is winning everywhere, but especially in Sunbelt States.** Malls are adding high-end and designer stores at a rapid clip as demand for luxury

goods soars. And Sunbelt States like Texas, Florida, and Arizona – all of which experienced influxes of wealthy newcomers – are seeing some of the strongest luxury mall visit patterns.