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The authors of this article contemplate the future of shopping malls in today's modern world.

- 1 Officially shopping malls are defined as “one or more buildings forming a complex of shops representing merchandisers, with interconnected walkways enabling visitors to walk from unit to unit.” Unofficially, they are the heart and soul of communities, the foundation of retail economies, and a social sanctuary for teenagers everywhere. In recent decades, the concept of the shopping mall, which has its origins in the U.S. and became a full-blown modern retail trend there in the post-WWII years, has proliferated across the globe. The five largest malls in the world now reside in Asia. China’s New South China Mall in Dongguan stands at the top of the heap with 2.9 million square meters of space. 5
- 2 Despite its ubiquity, the mall as it has been conceived for the last half century is at a critical inflection point. A storm of global trends are coming together at the same time to cause malls to change the role they play in people’s lives. No longer are they primarily about shopping. Now, when consumers visit malls, they are looking for experiences that go well beyond traditional shopping. 10
- 3 The trends helping to create this change include changing demographics, such as an aging population and increased urbanisation. This means more people living in smaller spaces and a greater need for public spaces in which to congregate and socialise. In this environment, malls offer a welcome watering hole, especially in cities where other public spaces are not safe. Sustainability concerns are causing some consumers to prefer mixed use developments where they can live, shop and work all within walking distance – instead of having to get into a car and drive to a crowded suburban mall. The growing middle classes in Latin America and Asia maintain a strong association between consumption and pleasure, driving the need for more engaging shopping experiences. And finally, the e-commerce revolution and the rise of digital technologies are fundamentally reshaping consumer expectations and shifting the function of stores toward useful and entertaining customer experiences. 15
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- 4 As these trends advance across the global stage, they are forcing mall operators to rethink how they conceive and operate their properties. This identity crisis is most intense in the U.S., the country that pioneered malls and has the most malls per inhabitant. Thanks to a continued economic slowdown and rapid advance of the digital revolution, the U.S. mall industry is retracting and facing high vacancy levels. Websites such as deadmalls.com collect pictures of weedy parking lots and barren food courts, and try to explain how once-thriving shopping malls began to spiral downward. The death of the shopping mall has been predicted for years, ever since people started shopping on the internet, but the decline only recently became serious, retail sales be damned. Within 10 to 15 years, the typical US mall, unless it is completely reinvented, will be a historical anachronism – a 60-year aberration that no longer meets the public’s needs, the retailers’ needs, or the community’s needs. 30
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- 5 In her talk, entitled “Are fashion stores out of fashion? Or a competitive weapon in the digital age?”, Nathalie Remy, partner, McKinsey & Co. spoke about the changing retail landscape. Even though the digital market share is still below 10 percent in most countries, it is gaining ground rapidly. She cited that 50 percent of French apparel buyers made at least one purchase online in the last six months, and digital apparel sales have multiplied tenfold in China in the last two years. Most of the casualties will be in the mid-market range, like those malls arranged around a huge branch of Sears or JC Penney, which announced the closure of 33 of its stores in January, with the loss of 2,000 jobs. 40
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- 6 Remy sees two fundamental trends that have put a burden on the future of brick-and-mortar stores. One is that consumer shopping behaviours are changing, and consequently, a great store experience is changing too. Second, the economics of apparel stores have been deteriorating for the last few years and will most likely continue to do so. The question today is whether fashion stores are at risk of becoming completely out of fashion one day. The development of e-stores and pop-up stores has changed the role of the store, which can sometimes be a showroom, delivery point, or in some cases, not even visited. Today's consumers are also going through an integrated path to purchase, where physical and digital touchpoints reinforce each other. Ironically, some people consider the future of offline is online, but they should actually say that the future of online is offline. 50 55
- 7 In the face of these considerable challenges, malls are seeking to stay relevant, drive growth and boost efficiency. We see successful players investing along three key fronts: differentiating the consumer offering, with a focus on experience and convenience; transforming the mall experience by leveraging technology and exploring new formats like mixed used developments to offer consumers an attractive, integrated community in which to live, work and shop. 60
- 8 Whilst these strategies help businesses, the pleasures of the shopping mall bring out the worst in us, encouraging our worst appetites and feeding on a dim, atavistic desire to shuffle around overlit spaces buying things we do not need. There is the muzak, and the marble and the zombie-like pace of it all. There are the fake bargains. Nothing advertises the cynicism of the mall experience so much as the discount outlets, those complexes where *Fifth Avenue stores sell cheap lines with posh labels to encourage the delusion you are getting something exclusive for less. 65
- 9 And yet. There is a reason the mall occupies such a central role in the American idea – and it is not just one of grim-faced consumerism. Most of people's mall experiences recently have not resulted in much impulse spending. (With the exception of the large, pink exercise ball gathering dust in the corner of the living room. And the thing that takes the head of your egg like a guillotine. And the gourmet jelly beans.) True to those movies of the 1980s, when you go to a mall, even at this age, it is not to shop, it is to hang out. After all, you are not wandering around the Sistine Chapel. The scenery is aggressively uninteresting. 70 75
- 10 But what does it matter? For the space of an afternoon you are strolling and talking with someone uninterrupted. You are not half-listening while staring at a screen. You are not trying to get anywhere in a hurry, except, perhaps, the food hall, where you can eat as grossly as you want because that is all there is. If that is not quality time these days I do not know what is. There are times in life when malls offer a thing we will be sad to see go, an activity with no redeeming feature, no take-away, no element of self-improvement. 80

**Fifth Avenue is a major thoroughfare in New York City. It is considered to be one of the most expensive and best shopping streets in the world.*

Adapted from

'Are fashion stores out of fashion?' by Lisa Lockwood, 'The future of the shopping mall' by Roberto Fantoni, Fernanda Hoefel and Marina Mazzarolo and 'The shopping mall is dead' by Emma Brockes