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Luxury brands have ample opportunity as mall traffic rebounds

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Outdoor malls are seeing a surge in visitors. Image credit: South Coast Plaza

By KATIE TAMOLA

More consumers are returning to malls to find not only clothing and accessories but also experiences, according to a new [whitepaper](#) from analytics platform Placer.ai.

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After more than a year of closures and immense restrictions due to the COVID-19 pandemic, shoppers are steadily returning to malls, with foot traffic back to pre-pandemic levels. The new findings reflect that while consumers do prefer outdoor shopping malls to indoor, the overall return is still growing, leaving luxury brands in a position to consider their bricks-and-mortar offerings.

"With luxury brands setting themselves apart in mall locations, it all starts with authenticity and ensuring that the experience in a store accurately reflects the brand thereby enabling a longer-lasting impact and relationship with the consumer," said Ethan Chernofsky, vice president of marketing at [Placer.ai](#), Los Altos, CA. "Another key is recognizing that selling products on any given visit isn't the only goal.

"If a customer is left with a positive impact, they are far likelier to purchase later online, or to buy something in another location," he said. "Embracing omnichannel means recognizing that while in-store sales matter, they are only pieces of the wider puzzle."

Placer.ai collected and analyzed location data for 100 indoor malls and 100 major outdoor outlet and lifestyle centers, focusing on the period from January 2021 through July 2021.

Mall trips as experiences

Those who prefer the in-person shopping experience are making their presence known. Shopping malls are officially back to, and exceeding, pre-pandemic foot traffic levels.

Last month, mall visits increased by 0.7 percent compared to July 2019, and with the back-to-school shopping season looming and there may be further growth in August.



The Scottsdale Fashion Square in Arizona. Image credit: Visit Phoenix

Malls that have invested in renovations are also expected to continue to perform well, like Arizona's Scottsdale Fashion Square, which had already managed to surpass their pre-pandemic levels of foot traffic in April 2021. That particular mall houses several luxury brands' locations including Hugo Boss, Breitling, Bottega Veneta, Gucci, Louis Vuitton and more.

With vaccination rollouts and hopes for pandemic conditions improving, consumers are also beginning to feel comfortable and safer spending more time at malls. In June 2020, the median length of stay for indoor malls was 53 minutes and had increased to 69 minutes by July 2021.

Outdoor malls continue to be especially popular, as they provide the best of both worlds: a bit more reassurance in regards to event space during a pandemic and the in-person shopping experience.

In July 2021, visits to outdoor malls were up 2.1 percent compared to July 2019, while visits to indoor malls were still down 0.1 percent, almost back to pre-pandemic levels.

Brands have gotten creative with their in-person offerings, blending the worlds of fashion and art to offer consumers not just products, but a shopping experience. Whether a popup shop at a mall or another location, consumers are actively seeking memorable outlets.

In June, Italian fashion label Prada celebrated the disparate feelings elicited by nature with a new series of pop-up shops.



Prada launched a pop-up store featuring "Garden," the first installment of its latest outdoor collection at Rong Zhai in Shanghai. Image courtesy of Prada

#PradaOutdoor was a series of spaces, pop-up shops and in-store installations, dedicated to the emotions inherent in its different settings including Garden, Coast and Mountain. All of the spaces centering nature also featured a selection of original products reflective of that particular environment ([see story](#)).

"Malls already are a social space and it's a role they very organically fill," Mr. Chernofsky said. "Having art installations, events or pop-up restaurants can draw audiences for an extended visit enabling the wider mall to benefit from each activity.

"The key is providing the right experiences, and that starts with taking the time to better understand each audience."

Continued mall resurgence

There is anticipation that consumers will continue flocking to malls, and luxury brands are constantly rethinking how to reach new audiences through their in-person offerings.

Digitally native, direct-to-consumer brands are helping revitalize in-store shopping as traditional retailers regain their footing amid the COVID-19 pandemic.

Eyewear brand Warby Parker has seen store visits grow significantly from 2019's pre-pandemic levels, while U.S. department store chain Nordstrom is hopeful that its exclusive offerings of Asos-owned fashion labels will draw in more shoppers. Meanwhile, U.S. retailer Bloomingdale's is experimenting with smaller outposts offering more curated experiences ([see story](#)).

Global consumer confidence is starting to rise as the world adapts to the post-pandemic "new normal" and shoppers are ready to get back into physical stores.

In a June 2021 survey, media solutions company Mood Media found that 80 percent of consumers now feel "somewhat" or "very comfortable" visiting physical stores, up 9 points from 2020. Three in five consumers expect their shopping habits to be back to pre-pandemic levels by or before the end of this year, while 21 percent report their shopping habits have already returned to such levels ([see story](#)).

Brands must continue to be thoughtful and strategic in their approaches, remaining cognizant of what shoppers are looking for the most.

"The answer to what tactics to deploy starts with taking the time to better understand each audience and what they want to gain from a store experience," Mr. Chernofsky said. "Understand who visits a specific mall, which stores there are performing best and find the ideal complement for your brand."

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