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Malls, shopping centers continue experiencing foot traffic decline: Placer.ai

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Shopping malls are seeing fewer customers, but remain resilient. Image credit: Placer.ai

By NORA HOWE

For the first time in 2022, the month of July saw consumer visits decrease in both indoor malls and open-air lifestyle centers year-over-year, according to [Placer.ai](#).

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A clear decline has been taking place across the company's indexes over the last several months, driven primarily by high gas prices and sustained inflation. That being said, Placer.ai says the July decline was not as devastating as expected, suggesting shopping malls continue to show signs of resilience.

The Placer.ai Mall Indexes analyze data from more than 100 top-tier indoor malls, 100 open-air lifestyle centers and 100 outlet malls across the United States, both in urban and suburban areas.

Placer.ai uses anonymized location information from a panel of 30 million devices and processes the data using AI and machine learning capabilities to make estimations about overall visits to specific locations.

Navigating volatile conditions

According to the latest indexes, there was a minor increase in the visit gap for outlet malls as high gas prices disincentivized the necessary longer road trips.



Compared to 2019, the declines in foot traffic are minimal. Image credit: South Coast Plaza

This success comes into a new light when looking at the segment compared to equivalent periods in pre-pandemic 2019.

In comparing these segments to the same period in pre-pandemic 2019, visit gaps decreased to their smallest since April 2022 with indoor malls down 3.5 percent, open-air lifestyle centers down 2.7 percent and outlet malls down 7.0 percent.

Indoor malls, open-air lifestyle centers and outlet malls also saw substantial month-over-month traffic increases with outlet malls seeing a 23.4 percent jump, compared to 2019.

Moving forward, Placer.ai expects the y-o-y gaps to improve as the comparison shifts from the heights hit in July 2021 to August 2021 which was limited by the spread of the Delta variant.

Additionally, decreases in gas prices could significantly help drive value for all segments, especially outlet malls.

According to Placer.ai, outlet malls are poised to help address concerns over inflation due to the nature of their value segment. If gas prices continue to decline, the opportunity for strong performance in August is significant.



Adaptation and innovation are key for physical retailers, and new concepts may attract consumers. Image credit: Bloomingdale's

The relatively minor declines in July, compared to 2019, indicate that the modest rebound many top-tier malls were seeing could continue and, perhaps, accelerate going into the holiday shopping season.

How retailers can stay afloat

Despite the tumultuous effects of the COVID-19 pandemic on retail, shopping malls have persevered and are transforming to match new consumer behavior.

According to a Placer.ai report in February, consumer behavior indicates that shopping behavior is stabilizing and, likely due to pent-up demand over the last two years, people are returning to malls. To set themselves apart, mall operators have had to creatively fill open spaces left by store closures, such as pop-up shops and art installations, as well as meet demand for digital touchpoints ([see story](#)).

Further, retailers must address the imperative role of tourists, exchange of suburban residents and evolving work-from-home models.

Most importantly, they must continue focusing on providing thoughtful, quality products while maintaining an innovative attitude ([see story](#)).

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