

THE STATE OF RETAIL

An overview realigning current mall space + retail trends

Truth Research & Insights

August 2026

WHAT TO EXPECT

The perception that malls are disappearing no longer reflects today's retail landscape. While e-commerce fundamentally changed how consumers shop, physical retail has adapted rather than declined. The strongest malls are evolving into experience-driven destinations that blend shopping with entertainment, dining, wellness, and community.

This overview explores how consumer expectations are reshaping retail—from the rise of experiential shopping and Gen Z's return to stores to the continued importance of value, authenticity, and emotional connection. Together, these trends reveal what today's consumers expect from brands and where the greatest opportunities for retailers lie.

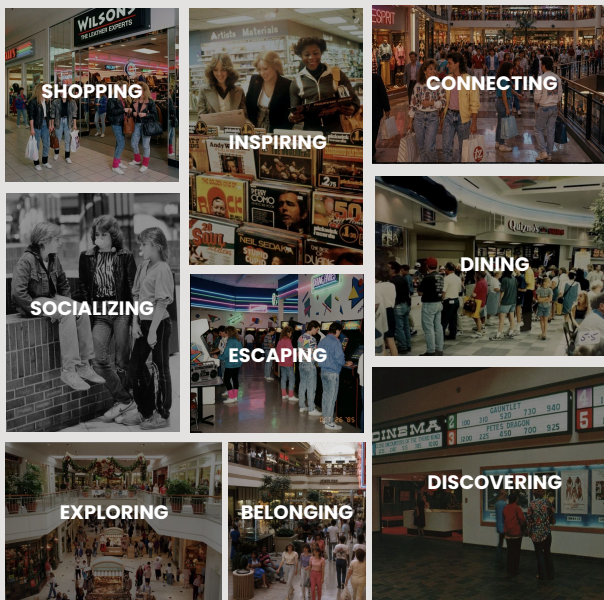


MALL BACKDROP

BEFORE THE 2000s, MALLS WERE MORE THAN JUST RETAIL CENTERS

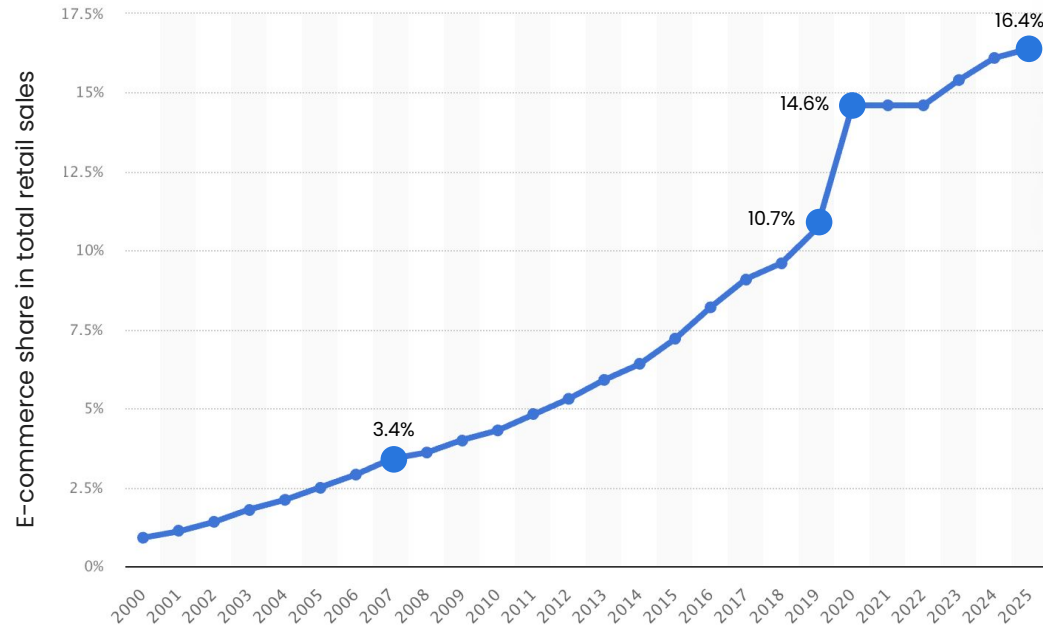


For decades, malls were the heart of American communities, bringing together shopping, dining, entertainment, and social connection under one roof.



INTRODUCTION TO E-COMMERCE SHAPED THE WAY CONSUMERS SHOPPED FOREVER

E-commerce as percentage of total retail sales in the United States from 2000 to 2025



E-commerce steadily gained share throughout the 2000s, but the COVID-19 pandemic accelerated adoption dramatically from 10.7% in 2019 to 14.6% in 2020.

Today, e-commerce continues to climb to the highest point it's ever been at, 16.4%, in 2025.

In 2026, U.S. e-commerce sales are expected to rise 7.8% to \$1.3T.

AMERICANS STARTED TO FACE A REALITY THAT MALLS MIGHT BE COMING TO AN END

OPINION

The Shopping Malls Really Are Being Killed By Online Shopping

By [Tim Worstall](#), Former Contributor.

Published Jan 04, 2015, 10:22am EST, Updated Jan 04, 2015, 10:24am EST

Forbes

*"Yup, some malls in my area have **shut down**, others have been revitalized and are thriving, some are **barely hanging on**, and new ones have been added." – Reddit*

🕒 This article is more than **11 years old**

The
Guardian

The death of the American mall

Why the Death of Malls Is About More Than Shopping

ADD TIME ON GOOGLE

TIME

by [Josh Sanburn](#)

JUL 20, 2017 5:40 AM CT

*"Wanna know something wild?
My 13-year-old son recently
asked me if malls were really a
thing and why teens would
hang out there. Turns out, he's
never been to a mall, at least
not in his memory." – Reddit*

IN FACT, MALL VISITS BEGAN TO SLOW DOWN AND MAJOR ANCHOR RETAILERS CLOSED LOCATIONS

2019–2022

Indoor Mall Visits

Fell 7%

Outlet Mall Visits

Fell 9%



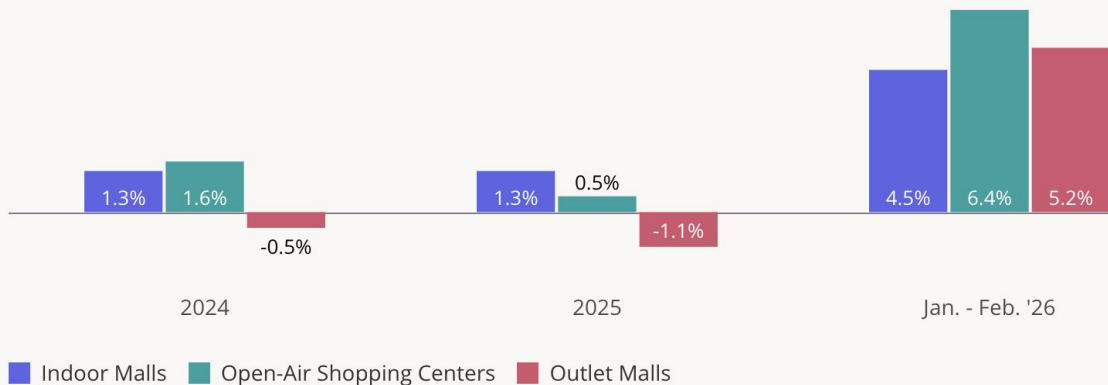
In 2024, Macy's announced plans to close 150 stores, many located in malls, while shifting investment toward digital retail and smaller off-mall locations.

The background of the slide is a close-up, slightly blurred photograph of several brown paper shopping bags with white handles. The bags are piled together, creating a textured, layered effect. The lighting is soft, highlighting the natural texture of the paper.

Today, there are **fewer than 1,000** malls remaining in the country.

HOWEVER, WE ARE STARTING TO SEE THAT TRAFFIC IS GAINING MOMENTUM

Visits to Mall Formats Compared to Previous Year (YoY)



January through February 2026 marked a notable rebound across all mall formats, with visits increasing 4.5% at indoor malls, 6.4% at open-air shopping centers, and 5.2% at outlet malls compared to the previous year.

Overall, the data suggests that consumer demand for in-person shopping is accelerating, with all major retail formats experiencing stronger traffic growth in early 2026.

TODAY, SHOPPERS VISIT MALLS FOR EXPERIENCES, NOT JUST TRANSACTIONS

Are American malls evolving?



AI Mode

All

News

Forums

Images

Videos

Shopping

More ▾

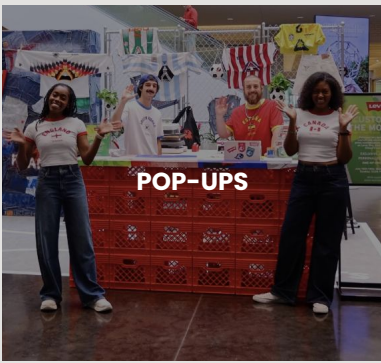
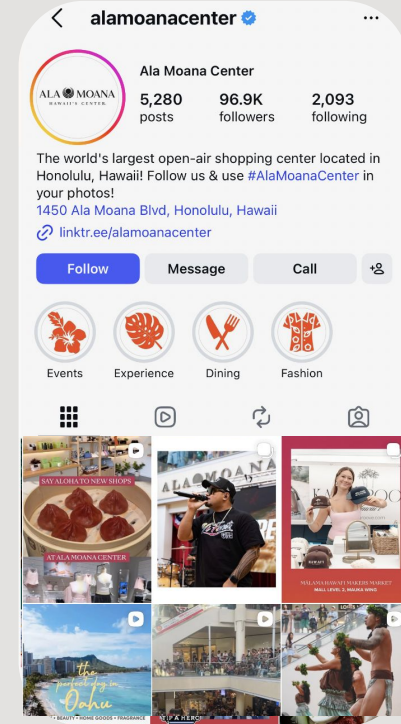
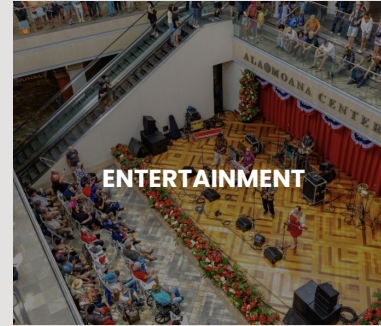
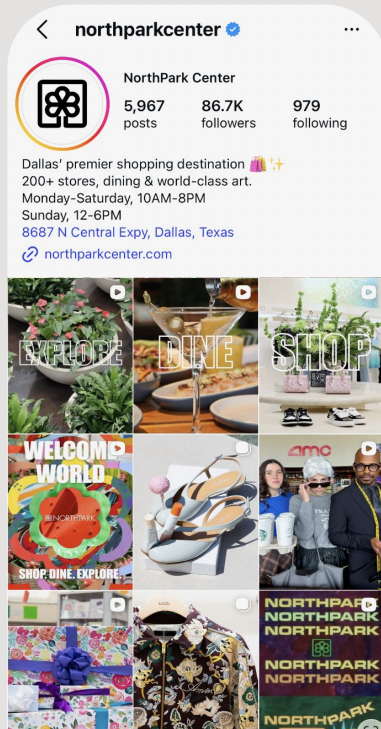
Tools ▾



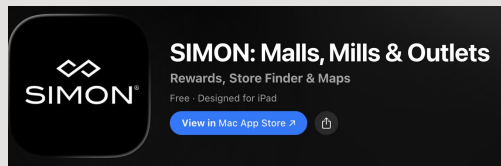
AI Overview

Yes, American malls are heavily evolving based on experience, shifting from pure retail spaces into community hubs, entertainment centers, and mixed-use "town centers". Driven by e-commerce competition and younger generations seeking in-person connection, properties are repurposing vacant anchor stores for dining, fitness, and interactive attractions.  Chain Store Age +5

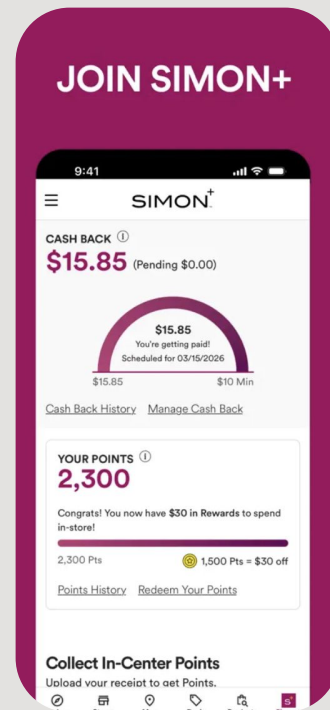
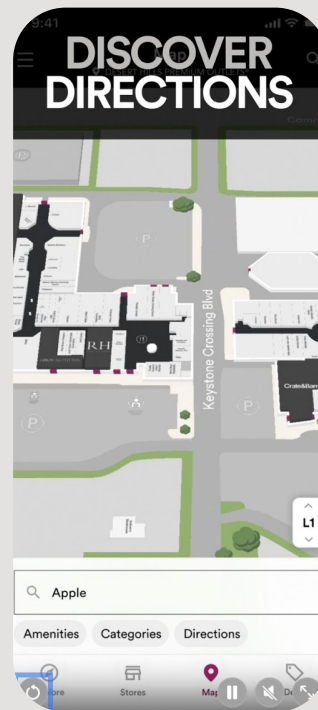
U.S. MALLS DEMONSTRATE THE SHIFT INTO EXPERIENTIAL RETAIL ON SOCIAL MEDIA AS PROOF



DIGITAL TOOLS ARE ENHANCING THE SHOPPING MALL EXPERIENCE



Simon's mobile app reflects the evolution of modern retail by combining digital convenience with in-person shopping. Consumers can search products across online and physical stores, earn rewards, receive personalized offers, navigate malls with interactive maps, and discover events, all within a single omnichannel platform.





THE MALL IS NOT DISAPPEARING. IT EVOLVED

Before the 2000s, malls were social and commercial hubs. The rise of e-commerce and changing consumer habits challenged the traditional mall model, leading to closures and declining traffic at many properties. Today, however, the strongest malls are reinventing themselves as mixed-use, experience-driven destinations that combine shopping with dining, entertainment, wellness, and community. Rather than disappearing, the mall is evolving to meet the expectations of modern consumers.



CONSUMER RETAIL TRENDS

RETAIL CONTINUES TO DEMONSTRATE RESILIENCE DESPITE ECONOMIC PRESSURES

**Estimated Market
Size (2026)**

\$7.8tr

*Consumers are resilient, but
intentional with their spending
amid tariff-related price hikes*

**Expected Growth
(2026)**

3%

*Consistent, stable growth
in spite of economic
pressures*

**Long-term Growth
(2025-30)**

14%

*Growth expected to reach
8.6 trillion in 2029*

ULTIMATELY, PRICE STILL REMAINS AT THE TOP OF MIND WHEN SHOPPING

68%

Of consumers agree that price is the most important factor when choosing where to shop.

66%

Of consumers wait to buy non-necessities until there is a sale/promotion.

68%

Of consumers feel brands/retailers aren't doing enough to lower prices.

Categories purchased in the last 12 months

63% Clothing, accessories, footwear

52% Beauty or personal care

52% Household goods

37% Electronics

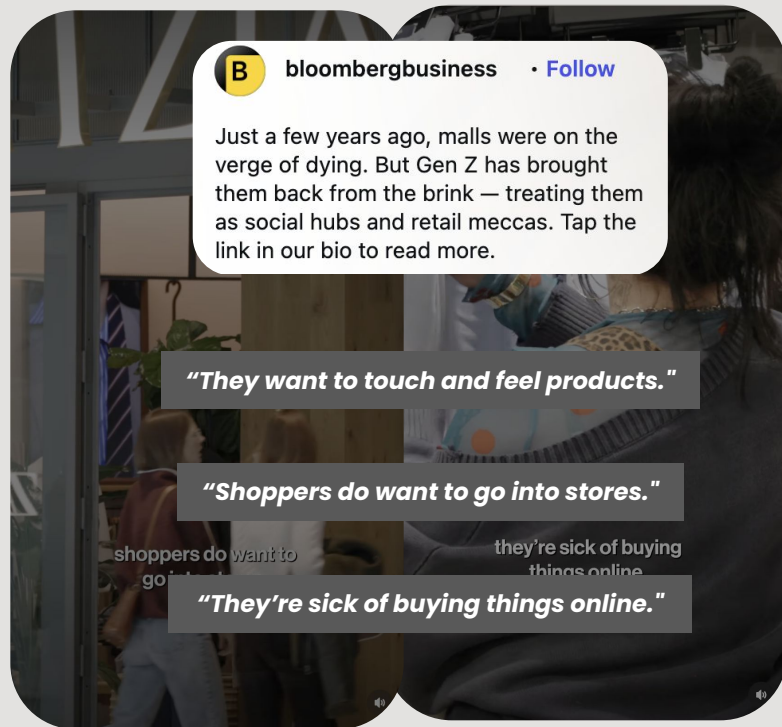
YOUNG CONSUMERS ARE REDISCOVERING THE IN-STORE EXPERIENCE

64%

Of Gen Z prefers to discover new products by shopping in-store.

56%

Of consumers find in-store shopping enjoyable or worthwhile.



YOUNG SHOPPERS ARE TURNING THAT INTEREST INTO MORE FREQUENT STORE VISITS



Today, Gen Z is expected to spend a global **\$12 trillion** annually by **2030.**

Nearly **2 in 3 shoppers aged 18–34** now **frequent malls regularly**, more than any other generation.

69% of Gen Z reports making **weekly purchases in-store.**

62% of BTS shoppers begin purchasing by early July, giving retailers more time to influence purchase decisions through promotions, experiential activations, and repeat store visits.



THE MALL IS ONCE AGAIN THE HANGOUT SPOT

75%

Of 18 to 24-year-olds say “third spaces” inside stores, which include cafes, lounges, or social areas, influence where they choose to shop.

“My mall has actually been pretty popular again with younger people and teens.”
– Reddit



A New Generation of Mall Rats Has Arrived

Gen Z shoppers are hanging out at malls and documenting everything on social media, helping boost a budding recovery in stores

BUSINESS • RETAIL

Teens Helped Bring Malls Back to Life. Now They're Getting Banned.

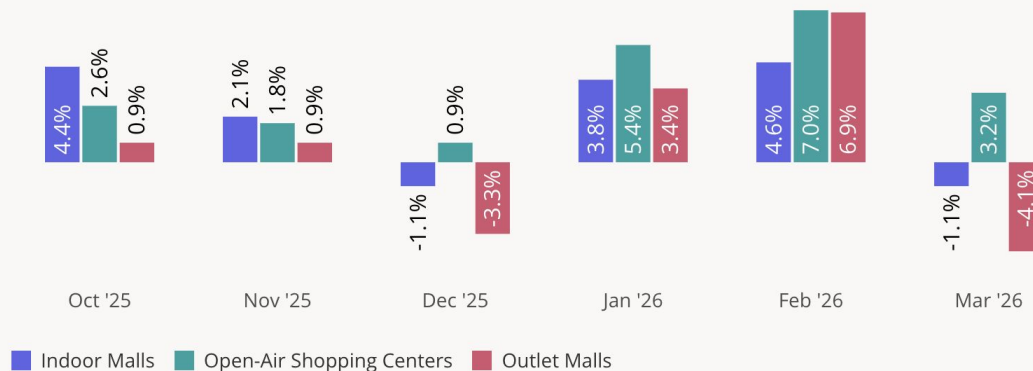
Mall owners resort to banning anyone under 18 unaccompanied by adult, following waves of teen disruptions at their properties

By **Kate King**
May 13, 2026 5:30 am ET

THE WALL STREET JOURNAL

THE GROWTH IN TRAFFIC REINFORCES THIS SHIFT

Monthly Visits to Malls by Format Compared to Previous Year

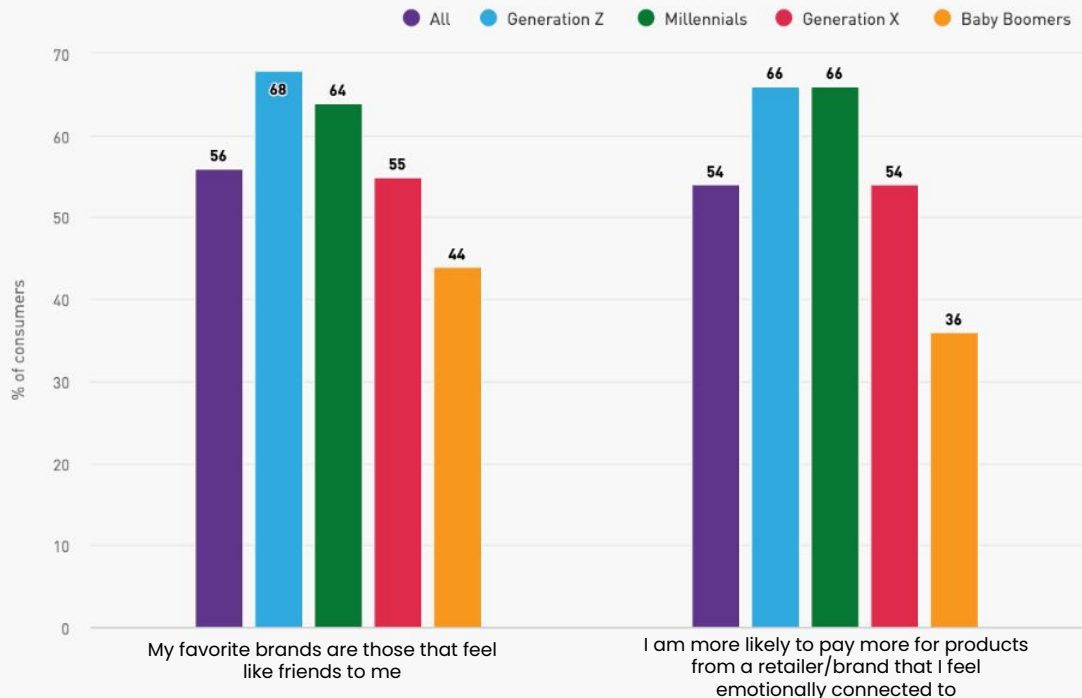


Physical retail continues to attract shoppers, with the strongest gains occurring in experience-driven formats. Open-air shopping centers recorded positive year-over-year traffic growth every month, ranging from +0.9% to +7.0%, while indoor malls posted year-over-year gains in four of the six months, including a peak of +4.6% in February 2026.

The takeaway isn't that consumers have abandoned malls—it's that they're increasingly favoring retail destinations that combine shopping with dining, entertainment, and other experiences.

CONSUMERS ARE MORE LIKELY TO PURCHASE A BRAND THAT FOSTER MEANINGFUL CONNECTIONS

US: attitudes toward emotional value, by generation, 2026



Consumers are returning to stores for more than convenience; they're looking for brands and experiences they can connect with. Both Gen Z and Millennials place a high value on emotional connection, with 68% of Gen Z saying their favorite brands feel like friends and 66% of both generations willing to pay more for brands they feel emotionally connected to.

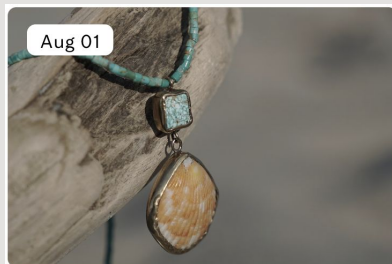
As physical retail evolves into a more experience-driven environment, creating authentic, memorable interactions will be essential to building lasting customer loyalty.



*"Brands that can make the emotional connection with their customers and really build relationships are the ones that are going to **win**."*

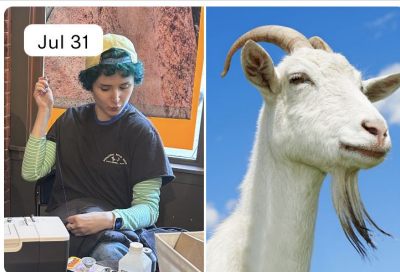
– Mary Beth Laughton, REI CEO

PATAGONIA PROVES THAT PURPOSE DRIVES LOYALTY



Aug 01

Pop-Up Event: Earth Thread & Stone



Jul 31

Repair & Care



Patagonia transforms its stores into community spaces by combining product repair services, sustainability initiatives, and local events that encourage customers to connect with the brand beyond the transaction. Through programs like Worn Wear and Patagonia Action Works, the brand builds lasting relationships rooted in shared values rather than purchases alone.

64%

"I am more likely to shop at brands/retailers that have stayed true to their companies' values."

PHYSICAL STORES ARE BRINGING EMERGING BRAND VALUES TO LIFE



Sincerely Yours is a teen-focused skincare brand that prioritizes authenticity, safety, and balance in its product offerings.

By highlighting across channels its science backing, internal studies, and product reviews, the brand appeals to both teenagers and their parents, fostering confidence and trust in the age-appropriate formulations.

60%

"Of consumers say brands/retailers must earn their trust first before they will buy from them."

CONSUMERS ARE RAISING THE BAR FOR RETAIL

The future of physical retail isn't about competing with e-commerce; it's about offering something e-commerce can't. While value remains essential, younger consumers are returning to stores for discovery, connection, and experiences that can't be replicated online. Brands that combine competitive pricing with authentic, experience-driven environments will be best positioned to increase traffic, build trust, and create lasting customer loyalty.



WHAT THIS MEANS FOR BRANDS

APPROACHES TO TAKE

Design Reasons to Visit, Not Just Reasons to Buy

Consumers increasingly choose physical retail for experiences, not just transactions. Invest in immersive activations, exclusive launches, community programming, and interactive environments that create meaningful reasons to visit while strengthening brand differentiation.

Turn Physical Retail Into a Media Channel

Stores should function as extensions of the media strategy—not just the final point of purchase. Integrate geo-targeted media, retail media networks, creator partnerships, digital out-of-home, and mobile messaging to drive visitation and amplify in-store engagement.

Create Experiences Consumers Want to Share

Today's retail experiences often begin on social media. Design stores, activations, and merchandising moments that encourage user-generated content, creator collaboration, and organic social amplification long after the visit.

Think Omnichannel, Not Online vs. Offline

Consumers move fluidly between digital and physical channels. Connect paid media, e-commerce, social, CRM, and in-store experiences into one cohesive customer journey that reinforces messaging across every touchpoint.

Truth.

APPROACHES TO TAKE CONTINUED

Balance Value Messaging With Brand Building

Price remains an important purchase driver, but consumers increasingly seek brands that provide emotional value and memorable experiences. Pair promotional messaging with storytelling that reinforces quality, trust, and brand purpose.

Build Loyalty Beyond Promotions

As shoppers become more intentional with their spending, retention matters as much as acquisition. Leverage loyalty programs, personalized offers, exclusive experiences, and CRM strategies to strengthen repeat visitation and customer lifetime value.

Strengthen Emotional Brand Connections

Consumers—particularly Gen Z and Millennials—are more likely to support brands they feel emotionally connected to. Build consistency across advertising, social content, retail environments, and customer experiences to foster lasting brand affinity.

Something to consider for BTS

Gen Z isn't just shopping in-store—they're discovering brands, validating purchases, and creating content while they're there. Back-to-school campaigns should connect social media, creator content, retail media, and engaging in-store experiences to turn seasonal shopping into lasting brand relationships.

Truth.

Truth.