

# Malls, physical retail bounce back from pandemic shutdowns

## Article

**The news:** Contrary to popular belief, the mall is far from dead—and it's even experienced a recent minor resurgence, as many malls seem to have bounced back from the pandemic and related lockdowns, according to an August study of mall foot traffic by location analytics provider **Placer.ai**.

**What the numbers say:** Outdoor malls have seen the most resurgence in foot traffic, with indoor malls following close behind. While delta variant concerns are an X factor, the back-to-school season could provide malls with an additional boost.

- Outdoor malls saw a **2.1% increase in monthly visits in July** compared with July 2019; indoor malls were **only down -0.1%** in July versus the same period two years ago.
- There were **20.8% more outdoor mall visits** in July than in June, while indoor malls grew their total number of visits 10.6% month over month.
- In the early days of the pandemic, consumers were not willing to travel as far for mall shopping as they used to: 8.75% less in June 2020 versus June 2019.
- But by June 2021, the distance a shopper was willing to travel was essentially flat (-0.6%) versus June 2019.

“Good malls still draw a crowd, particularly as shoppers head back to school and work this fall with a need to upgrade their wardrobes,” said Andrew Lipsman, eMarketer principal analyst for retail and ecommerce at Insider Intelligence.

**The resurgence's effects go beyond the mall:** The surge in shopping-related foot traffic can already be seen in quarterly earnings reports

- On Friday, we shared news of **Ulta Beauty's** strong Q2. A large part of the company's story is resurgent foot traffic, with Placer.ai stating that it was up over 20% in July 2021 versus July 2019.
- **Kohl's** Q2 earnings beat analyst expectations in part due to better-than-expected foot traffic.

**Not just retailers:** New York City, a major shopping hub, is seeing a substantial recovery in foot traffic as well.

- Times Square experienced 300,000 visitors over the last month, a 30% increase from just two months earlier.
- The city's popular **Fifth Avenue shopping district** regained 92% of the foot traffic it saw in 2019, with **Soho** reaching 110% versus 2019, per geospatial analytics firm **Orbital Insight**.
- While downtown retail traffic was down 44% nationally in July versus the same period two years ago, per Springboard analysis, it nevertheless marks the fifth consecutive month of

improved foot traffic. Furthermore, downtown retail traffic grew week to week over the course of the month.

**What it means:** Analysts and marketers are watching these developments closely, given that the strength of foot traffic's return can have a huge impact on nearly all retailers' bottom lines.

- Additionally, the fortunes of physical retail and out-of-home advertising may be intertwined: more foot traffic means more potential advertising impact.