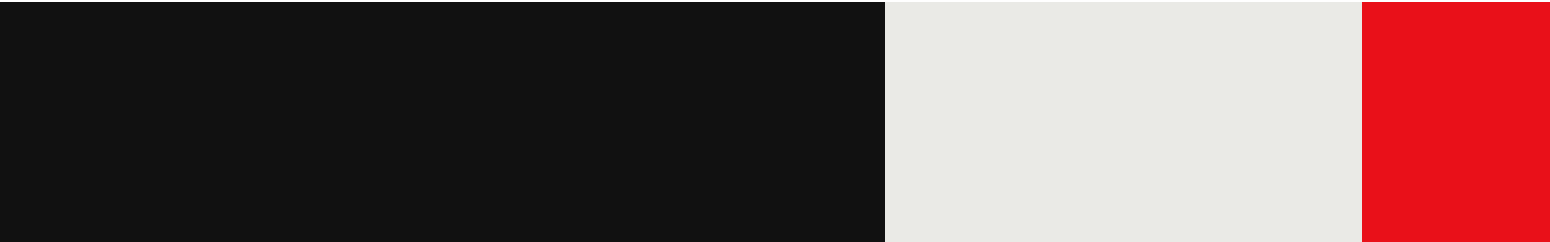


# Retail's rebound: Diversified malls, cross- shopping trends, and the rise of small-format stores

Article



Retail foot traffic is bouncing back, especially in malls, thanks to diverse tenant mixes and engaging experiences that attract shoppers, Ethan Chernofsky, senior vice president of marketing at Placer.ai, said during a recent [EMARKETER webinar](#). The pandemic's lasting influence has also changed how we shop, with more people visiting multiple grocery stores for the best deals and quality, while small-format stores are helping retailers meet local needs.

### **Malls are evolving and focusing on experiential retail.**

To meet changing consumer preferences, malls have moved away from being predominantly apparel-focused to including more varied offerings such as dining, entertainment, and wellness services.

Malls must create experiences that attract consumers, making them destinations for [more than just shopping](#). This strategy has helped debunk the idea that malls are a thing of the past, Chernofsky said. Instead, malls are showing that they can thrive by catering to a broader range of consumer needs and preferences.

### **Grocery stores have been impacted by cross-shopping, with a focus on consumer value and quality.**

More consumers are cross-shopping, or visiting multiple [grocery](#) stores to fulfill their shopping needs, Chernofsky said.

Cross-shopping behavior is driven by a combination of seeking quality, specialty items, and value—consumers are more willing to split their lists among retailers to [find the best deals](#) and products.

This behavior is not exclusive to grocers, discount retailers are seeing similar patterns. Nearly 70% (69.5%) of Family Dollar shoppers also visited Dollar Tree in 2024, according to Placer.ai data. [Discount retailers, in particular, are seeing an increase in YoY foot traffic](#) as consumers seek deals, per the Placer 100 Retail and Dining index.

### **Small-format stores enable retailers to be more flexible and tailored to local markets.**

Small-format stores provide an opportunity to enter markets that larger stores cannot due to space or cost constraints. These stores also enable retailers to tailor their product offerings

to the specific needs of the local population, creating a more personalized shopping experience.

Target's small-format store near Michigan State University, for example, offers products that cater to college students, while another Target nearby sells a different range of goods geared toward suburban families.

### **Back-to-school season is expected to be strong as consumers regain confidence.**

The upcoming [back-to-school season](#) is anticipated to be robust, reflecting growing consumer confidence. US back-to-school sales will rise 3.2% this year, totalling \$81.16 billion, according to EMARKETER's forecast.

Retail visits and sales in segments like consumer electronics and home improvement, which are impacted by back-to-school shopping, are showing signs of recovery, Chernofsky said. This positive trend suggests that consumers are feeling more secure about spending on essential items for the new school year.

The back-to-school season's performance is seen as an indicator of overall economic health and retail sector strength, potentially setting the stage for a successful holiday season. We forecast that total US holiday retail and ecommerce sales this year will top \$1.372 trillion.

### **Integrating online and offline retail channels remains a key priority for maximizing the customer experience.**

While progress has been made in marrying digital and physical retail channels, true omnichannel integration is still a work in progress, Chernofsky said.

Additionally, buy online, pickup in-store (BOPIS) options and finding ways to upsell during in-store pickups can drive sales and improve customer convenience, Chernofsky said.

Click-and-collect buyers often make a purchase when picking up their items, a February 2024 EMARKETER survey found. About a quarter (24%) shop at the store for additional items and pay at another checkout point, and 35% buy items found at the register where their online purchase is retrieved.

Watch the [full webinar](#).

*This was originally featured in the Retail Daily newsletter. For more retail insights, statistics, and trends, [subscribe here](#).*