



Are Shopping Malls Destined to Warehouse Online Purchases?

Americans get bragging rights for opening the first mall back in 1956 in Edina, Minnesota. The timing was perfect since it marked the beginning of a new trend in shopping: going to the mall instead of shopping on Main Street. With urban sprawl skyrocketing after the war, malls became the go-to spot for American shoppers.

Will shopping ever go back to the 1980s when Americans averaged four trips every month to any one of the 30,000 malls across the country? Probably not, but it is also unlikely that malls will completely disappear given the results of our recent Ipsos U.S. Omnibus survey in which we dug deeper into retail shopping. In fact, many Americans are still visiting malls regularly, with 50% saying they visited a shopping center or plaza within the last week. Are you surprised? I certainly was. However, there is no denying that retail buying has changed dramatically since the heyday of the shopping center. This is how....

First, Americans' buying habits have changed significantly. Today, just over a quarter (26%) of shoppers purchase an item online at least once a week. This figure increases for specific demographic groups, especially households with children (45%) and Millennials (39%). In fact, online shopping is so popular that only 4% of Americans say they have never purchased an item online.

Being a smart consumer is important, whether shopping online or at a brick-and-mortar store. The majority (93%) of Americans have researched an item online before considering purchasing it. When asked how frequently they research a possible purchase, 44% say at least once a week. Again, Millennials (66%), and those with children (60%), took the lead in frequent online research activity.

What consumers are now purchasing online is also changing: while online food purchases (both prepared food and groceries) have yet to catch up with

online retail purchases, growth is rapid. Currently, over half (52%) of shoppers say they have purchased food items online, and 19% order food online at least once a week. As seen with all online purchases, households with children (39%) and Millennials (35%) have the highest propensity of ordering food online at least weekly.

What makes shoppers more likely to shop online or in store? Price is a major factor—having the lowest price is key to buyers, with shipping costs being key for online buyers.

What would make you likely to shop:

Online?	
Free Shipping	69%
Lower prices than in-store	54%
Promotion/Coupon	46%
Free Returns	39%
Faster Delivery	34%
Same Day Delivery	34%

In-Store?	
Lower prices than online	65%
Promotion/Coupon	62%
Knowledgeable staff	34%
Unique experience	19%
Carry sensors so no cashiers	19%

And although online shopping is very popular, only 18% of Americans think they will ever make 100% of their retail purchases online during their lifetime, which means retailers can count on the remaining 82% to continue making at least some purchases in stores. Only 6% of shoppers say they haven't visited a shopping center so far in 2017.

When it comes to drawing in shoppers, Mall of America got it mostly right when it opened twenty-five years ago. It quickly became a travel destination by offering retail and entertainment options which helped keep shoppers well-fed and treated them to a variety of attractions.



Offering fine dining, entertainment and unique experiences beyond shopping are all important to today's modern shopper. One-in-ten Americans indicate they would be more likely to shop in a store that provided a fusion of retail and entertainment, or "retailtainment." Customers love convenience and it's hard to beat the endless selection, price comparisons and 24-hour convenience online shopping provides. However, the brick and mortar store is still alive and value added elements such as concerts, art centers, restaurants and farmers' markets cannot be matched online—just yet.

Digital technology offers many opportunities for in-store shopping as well. New innovations include portable sensors, to carry while shopping, that eliminate the need to pay at the cashier, or providing a tablet while shopping to engage and educate the customer. Mobile devices offer opportunities to enhance the experience, such as helping find an available parking space when the customer is close to the store.

Obviously, technology made online retail a reality. Just look at Millennials: when presented with 30 minutes of down time, online shopping on their mobile device was second only to time spent on social media. Life continues to change as quickly as technology. It is hard to imagine that in the 80s, when shopping malls were booming, consumers shopped without having a smartphone in hand. Today, consumers are spending time online researching products, comparing prices and availability, or snapping a photo and sharing to get someone's opinion. Americans have always loved to shop, but they also love to shop intelligently. If brick-and-mortar shops want to succeed, it's up to retailers to be creative and give customers a reason to keep coming to the mall.

Each week Ipsos U.S. eNation omnibus completes five national surveys. Ipsos Omnibus offers a variety of services, including overnight or custom studies. To collect complimentary access to this Retail Shopping study or to learn more about eNation omnibus, please contact:

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