

The Transformation of Shopping Malls in a Progressive World

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Abstract. This paper explores the evolution of shopping malls and their existence in society as global consumers' behaviors, technology, and economic trends continue to change. First, the paper covers the original purpose of malls as centralized multi-purpose centers and how they have transformed into lifestyle and entertainment centers to stay relevant. However, the intention of the mall has been questioned as the rise of technology hits. The paper analyzes the rise of online shopping and its disruptive impact on traditional retail spaces, highlighting key factors that have led to the decline of many malls. It also explores why consumers increasingly prefer e-commerce due to its convenience, variety, and personalization. Several case studies of failed malls, such as Rolling Acres and Randall Park, are presented to illustrate failed malls. In contrast, the Dubai Mall serves as a successful model of how innovation, entertainment, and technology can redefine the shopping experience. Through these comparisons, the paper concludes that for malls to survive in the modern age, they must evolve from purely commercial spaces into multi-use environments that offer meaningful and engaging experiences. The paper argues that the future of shopping malls depends on their ability to innovate, embrace technology, and meet the changing needs of their communities.

Keywords: Facility, foot traffic, convenience, online, shopping mall.

1. Introduction

In a society where many people are judged by their appearances, people care a lot about what they wear. Nowadays, there are way more resources and ways to access clothing brands and to buy them. Especially, a huge growth of online shopping has made our lives easier, but also strongly impacted shopping malls, and people started questioning the necessity of it. Malls are now being forced to redefine their role to survive in this pandemic. While some malls have adapted by evolving into lifestyle destinations filled with entertainment and cultural experiences, others have even shut down entirely due to the rise of convenient online shopping malls. Consumers' preferences have shifted drastically toward online shopping, due to its convenience, speed, and broader product range. This paper touches on the traditional purpose and marketing strategies of shopping malls, the negative impact of e-commerce on shopping malls, consumer reasons for preferring online platforms, global examples of failed malls, and the continued success of certain malls like the Dubai Mall.

2. Purpose of Shopping Malls and Their Marketing

Shopping malls have been a critical place for the community by providing multiple facilities such as clothing shops, restaurants, entertainment, etc. Originally, shopping malls were able to gain a lot of attention from customers due to convenience by grouping multiple shops in a single building, making it easier for shoppers to find everything they needed in one trip. However, as economic patterns shifted and digital technologies advanced, these traditional roles began to feel outdated. Outdated malls struggled, while those that evolved and kept on following the updated trends found new life. Modern malls now prioritize creating experiential environments—hosting live events, including art installations, and offering services like fitness centers and spas to extend customer visits. According to a report from AeroHub, malls now strive to be “community anchors,” featuring elements like art installations, cultural events, fitness centers, and even medical services [1]. This transformation is crucial for attracting and retaining foot traffic in a society that is currently dominated by digital convenience. Marketing strategies for these trendy malls focus heavily on experiential engagement. Rather than simply advertising products, malls now market themselves as destinations.

For instance, through curated events, pop-up installations, influencer partnerships, and targeted social media campaigns, malls create social-media-worthy moments designed to gain more customers and easily deal with marketing strategies. The concept of “retailtainment”, a mix of retail and entertainment has become increasingly popular. This strategy not only keeps customers in the mall longer but also increases the likelihood of impulse purchases. Thus, the purpose of shopping malls has shifted significantly from a purely commercial space to a multi-purpose environment that prioritizes customer experience [1, 2]. Their marketing strategies have evolved in parallel, placing greater emphasis on community, entertainment, and technology. To sum up, the modern mall is no longer just a place to shop - it's a place to live, socialize, and experience. By adding more diversity in shopping malls, consumers have many more options to choose from, and may stay longer to explore more. This shift shows how malls are not just retail centers, but also dynamic spaces that must constantly change themselves to stay relevant in an increasingly competitive and digital economy.

3. Rise of Online Shopping and Its Impact on Shopping Malls

The explosive growth of online shopping has strongly disrupted traditional retail models, just like shopping malls. Online purchase is often a must for people, and expectations of consumers do not seem to be down. According to a study by Digital Commons at Buffalo State, global e-commerce sales surpassed \$5.7 trillion in 2022, a figure that is expected to rise significantly in a few years. Giant online shopping malls like Amazon, Alibaba, and Shopify have taken advantage of technological advancements, offering consumers easy access to millions of products at competitive prices—all from the comfort of their homes [3]. This easy access, combined with innovations such as one-click ordering, same-day delivery, and personalized recommendations, has created an expectation of convenience that real stores struggle to meet. A report by Green Street Advisors in 2023 found that mall traffic in the United States had declined by nearly 30% since 2017. This drop has led to the closure of numerous well-known stores such as Sears and JCPenney, whose presence was once essential for driving mall visits [4]. Without these key tenets, many malls have entered a downfall, losing foot traffic, which leads to reduced sales, store closures, and ultimately, complete shutdowns. These failing malls, often encountered as “dead malls,” are particularly common in areas that have not adapted to new retail models or trending brands [5]. The COVID-19 pandemic accelerated this trend by forcing consumers to turn to online platforms for safety and convenience. Even after the pandemic, many shoppers continued to prefer digital channels, leading to a loss of purpose for existing malls [6, 7]. For malls to survive in this environment, they must merge with technology and focus on typical offerings that online retailers cannot replicate. Some malls have begun incorporating online order pickup stations, contactless payment systems, and expanded reality features to blend the online and offline worlds. Additionally, forward-thinking malls are launching hybrid retail models, allowing customers to browse in person but fulfill purchases digitally [8]. As a result, foot traffic in traditional shopping malls has decreased quickly. As online retail grew, foot traffic in malls declined dramatically, which led to many stores shuttering and contributing to the rise of “dead malls” across the world. The convenience, variety, and personalization offered by online shopping completely replaced the traditional mall experience, making it harder for malls to maintain enough customers and financial viability. Frequently, malls that failed to adapt—by adding unique experiences or digital integrations—found themselves outdated in a new retail reality dominated by convenience and efficiency.

4. Why People Prefer Online Shopping

Online shopping has become popular as it provides major advantages that traditional malls cannot easily offer. First of all, convenience plays a crucial role; shoppers can browse, compare, and purchase products at any time without leaving their homes. It is less time-consuming but may also be financially beneficial. Unlike traditional shopping malls that require time, transportation, and physical

effort, online platforms offer a streamlined and efficient experience that can be accessed from any device with an internet connection. This convenience is perhaps the most significant reason why consumers choose digital over physical shopping. According to a survey by Jungle Scout in 2023, 77% of U.S. consumers reported that convenience is the primary reason they access online shopping. In addition to being less time-consuming, online shopping often provides financial incentives, including exclusive discounts, flash sales, and free shipping. These cost-saving opportunities further attract budget-conscious consumers who might otherwise have visited real-life stores [8]. Another major advantage of online shopping lies in its ability to offer various products and depth that most physical malls cannot match. Websites like Amazon, eBay, and Etsy carry millions of items, ranging from everyday essentials to niche products that would be nearly impossible to find in a single local store. Online platforms often provide richer product information, customer reviews, and price comparison tools, empowering buyers to make clearer and accurate decisions. As shown in figure 1 below, the major reasons why customers prefer online shopping is because of financial issues and the convenience of not going outside and having a variety to choose from. These advantages collectively make online shopping not just a necessity [6, 7]. Even during events like the COVID-19 pandemic, online shopping proved to be a critical lifeline, allowing people to obtain goods without leaving their homes. Statista reports that global e-commerce sales rose by 27.6% during 2020, highlighting the resilience and adaptability of this model [7]. With newer trends like live-stream shopping and virtual try-on features, the experience is becoming even more engaging. The online platform is improving so much that it reduces the need for customers to visit physical shopping malls. Especially, as technology and AI is further developing, it seems like online shopping stores may be an ongoing and continuous marketing strategy that benefits both the sellers and consumers. The advantages offered by online shopping, including convenience, variety, personalization, and cost-effectiveness, explain why it continues to dominate the modern retail landscape.

Reasons Consumers Prefer to Shop Online — Ranked:

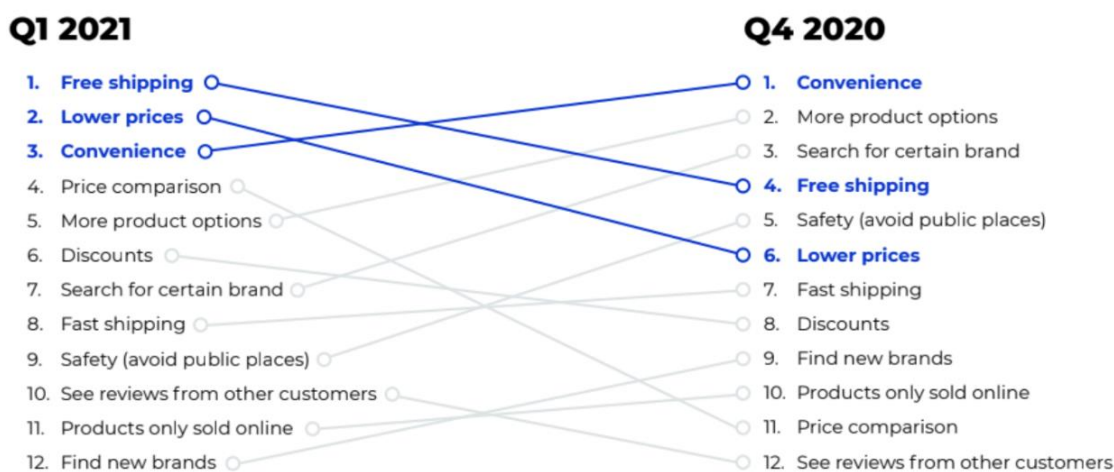


Figure 1. Responses on Reasons Consumers Prefer to Shop Online

5. Examples of Failed Shopping Malls

While some successful shopping malls have fought through or adapted to the digital age, globally, shopping malls encountered lots of serious consequences of failing to adapt in the digital age or lacking a lot compared to online strategies. These dead malls, which were once vibrant centers of commerce and community, now stand as reminders of retail's rapid evolution. Rolling Acres Mall in Akron, Ohio, which opened in the mid-1970s has once gathered dozens of popular stores. However, with the rise of e-commerce and suburban decline, the mall saw a rapid decrease in visitors. By 2008, Rolling Acres Mall was "99% vacant, with only a Sears store still operating independently," before being completely demolished in 2016 [9]. Similarly, Randall Park Mall in North Randall, Ohio, was

once the largest shopping mall in the world when it opened in 1976, with over 200 stores in the mall and drew millions of visitors annually at its peak. However, due to the reduced foot traffic, by 2008, it was almost entirely abandoned, and unfortunately, it officially closed its doors in 2009 [10]. According to Coresight Research, a report from 2023, "over 25% of America's malls are projected to close by 2025," driven largely by the increasing dominance of online shopping and changing consumer preferences [11]. Internationally, the New World Mall in Bangkok is also another example of a failed shopping mall that stands as a symbol of mismanagement and decline. This mall was partially completed before the mall was abandoned due to building code violations, and was also flooded, and not long after turned into a bizarre tourist attraction filled with fish. Each of these cases reflects broader systemic issues: a failure to modernize, poor location planning, insufficient technological integration, and a lack of consumer experience [12]. Malls that offered only retail, without adapting to the demand for lifestyle, entertainment, and convenience, were especially at risk. These failed malls highlight the urgent need for innovation in the retail industry. Urban planners and investors are now reevaluating the future of these sites, with many converting them into mixed-use developments, public housing, or educational centers. They serve as cautionary tales that underline one clear lesson: to survive in the 21st century, malls must not only keep pace with technological trends but also anticipate and shape consumer desires.

6. Example of a Successful Shopping Mall – Dubai Mall

However, not every mall was disrupted by the rise of online shopping. Just like the Dubai Mall in the United Arab Emirates, it exemplifies how a retail center can thrive in the digital age by reimagining what a shopping destination should be. As one of the world's largest malls, it offers over 1,200 retail stores, 200 food and beverage outlets, and more than 80 million annual visitors [13]. The mall does far more than just selling products. It offers an all-encompassing experience. Its location near major landmarks like the Burj Khalifa and Dubai Fountain makes it a prime tourist attraction. Located near iconic landmarks like the Burj Khalifa and the Dubai Fountain, its geographic position plays a crucial role in attracting both tourists and locals. However, its success is not only due to location. Seen in Figure 2, the Dubai Mall has a luxurious exterior, with Burj Khalifa in the background, that makes customers feel welcomed and comfortable to spend their money. Dubai Mall includes a wide array of attractions, including an Olympic-sized ice rink, an indoor theme park, a luxury hotel, and the world-renowned Dubai Aquarium and Underwater Zoo. This Dubai Aquarium is depicted in figure 3, where we can see the Aquarium with a huge glass in an open space, which not only is aesthetically pleasing, but also attracts more customers. This diverse offer transforms the act of shopping into a full-day experience filled with entertainment, leisure, and cultural engagement, satisfying both the elderly and young children. Furthermore, the mall's architectural significance and aesthetic appeal also contribute to its success as a destination rather than just a retail center. Social media plays a key role in its marketing strategy, with installations that go viral on social media and events regularly hosted to draw in younger crowds [14]. According to visitors and critics, Dubai Mall's success is rooted in its ability to offer a full sensory and social experience, blending shopping with leisure and culture. Additionally, Dubai Mall includes advanced technology such as indoor navigation apps, personalized promotions through loyalty programs, and seamless integration with Dubai's smart city infrastructure. In terms of sustainability, the mall has installed energy-efficient systems and water conservation practices, aligning itself with global environmental standards. On top of that, Dubai Mall is also exploring AI-driven services and interactive digital displays to further personalize and enhance the shopping journey while following the trend of AI usage [15]. The constant renewal of its attractions ensures that visitors always have something new to experience when they revisit, thereby maintaining a high level of engagement. Dubai Mall represents how a retail space can thrive by adapting to the evolving expectations of consumers who seek more than just products and rather seek experiences. Its success deals with its ability to innovate continually, leverage its geographic and cultural assets, and provide a diverse area of attractions that appeal to all

age groups and interests. As malls worldwide struggle to maintain relevance, Dubai Mall serves as a model for how to build a retail environment that is resilient, engaging, and future oriented.



Figure 2. Exterior of the Dubai Mall



Figure 3. Aquarium in the Dubai Mall

7. Conclusion

The retail industry is undergoing a huge shift, with online shopping revolutionizing how people buy goods and engage with brands. This transformation has left shopping malls at risk, forcing them to either adapt to the expectations and trends of modern consumers or risk becoming demolished. Malls originally thrived by offering convenience and variety under one roof, but the rise of digital commerce has replaced these benefits. Consumers now value efficiency, comfort, and customization—features that online platforms are great at providing. Many malls have failed, while others have succeeded by transforming into experiential spaces that go beyond the market. The case of Dubai Mall illustrates that success is still possible if malls align themselves with contemporary social, architectural, and entertainment needs. Ultimately, the future of shopping malls depends on their ability to embrace innovation, enhance consumer engagement, and create value that cannot be replicated by online platforms. The evolution of malls reflects broader trends in consumer behavior and technology, signaling that only the most adaptable will endure.

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