Keeping Track of U.S. Mall Visits

Mall Shoppers Shift Focus to Browsing

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Abstract: *There were more shoppers visiting the mall for general shopping or browsing than for a specific store or purchase in 2005-2007—a first since the inception of tracking mall consumer patterns in 1996. During 2005-2007, mall shoppers also increased the amount they spent, went to the mall slightly less often but stayed roughly the same amount of time as in 1996.*

Shopping at the mall remains a popular U.S. pastime. In the three-year period from 2005 through 2007, the average shopper[1] made 3.0 visits to the mall per month and spent 78.5 minutes at each visit (see Table 2-1). For the first time in the history of these datasets, a higher percentage of shoppers also cited general shopping/browsing rather than a specific store/ purchase as the primary purpose of their trip. Hence, about 42% of mall shoppers cited general shopping/ browsing as the primary purpose of their visit and, with an average trip lasting 87.3 minutes, they remained at the mall longer than shoppers whose primary purpose was a specific store/purchase.

Teens Are an Important Segment

True to past form, teens ages 14 to 17 frequent malls more often than other age groups. At 3.9 times per month on average, teens made almost one trip more a month than the average for all age groups during 2005-2007 (see Chart 2-1). Teens also spent the most time at malls, with an average visit lasting 89.9 minutes--10 minutes more than the average visit and 7.8 minutes longer than the average trip of consumers age 65 and over, the age group that spent the second-longest amount of time at the mall per visit.

The number of mall visits per month and the duration of these visits by age group decline sharply as ages increase, as shown in Chart 2-1. Between the ages of 35 and 64, the number of visits per month notably bottoms out at 2.7. At age 65 and above, with more time to devote to leisure activities, shoppers again visit the mall more frequently than the average consumer and spend longer there than the average mall visitor.

No Change in Shares of Men and Women

Many more women than men visited the mall in 2005-2007, accounting for about 64% of all shoppers as indicated in Table 2-2. That share has not changed much

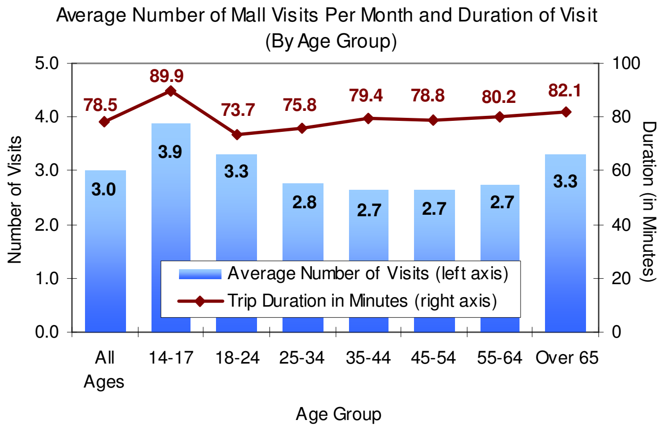
Table 2-1

Selected Shopping Patterns (1996-2007)									
	1996	1996-97	1998-99	2000-01	2001-02	2003	2004	2005-07	Average
Average Number of Visits Per Month	3.2	3.3	3.4	3.4	3.3	3.2	2.9	3.0	3.2
Duration (in minutes)	77.0	75.5	76.4	78.1	75.1	82.2	80.6	78.5	77.9
Total Duration Per Month (in minutes)	243.8	249.2	257.2	262.9	247.8	260.3	233.7	235.5	248.8
Purpose of Visit (% of shoppers)									
General Shopping/Browsing	34%	37%	37%	23%	23%	34%	39%	42%	34%
Specific Store/Purchase	49%	47%	43%	60%	59%	45%	39%	36%	47%
Restaurant/Food Purchase	—	—	—	—	—	—	—	7%	—
Trip Duration by Purpose of Visit (minutes)									
General Shopping/Browsing	82.0	81.9	82.6	85.1	—	90.8	87.9	87.3	85.4
Specific Store/Purchase	69.0	69.3	73.5	68.8	—	71.4	74.6	71.5	71.2
Total Spending Per Mall Visit*	$66.70	$63.50	$68.20	$75.10	$71.90	$83.30	$86.30	$98.40	$76.68
Department Stores	$34.10	$33.90	$35.20	$35.90	$34.10	$36.00	$42.50	$47.90	$37.45
Mall Shops	$28.40	$26.10	$29.40	$37.40	$35.50	$42.20	$40.10	$46.90	$35.75
Restaurant/Food	$4.20	$4.00	$4.10	$4.70	$4.10	$5.90	$5.40	$6.50	$4.86

*Includes spending not separately shown (average)
Source: ICSC Research

[1] ICSC combined three years of consumer statistical data from 2005 through 2007 from 46,000 exit interviews conducted in regional and super-regional malls owned and managed by General Growth Properties, Simon Property Group and Westfield America. These results are subject to large statistical variance as noted in Technical Appendix 2-1.

Chart 2-1



Source: ICSC Research

Table 2-2

Selected Shopping Attributes by Gender (2000-2007)	2000-01	2001-02	2003	2004	2005-07
MALES					
% of Total Shoppers	37%	37%	39%	35%	36%
Average Number of Visits Per Month	3.4	3.3	3.2	3.1	3.1
Duration (in Minutes)	68.9	65.6	75.0	73.9	72.3
Total Duration Per Month (in Minutes)	234.3	218.7	242.5	226.6	224.1
Total Spending Per Mall Visit	$70.10	$67.10	$78.50	$82.70	$93.20
FEMALES					
% of Total Shoppers	63%	63%	61%	65%	64%
Average Number of Visits Per Month	3.3	3.3	3.1	2.8	2.9
Duration (in Minutes)	83.5	80.8	86.7	84.2	82.2
Total Duration Per Month (in Minutes)	278.3	266.6	268.8	238.6	238.4
Total Spending Per Mall Visit	$78.10	$74.80	$86.20	$88.20	$101.60

Source: ICSC Research

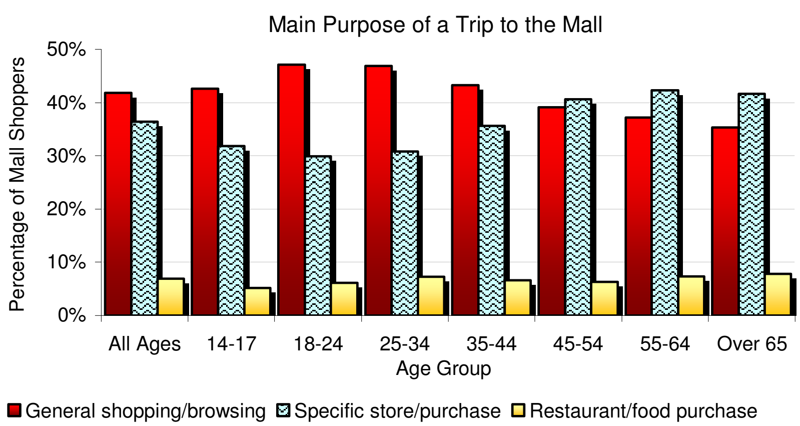
over the years. However, men who frequent the mall make slightly more trips per month than women, averaging 3.1 visits per month. Female consumers interviewed clocked 2.9 visits per month on average. Although the average number of trips per month has declined slightly for both sexes, women have spent roughly the same amount of time at the mall as before over the past decade, about 82.8 minutes in 2005-2007. Men, on the other hand, are spending slightly more time at the mall than they did a decade ago, at 72.3 minutes in 2005-2007.

Shift in Purpose of Visit

The main purpose of a mall visit in 2005-2007 has changed from previous datasets: for the first time since ICSC began compiling mall shopping patterns in 1996, the percentage of consumers visiting the mall for general shopping/browsing exceeds the percentage that visit for a specific store/purchase (see Table 2-1). Reasons for the recent shift may be, on one hand, greater and better store selection and product offerings combined with an improved ambiance at regional and super-regional malls and, on the other hand, perhaps greater competition from other retail venues to attract the time-pressed consumer.

The purpose of a visit to the mall clearly varies by age (see Chart 2-2). Older shoppers are more purposeful; they are less likely to be browsing and are likelier to have a specific store or purchase in their sights. The four age groups included between 14 and 44 reported general shopping/browsing as a main reason to visit, while the main purpose shifts to specific store/purchase for the three groups over 44 years old.

Chart 2-2



Source: ICSC Research

An Update on Conversion Rates

Department stores showed a higher conversion rate in 2005-2007 than other mall-based stores (see Table 2-3). Shoppers visited an average of 1.0 department store per visit to the mall and made a purchase at these stores slightly more than half of the time (0.6 times), resulting in a 60% conversion rate. The conversion rate for other mall stores was 50%, as shoppers visited 1.8 shops per trip and made a purchase 0.9 times. The reasons for the higher conversion rate at department stores are no doubt varied, but probably include the greater breadth of categories and assortments and the impact of consolidation in that segment of the industry, which encourage purchases.

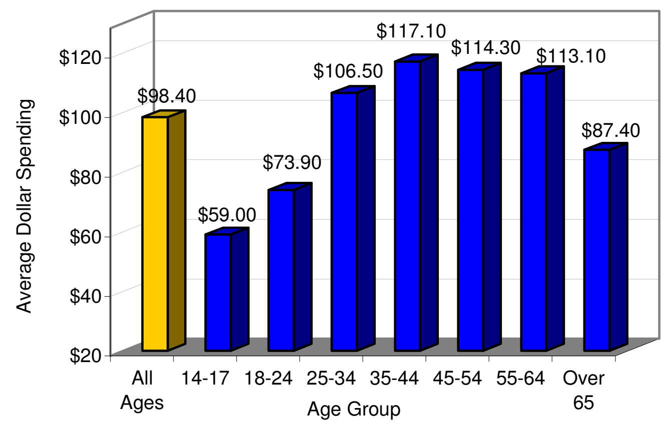
Hispanics had the highest department store conversion rate at 73% among all ethnic groups, 13% higher than all other groups. Meanwhile, at 53%, African-Americans reported the highest small shop conversion rate. Not surprisingly, consumers aged 35-44 and 45-64 chalked up the highest department- store conversion rate (64%) among all age groups, reflecting the relative affluence of these age groups, as well as the older demographic of the department-store customer. At 56%, those consumers aged 35-44 also reported the highest mall-shop conversion.

Spending is Significant

During the three-year period of 2005-2007, total average spending was $98.40 (including those who spent nothing) per mall visit, as shown in Chart 2-3, with 35-44-year-olds spending the most per trip at $117.10. For the first time, average spending at department stores and other mall stores in 2005-2007 was nearly the same at $47.90 and $46.90, respectively (see Table 2-3). Factors contributing to this development may be the greater number of other mall stores selling higher-ticket items and the sheer popularity of some new store concepts. During an average trip to the mall, general shoppers/browsers spent the most, $101.00, which was over $7.00 more than specific store/purchase shoppers and close to $30.00 more than shoppers who frequented the mall for other shopping. In addition, as indicated in Table 2-2, 2005-2007 shopping patterns also confirm that women continued to spend more than men, averaging $101.60 versus $93.20 during a mall visit.

Chart 2-3

Average Spending Per Mall Visit (By Age Group)



Source: ICSC Research

As expected, Chart 2-4 shows that income had a direct effect on the amount of money that shoppers spent per visit. Hence, as consumers' income increased, they spent more at malls in 2005-2007. Spending topped out at $137.10 per visit by earners of $75,000 or more.

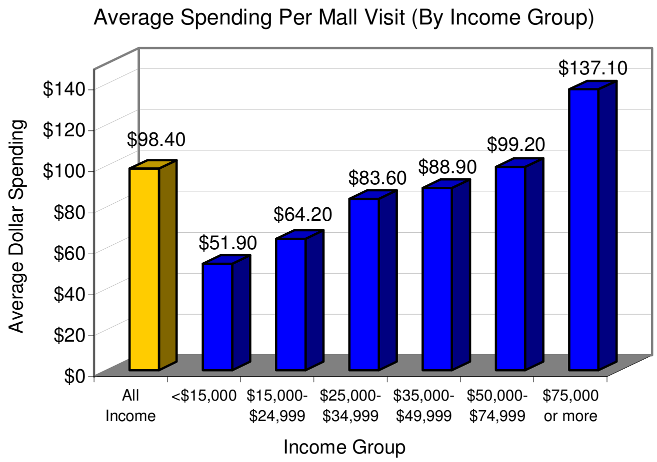
Again, not surprisingly, the longer a mall visit lasted the more money the shopper spent (see Chart 2-5).

Table 2-3

2005-2007 Shopping Patterns by Center Size and Geographical Location							
	All Malls	**Center Size**		**Region**			
		Under 800,000 sq ft	Over 800,000 sq ft	Northeast	Midwest	South	West
Average Number of Visits Per Month	3.0	3.1	2.9	3.4	2.6	3.0	3.1
Duration of Visit (in Minutes)	78.5	73.2	80.2	77.2	80.2	78.1	78.7
Total Duration Per Month (in Minutes)	235.5	229.1	235.0	262.5	205.3	231.2	244.0
Purpose of Visit (% of Shoppers)							
General Shopping/Browsing	42%	43%	42%	40%	46%	39%	43%
Specific Store/Purchase	36%	35%	37%	38%	33%	40%	33%
Restaurant/Food	7%	8%	7%	8%	5%	8%	6%
Attend a Special Event/Movie	2%	2%	3%	1%	2%	2%	4%
Other (Not specified)	12%	12%	12%	12%	14%	10%	15%
A. Number of Department Stores Visited	1.0	0.9	1.0	1.0	1.0	1.0	1.0
B. Number of Department Stores Where Made Purchases	0.6	0.5	0.6	0.5	0.5	0.6	0.7
C. Department Store Conversion Rate (B/A)	60%	56%	60%	50%	50%	60%	70%
D. Number of Mall Shops Visited	1.8	1.3	1.9	1.3	1.7	1.5	2.3
E. Number of Mall Shops Where Made Purchases	0.9	0.7	0.9	0.8	0.8	0.8	1.0
F. Mall Shop Conversion Rate (E/D)	50%	54%	47%	62%	47%	53%	43%
Department Store Mean Spending Per Mall Visit	$47.90	$55.10	$45.90	$48.90	$47.00	$50.20	$43.60
Mall Shop Mean Spending Per Mall Visit	$46.90	$53.10	$44.70	$44.10	$43.10	$47.80	$49.70
Restaurant/Food Mean Spending Per Mall Visit	$6.50	$8.40	$5.90	$8.30	$5.40	$5.70	$7.50
Total Mean Spending Per Mall Visit*	$98.40	$104.10	$96.60	$96.40	$93.50	$102.60	$95.80

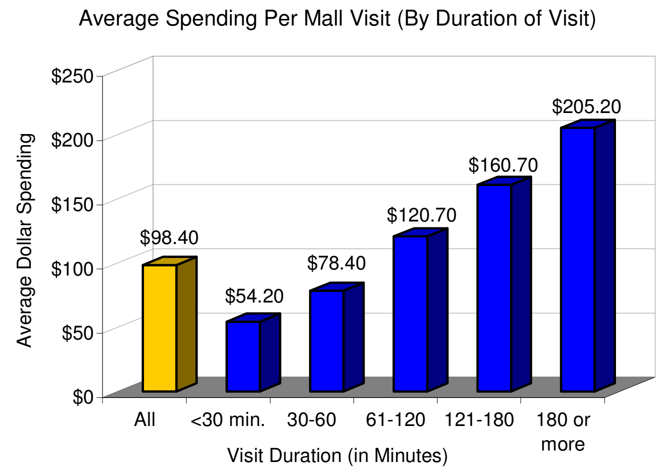
*Includes spending not separately shown (average).
Source: ICSC Research

Chart 2-4



Source: ICSC Research

Chart 2-5



Source: ICSC Research

Shoppers who visited the mall for less than 30 minutes spent only $54.20, or 44% less than the average of $98.40. Shoppers whose mall visits lasted 180 minutes or longer spent $205.20 per visit or 52% more than the average.

Hispanics play an increasingly important role as mall consumers, as they spent more than other ethnic groups at $120.60 per mall visit in 2005-2007, 17% more than Asians, the second highest-spending ethnic group at $99.50 (see Chart 2-6). Hispanics also topped all other ethnic groups in spending at both department stores ($62.90) and mall shops ($53.80). Asians spent the most at food establishments at $8.60, versus an average of $6.50.

A Regional Take on Spending

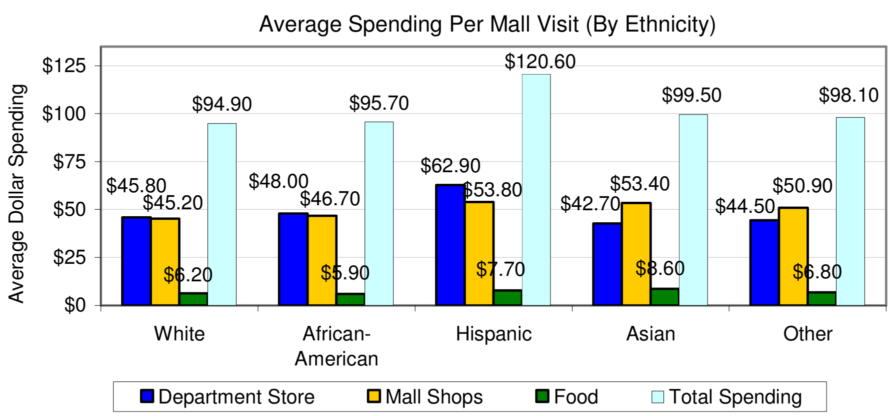
According to 2005-2007 spending statistics, shoppers residing in the South spent the most per mall visit at $102.60 (see Table 2-3). Interestingly, shoppers in the Northeast made more trips to the mall per month (3.4 times) and, therefore, spent the most cumulatively per month in malls ($327.76).

There are also significant differences in conversion rates by region, as well as in the divergence in the conversion rate of department stores and other mall stores. In the West, department stores achieved a conversion rate of 70% but their customers spent the least per visit, while other mall stores managed to convert a visit into a purchase in only 43% of cases. Conversely, mall shops in the Northeast had the highest conversion rate of any region at 62%, and only in this region is their conversion rate higher than that of department stores.

Shopping Center Size Makes a Difference

Shoppers visited smaller regional malls (under 800,000 square feet) more frequently than larger super-regional malls (over 800,000 sq ft), but spent less time in the former during 2005-2007 (see Table 2-3). On average, shoppers visited smaller regional malls 3.1 times per month for 73.2 minutes versus 2.9 times for 80.2 minutes in the case of super-regionals. However, regardless of the size of the center, general shopping/browsing was the main reason for a trip to the mall. About the same percentage of shoppers visited smaller malls as larger centers for the restaurant/food offerings or for special events/movies. Total spending was somewhat higher at malls below 800,000 sq ft in 2005-2007, at $104.10. However, both regional and super-regional centers reported similar spending in their respective department stores and mall shops.

Chart 2-6



Source: ICSC Research

Will the Financial Crisis Herald Change?

In many respects, shopping patterns did not change greatly in 2005-2007 versus prior periods. Often consumer behavior shifts gradually over time; e.g., the main purpose for mall visits as discussed above. However, events sometimes occur that result in significant change over a relatively short period of time. Will high gasoline prices and the 2008 financial crisis trigger marked cyclical and secular changes in mall spending and visits going forward?

If high gasoline prices have a permanent effect on consumers' willingness to drive, will this change affect the frequency of mall visits and the duration of those visits? Moreover, how will mall owners respond? Future U.S. mall shopping studies may provide answers to these questions.

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Technical Appendix 2-1: Defining Uncertainty

The data used in this study are based on statistical samples. As such, it is appropriate to ask what the statistical confidence bands are around the mean. Standard deviation captures this variance and should be used in interpreting the reported averages. The high-level standard deviations are shown in the table below.

Standard Deviation of Selected Components in the 2005-2007 Dataset

	Number of Visits Per Month	Duration of Trip (in Minutes)	Spending Per Mall Visit
Total	4.2	59.6	$178.74
Gender			
Males	4.5	58.6	196.84
Females	3.9	59.9	167.55
Center Size			
Under 800,000	4.5	57.9	206.90
Over 800,000	4.0	60.0	169.16
Regions			
Northeast	4.8	53.5	139.72
Midwest	3.6	62.0	185.18
South	4.0	58.9	184.80
West	4.4	62.0	182.83

Source: ICSC Research