

## Unit 9: Online Retailing: Disappearing Stores

### The Disappearing Mall

#### Keywords

|                |           |              |             |               |
|----------------|-----------|--------------|-------------|---------------|
| behavioral     | candidate | disadvantage | mall        | revolutionary |
| simultaneously | specialty | strategic    | susceptible | utility       |

#### Chapter 1: A Surprise in the Mall

A few years ago, I found myself in the suburbs of America, about halfway between Baltimore and Washington DC. I had a few hours to kill, and where better to spend them than the local shopping **mall**? I wandered the mall, taking in the sights: the clothing stores with their bright window displays showing the latest fashion trends; the tech store filled with the newest gadgets; and the bookstore with shelves full of books, comfortable chairs, and the smell of coffee from its café. In the food court, various restaurants were offering different cuisines. The smell of freshly baked pizza, spicy noodles, and sweet pastries filled the air. People were sitting at tables, enjoying their meals and chatting.

I reached the end of the mall, and there, facing me, rose the imposing walls of a castle. “What?” I thought. It looked out of place among the modern stores, a piece of history standing strong in the world of fast fashion and mall food. The castle’s gray stones were massive, each one likely telling a story from long ago. Tall towers reached towards the ceiling of the mall, with flags fluttering at their peaks. A large wooden door stood at the entrance, looking like it could withstand a battle. Walking closer, I could see the walls and the door, showing scenes from long-ago times—knights, horses, and mythical creatures. It was a fascinating contrast to the busy mall I had just walked through. However, upon closer view, I saw that the castle’s stones and door were plastic not rock. I was a bit disappointed, but then I noticed a sign advertising jousting and a medieval lunch for \$40. Jousting is a sport from long ago where two riders on horses try to knock each other off using long poles, called lances. They wear metal armor and ride towards each other very fast, trying to hit the other person with the lance. It was a way for knights to practice fighting and show their skills. People would watch and cheer for them, just like a sport today. It was a very exciting and big event during medieval times because these knights were **candidates** to be employed by the king. Winning the jousting competition could lead to a successful career.

I had some hours left, so I paid \$40 and went inside the castle area. I sat down and they gave me a period hat to wear and a wooden plate with a baked potato and chicken leg to eat, but only a knife—no fork or spoon. I guess forks and spoons didn’t exist back then.

In front of me was a big open area that looked like it used to be an ice rink, but it was now filled with sand. Everyone was excited and waiting for something. Suddenly, with trumpet sounds, two men on big horses came out wearing armor like knights.

The knights stood ready with lances and big round shields. When the signal came, they rode their horses very fast towards each other, trying to hit the other knight with the lance without falling off. It was really fun to watch! People were cheering for the knight they wanted to win.

After jousting for a while, the knights started fighting with swords too. I felt like I had traveled back in time 600 years! But why was this medieval knight event happening inside a regular shopping mall?

#### Chapter 2: Malls Facing Challenges

The shopping mall in America was once a vital part of everyday life, offering a place for people to shop, eat, and socialize. These malls featured large department stores and fast-food courts, making them convenient for various needs. They also served as popular gathering spots, especially for teenagers who would meet up with their friends, browse shops, or simply hang out. However, the role of shopping malls is changing due to various factors such as the rise of online shopping, which allows people to buy products from home. Economic challenges and changes in consumer habits are also influencing the decline of traditional malls. One **disadvantage** traditional malls face is their inability to match the vast product selection and pricing advantages offered by online retailers. As a result, many malls are seeing fewer visitors and some are even closing down, marking a shift in the American retail landscape.

The rise of online shopping has greatly affected traditional shopping malls in America. Many people now prefer to buy things online from the comfort of their homes, which has caused fewer people to visit physical stores in malls. Department stores, once the main attraction of malls, are especially struggling because they can't compete with the variety and convenience of online stores. This situation became even more challenging during the COVID-19 pandemic when malls had to close or reduce visitor numbers for health safety. In November 2020, two significant mall owners, CBL & Associates Properties, and Pennsylvania Real Estate Investment Trust, faced such severe financial difficulties that they filed for Chapter 11 bankruptcy protection. This step shows the severe impact of changing shopping habits and the pandemic on traditional retail spaces like malls. A 2020 study predicted a huge shift, suggesting that 25% of U.S. malls could close permanently within five years.

The **behavioral** shifts in consumer preferences, driven by the convenience of online shopping, have significantly impacted the traditional shopping mall model. Malls heavily reliant on traditional department stores and lacking diverse offerings are particularly **susceptible** to the impacts of online shopping and changing consumer behaviors. To counter these challenges, malls began changing their offerings even before the pandemic struck. Understanding that consumers are increasingly seeking experiences, not just products, malls started to introduce more varied and engaging activities. These included fine dining options, entertainment facilities, and even unique attractions like indoor ski slopes. The goal was to create a location that offered something beyond traditional shopping, appealing to a broader range of visitors and encouraging them to stay longer and engage more with the space.

Despite these efforts, the future of malls remains in doubt. The pandemic has highlighted and intensified the shift toward online and experiential shopping, raising questions about the viability of traditional mall models. As consumer behavior continues to evolve, malls will likely need to further adapt and invent to survive and profit in the changing retail landscape. The coming years will be crucial in determining whether these new changes can counter the trends of online shopping and pandemic-related changes, or if malls as we know them will become a thing of the past.

### **Chapter 3: Shopping Malls—A Brief History**

The history of U.S. malls begins after World War II, aligning with the rise of suburban living, where life was quieter and more spread out. An architect named Victor Gruen came up with the idea of the modern mall in the 1950s. He imagined a central place where people could shop, eat, and meet up all under one roof. The idea of a centralized shopping and social hub was **revolutionary** for its time, sparking the rise of malls across American suburbs.

By the 1980s and 1990s, malls had become very important in American life. They were more than places to shop; they were where people spent a lot of their free time. Teenagers met friends there, families ate meals together, and many special events took place in malls. The biggest example of a mall from this time is the Mall of America. It was so large and had so many stores and activities that it became famous not just in the U.S. but around the world.

These structures were not just shopping centers; they were social hubs, entertainment complexes, and important economic engines. Over time, malls became ingrained in the American lifestyle, reflecting the country's prosperity and consumer culture.

Malls were also significant for the economy. They created many jobs, from store workers to security guards. They helped nearby businesses too, because people would often visit other places near the mall. Malls seemed to be everywhere, and for a while, it looked like they would always be a central part of American culture.

However, changes in shopping habits and the rise of online retail have challenged their dominance, marking a shift in the role malls play in American society. More people are buying things online, which is more convenient and often cheaper. Malls have had to face this big challenge. Some have closed, and others are trying to find new ways to attract visitors. They are adding different kinds of stores, restaurants, and even fun activities that you can't find online, like, believe it or not, jousting!

#### Chapter 4: Reacting to Challenge

Even with these changes, the future of malls is not certain. But looking back at their history shows how important they have been in American life. They were more than just buildings; they were places where people made memories, enjoyed themselves, and came together as a community. The story of malls is a big part of the story of modern America.

Because of these challenges, many malls started losing their popularity and money, with some even closing down. This situation got even worse when the COVID-19 pandemic hit the world. To stop the virus from spreading, many stores in malls had to close, especially those that didn't sell essential items like food or medicine. This meant that mall owners didn't get rent money from these stores, which caused big financial problems. Some mall owners adopted **strategic** measures, like acquiring struggling stores and focusing on developing luxury or experiential malls.

During this tough time, some big companies that own many malls, like Simon Property Group, tried to find solutions. They bought some of the stores that were having trouble, hoping to save them and make their malls more attractive. They also started focusing on creating luxury malls or changing the kinds of stores and services they offer. To remain relevant, mall owners are **simultaneously** exploring diverse strategies, such as incorporating entertainment venues, dining options, and unique attractions.

The idea was to make malls more than just places to shop but places where people can have fun and new experiences. For example, some malls now have movie theaters, ice skating rinks, or special events that can attract visitors. These changes are part of the malls' efforts to evolve and stay relevant in a world where people can choose many different ways to shop and spend their leisure time. While many struggling malls are **candidates** for repurposing or closure, those with strong financial backing and high ratings are more likely to adapt successfully.

In the future, experts believe there will be fewer malls. However, the malls that are likely to stay open are the ones with lots of funding and high ratings, known as A-rated malls. These successful malls will offer visitors more than just places to shop. They will provide different experiences that go beyond traditional shopping. These changes aim to make malls more appealing and exciting places to visit. Some malls are transforming into **specialty** hubs, housing medical facilities, educational institutions, or even residential complexes.

In the changing landscape of retail, many malls are shifting their roles to maintain importance in communities. With the shift to online shopping, traditional mall spaces are being adapted for a variety of new uses. For instance, some are transforming into medical offices, providing

essential doctor services closer to where people live and shop. Others are being converted into educational spaces like schools, bringing learning environments into the heart of communities. Creating living spaces is another new direction for mall repurposing. By integrating living spaces within or near mall areas, there's an opportunity to create lively, mixed-use communities where people can live, work, and play in one place. This approach not only gives new life to empty mall properties but also contributes to the development of compact, connected neighborhoods.

Beyond these changes, malls are also adapting by integrating essential services that draw regular foot traffic. For example, integrating essential services like grocery stores enhances the **utility** of malls, transforming them into convenient one-stop destinations for daily needs. Health and fitness centers are another draw, providing medical care and leisure activities.

In the end, malls in America are changing a lot. In the past, malls were very popular places where people went to shop, eat, and spend time. However, online shopping is becoming more common, so fewer people are going to physical mall stores. This has caused many challenges for mall owners and some malls have even closed down. To survive, malls are trying new things like adding restaurants, entertainment, and special activities that you can't do online. This is to make malls exciting places to visit, not just to shop. While the future of malls is uncertain, the ones that offer new experiences beyond shopping will likely be more successful. By evolving based on how people want to spend time and money, some malls may continue to be important gathering places in communities.

## Questions

1. What was the author's main purpose for visiting the mall?
  - A) To go shopping for clothes
  - B) To pass the time
  - C) To meet friends for a meal
  - D) To see a movie
2. Which of the following was NOT mentioned as part of the mall's food court?
  - A) The aroma of pizza
  - B) The aroma of pastries
  - C) The aroma of burgers
  - D) The aroma of spicy noodles
3. How did the author feel when he first saw the castle walls in the mall?
  - A) Confused
  - B) Excited
  - C) Disappointed
  - D) Amused
4. What did the castle walls and door depict?
  - A) Scenes from a fairy tale
  - B) Scenes from a movie
  - C) Scenes from a battle
  - D) Scenes from medieval times
5. Why was the author disappointed upon closer inspection of the castle?
  - A) The castle was made of plastic.
  - B) The castle was too small.
  - C) The castle was not historically accurate.
  - D) The castle was not open to visitors.

6. What did jousting involve?
- A) Two knights trying to hit each other with poles while on horseback
  - B) Two knights fighting with swords while on foot
  - C) Two knights racing horses around a track
  - D) Two knights competing in archery contests
7. How did some mall owners try to adapt before the pandemic?
- A) By raising rental prices
  - B) By closing department stores
  - C) By reducing operating hours
  - D) By introducing more dining options
8. Which of the following statements about the history of malls is NOT true?
- A) Malls became popular after World War II.
  - B) Malls were designed to be social hubs.
  - C) Malls were only meant for shopping.
  - D) Malls were a central part of American culture.
9. What is one way malls are being repurposed?
- A) As factories
  - B) As residential complexes
  - C) As airports
  - D) As prisons
10. Which of the following best summarizes the main idea of the text?
- A) Malls will remain unchanged and continue to be popular shopping destinations.
  - B) Malls are becoming obsolete and will soon disappear completely.
  - C) Malls should focus exclusively on entertainment and experiences to survive.
  - D) Malls are being forced to adapt to changing consumer habits and the rise of online shopping.

### Vocabulary review

**behavioral:** involving a particular way of acting

Example: *The **behavioral** shifts in consumer preferences, driven by the convenience of online shopping, have significantly impacted the traditional shopping mall model.* (Chapter 2)

**candidate:** a person who is competing to get a job or elected position

Example: *It was a very exciting and big event during medieval times because these knights were **candidates** to be employed by the king.* (Chapter 1)

**disadvantage:** a condition or situation that makes a successful result less likely

Example: *One **disadvantage** traditional malls face is their inability to match the vast product selection and pricing advantages offered by online retailers.* (Chapter 2)

**mall:** a large, usually covered, shopping area normally with a lot of stores and restaurants

Example: *I had a few hours to kill, and where better to spend them than the local shopping **mall**?* (Chapter 1)

**revolutionary:** involved in or relating to a sudden and great change

Example: *The idea of a centralized shopping and social hub was **revolutionary** for its time, sparking the rise of malls across American suburbs.* (Chapter 3)

**simultaneously:** happening at exactly the same time

Example: *To remain relevant, mall owners are **simultaneously** exploring diverse strategies, such as incorporating entertainment venues, dining options, and unique attractions. (Chapter 4)*

**specialty:** the subject of study or work, or a particular skill

Example: *Some malls are transforming into **specialty** hubs, housing medical facilities, educational institutions, or even residential complexes. (Chapter 4)*

**strategic:** relating to a long-range plan to achieve something

Example: *Some mall owners adopted **strategic** measures, like acquiring struggling stores and focusing on developing luxury or experiential malls. (Chapter 4)*

**susceptible:** easily influenced or harmed by something

Example: *Malls heavily reliant on traditional department stores and lacking diverse offerings are particularly **susceptible** to the impacts of online shopping and changing consumer behaviors. (Chapter 2)*

**utility:** the usefulness of something, especially in a practical way

Example: *For example, integrating essential services like grocery stores enhances the **utility** of malls, transforming them into convenient one-stop destinations for daily needs. (Chapter 4)*