For Immediate Release

Malls Evolve into ‘Third Places’ as Next-Gen Consumers Reshape Retail

- *Stores are evolving into content, community and brand platforms*
- *South Korea retailers exemplify the convergence of beauty, culture and services in its physical environment*
- *“Next Gen” consumers are raising the bar for how retail delivers experience and connection*

SINGAPORE, 14 July, 2026 — The modern mall is no longer just a building where commercial transactions take place. It’s evolved into a living canvas for community and connection, driven by a new generation of consumers who want to co-create shared experiences.

Cushman & Wakefield's Retail in the Trust Economy newsletter highlights how discovery, evaluation and even brand preferences are now largely shaped before a shopper enters a store, changing what physical space is expected to deliver. Stores are becoming critical touchpoints where brand perception is validated, trust is reinforced and engagement is extended.

Sona Aggarwal, Managing Director – Head of Retail Sales and Strategy, APAC at Cushman & Wakefield, said: “What has changed isn’t the importance of physical retail, but what it’s expected to do. Consumers are forming opinions before they enter a store, which means the store has to deliver on a promise that has already been made online.”

This dynamic is accelerating what the industry terms the "Trust Economy," where trust is the primary currency. Physical stores are becoming multi-functional environments where brands drive participation, storytelling and ongoing engagement with consumers beyond product alone.

This shift is already playing out in real time with landlords reporting a clear return of shoppers to physical spaces. Younger consumers, particularly Gen Z, are leading the return to malls, accounting for 64%[1] of consumers who prefer in-store shopping. This is prompting landlords and retailers to rethink tenant mix, programming and spatial design, aligning the mall to match how the next generation of consumers spend time and engage. Consequently, store success is no longer defined solely by its location or footfall, but by how well it translates brand identity into a compelling in-person experience.

This is driving an emphasis on flexible store planning, including agile leasing models, temporary flagship pop-ups, and modular layouts that allow brands to continuously refresh their physical content while encouraging longer dwell times and content creation. Reflecting this focus, pop-up retail in APAC is scaling rapidly, accounting for nearly a third of global share (32.4%) and generating around $4.8 billion in revenue in 2025.[2]

[1] Source: L.E.K. Consulting, Generational Shopping Behavior: How Gen Z Shops
[2] Source: Market Intelo, Pop-Up Retail Store Market Research Report 2034

MEDIA CONTACT:

Janna Kee
Associate Director, Communications, APAC
+65 6232 0845
janna.kee@cushwake.com

Kirsten Panganiban
Assistant Manager, Communications, APAC
+65 6248 3984
kirsten.panganiban@cushwake.com

Concurrently, retail is increasingly integrated into mixed-use ecosystems. Malls are no longer standalone assets. Instead, they are anchored by residential and office developments, offering a curated blend of F&B, wellness, fashion and more to enrich the tenant experience.

South Korea Illustrates the Latest Phase of Retail Evolution

South Korea offers one of the clearest examples of how these changes are being translated into retail environments and real estate outcomes. Backed by a notable tourism recovery that saw international visitors to South Korea hit a record 18.93 million in 2025[3], the convergence of beauty, culture and services is reshaping key districts in Seoul into highly integrated, experience-led ecosystems.

According to Cushman & Wakefield's K-Beauty and Beyond newsletter, locations such as Myeongdong and Seongsu illustrate how retail, lifestyle and medical beauty services are being integrated to create destinations that support multiple consumer needs within a single visit. These environments are driving stronger engagement, higher-quality footfall and repeat visitation as evidenced by their sustained low vacancy rates (5.6% for Myeongdong and 3.7% for Seongsu)[4]. They also underscore robust and consistent occupier demand.

"What we're seeing in Korea is a retail ecosystem where multiple consumer needs are being addressed within a single environment," said **Suki Kim, Head of Research, South Korea, Cushman & Wakefield**. "The integration of beauty, wellness and cultural retail is changing how space performs, with stores designed to drive engagement and repeat visits rather than just transactions."

These developments offer a practical view of how physical retail can evolve in response to changing consumer behaviour, particularly where experience, service and brand interaction play a central role.

Physical Spaces as the Ultimate Point of Differentiation for Next-Gen Consumers

Structural changes in consumer profiles are also influencing how physical retail is experienced. Cushman & Wakefield's Wealth in Motion research highlights that by 2040, Next Gen[5] and Gen X cohorts are projected to comprise 80% of the global ultra-high net worth population, bringing with them unique values where asset abundance shifts the consumer demand toward experiences and meaning. These consumers are borderless, with purchasing decisions shaped by global exposure, travel and digital ecosystems.

As this segment expands across APAC, a region with US$140 trillion[6] in wealth and a pace of growth that surpasses Western Europe, physical stores are a critical point of differentiation, offering a sense of exclusivity, intimacy, and brand distinction for this new generation of consumers. Today's occupiers require dynamic real estate environments that go beyond simple customisation to true co-creation, fostering an "inner-circle" experience that surprises, delights and elevates the traditional retail experience.

A premier example of this evolution is the iconic AP House at Raffles Hotel in Singapore, Audemars Piguet's experiential concept space which blends luxury retail with a "home away from home" concept that functions more

---

[3] Source: The Korea Herald, Lee calls for tourism overhaul, targets 30m foreign visitors
[4] Source: Cushman & Wakefield, Seoul Retail MarketBeat Q1 2026 report
[5] "Next Gen" refers broadly to younger, emerging consumer cohorts shaping future wealth and consumption patterns, including Millennials, Generation Z and Generation Alpha
[6] Source: Boston Consulting, Group Global Wealth Report 2025

MEDIA CONTACT:

Janna Kee
Associate Director, Communications, APAC
+65 6232 0845
janna.kee@cushwake.com

Kirsten Panganiban
Assistant Manager, Communications, APAC
+65 6248 3984
kirsten.panganiban@cushwake.com

like a private residence than a conventional boutique. Similar concepts are emerging across key gateway cities in the region, including Louis Vuitton's "The Louis" in Shanghai and Dior's Bamboo Pavilion in Tokyo, integrating retail, hospitality and curated food and beverage options for immersive brand experiences. For brands looking to operationalise these high-touch strategies across borders, institutional hubs like Singapore, Shanghai, and Tokyo remain the primary regional launchpad to capture these shifting wealth demographics.

Ms Aggarwal added: "Luxury brands are leading the way in relationship-driven clienteling, which is transforming the role of retail sales associates from transactional sellers into long-term personal advisors. This clienteling approach is directly reshaping storefronts as well, with high-end retailers increasingly carving out dedicated private suites and concierge spaces within their flagships to foster more intimate, high-touch customer interactions."

As retailers respond to a more digitally influenced and experience-led landscape, physical spaces are increasingly shaping culture and community, reinforcing the role of stores as platforms for engagement, identity and shared experiences.

For more insights on the art and science behind the dynamic retail environment and trends shaping the industry, visit Cushman & Wakefield's The Retail Edit, a bi-weekly LinkedIn newsletter offering perspectives on retail strategy, consumer behaviour and market developments. To learn more about Cushman & Wakefield's Retail Platform, click here.

-END-

MEDIA CONTACT:

Janna Kee
Associate Director, Communications, APAC
+65 6232 0845
janna.kee@cushwake.com

Kirsten Panganiban
Assistant Manager, Communications, APAC
+65 6248 3984
kirsten.panganiban@cushwake.com