

# Experiential Retail Encourages Greater In- Store Shopping for Consumers This Holiday Season

Article

**I**n-store shopping is seeing a resurgence as retailers continue to provide consumers with convenient and exciting purchase experiences. And with the holidays approaching, it's important for retailers to evolve their in-store strategies to encourage repeat shopping.

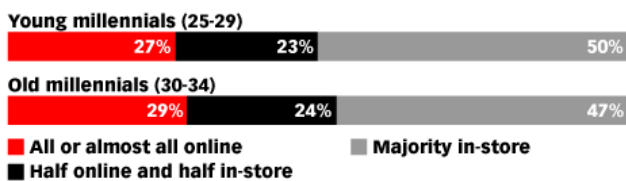
According to a September 2019 report from branded payments provider **Blackhawk Network**, 28% of US internet users said they shopped in-store more often this year vs. last year, and 63% said the frequency with which they shop in-store has remained consistent over the past two years.

“While certain segments of brick-and-mortar have gotten a bit stale, many other retailers—both incumbents and upstarts—have done an exceptional job at evolving the in-store experience to match the needs of modern consumers,” said Andrew Lipsman, principal analyst at eMarketer. “We often hear about the need for ‘experiential retail’ without defining what that means. In some cases, it can mean a more entertaining or interactive retail experience, but not every retailer can or should aspire to that. Instead, it can be as simple as creating an aura and ambiance where people want to spend some time rather than trying to get in and out as quickly as possible.”

Blackhawk found that 82% of US boomers ages 55 to 74 said they made purchases in a physical store at least monthly. And the popularity of in-store shopping doesn't stop there: According to a June 2019 report from consumer research platform **CivicScience**, while in-store shopping tendencies vary slightly by age, nearly 49% of millennial internet users surveyed—those ages 25 to 34—said they conduct the majority of their shopping in-store.

#### How Much of US Younger vs. Older Millennial Internet Users' Shopping Is Conducted Online vs. In-Store?

% of respondents in each group, 2019



Note: excluding grocery store or pharmacy

Source: CivicScience as cited in company blog, June 4, 2019

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Similarly, September 2019 data from consulting firm **A.T. Kearney** found that 81% of Gen Z shoppers in the US—ages 14 to 24—said they liked to transact in-store. Roughly three-quarters (74%) said they appreciated a well-curated store experience focused on a limited

number of products, and 73% of respondents noted using physical stores for product discovery.

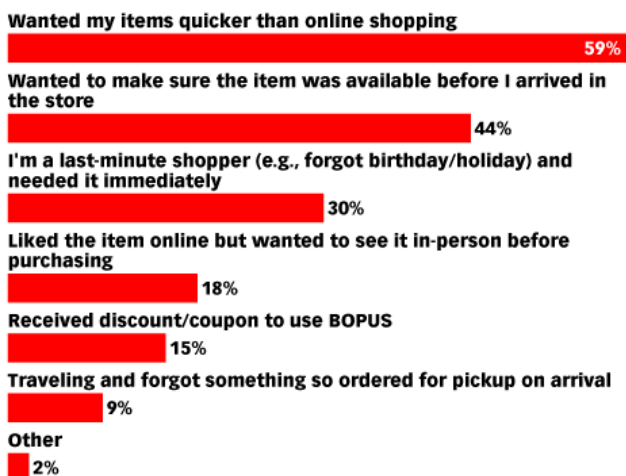
Experience aside, Gen Zers are also all about efficiency. Some of the most common reasons US Gen Z internet users said they used buy online, pick up in-store (BOPUS) included wanting their items faster than online shopping (59%), being a last-minute shopper and needing the item immediately (30%) and wanting to physically see the item prior to purchase (18%), per a May 2019 survey from parcel locker provider **Package Concierge**.

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### What Are the Most Common Reasons that US Gen Z Internet Users Use Buy Online, Pick Up In-Store (BOPUS)?

% of respondents, May 2019

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Note: n=583 ages 18-25 who have used BOPUS in the past  
Source: Package Concierge, "Online Shopping and Delivery Habits of Generation Z," June 26, 2019

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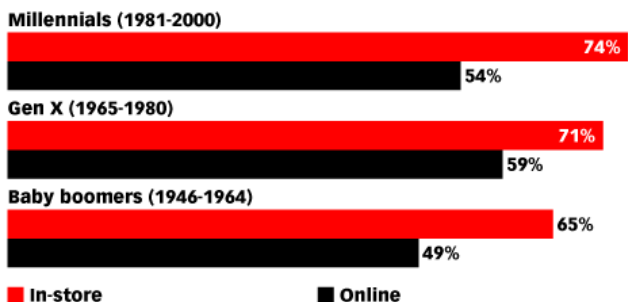
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Last-minute shopping can also spur last-minute impulse purchases. According to a February 2019 survey from new-product analytics firm **First Insight**, nearly 84% of US internet users said they make impulse purchases in-store. By comparison, 72% of respondents said the same of online impulse purchasing. Spanning generations, US internet users in the survey were more likely to spend over \$50 per shopping trip in-store vs. online. Millennial consumers were more likely to say this was the case (74% in-store vs. 54% online), while Gen Xers were the least likely (71% in-store vs. 59% online).

**US Internet Users Who Would Spend More than \$50 per In-Store vs. Digital Shopping Trip, by Generation, Feb 2019**

% of respondents in each group



Source: First Insight, "The State of Consumer Spending: In-Store Impulse Shopping Stands the Test of Time," March 4, 2019

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“With the holidays fast approaching, retailers delivering the best in-store experiences won’t have to work as hard to bring customers through their doors,” Lipsman said. “They’ll be in a better position to engage those shoppers at the moment of truth and will ultimately generate not only higher basket totals, but higher customer lifetime value with return visits.”