Shein, Michaels, Wayfair get physical to gain an advantage over larger marketplaces

Article



US retail marketplace ecommerce sales will grow 11.4% to reach \$428.30 billion this year, per our forecast. Because <u>Amazon</u> (73.4%) and eBay (8.2%) will rake in the majority of those sales,





smaller marketplaces like Shein, Michaels, and Wayfair are getting creative and taking the battle for sales in-store.

Pop-ups and partnerships help Shein break into brick-and-mortar. Last October, the fastfashion brand hosted its first pop-up inside a Forever 21 store as part of the brands' partnership. The four-day event, which garnered over 7,000 visitors, featured women's, men's, and children's clothing, as well as beauty products.

- Since then, <u>Shein has hosted several other pop-ups</u> across the US and Canada.
- The brand's three-day event at the Woodfield Mall in Illinois last December resulted in similar mall traffic as Super Saturday (the Saturday before Christmas), per a Placer.ai report.

Shein is also partnering with the Stagecoach music festival for the third year in a row, launching a Western-inspired clothing line and hosting a Shein Saloon at the event. In addition to offering experiences like karaoke and a bar and lounge, Shein will be gifting fashion accessories to visitors.

Michaels gets physical with its online marketplace. After <u>launching its online marketplace</u>, MakerPlace, late last year, Michaels is taking it in-store.

- As part of a pilot program, Michaels invited a select group of MakerPlace sellers to set up tables at their local Michaels stores and sell their goods to customers in person.
- In addition to being able to offer customers an expanded range of products, an in-store marketplace helps small sellers break through the crowded landscape to find new customers.

Michaels is leaning heavily into experiences to get customers to shop in person. The retailer also is building out its calendar of in-store events and launching an in-store birthday party service.

Wayfair pins its hopes on a large-format store. In an attempt to revive its sluggish business, <u>Wayfair is opening up its first brick-and-mortar store</u> next month.

- Located in Wilmette, Illinois, the 150,000-square-foot store will include an on-site restaurant.
- The store hopes to provide "interactive and immersive experiences" across its 19 departments offering furniture, home decor, housewares and home improvement products, including a Design Studio where customers can get free advice and inspiration from design experts.

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The location is part of Wayfair's brand refresh, which also included a star-studded ad campaign and a partnership with Pinterest to launch the first-ever "Pinterest Creator Tour."

The bottom line: Experimenting with brick-and-mortar is a smart play for smaller marketplaces who want to put their products in front of a larger audience. After all, 83.7% of total retail sales take place in-store, per our forecast.

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