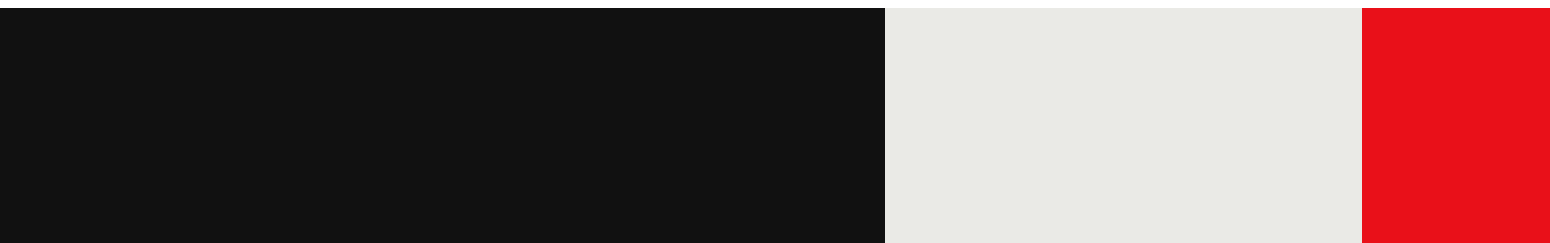



Product discovery: How digital channels stack up against the physical store

Article



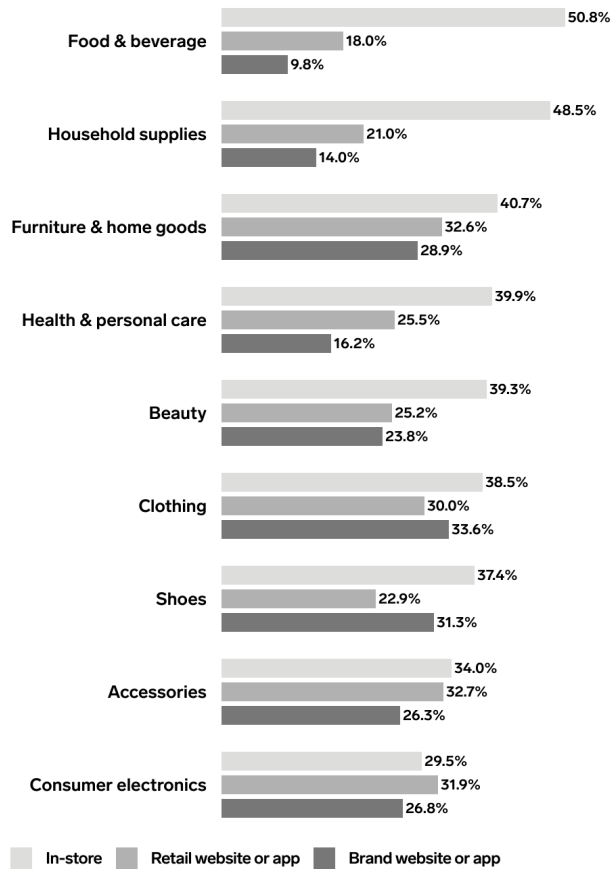
There's no doubt that the combination of all digital activities drives far more product and brand awareness than the physical store. But no single online channel—whether third-party retailers, brand websites, or social networks—has overtaken the power of the store.

Physical stores are still relevant for driving upper-funnel awareness

- **The store is most important in grocery categories.** Roughly half of shoppers who purchased a new brand or product in food and beverage (50.8%) or household supplies (48.6%) discovered it while shopping in-store.

Shoppers Are Most Likely to Discover New Products in Stores in Nearly Every Category

% of US category shoppers*, Sep 2023



Note: n=1,447; respondents were asked, "Think about the new brands/products you purchased. Where did you first see or hear about it? Select all that apply"; "category shoppers are those who discovered and purchased a new brand or product within the given category in the last 6 months, margin of error is +/-2.6 percentage points
Source: Insider Intelligence | eMarketer Survey, US Consumer Path to Purchase, Nov 2023

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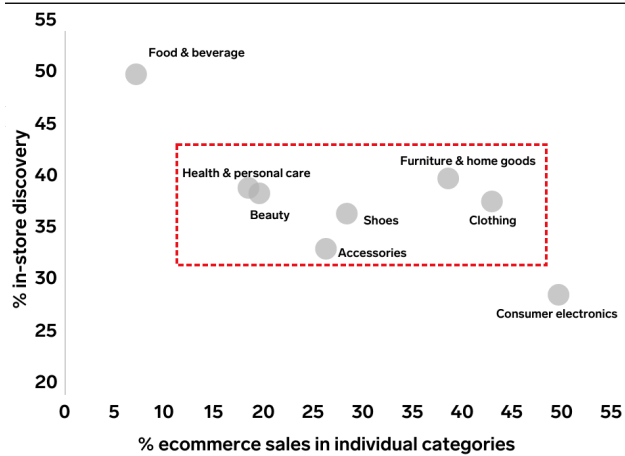
- **In-store discovery is also highly relevant in categories where “touch-and-try” shopping is popular.** The ability to try on and physically evaluate products is likely what has kept stores relevant in categories like furniture and home goods, beauty, and clothing.
- **A digital channel drives the same level of discovery as physical stores in only two categories: consumer electronics and accessories.** In these categories, stores and retail websites were equally relevant when it came to driving discovery.

Ecommerce has some impact on store discovery, but only at far ends of the spectrum

- **Stores are most relevant in product categories with low ecommerce penetration.** The shining example is food and beverage, where just 7.1% of sales come from digital channels, according to our **forecast**, and more than half of all shoppers who discovered new items did so in-store. The opposite is true for consumer electronics, where nearly half of sales come from ecommerce, and stores are less likely to be a destination for product discovery.

In-Store Discovery Is Still Popular in Ecommerce-Mature Categories, Like Clothing

% of US in-store shoppers*, Sep 2023



Note: n=1,447; respondents were asked, "Think about the new brands/products you purchased. Where did you first see or hear about it? Select all that apply"; *in-store shoppers are those who discovered a new brand or product while shopping in a physical store and purchased it via any channel within the last 6 months, margin of error was +/-2.6 percentage points
Source: Insider Intelligence | eMarketer Survey, US Consumer Path to Purchase, Nov 2023; forecast, June 2023

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Insider Intelligence | eMarketer

- **But stores are still effective in driving discovery, even in categories where ecommerce accounts for a strong percentage of sales.** Clothing and furniture and home goods are two examples of mature ecommerce categories where many consumers still discover new brands or products while shopping in stores.

Key takeaway: The touch-and-try aspects of physical shopping will keep stores relevant, particularly when it comes to discovering new products and brands. This is largely why store discovery is still relevant in mature ecommerce categories like clothing and furniture and home goods.

Report by Blake Droesch Nov 06, 2023

Path to Purchase 2023

