

Retail tips for 2024: Focus on value, in-store experience

Article



This year was challenging for retailers as inflation kept prices high and consumers cut back on spending. But there were a few bright spots, as some in-store shopping rebounded and retail media boomed.

Here's some advice for retailers on how to use in-store experiences and retail media to their advantage.

1. Value first

The 2023 consumer was always hunting the best deals.

- Weekly visits to off-price retailers were up consistently in the four months between May and September 2023, per Placer.ai.
- D2C ecommerce sales were up 12.9% YoY, according to our March 2023 forecast. Better value for the price of a product is the No. 1 reason that US adults buy from D2C companies, per May 2023 data from SurveyMonkey.

It's likely that 2024 will see more of the same.

Value means more than just having the lowest price, said Ethan Chernofsky, senior vice president of marketing at Placer.ai, during our [virtual summit last week](#).

“Value doesn't [necessarily] mean I'm looking for the cheapest product at all costs,” he said. “It means I'm looking for a product that I feel [is] fairly priced.”

If and when pricing pressures ease in the new year, the question will become whether stores that performed well will hold onto their gains.

“If I wasn't necessarily going to Marshalls or Dollar General pre-pandemic, but now I am because I see the economic value, have I been convinced during this period that they should remain part of my shopping mix? Because if I have, it could have very long-term implications [for those retailers],” said Chernofsky.

2. Go back to the basics for in-store experiences

Whether because of anti-theft measures, increasing retail vacancies, or an uninspiring assortment of goods, the consensus is that [in-store shopping is no fun](#) anymore.

While some retailers, like Dick's Sporting Goods, are using flashy experiences such as climbing walls and multisport cages to bring customers back in-store, it doesn't have to be that complicated, said Chernofsky.

“[Going to the store] is an experience in itself,” he said. “Think about Ulta. Being there, trying something on, talking to the experts, [it's all] part of visiting and part of the value that the [in-store] experience brings.”

Ulta Beauty's focus on the in-store experience has helped the retailer consistently outpace Costco Wholesale, Five Below, T.J.Maxx, and Marshalls in monthly visits from January to April 2023, per Placer.ai.

Retailers should remember the reasons customers like brick-and-mortar shopping in the first place: being able to touch and feel the products, access to in-person customer service, or the treasure-hunting aspect of off-price retailers like T.J.Maxx or HomeGoods.

3. Experiment with in-store retail media

The physical store is the next major media channel, according to our analyst Andrew Lipsman.

While US in-store retail media ad spend will only total \$370 million in 2024, representing just 0.6% of total retail media spend, we expect that number to more than double by 2027, per our forecast.

In-store retail media offers retailers an opportunity to combine elements of discoverability with the high-purchase potential of the in-store experience, said Chernofsky.

Target and Walmart, in particular, have an advantage because of their massive physical footprints—unique offline visits to both retailers were higher than unique visits online, per July 2023 data from Placer.ai.

“If I’m walking through the aisles of Target, the chance to convince me to buy something else is a lot higher than if I go on Amazon looking to buy a specific item,” he said.

But in-store media should never take away from the in-store experience.

“[How can retailers make retail media] part of the shopping flow and not something that might be perceived as annoying or distracting? How do [they] make it something that supports discovery and therefore helps the journey?” said Chernofsky.

Watch the full session.

This was originally featured in the Retail Daily newsletter. For more retail insights, statistics, and trends, [subscribe here](#).