IN-STORE SHOPPING BEHAVIORS

Why Shoppers Make the Trek to Stores

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Read Time: 5 minutes

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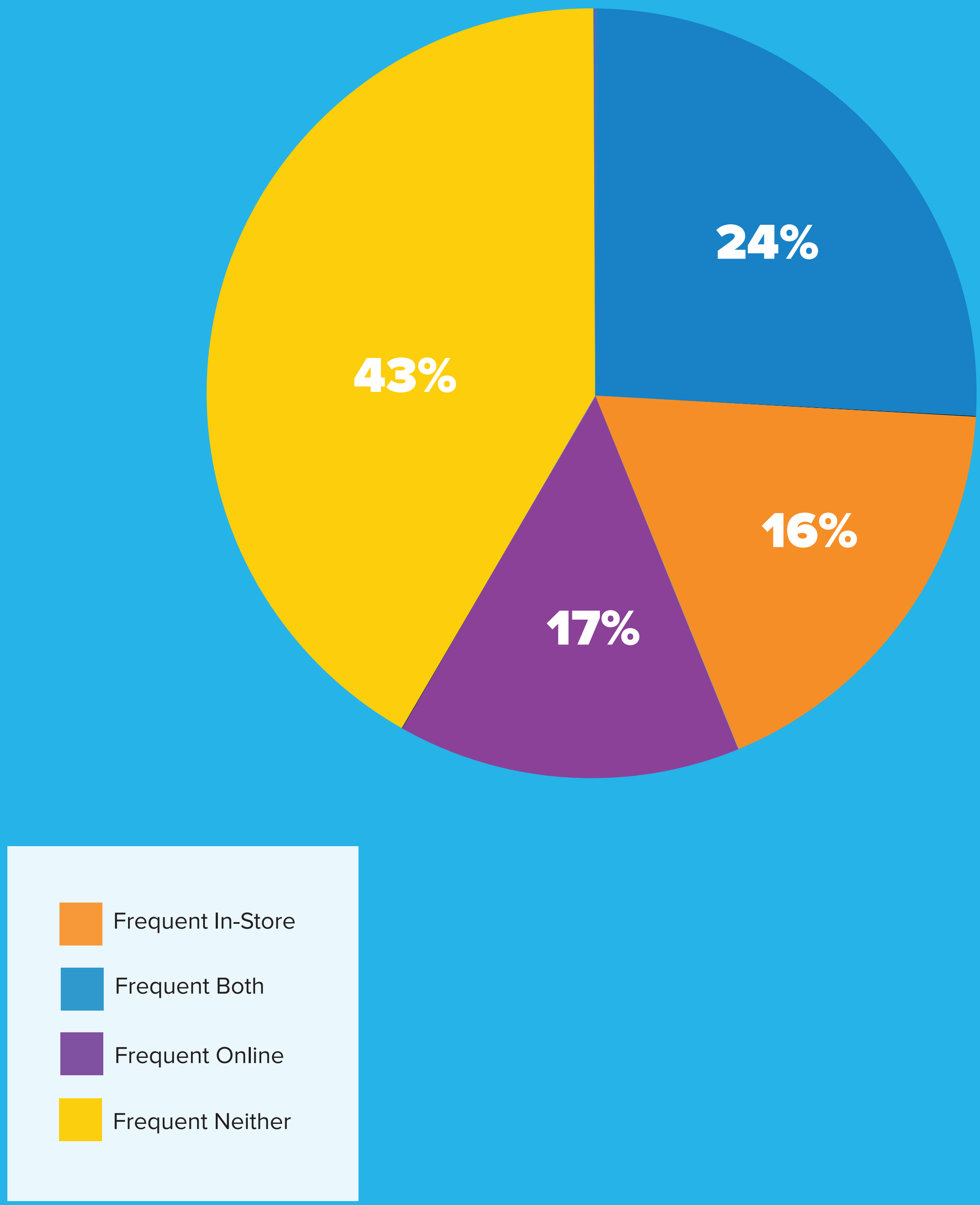
Why Shoppers Make the Trek to Stores

There is still much debate over the roles of different shopping channels and the future of the shopping experience. The team at Oracle Bronto wanted to understand the shopping habits of U.S. consumers who shop in-store, such as how frequently they're shopping, which factors motivate them to shop in-store and what they want to see in the future. We learned some interesting facts about who is shopping in-store — and why. Variables depend on motivating factors such as need, income, and demographic, or intangibles such as desire to see or feel a product. Which factors influence in-store shopping behavior, and how? Find out here.

To learn more about these changing trends in online versus in-store shopping behaviors, we conducted a survey of 1,000 US consumers. Much of our analysis focuses on three demographics: millennials (ages 18-34), Gen Xers (ages 35-54) and baby boomers (ages 55 and above). We also grouped respondents into mutually exclusive categories based on their shopping frequency:

- **Frequent Both:** Shops online and in-store at least once per week. (Excludes grocery and convenience stores)
- **Frequent Online:** Shops online but not in-store at least once per week.
- **Frequent In-Store:** Shops in-store but not online at least once per week.
- **Frequent Neither:** Shops neither online nor in-store on a weekly basis.

WHERE CONSUMERS SHOP

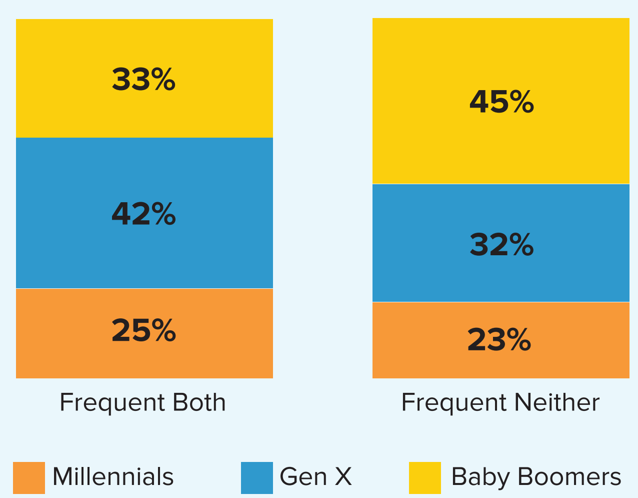


In spite of the fact that online U.S. retail sales remains below 10%, retailers commonly report the impact of online shopping on the in-store experience. Consumers of all demographics are still attracted to the in-store shopping experience. Who is shopping in-store versus online most often and what motivates them to the channels they prefer?

	Frequent In-store	Frequent Online	Frequent Both	Frequent Neither
Millennials	25%	23%	47%	20%
Gen X	42%	32%	35%	33%
Baby Boomers	33%	45%	17%	47%

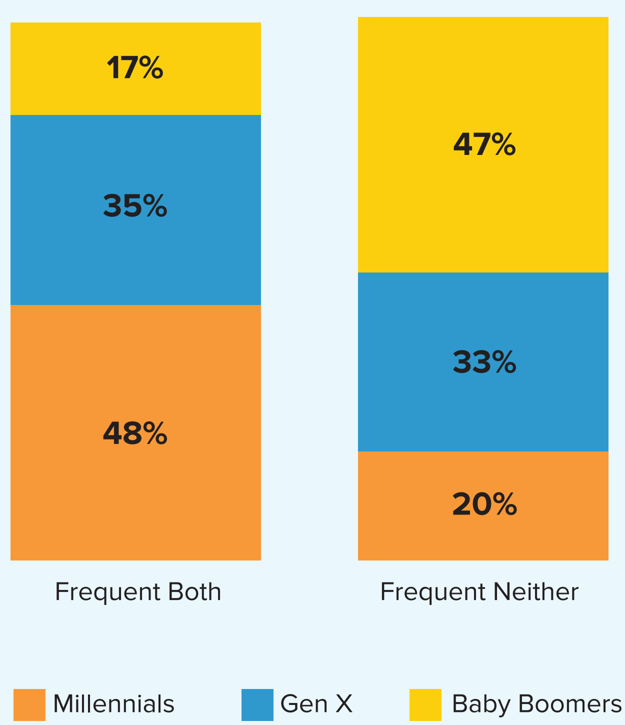
Who frequently shops only in-store? The largest proportion of frequent in-store only shoppers are Gen Xers—the 35-54 year olds that make up 42% of that group. By contrast, 45% of the frequent online only shoppers are baby boomers.

IN-STORE SHOPPING DOMINATED BY GEN XERS



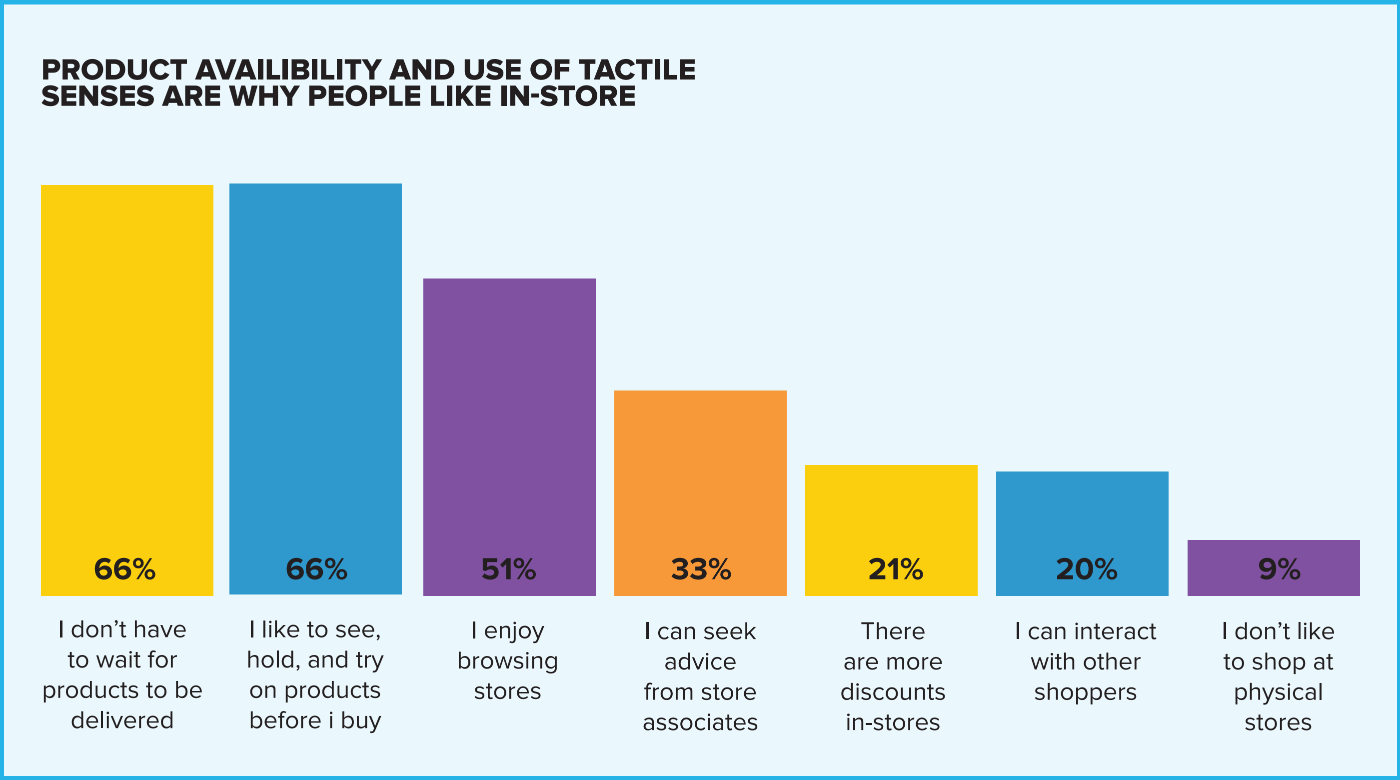
It is instructive to examine the groups who shop both channels on a frequent basis versus neither channel on a frequent basis. Millennials are clearly the generational group who dominate our frequent shopper category regardless of channel. Forty-eight percent of the frequent shoppers are millennials (age 18-34). On the other hand, our group of non-shoppers (neither in-store nor online on a weekly basis) are the largest shopper group at 47% of US adult consumers and dominated by baby boomers (age 54 and older).

MILLENNIALS DOMINATE FREQUENT SHOPPERS TO BOTH CHANNELS



WHAT COMPELS CONSUMERS TO SHOP IN-STORE

Brick-and-mortar retailers should be heartened by the fact that such a sizeable segment of adults are shopping in-store frequently. Let's learn more about them. What are some factors that are inspiring them to return to brick-and-mortar stores again and again? Across all demographics, the top two results are immediacy, expressed as "I don't want to wait for products to be delivered," and the tactile experience, such as "I like to see, hold, and try products on before I buy." Each of these answers is given by two-thirds of US adults. Only 9% percent say that they 'don't like shopping in stores.

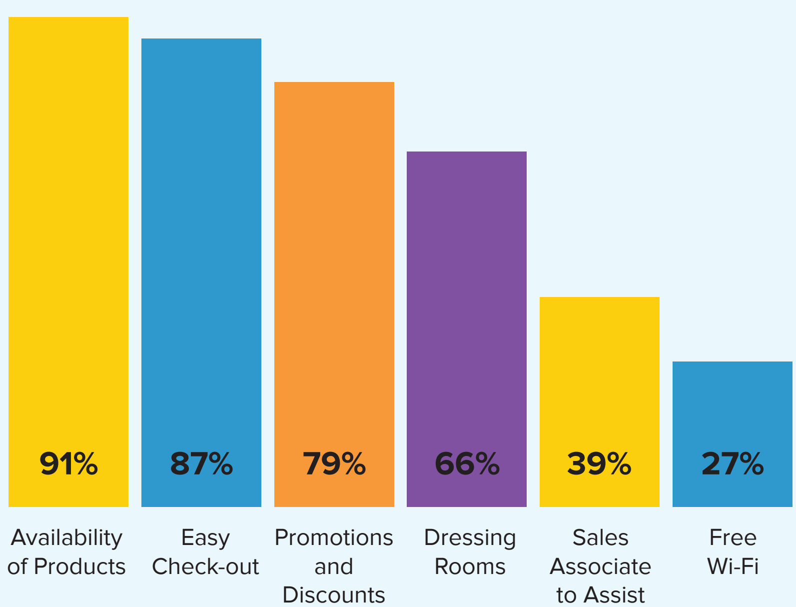


By generation, the main reasons for shopping in-store are similar. Millennials and Gen Xers value the convenience of having the product immediately available; 63% of millennials and 66% of Gen Xers rate this as their top motivation for in-store shopping. First on the list for baby boomers is the ability to see, hold, and try on products before purchase at 74%.

Some other reasons consumers across generations are turning to in-store shopping? Good old-fashioned retail therapy. More than half of millennials and Gen Xers enjoy browsing stores. And 41% of millennials mention that they can seek advice from store associates.

One key strategy for brick-and-mortar retailers is to understand the natural advantages of the physical experience and emphasize those that matter to each group. Overall, we see product availability rising to the top again in importance — nearly everyone (91%) cites it as important or very important. Following close behind are easy check-out (87%), promotions/discounts (79%), and dressing rooms (66%).

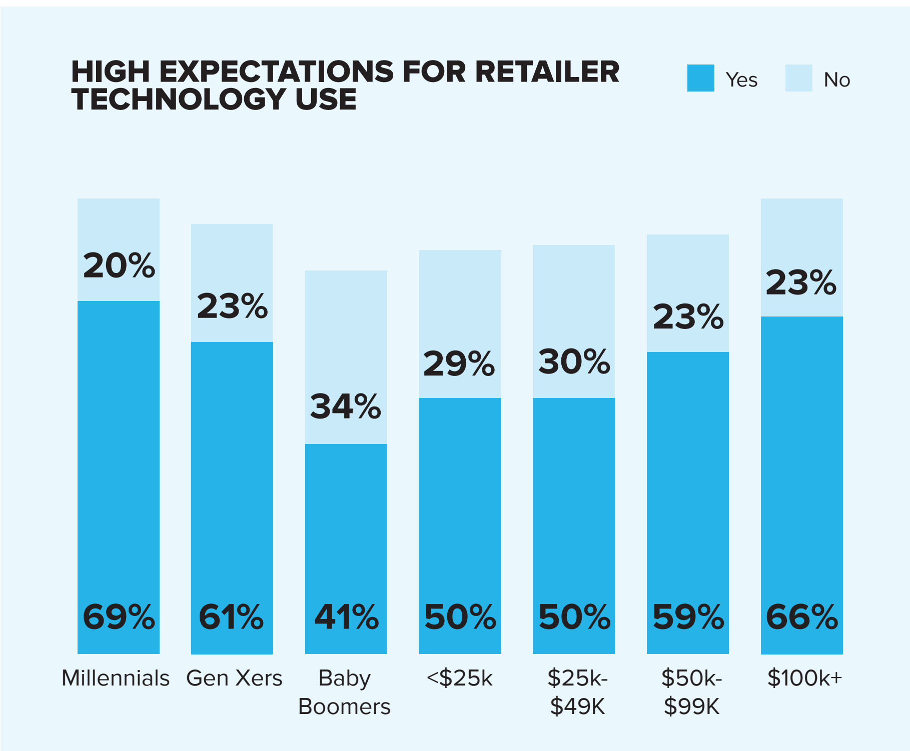
INVENTORY AND CHECK-OUT ARE MOST IMPORTANT IN-STORE



Men and women convey some interesting differences in what they consider more important when shopping in stores. For men, having a sales associate to assist with the sale is more important (43%) than it is for women (34%). Women value dressing rooms (73%) and promotions/discounts (85%) more than men (56% and 73%, respectively). Not surprisingly, millennials are more likely to value Wi-Fi, with 45% saying it is important or very important versus just 28% for Gen Xers and 13% for baby boomers.

TECHNOLOGY EXPECTATIONS

The majority of consumers (56%) expect retailers to add more mobile technologies and applications in order for them to receive a more personalized in-store shopping experience. You've heard it before: personalization is key to driving the best experience for the individual. That requires that you recognize this person and their preferences wherever they encounter your brand, and in-store is no different. It might even be more important in your store since this is an environment that you actually control.



Not surprisingly, a greater proportion of the younger generations maintain this expectation. Two-thirds of millennials, 61% of Gen Xers, and 41% of baby boomers are looking for your technology solutions to give them the unique experience that they want. The higher the income, the more likely one is to have that opinion as well.

PATH TO SUCCESS

In-store shopping is not dead despite what many have feared. But it is changing. While we know that more sales are done online each year, there are still clear advantages to the brick-and-mortar store experience which will continue to make in-store shopping a viable and even preferable option for many, depending on the nature of the product and the preferences of the individual. The key is for retailers to embrace those characteristics of the store experience which consumers value most, improving them to provide the best experience. And then with best experience, and then to learn the benefits of the digital experience, like personalization, that have changed customers' expectations, whether online or in-store. Those retailers who can adopt the changes desired will be the ones who successfully survive this time of transition.

Methodology

Oracle Bronto partnered with Imperium to survey the shopping behaviors of consumers, specifically how frequently they shop, what motivates them and the factors that influence them. The survey was conducted from April 6 – April 13, 2017 and consisted of an approximately 10-minute long online survey totaling 39 questions. It received 1001 total responses from consumers in United States. The margin of error was calculated at 3.02% at a 95% confidence interval. Survey respondents were provided by Precision Sample. Precision Sample has an active proprietary panel of over 3.5M respondents.

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