



E-tailers with physical stores outperform those without: Report

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Retailers with robust omni-channel strategies backed by physical stores generate the most online sales, according to a survey of 1,000 consumers conducted April 8–10 by ICSC Research. “By now it has become readily apparent that the relationship between online retail and physical stores is not strictly an either-or proposition,” said Jean Lambert, ICSC’s director of research. “Omni-channel retail has integrated the platforms to a far greater extent than was deemed possible even a few years ago. Talk of one type of consumer versus another no longer makes sense, since each platform ends up being used on the consumer journey.”

Roughly 70 percent of those surveyed said they had made a purchase online in the 30 days previous, with expenditures averaging \$178.30 each and sales taking place at all types of online retailers. Nearly 80 percent of the respondents between the ages of 35 and 44 said they had made a purchase online — the survey’s highest-represented age bracket to do so.

Retailers with online presence and physical stores tended to draw more traffic, according to the survey, and those with click-and-collect capabilities drew even more. Nearly 50 percent of the respondents said they had bought online from a retailer with a physical presence. Just over 36 percent used the click-and-collect method: buying online and picking up in-store. Roughly 35 percent of the respondents purchased things online and then had the merchandise shipped to their homes.

Respondents were likelier to spend more at those retailers that have physical stores. On average, they spent \$90.60 each online at retailers with a physical presence, versus an average expenditure of \$87.70 on the part of those buying from pure online retailers. Respondents over age 18 said they had spent \$47.30 on average, buying online and opting for in-store pickup, versus \$43.40 for those who bought online and then had the merchandise shipped home. Of those buying online for in-store pickup, 42 percent said they had spent additional money at least once at the same store, at an adjacent establishment, or at another store within the same shopping center. Among those who said they spent additional money when picking up online purchases in-store, 42.1 percent said their total spending came from the original purchase, while 57.9 percent said their total spending came from additional purchases.

As far as online shopping is concerned, Amazon.com rules the barnyard — some 80 percent of the respondents’ online-only spending occurred at Amazon. This equates to \$70.60 each spent during the 30 days previous. Only \$17.10 each on average was spent at all the other pure online retailers.

Men seem overwhelmingly to prefer Amazon, with expenditures there of \$102.70 each, on average, versus \$40.80 each among women. Respondents with household income of \$100,000 per year or higher spent three times as much on Amazon as those with household income of \$35,000 per year or lower (\$131 versus \$43 each, on average, respectively).

Lambert concluded: "It remains impossible not to think of physical locations as central to the whole enterprise — no longer merely a point of sale, but now transformed into a fulfillment center, a showroom for experiencing products, the creator of a 'halo effect' enhancing the retailer's image in its trade area and a powerful branding mechanism."