



THE STATE OF CONSUMER SPENDING: IN-STORE IMPULSE SHOPPING STANDS THE TEST OF TIME

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The State of Consumer Spending: In-Store Impulse Shopping Stands the Test of Time

First Insight conducted a consumer survey on shopping habits, purchase behavior and influences driving purchase decisions. The results indicated that shoppers are spending significantly more in-store than online during a typical shopping visit and are more likely to add items to their carts when shopping in-store.

The survey found that

1. Both men and women typically spend more when shopping in-store than when shopping online, and both groups are much more likely to spend more than \$100 when shopping in-store than online.
2. A higher majority of men and women surveyed said they always or sometimes add extra items to their carts when shopping in-store when compared to online. Women are more likely to add items to their carts regardless of where they shop.
3. Most shoppers, both men and women, only visit stores when they are in need of something. A lower percentage responded that they only shop online when they needed something.
4. Clothing is a top category for in-store and online purchases, but men prefer shopping for clothes in-store instead of online. Both men and women prefer to purchase technology products online.
5. Men are using in-store technology such as magic mirrors, interactive windows, smart fitting rooms, virtual reality and beacons more often than women. Of those respondents who used this technology, more men than women felt it enhanced their shopping experience.

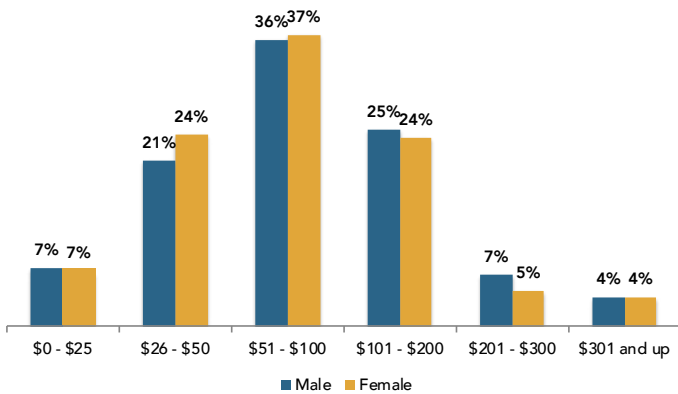
First Insight's findings are based on the results of a consumer survey of a targeted sample of more than 1,000 respondents and was fielded in February of 2019. The survey was completed through proprietary sample sources amongst panels who participate in online surveys.

First Insight is the world's leading customer-centric merchandising platform that empowers retailers and brands to incorporate the Voice of the Customer into the design, pricing, planning, and marketing of new products. Through the use of online consumer engagement, the First Insight solution gathers real-time consumer data and applies predictive analytic models to create actionable insights, which drive measurable value.

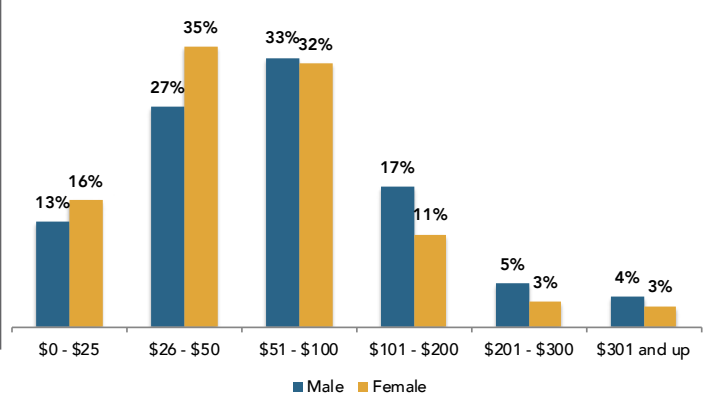
Both Men and Women Spending More In-Store Than Online

Seventy-one percent of respondents (72 percent of men; 70 percent of women) typically spend more than \$50 when shopping in-store. In contrast, only 54 percent of respondents (59 percent of men; 49 percent of women) are spending more than \$50 when shopping online. It's also worth noting that 34 percent of respondents (36 percent of men; 33 percent of women) reported spending more than \$100 during a typical in-store shopping visit, compared to only 21 percent (26 percent of men; 17 percent of women) who reported spending more than \$100 when shopping online.

What is the amount of your typical order when shopping in-store?



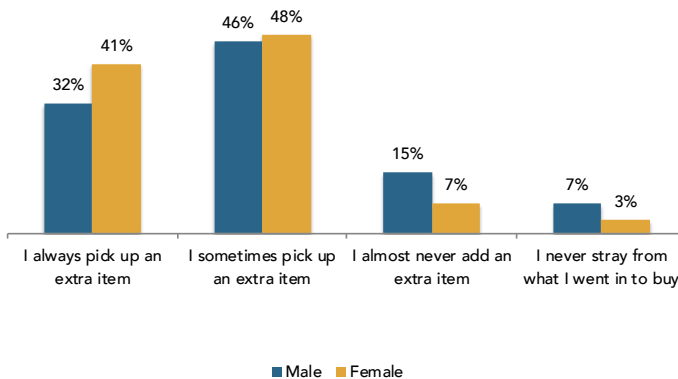
What is the amount of your typical order when shopping online?



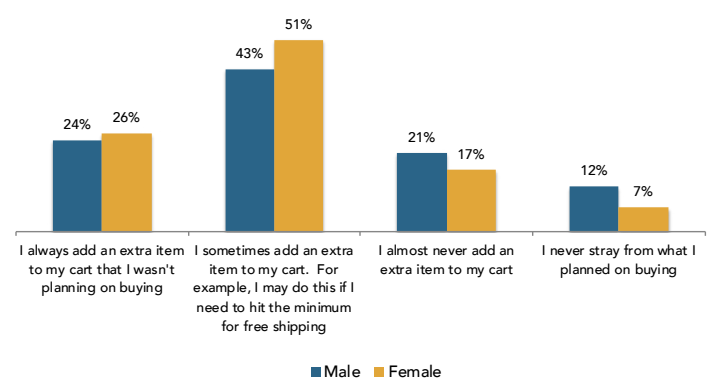
Shoppers More Likely to Add Extra Items to Cart when Shopping In-Store Versus Online

When shopping in-store, 78 percent of men and 89 percent of women reported that they sometimes or always add additional items to their cart. By comparison, only 67 percent of men and 77 percent of women reported adding extra items to their carts when shopping online. Of note, only five percent of respondents said they never stray from what they want to buy when shopping in-store, versus nine percent of online shoppers. Men are less likely to stray in both retail channels.

Cart Size: When I'm shopping in-store



Cart Size: When I'm shopping online



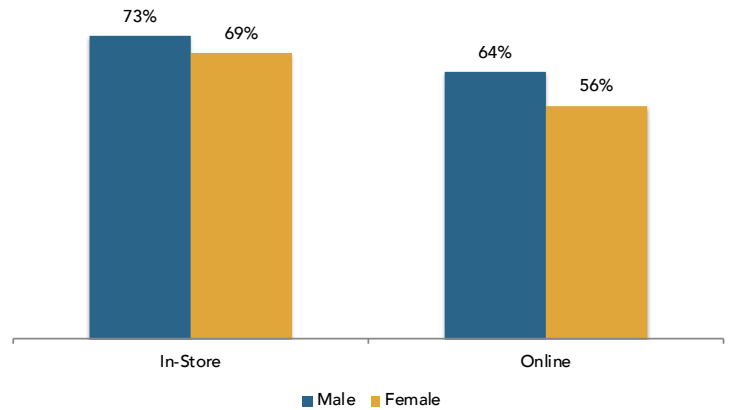
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More Consumers Only Go In-Store When They Need Something

According to the survey, 73 percent of men and 69 percent of women only shop in-store when they have a need for something. Far fewer from both groups said the same about online shopping (64 percent of men and 56 percent of women). The data points to the fact that retailers and brands need to place greater priority on the overall shopping experience to be most effective and capture greater sales. To attract consumers into the store beyond buying necessities, retailers must focus on in-store pricing, incentives and having the right items at the right time available in-store.

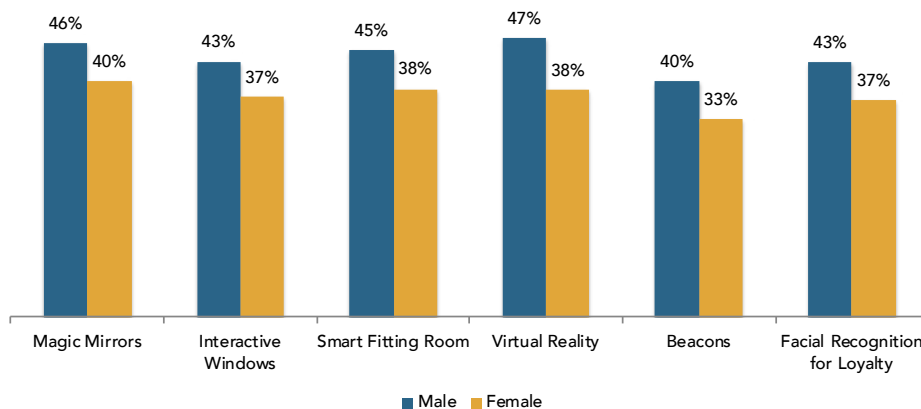
I only shop in-store/online when I have a need for something



More Men Use In-Store Technology and Say it Enhances the Shopping Experience than Women

According to the report, men are using magic mirrors, interactive windows, smart fitting rooms, virtual technology and beacons more often in-store than women (between 40-47 percent versus 33-40 percent). Virtual reality, smart fitting rooms and magic mirrors were the most used technologies among men and women. Beacons, facial recognition and interactive windows were the least used by both groups.

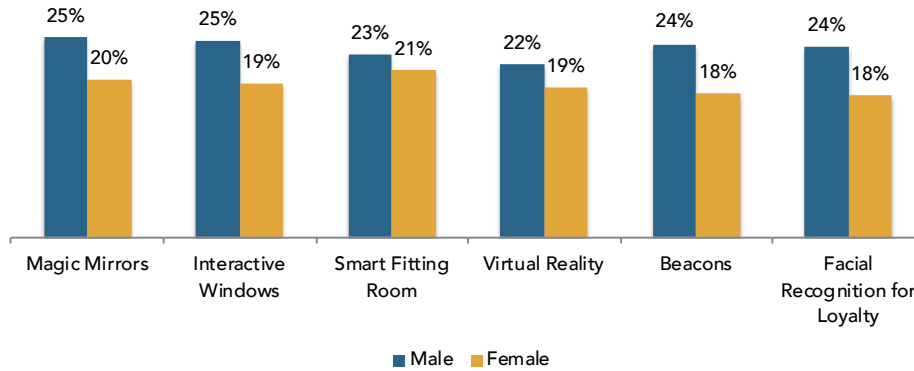
Percent of respondents having used in-store technology



Further, more men than women who used in-store technologies felt it enhanced their shopping experience. The most effective technologies for men were interactive windows and magic mirrors, with women enjoying smart fitting rooms and magic mirrors.

Men More Likely to Buy Clothes In-Store than Online, But Both Men and Women Purchase Technology Online

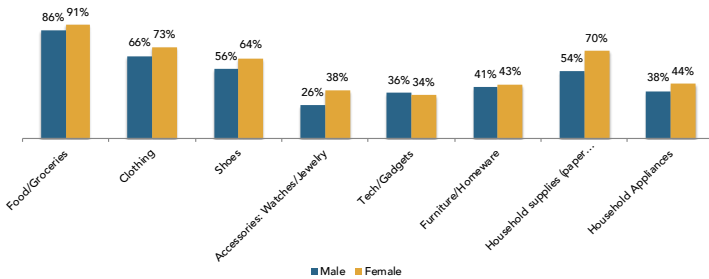
Percent of respondents saying that in-store technology enhanced shopping experience



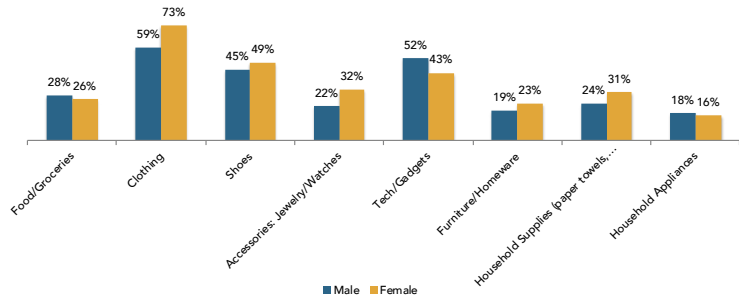
Clothing is a top category for both online and in-store purchases for both men and women. However, more men are shopping in-store for clothing than online. While an equal share of women’s clothing purchases are made online and in-store (73 percent), 66 percent of men say they make their clothing purchases in-store, versus 59 percent online. Of note, food/grocery was the most popular in-store shopping category for both men (86 percent) and women (91 percent), but ranked in the middle when comparing it to other category purchases online. Shoes were also a popular purchase by men and women both in-store and online.

By comparison, the survey showed that both men and women prefer to purchase technology items and gadgets online. Fifty-two percent of men and forty three percent percent of women purchase technology items online, versus 36 percent and 34 percent, respectively, who buy these items in-store.

What do you typically purchase in-store?



What items do you typically purchase online?



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Conclusion

A consumer survey by First Insight examined shopping habits, purchase behavior and influences driving purchase decisions in-store and online. The survey revealed that even as online sales grow, both male and female shoppers are spending more in-store than they are online. Men are less likely to add items other than their intended purchase to their carts when shopping online. Further, while consumers are willing to spend more in-store, they are less likely to visit an in-store retailer unless they are looking for a specific item. Retailers must work to strike the right balance with consumers who are shopping differently online than they are in-store. To capture the greatest amount of sales, retailers must be sure to offer the products consumers need and want at the right price points no matter where they are shopping, ensure online recommendations are aligned with the preferences of consumers, and work to drive traffic in-store, where consumers are willing to spend more.

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About First Insight

First Insight is the world's leading customer-centric merchandising platform that empowers retailers and brands to incorporate the Voice of the Customer into the design, pricing, planning, and marketing of new products. Through the use of online consumer engagement, the First Insight solution gathers real-time consumer data and applies predictive analytic models to create actionable insights, which drive measurable value. Retailers, manufacturers and brands use the First Insight solution to design, select, price, plan and market the most profitable new products for reduced markdown rates and improved sales, margins and inventory turnover. Customers include some of world's leading vertically integrated brands, sporting goods companies, department stores, mass merchant retailers and wholesalers.

For further information, please visit: www.firstinsight.com