

RETAIL

## Proximity, price lead loyalty for store selection criteria: report

September 25, 2018



Consumers are apt to pick retailers who offer cost and closeness. Image credit: YouGov

By SARAH JONES

When it comes to bricks-and-mortar shopping, consumers' decisions are driven more by convenience than by brand loyalty.

Subscribe to **Luxury Daily**  
Plus: Just released  
State of Luxury 2019 **Save \$246 ▶**

A survey conducted by Uberall found that price and location were more widely used determinants of where to shop than loyalty to a particular retailer. While about a third of consumers do feel a pull due to loyalty, the report shows that luxury retailers need to leverage other factors than existing relationships to get shoppers in the door.

"The results of this survey show that brand loyalty doesn't mean what it once did," said Josha Benner, cofounder of **Uberall**. "While shoppers traditionally remained loyal to a specific brand, that isn't always the case anymore.

"Thanks to the emergence of mobile apps and store locators, consumers are far more interested in what's most convenient," he said. "Looking ahead, I anticipate that brand loyalty will continue to become less of a factor in favor of cost and convenience."

For its study, Uberall surveyed more than 1,000 U.S. consumers who use smartphones.

### Bricks-and-mortar buying

About seven in 10 consumers say they will choose to shop based on cost. While luxury retailers are not typically heavy on promotions, discounts or sales may make one retailer rise above another in consideration.

Despite some deep pockets, global luxury shoppers are evenly split in their purchasing habits, with a recent YouGov report finding that half only buy luxury items at a discount ([see story](#)).

Proximity is also commonly looked at, with 55 percent looking at location to decide which store to visit.

This points to the importance of the store locator feature. About eight in 10 consumers use the store finder on a brand's Web site to find the nearest location to them.



*Consumers look for stores near them. Image credit: Bloomingdale's*

While mobile phones are increasingly being used by consumers for purchases, they can also play a key role at driving in-store traffic for retailers through search.

According to a previous report from Uberall, more than 80 percent of consumers are using their mobile phones to search for retailers, products and more that are near them at the moment. Leveraging the keywords "near me" and gaining visibility in these localized searches is a key way to get consumers in the door ([see story](#)).

"In today's mobile-centric landscape, digital store locators have become massively important in the retail industry, and an effective way to help get people in the door," Mr. Benner said. "With convenience now so important to the majority of shoppers, it's now vital for retail marketers to understand the benefits of store locators, and the role they can play in attracting customers."

About half of consumers consider product selection.

Less consumers consult online reviews to decide where to shop, with only 36 percent turning to crowdsourced opinions.

Loyalty comes in last within the top five reasons for picking a particular store. Only 34 percent of consumers say their bricks-and-mortar decisions are guided by affinity for a particular retailer.

Loyalty leads

While the majority of consumers will not venture farther than they have to for shopping, a population of dedicated brand loyalists is not swayed by distance.

Consumers today are faced with a plethora of choices, making brand loyalty and trust even more important for retailers.

According to a new report from Euclid, four in 10 consumers would seek out a favorite retailer online or travel further to a physical store if their nearest location closed. Millennials are more apt than their predecessors to follow a preferred brand to ecommerce if necessary, with this generation not as concerned about the convenience of a brand's physical footprint ([see story](#)).

However, as online channels remove some of the challenges to loyalty, brands' own loyalty programs may be failing to attract and retain shoppers.

There is a disconnect between how brands think consumers will likely engage with retail loyalty programs and how much they actually do, according to a report from Oracle.

Oracle's "Retail 2018: The Loyalty Divide" found that 58 percent of retailers think that customers are eager to join loyalty programs at any opportunity. But at the same time, 50 percent of customers said they are highly selective of what loyalty programs they would join ([see story](#)).

"While luxury brands don't generally offer promotions, they still need to figure out how to be visible and drive both in-store traffic and repeat customers," Mr. Benner said.

"With so much competition in the luxury space, creating a strong digital presence can help them stick out from the rest of the pack," he said. "Their marketing tactics should focus on convenience, as well as letting shoppers know about the specific products that are available."

---

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.