

RETAIL

Bricks-and-mortar to draw majority of holiday shoppers: JLL

November 15, 2018



Department stores will draw large crowds this holiday season. Image credit: Macy's

By SARAH RAMIREZ

With more than a third of consumers already doing their holiday shopping, retailers with a physical presence are set to draw a majority of consumers this season.

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

According to **JLL's 2018 Holiday Shopping Survey**, 31.7 percent of consumers will be doing their holiday shopping directly in-stores. Mobile will also be playing a larger role this holiday season, with people using their smartphones to do product research and purchase gifts.

"This year consumer confidence is at an all-time high, especially after hitting a record back in September," said Michael Hirschfeld, vice chairman of national retail tenant services at **JLL**, New York. "That, along with other strong economic indicators, means that shoppers are willing to spend."

JLL's report is based on an online survey of 1,000 U.S. consumers in October 2018.

Holiday shopping trends

Thirty-seven percent of respondents with incomes more than \$75,000 will start their shopping before Thanksgiving, with another 28.1 percent of higher-earners beginning their shopping between Thanksgiving and Cyber Monday.

As multichannel shopping becomes more widespread, consumers will be doing their shopping in-stores and online.



Fifteen percent of holiday shoppers will be using click-and-collect services. Image credit: Neiman Marcus

About a tenth, 10.4 percent, of consumers will be primarily be shopping directly on retailers' Web sites. While less than a third of shoppers will only be going to physical stores, another 15.2 percent of consumers will be ordering gifts online and picking up in-stores.

Research from OrderDynamics shows that click-and-collect services are more popular among female consumers with higher annual incomes, exhibiting the importance of luxury retailers including these services ([see story](#)).

More than half of consumers also plan on completing at least one purchase on a mobile device, up from 22.2 percent in 2017.



Mobile shopping will see a significant boost this year. Image credit: TD Bank

Mobile shopping transactions are surging as consumers continue to reach for their smartphones instead of desktops when browsing online ([see story](#)).

About one-fifth of consumers plan to shop at department stores, with Macy's being the most popular choice. Department stores are especially popular among millennial women, with 22.9 percent planning to shop at department stores this holiday season.

Retail experiences

As the holiday season is expected to see a healthy spend from consumers, luxury marketers need to attract gift shoppers with an emphasis on experiential retail that ties into the holiday spirit.

According to a report from Harris Insights in collaboration with OpenX, 60 percent of consumers believe that Black Friday shopping is overwhelming, and 44 percent say that they even avoid shopping the day after Thanksgiving. However, Bazaarvoice findings show that it is not just the low prices that attract shoppers on Black Friday, but that it also jumpstarts the festive feeling for celebrators.

Retailers should reconsider how they strategize for Black Friday shopping, focusing on bringing in the holiday spirit and an experiential level in addition to lower prices. This tactic could help change the opinion of the significant number of shoppers who find the retail holiday aggravating ([see story](#)).

Much of the retail innovation happening today is being driven by consumers, as their preferences for experiences and digital engagement push brands to evolve.

According to a keynote by a PwC executive at the Apparel Importers Trade & Transportation Conference on Nov. 7,

about two-thirds of shoppers say that experiences are more effective than advertising, while three-quarters of millennials opt for experiences over things. Creating positive engagement is valuable for brands, as PwC's research shows 40 percent of consumers will spend more if they have a good experience ([see story](#)).

"Luxury retailers need to understand that today's shopper, whether they are buying for themselves or as a gift, want the shopping experience to reinforce their already preconceived notions of the brand," JLL's Mr. Hirschfeld said. "Whether the consumer is giving a gift, or buying for themselves, by choosing a luxury brand they are making a statement about themselves.

"Customer service, while always at a high level for a luxury brand, needs to be impeccable during the holiday season," he said. "Every consumer is a little more stressed and the luxury shopping experience is more than just a sale; it needs to be a special moment in their day."

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.