

RETAIL

## Majority of luxury shoppers favor ecommerce over bricks-and-mortar

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*Half of luxury shoppers say gift-like packaging makes brands appear more upscale. Image credit: Net-A-Porter*

By SARAH JONES

Two-thirds of luxury consumers say they increased their online shopping over last year, and they show a greater preference for ecommerce than the average population.

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According to a report from Dotcom Distribution, luxury consumers' expectations are higher when it comes to packaging, and they are more willing to spend on services such as expedited shipping. For luxury brands, it has become even more imperative to invest in ecommerce, as a growing percentage of purchases move online.

**Dotcom Distribution's** report is based on a survey of around 1,200 U.S. consumers, more than 99 percent of whom are between the ages of 18 and 60.

### Luxury leanings

Across all consumers, 49 percent say they do the majority of their shopping online. Meanwhile, 29 percent favor in-store shopping and 21 percent report spreading their shopping evenly across channels.

Ecommerce is on the rise primarily because of convenience. Consumers also note that they shop online to get a better price.

If an item is the same cost online and in-store, 59 percent of luxury buyers would rather make the purchase via ecommerce.

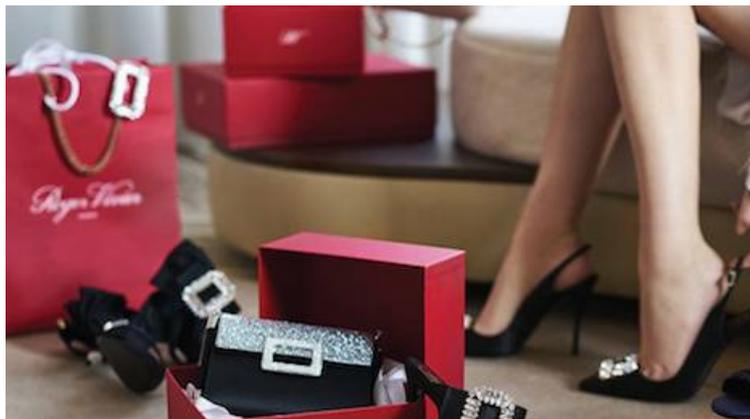
Sixty-three percent of luxury shoppers show a preference for ecommerce, compared to only 53 percent of non-luxury buyers. Additionally, 67 percent of luxury consumers say they have increased their ecommerce purchasing year-over-year, whereas only 54 percent of others say the same.

Across all consumers, Dotcom Distribution found that 80 percent will add more items to their cart to qualify for a free shipping minimum, compared to just 67 percent in 2018. Free shipping is also the main loyalty driver for 62 percent of shoppers.

Thirty-one percent of luxury clientele will pay for faster shipping, compared to just 20 percent of others. Luxury

buyers are also more apt to use same-day shipping, even when the service is free.

Aside from shipping services, luxury shoppers are more swayed by a brand's packaging. They are 12 percent more likely to shop with a brand that uses sustainable shipping materials.



*Shoes are one of the most purchased fashion categories online. Image credit: Roger Vivier*

Half of luxury consumers also say that gift-style packaging makes a brand feel more upscale, compared to just 39 percent of non-luxury buyers. Including freebies such as magnets or stickers can also make luxury buyers more apt to make repeat purchases.

Packaging is also a potential social media opportunity for luxury brands, as 38 percent of shoppers will take photos of their high-end purchases and post them.

While consumers with higher incomes are more concerned with a package getting stolen, lower income individuals are more often the victims of theft.

There is also a discrepancy among different age groups. Younger consumers are excited about gift-style packaging, whereas those over 45 are more worried about their packages being stolen if they look too enticing.

Post-purchase, brands can also drive loyalty with their return policies. Consumers are putting even more importance onto the ability to return ecommerce purchases in-store, with this feature surpassing free returns in interest.

Sixty percent of shoppers say their preferred purchase method is to buy online and return in store.

#### Omnichannel opportunity

As with everything a luxury brand does, its packaging is carefully created with a level of quality that reflects its image and product. But even boxing has been affected by digital and consumer behavior changes.

Shifts in the way consumers shop and what they value has trickled down all the way into packaging for luxury goods. The growth of digital commerce has extensively grown the need for pleasing packaging and quality presentation, but has simultaneously boosted the need for sustainability and personalization ([see story](#)).

Dotcom Distribution's report found that while 80 percent of shoppers bought apparel online in the last year, 59 percent prefer to buy fashion in-store, showing that there is still room for the bricks-and-mortar experience.

Affluents are increasingly drawn to online shopping because of convenience, but omnichannel shoppers spend more on luxury items than the average on- or offline consumer.

According to Forrester Analytics' Luxury Retail Forecast, nearly 60 percent of luxury sales growth will originate from ecommerce by 2023. More than 90 percent of affluents worldwide purchase luxury goods and services, but only 5 percent are responsible for a third of luxury spend ([see story](#)).