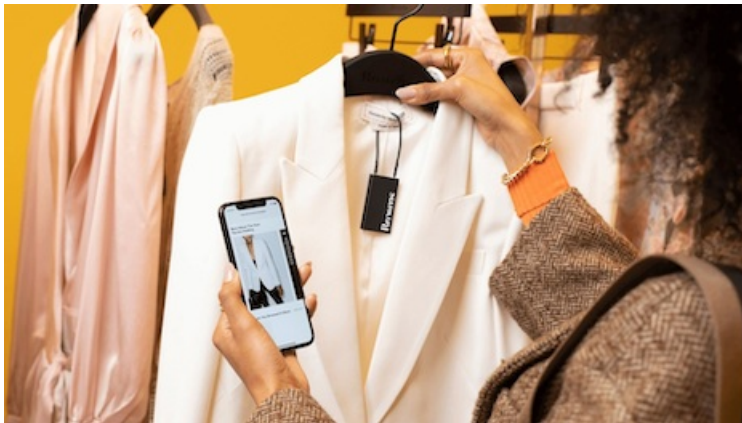


RETAIL

Shoppers seeking wholistic, frictionless experiences

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Expanding digital services can help brands personalize the in-store experience. Image credit: Farfetch

By SARAH RAMIREZ

Consumers are becoming more inclined to splurge on luxury goods, especially with the growing prominence of installment payment options.

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According to 5W Public Relations' "**2022 Consumer Culture**" report, Gen Z is the most selective demographic when it comes to spending disposable income while millennials are the most likely to spend. There is also newfound appreciation for bricks-and-mortar shopping, but consumers have higher expectations for these experiences.

"As many continue to spend more time at home, whether for work or leisure, consumers are willing to spend more money on the products they're now enjoying more frequently, such as a smart TV or functional furniture," said Dara A. Busch, consumer president at **5WPR**, in a statement. "At the same time, getting dressed up and dining or going out is the new luxury experience.

"Because they may be partaking in these activities less, consumers are allowing themselves to spend more when they do indulge," she said. "The approach to spending in these consumer areas has become quality over quantity."

The report is based on a survey of more than 2,000 consumers ages 16 and up conducted in November 2021.

Bricks-and-mortar comeback

Consumer spending has continued to bounce back since the earliest days of the COVID-19 pandemic.

With consumers increasingly relying on technology to stay connected, 57 percent of consumers across all age groups reported they were most likely to splurge on electronics and technology purchases. This was followed by wellness purchases and home goods and furniture an indication that these remain key areas shoppers want to invest in.

Splurges aside, dining out ranked as the top area where consumers plan to spend their disposable income in 2022. Travel and experiences ranked second, followed by clothing purchases.

Despite the growth of ecommerce, 52 percent of respondents prefer to find new products in-store and 47 percent are

drawn to physical retail because of in-store experiences. Consumers are also drawn to bricks-and-mortar because of the social aspect of shopping and the expertise of sales staff.

One key advantage that physical stores is that shoppers can instantly take their new purchases home, rather than waiting for shipping. This convenience is also becoming in-demand for online stores, as six in 10 respondents agreed that they are more likely to shop online with a retailer offering same-day delivery.

Safety is another important factor for in-store shoppers, as 84 percent consider retailers' safety measures to be important.

Another trend accelerated during the pandemic has been conscious consumption, with 71 percent of consumers researching ethical and sustainability practices of brands at least occasionally. A more modest 14 percent report doing this research for every purchase.

Accessible luxury

Other new consumer behaviors are also emerging.

Gamification continues gaining traction. Forty-two percent of consumers report enjoying seeing their favorite brand on gaming platforms, and 21 percent have made virtual purchases on these platforms.

Italian fashion label Prada is the latest luxury brand to lean into the gaming sector.

The brand is partnering with French video game company Ubisoft to bring its Prada Linea Rossa sportswear to the multiplayer game *Riders Republic*. Fendi, Burberry, Valentino and Gucci are some of the other luxury brands that have experimented with gaming collaborations ([see story](#)).

According to 5WPR, about a third of consumers have used installment payment options, and 62 percent of those use buy now, pay later platforms to purchase luxury goods.

Prior to the COVID-19 pandemic, boomers and Gen X were consistently considering and buying luxury items, but according to a new [luxury report](#) from payment provider Klarna, this trend has since flipped. Despite being newer to the luxury category, Gen Z at 60 percent and millennials at 63 percent purchased luxury items at a higher rate over the last 12 months than Gen X at 46 percent and baby boomers at 18 percent ([see story](#)).

"Breaking down a large payment makes a purchase seem less daunting and can entice a shopper to purchase more expensive goods rather than searching for dupes," said 5WPR's Ms. Busch. "Installment payment options are a real game-changer in several industries electronics and technology, home goods and furniture, and clothing and fashion which all saw an upward trend in consumers looking to splurge with their purchases."