

RETAIL

Retailers embracing more immersive experiences for shoppers are trending upwards: Placer.ai

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Demand for categories within the retail market is showing resilience after the many issues faced in the past few years, according to a new report from Placer.ai. Image credit: Placer.ai

By LUXURY DAILY NEWS SERVICE

Many top players in the U.S. fitness, shopping and dining spaces are actually growing more than before, thanks to omnichannel strategies and reorganization.

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Successful leaders in the market are reported to be focusing on their new consumer base, intersecting other markets and strengthening digital strategies, according to a new Retail Trends Forecast 2023 from Placer.ai,

A large advantage found was the focus on the in-person experience, with the report naming strategic placement as a benefit to retailers looking to drive up traffic.

Retail media outlets also brought in more revenue, offering a more interactive marketing experience.

Retailers embracing more immersive experiences for shoppers are trending upwards, with those partnering with gyms and other non retail options experiencing growth.

Malls, outlets and shop-in-shop concepts were part of this success, showing that large retailers that brought in smaller brands to their same location increased traffic.

This action worked to keep customers engaged, driving up the time spent at the location. It also filled any holes that the large retail brands had, using complementary brands to create all-in-one stops that would keep shoppers shopping for longer.

Making a move

Despite negative misconceptions about the effects of increased migration within the United States, the trend has actually benefited the market.

While the rapid movement of consumers is requiring brands to reformulate strategy, it does present new opportunities for growth thanks to an influx of new customers. Brands that offer ways to help shoppers settle into the

new areas are specifically well positioned.

The areas of the country that are especially experiencing a wave of wealthy consumers moving in are the suburban regions. Retail spaces in the suburbs are gaining more shoppers to market to, many of which are wealthy urbanites moving to the area.

Brands that offer home project purchases are especially seeing an uptick, as new residents spend to upgrade homes. Warehouse clubs are also thriving, being common in these suburban areas.

Those retailers offering in-person opportunities to interact with the brand are increasingly serving more Gen Z consumers, as those new to the professional workforce are looking to spend their earnings. Wholesalers are reported to show high growth in this population, targeting them in their marketing.

Eating costs

Amidst the success of retail partnerships and strategic moves, the dining space is still struggling due to inflation, according to [the report](#).

The increasing cost of operating restaurants and purchasing ingredients drove up prices at restaurants. In the last year, most chains have raised prices anywhere from percentages in the upper-single-digits to double-digits.

The effect is almost universally negative within the market. For example, other than Chipotle, most Mexican chain restaurants have not benefited from this change.

Chipotle's success is attributed to its pushing of fresh experiences, frequently adding new items to its menu and order options. The brand also began marketing towards higher-earning consumers, with people earning \$100,000 annually making up 30 percent of its customer base in the year's third quarter.

As prices rise, dining destinations will have to follow suit and balance that out by either driving up sales with high earners or engaging customers.

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