Role of the Store

While millennials show an equal preference between purchasing online and in store, Gen Zs and Gen Xs still cite in store as their preferred shopping method. Since stores and online both play important but varied roles in purchasing, brands must create cohesive experiences that optimize the strengths of each format, enabling customers to seamlessly move between. The specific role that stores and brands sites play in the consumer journey, however, can vary widely.

Brands with smaller store footprints often operate as showrooms for a select product assortment so that consumers can become acquainted with the brand to ultimately make more purchases online. These brands, often disruptors, invest more in their sites’ utility to drive conversion. Fifty-three percent of brands with fewer than 25 stores, for example, display online inventory levels to create urgency (e.g., “only two remaining”), while only 15% of brands with over 250 stores do so.

At the other end of the spectrum, brands with the largest store footprints, which span across categories — including retailers Ulta, Pandora or Old Navy — prioritize bringing customers to stores, leveraging extensive store networks to bolster order fulfillment. Two-thirds of brands with over 250 stores offer in-store pickup, and over half of those brands utilize geolocation to display current inventory at the nearest store.

In the middle, brands that have between 25 and 250 stores exhibit nimbleness with their store assets, utilizing some degree of site-to-store integration, yet proving to be the group most likely to promote in-store events. These brands leverage their stores to both provide experiences and deepen brand engagement, seeking to drive future purchases, both in store and online.


Key Findings

- Specialty retailers utilize their brand sites to influence customer behavior online and offline. In 2019, almost two-thirds of brand sites promote in-store pickup. Brands have also pulled back from offering free returns for online orders, instead nudging consumers to stores for free returns.
- Brands are trying to close the gaps between in-store and online shopping, and increasingly adopt solutions to replicate in-person product discovery. How-to videos on site have increased across beauty, jewelry and home.
- Consumer preference is nearly split between in store vs. online shopping, and specialty retailers vary based on footprint size in choosing how to optimize the purchasing experience.

Key Recommendations

- **Catch Them In Store, Keep Them Online:** Brands with smaller physical footprints must use stores to create more product familiarity, leveraging websites for orders and entire assortment selection. Regardless of size, brands can benefit by investing in e-commerce and stores, driving efficient scalability and accessibility.
- **Showcase Unique Experiences:** In-store events let brands build relationships and loyalty. Leader brands further utilize store events as content creation opportunities for brand sites, email and social channels.
- **Elevate Omnichannel:** Brands with over 250 stores lead in messaging in-store fulfillment capabilities across their site experiences. As the largest retailers make in-store pickup increasingly common, smaller brands will be pressured to take steps to prioritize cohesion between stores and online.

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