

5 Reasons to Be Bullish on Brick and Mortar in 2022



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Initial shocks to the retail sector and many unfortunate closures through 2020 and 2021 gave way to serious forward momentum. Moody's, expecting retail to show steady growth through 2022, is bullish on brick and mortar, and for good reason.

There's no experience like an in-store experience

E-commerce provides unrivaled convenience. Clever Instagram ad campaigns can absolutely leave an impact on the consumer. The fact remains, though, that there is no brand experience as immersive or impactful as a trip through a physical store.

Rather than just providing convenience, as eCommerce does, or a fleeting emotional response, like a digital advertisement offers, your brick and mortar stores can provide far more.

With the rise of same-day order fulfillment, curbside pickup, and self-checkout has come a new era of in-store convenience. Vibrant, interactive digital signage has heightened in-store marketing and customer experience. Even more outside-the-box features, like VR headsets for one-of-a-kind immersive experiences, have broadened how stores can look, feel, and inspire their customers in a way that eCommerce simply can't.

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The majority of purchases still occur in-store

You could be easily misled by headlines heralding the rise of eCommerce, but the vast majority of finished-good purchases take place in physical stores. Excluding items like lumber, metal, and other raw materials known as commodity goods, in-store retail remains king.

Though its market share has steadily risen throughout the 2000s, eCommerce accounted for only 13% of all retail sales in Q3 of 2021. The in-store experience remains vital to retail organizations and restaurants because most consumers want to see, touch, and experience the products they buy. This is especially true for major purchases like vehicles and furniture and remains consistently true for lesser purchases like food and apparel. Physical stores still provide the most efficient way to experience products before purchasing them.

The immediacy offered by in-store shopping offers a large pull factor. Many consumers don't want to wait for what they need, even if the wait lasts only a couple of days. As popular as

same-day pickup options have become, many customers prefer going to the store, buying the items they need, and leaving as soon as possible. These benefits are baked into brick and mortar, and without major disruption, they'll remain unique for the foreseeable future.

Store associates convert customers and build loyalty

There are few assets as powerful as an engaging salesperson. A salesperson's pitch can be the difference between a customer purchasing a significant item or leaving the store empty-handed. This potential influence is one reason why brick and mortar stores remain so important. The human element in retail and restaurants matters—a lot.

Salespeople have been called the cornerstone of capitalism. Studies explain how the dynamic salesperson processes a number of crucial decisions as they engage a prospective buyer. When to talk, when to be quiet, when to push, and when to draw back are decisions that even the most sophisticated eCommerce platform can't process or execute.

It doesn't take a study to tell you that most customers like being served. If they have questions about a product, they don't typically want to conduct several fruitless Google searches while trying to find the answer. Most customers appreciate the efficiency and humanity with which an effective salesperson assists them. This capacity for personal assistance is one of the less-heralded factors in brick and mortar's continued growth.

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Brick and mortar is more dynamic than ever

Apps, robust online stores, and other arms of digitized retail were once viewed as a threat to traditional brick and mortar. Now, they're rightfully seen as complementary assets to the in-store experience. Customers can now check an item's availability, purchase products, and find coupons for in-store purchases before they head to the store. Popular phenomena like curbside pickup and "buy online, pickup in-store (BOPIS)" wouldn't be possible without digital channels.

Retailers are finding even more inventive ways to blend their in-store and online channels, such as how customers of Ulta and Sephora can scan barcodes in each store, immediately seeing reviews and details for the product they're considering. Other retail apps employ geofencing, augmented reality, exclusive coupons, and other features meant to drive sales and enhance the customer experience.

Brick and mortar equals value and experience

In a time when the dollar is buying less and less, the average shopper is seeking value and a memorable experience over just product alone. Physical locations are uniquely positioned to deliver far more than online product fulfillment. When a customer can spend half of a day browsing, trying on clothing, and engaging with memorable features of a store, they get more than a product. They get a true experience. When the store offers something innovative and exciting, like Charlotte Tilbury's GIF Booth allowing customer images to become window displays, the sense of experience and value is only heightened.

From beneath the shock of a pandemic, mandatory lockdowns,

labor shortages, supply chain disruptions, and ongoing health concerns, in-store shopping emerged with higher revenues than ever, and for good reason. With widespread parity in price and product offerings among retailers, the opportunity to deliver value through free experiences has energized the retail experience above what's current in eCommerce.

Related: The Future of the Digital Store in Retail Trade

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