

Physical stores remain first choice for shoppers

October 18 2013



A global survey of retail CEOs found there are signs of growing consumer confidence.

Bricks and mortar stores remain the primary focus for growth for the year ahead according to a global survey of retail CEOs.

In the annual survey by Monash University's Australian Centre for Retail Studies (ACRS) on behalf of the World Retail Congress, senior retail executives from around the world were asked for their view of the year ahead.

Research Director of ACRS, Dr Sean Sands said the results showed bricks and mortar stores remain the first choice for shoppers, despite the growing importance of online stores and social media channels such as facebook and twitter.

"Almost two thirds of those interviewed (62 per cent) believed internet sales had become more important in the last 12 months, however, bricks and mortar remains the most important channel for shoppers according to 68 per cent of retailers," Dr Sands said.

"More than half (55 per cent) of those surveyed planned to increase the number of their international stores, with one in three set to increase their overall store footprint, compared to only 20 per cent who planned to decrease store footprint."

The survey also found 33 per cent of the CEOs felt the use of social media had grown in importance since 2012. However, most executives saw social media channels as a tool for building the company's brand, not increasing sales.

Dr Sands said retail CEOs felt there was signs of growing [consumer confidence](#).

"The survey found the global sentiment indicated an overall consumer confidence had nearly tripled in the last 12 months, which is a good sign for retailers after a long period of low consumer confidence," Dr Sands said.

"However, on the down side, retailers in Australia, New Zealand and western Europe reported neutral levels of local consumer confidence. China and Asia remain the most attractive regions for growth."

Retail leaders still continue to believe customer loyalty is the greatest opportunity for their business. Mobile channel growth, [social media](#) and in-store technology were also seen as important opportunities for retailers to increase their market share.

Dr Sands said while the most prominent challenges for 2013 remain

economic instability and changes to [consumer spending](#) such as at the most pressing challenges for the year ahead.

"There is continued apprehension and fear about the speed of recovery for economies globally. From a retail resource and planning perspective, there were concerns about government policy having a significant impact on the flexibility of labour forces," Dr Sands said.

"Poor government financial control was also a concern, causing fiscal policy to impact consumer sentiment and flow onto consumer spending.

Dr Sands and fellow researcher Carla Ferrarowill present the full research report at two [Retail Insights Breakfast Seminars](#) during December.

Provided by Monash University

Citation: Physical stores remain first choice for shoppers (2013, October 18) retrieved 23 April 2024 from <https://phys.org/news/2013-10-physical-choice-shoppers.html>

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