

October 2023

A Full Cart: Maximizing E-commerce and Brick and Mortar Retail

Using consumer data, we provide recommendations to owners and managers of retail assets on how to use both e-commerce and brick and mortar to drive sales and performance.

Accelerating success.

Colliers



In 2023, [Colliers reported](#) that retailers who developed synergies between their online platform and physical storefront were 35% more likely to be profitable.

**Now the question is,
how do you set both
points of sale up
for success?**



Owners and Managers of Retail Assets



1. Omnichannel retail

When assessing the financial strength of a retailer, consider their omnichannel strategy, particularly their online presence.



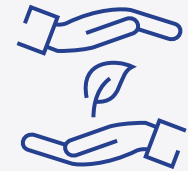
2. Convenience on site

Consider enhancements – such as redesigning pedestrian walkways or using real-time parking data – to facilitate convenience across the property, particularly for necessity retail.



3. Property maintenance

Even during periods of financial restraint, uphold a well-maintained site for all retail asset classes. This is particularly important for high income shoppers.



4. ESG

When promoting ESG practices, amplify retailer initiatives as opposed to property initiatives, as consumers place greater importance on the actions of the retailer as opposed to the landlord.

Report Findings



An illustration of a laptop screen displaying a dashboard. The dashboard has a light blue background. At the top left, there's a status bar with a signal strength icon, a battery icon, and a clock showing 'Wednesday 08:39'. The main area is divided into several sections. On the left, there's a circular icon of a person wearing a headset, with a speech bubble containing a clock icon next to it. In the center, there's a large icon of a hand pointing at a screen displaying a factory or warehouse layout. To the right of this, there's a vertical list of icons: a megaphone, a dumbbell, and a clipboard with a checklist. At the bottom of the screen, there's a row of five circular icons: a shield with a checkmark, a sneaker, a burger, a speech bubble with three dots, and a truck. The laptop is shown from a slightly elevated angle, with its keyboard visible.

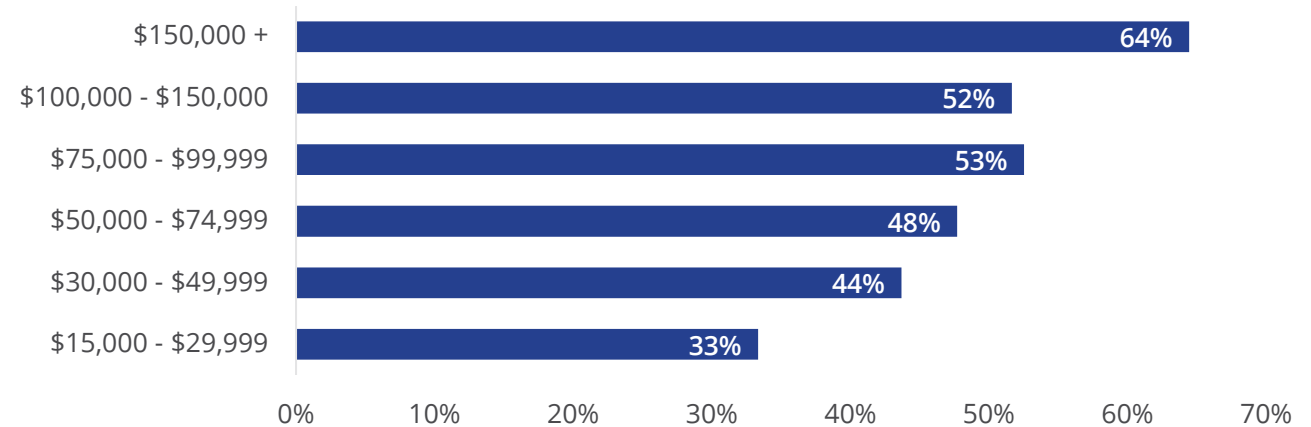
Frequency of purchasing online (scale of 1-5)



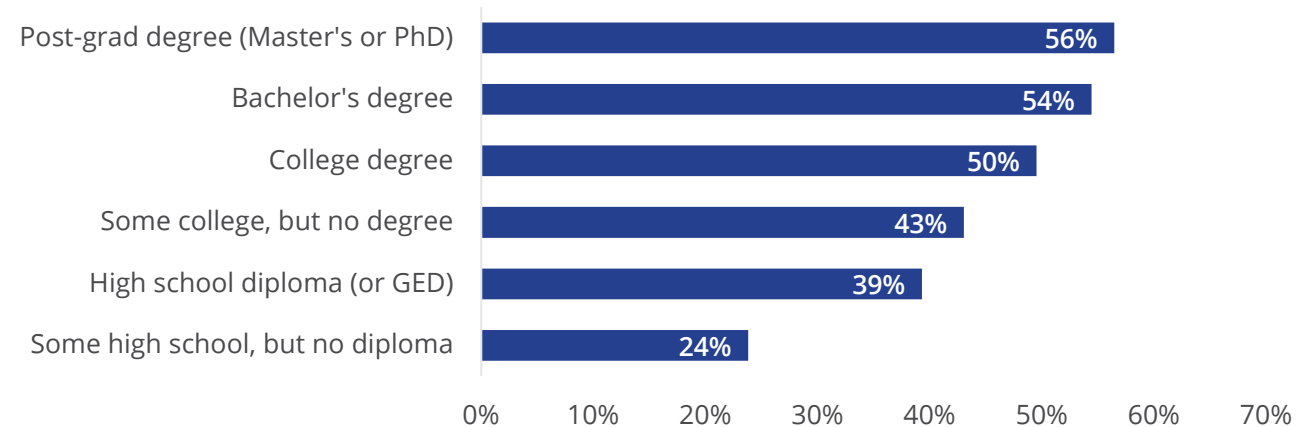
The higher the income and level of education, the higher likelihood of shopping online

Younger consumers who live in urban settings with a high income and a high level of education are the most likely to shop online daily or weekly. As a result, retail properties situated in more affluent neighbourhoods or wishing to target this demographic are encouraged to have a strong omnichannel presence.

Likelihood to shop online daily or weekly (by income)



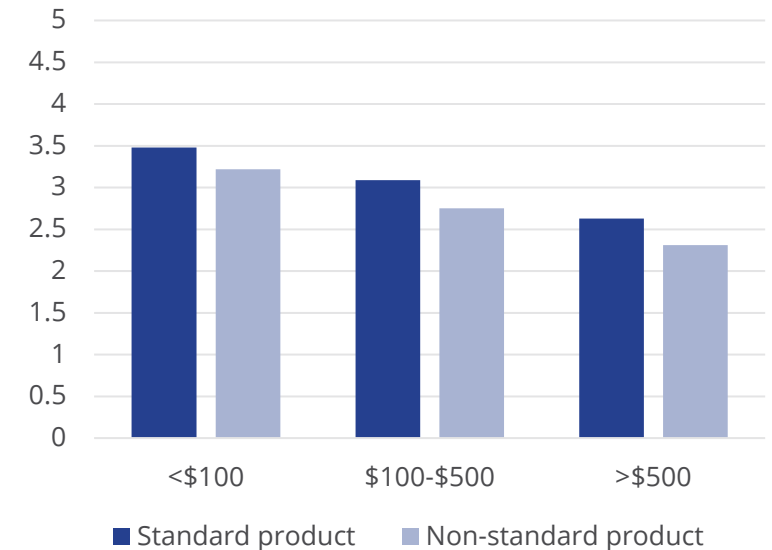
Likelihood to shop online daily or weekly (by education)



The lower the price of the product, the greater likelihood of purchasing online

The price of the product impacts whether a consumer is more likely to purchase the product online or in-store. This is particularly true of non-standard products, such as groceries and jewelry, where there is greater variation and emotional connection to the product, compared to standard products like books and electronics.

Likelihood of purchasing online (by product price)

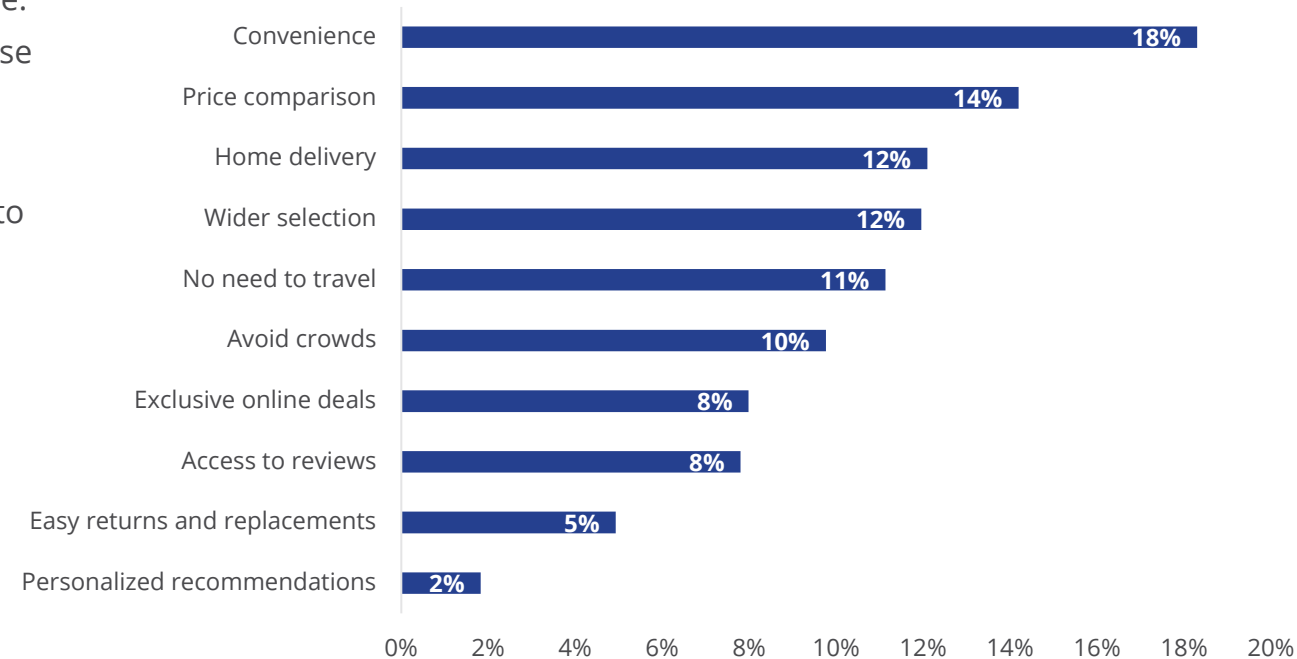


Convenience tops the list of reasons to shop online



The prime motivator for shopping online is convenience. Following convenience, the ease of comparing prices, home delivery, and a wider array of products are the top reasons to shop online.

Motivation to shop online



The willingness to shop in-store depends heavily on product pricing

When choosing a retail property to visit, shoppers prioritize product pricing for both necessity and non-necessities, with high rankings for cleanliness and variety of stores. A noteworthy difference between necessity and non-necessities has to do with proximity. When shopping for necessities, consumers put a heavier emphasis on proximity.

Motivation to visit a retail property

Non-necessities

1. Price of product
2. Cleanliness and maintenance
3. Variety of stores
4. Proximity
5. Parking availability
6. Amenities

Necessities

1. Price of product
2. Proximity
3. Cleanliness and maintenance
4. Variety of stores
5. Parking availability
6. Amenities

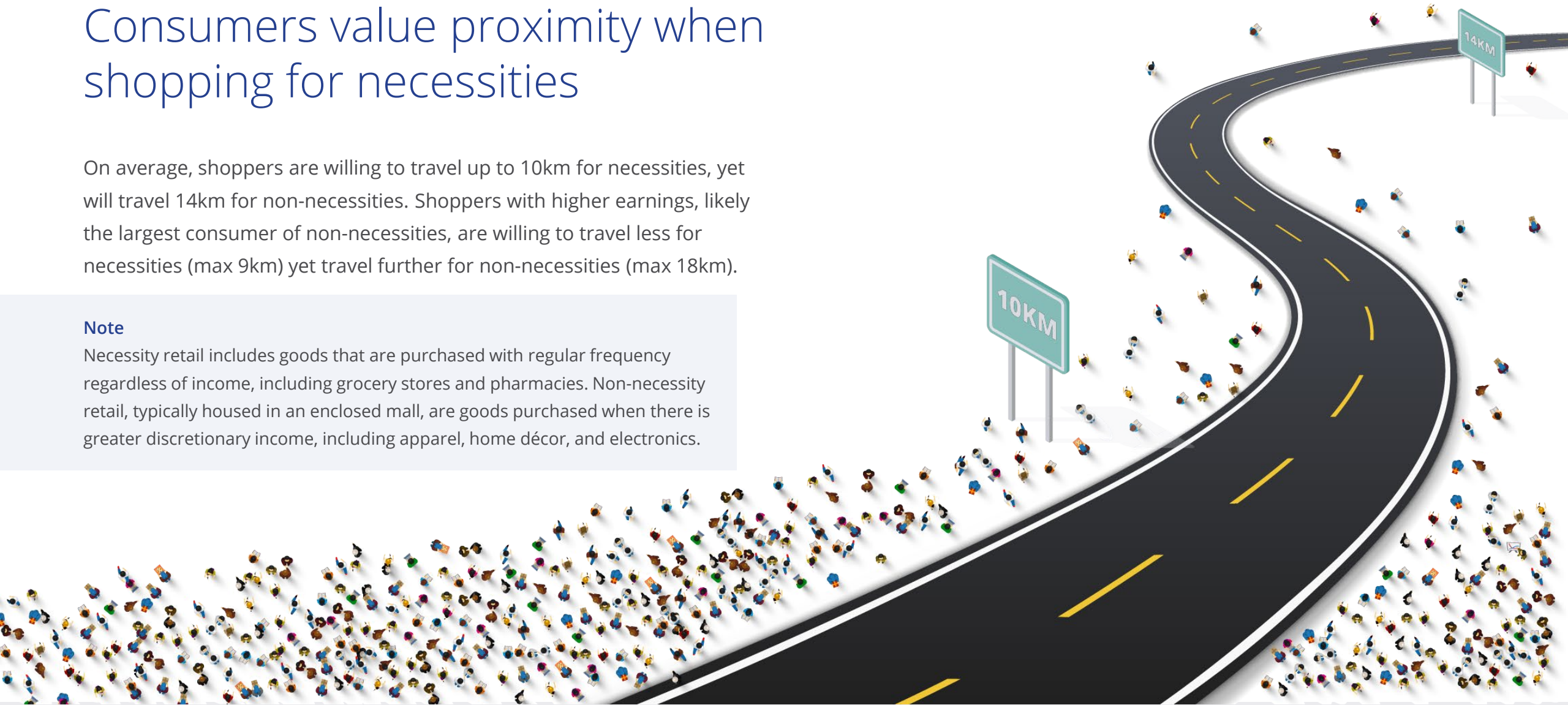


Consumers value proximity when shopping for necessities

On average, shoppers are willing to travel up to 10km for necessities, yet will travel 14km for non-necessities. Shoppers with higher earnings, likely the largest consumer of non-necessities, are willing to travel less for necessities (max 9km) yet travel further for non-necessities (max 18km).

Note

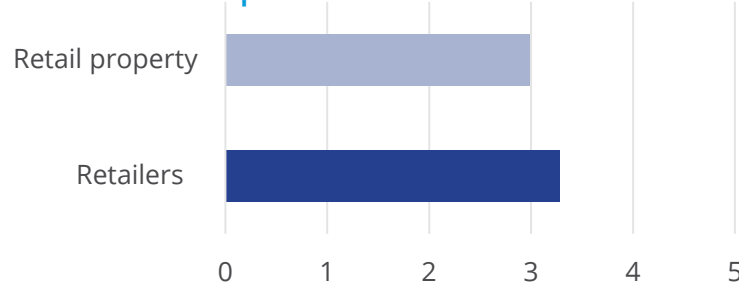
Necessity retail includes goods that are purchased with regular frequency regardless of income, including grocery stores and pharmacies. Non-necessity retail, typically housed in an enclosed mall, are goods purchased when there is greater discretionary income, including apparel, home décor, and electronics.



Environmental considerations in retail

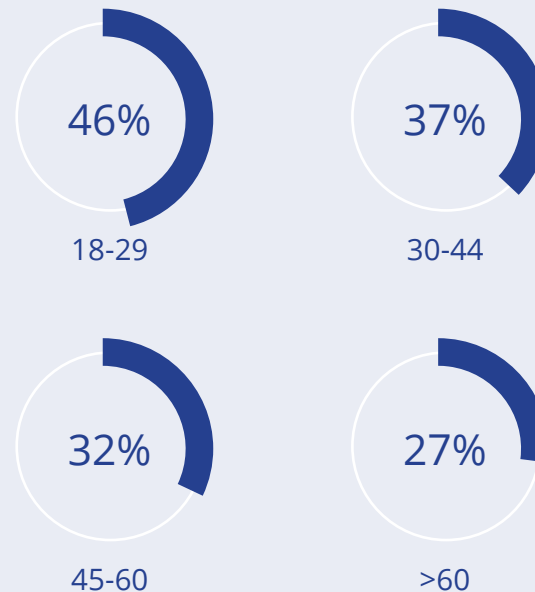
Consumers place a small level of importance on a retailers' environmentally responsible business practices. 35% of customers – predominantly a younger demographic – seek out retailers with a strong environmental record, including, but not limited to sustainable sourcing and energy efficiency. They are slightly more likely to look to the retailer compared to the retail property for evidence of these practices.

Consumers rank the importance of environmental practices for retail stakeholders



Percentage of respondents who value a retailers' environmentally responsible business practices (by age)

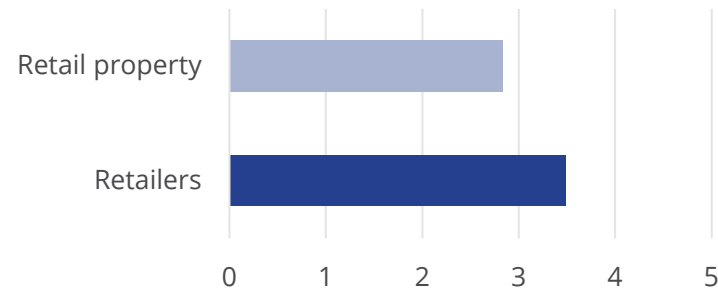
35%
Average



Social considerations in retail

Consumers place a slightly higher importance on a retailers' socially responsible business practices – including fair labour, diversity and inclusion, and community engagement – compared to their environmental practices. Consistent with the environment, they are more likely to look to the retailer as opposed to the retail property for strong corporate social responsibility.

Consumers rank the importance of social practices for retail stakeholders



We surveyed a stratified sample of Canadian shoppers, with diverse representation across income levels, gender, age, geographic location, and race. The survey contains responses from 509 Canadian shoppers, with a 95% confidence level.

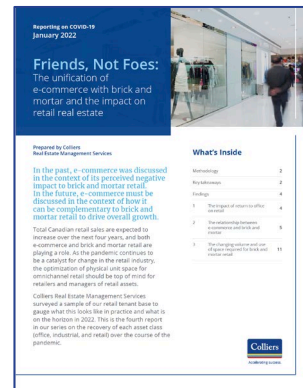
This is a special edition to our current series analyzing the sentiment of retail tenants.



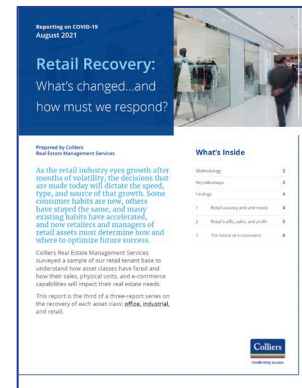
Click to see the previous reports



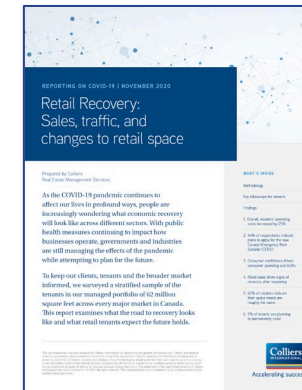
Q1 2023



Q1 2022



Q3 2021



Q4 2020



Q2 2020

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Accelerating success.

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